
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Lingbao Gold Company Ltd.**, you should at once hand this circular to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



LINGJIN

灵 金

Lingbao Gold Company Ltd.

靈寶黃金股份有限公司

(A joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 3330)

DISCLOSEABLE TRANSACTION
ACQUISITION OF MINING AND EXPLORATION RIGHTS OF
A GOLD MINE

CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Board	
Introduction	3
Cooperation Agreement	4
Reasons for and Benefits of the Cooperation Agreement	5
Financial Effect of the Acquisition	6
General	6
Appendix I – Discounted Cash Flow Forecast	7
Appendix II – Valuation Report	10
Appendix III – General Information	13

DEFINITIONS

In this circular, the following expressions have the following meanings unless the context indicates otherwise:

“Board”	the Board of Directors of the Company
“Company”	Lingbao Gold Company Ltd. (靈寶黃金股份有限公司), a joint stock limited company incorporated in the PRC with limited liability and the shares of which are listed on the main board of the Stock Exchange
“Co-operation Agreement”	the cooperation agreement dated 27 February 2008 entered into amongst the Government of Kyrgyz Republic, China Development Bank, Full Gold, CRB, Xinjiang Lingxi and the Company
“CRB”	China Road & Bridge Corporation (中國路橋工程有限責任公司), a company incorporated in the PRC
“Director(s)”	the director(s) of the Company
“Full Gold”	Full Gold Mining Limited Liability Company (富金礦業有限公司), a company incorporated in the Kyrgyz Republic and a wholly owned subsidiary of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Parties”	persons who are independent of and not connected with the Company and the connected persons of the Company
“Istanbul Gold Mine”	a gold mine located within the territory of Kyrgyz Republic
“Latest Practicable Date”	21 April 2008, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein

DEFINITIONS

“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (as amended from time to time)
“Mining Right”	the rights to conduct mining and exploration activities in Istanbul Gold Mine
“PRC”	the People’s Republic of China
“Professional Valuer”	Beijing Hung Jing Xi Investment Consultation Limited Liability Company (北京紅晶石投資諮詢有限責任公司), an independent valuer
“Reporting Accountant”	KPMG
“Road”	a public road within the territory of the Kyrgyz Republic, KM190-KM240, with total length of 50 kilometres
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the laws of Hong Kong
“Shareholders”	the shareholders of the Company
“Shares”	shares of the Company, including both the domestic shares (i.e., the ordinary shares issued by the Company with a Renminbi denominated par value of RMB0.20 each, which are subscribed for and paid up in Renminbi) and the foreign shares (i.e., the ordinary shares issued by the Company, with a Renminbi denominated par value of RMB0.20 each, which are subscribed for and paid up in a currency other than Renminbi)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supervisors”	the supervisors of the Company
“US\$”	the lawful currency of the United States
“Xinjiang Lingxi”	Xinjiang Lingxi Investment Company Limited (新疆靈璽投資有限公司), a company incorporated in the PRC

LETTER FROM THE BOARD



LINGJIN

灵 金

Lingbao Gold Company Ltd.

靈寶黃金股份有限公司

(A joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 3330)

Executive Directors:

Mr. Xu Gaoming
Mr. Wang Jianguo
Mr. Lu Xiaozhao
Mr. Jin Guangcai

Non-executive Directors:

Mr. Xu Wanmin
Mr. Di Qinghua
Mr. Qi Guozhong

Independent Non-executive Directors:

Mr. Ning Jincheng
Mr. Wang Yanwu
Mr. Niu Zhongjie
Mr. Zheng Jinqiao

Registered office:

Xin Village
Yinzhuang Town
Daonan Industrial Area
Lingbao
Henan
The PRC

*Principal place of business
in Hong Kong:*

Room 1902
MassMutual Tower
38 Gloucester Road
Wanchai
Hong Kong

24 April 2008

To the Shareholders

Dear Sir or Madam,

DISCLOSEABLE TRANSACTION ACQUISITION OF MINING AND EXPLORATION RIGHTS OF A GOLD MINE

INTRODUCTION

The Board of the Company announced on 27 February 2008 that the Company entered into a Cooperation Agreement on 27 February 2008 with the Government of Kyrgyz Republic, Full Gold, CRB, China Development Bank and Xinjiang Lingxi. Pursuant to the Cooperation Agreement, in consideration of payment of restoration fee of the Road of US\$25,300,000 by Full Gold to CRB, Full Gold will acquire the mining right and exploration right of the Istanbul Gold Mine from the CRB.

LETTER FROM THE BOARD

The Cooperation Agreement constitutes a discloseable transaction for the Company pursuant to Rule 14.06(2) of the Listing Rules, which is subject to notification and publication requirements. The purpose of this circular is to provide you with further information regarding the Cooperation Agreement.

COOPERATION AGREEMENT

Date

27 February 2008

Parties

The Government of Kyrgyz Republic, Full Gold, CRB, China Development Bank, Xinjiang Lingxi and the Company (To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Government of Kyrgyz Republic, CRB, China Development Bank and Xinjiang Lingxi and the ultimate beneficial owners of CRB, China Development Bank and Xinjiang Lingxi are Independent Third Parties).

Asset to be acquired

The mining and exploration right of the Istanbul Gold Mine. The mineral to be mined is gold and the mining activities are to be conducted to the extent that they are permitted by laws. The mining right is effective until 6 February 2017 and there is no major restriction imposed on the mining right.

General

The Company entered into a Cooperation Agreement on 27 February 2008 with the Government of Kyrgyz Republic, China Development Bank, Full Gold, CRB and Xinjiang Lingxi. Pursuant to the Cooperation Agreement, in consideration of payment of restoration fee of the Road of US\$25,300,000 by Full Gold to CRB, Full Gold will acquire the mining and exploration right of the Istanbul Gold Mine from CRB. Xinjiang Lingxi will be providing consultation on the Istanbul Gold Mine.

Consideration

CRB will be responsible for the restoration of the Road. Full Gold shall be responsible for the payment of the US\$25,300,000 to CRB as restoration fee for the Road. The cost of restoration of the Road was estimated by CRB in 2007. It has been agreed that if the restoration fee for the Road has exceeded US\$25,300,000, no extra payment will be paid to CRB or the Government of Kyrgyz Republic.

The consideration has been agreed by the parties after arm's length negotiation with reference to the estimated cost of the restoration of the Road and a valuation made by Professional Valuer on 3 June 2007.

LETTER FROM THE BOARD

The consideration will be satisfied by way of bank borrowing from China Development Bank by Full Gold. Terms of the bank borrowing has not been finalized as at the Latest Practicable Date and it is expected that the bank borrowing will be pledged by the Mining Right.

The Company currently has no capital commitment in relation to the Gold Mine.

REASONS FOR AND BENEFITS OF THE COOPERATION AGREEMENT

The Group (as defined in the Listing Rules) is mainly engaged in gold mining, smelting and refining. The principal product of the Group is gold and the principal byproducts of the Group are silver, copper products and sulphuric acid. Istanbul Gold Mine is located within the territory of Kyrgyz Republic, a country located in Central Asia and bordered by Kazakhstan to the north, Uzbekistan to the west, Tajikistan to the southwest and China to the east and is owned by CRB. It has a mining area of approximately 1.82km² with approximately 23.48 tonnes of gold reserves and resource and an exploration area of approximately 8km². The construction period of the Istanbul Gold Mine will be approximately three years and the production period of the Istanbul Gold Mine will be approximately six years. The acquisition of the mining right of the Istanbul Gold Mine is an important milestone for the Group as it is the first time making an investment in oversea country. In accordance with a valuation made by Professional Valuer on 3 June 2007, the valuation amount of the Istanbul Gold Mine based on a discounted cash flow method is approximately RMB239,300,000. The Board is aware that the valuation shall be regarded as a profit forecast of the Istanbul Gold Mine under Rule 14.62 of the Listing Rules. The Directors have reviewed the principal assumptions upon which the valuation is based and are of the view that the valuation has been made after due and careful enquiry. Pursuant to the Rule 14.62 of the Listing Rules, the Reporting Accountant of the Company have examined the arithmetical accuracy of the calculation of the valuation report. The Istanbul Gold Mine is not yet opened for mining and exploration and hence no revenue and profit is generated from the Istanbul Gold Mine at the time of signing the Cooperation Agreement.

The acquisition of the mining and exploration right of the Istanbul Gold Mine will enable the Group to increase its gold reserves and resource and have positive impact on the business of the Group as a whole. Therefore, the Directors consider the terms of the Cooperation Agreement to be on normal commercial terms, fair and reasonable and in the interests of the Company and its subsidiaries as a whole. The Company will dispose of part of its interest in Full Gold to CRB and Xinjiang Lingxi in order to strengthen the cooperation in this project. The reason of disposing part of its interest in Full Gold to CRB and Xinjiang Lingxi is that the Government of Kyrgyz Republic originally transferred the ownership of Istanbul Gold Mine to CRB in consideration of restoration of the Road. However, CRB does not have any mining operation experience and was introduced to the Company through Xinjiang Lingxi. The consideration for the disposal of interest in Full Gold to CRB and Xinjiang Lingxi will be based on the paid up capital. It is expected that the size of disposal will be below the disclosure threshold under Chapter 14 of the Listing Rules.

LETTER FROM THE BOARD

The restoration of the Road is not for the transportation of the output from the Istanbul Gold Mine to other parts of Kyrgyz Republic. The restoration of the Road is for the transportation from Osh Province (a province of Kyrgyzstan) to the port of Kizilsu Kirghiz Autonomous Prefecture. There are transportation infrastructures ready for the transportation of output from Istanbul Gold Mine to other parts of Kyrgyz Republic.

Full Gold is mainly engaged in mining, exploration, processing, smelting and production of gold products.

CRB is mainly engaged in infrastructure construction and infrastructure design.

China Development Bank is under the direct jurisdiction of the state council and is one of the leading banks in financing infrastructure construction.

Xinjiang Lingxi is mainly engaged in investment in mining industry. Xinjiang Lingxi's knowledge in Kyrgyz Republic will help the Company to deal with people in Kyrgyz Republic.

FINANCIAL EFFECT OF THE ACQUISITION

Upon Completion of the acquisition of the mining and exploration right of the Istanbul Gold Mine (which is expected to be the end of April 2008), the consideration paid will be taken as an asset of the Group under "intangible assets". As the consideration will be satisfied by bank loan granted by China Development Bank, there will be an increase in bank loans to the extent of the consideration paid. The acquisition is not expected to have any material effect on the Group's net asset value and earnings at the Latest Practicable Date.

GENERAL

The Cooperation Agreement constitutes a discloseable transaction for the Company pursuant to Rule 14.06(2) of the Listing Rules. The Directors have assessed the validity of all assumption and cashflow projection in the valuation report contained in Appendix II to this circular as to the Latest Practicable Date, and have considered the terms of the Cooperation Agreement to be on normal commercial terms, fair and reasonable and in the interests of the Company and its subsidiaries as a whole.

Your attention is also drawn to the general information set out in the Appendix III to this circular.

Yours faithfully,
By Order of the Board
Xu Gaoming
Chairman

Set out below are texts of the letter, prepared for inclusion in this circular, received by the Stock Exchange from the Board and received by the Directors from the Company's reporting accountants, in connection with the valuation of the Istanbul Gold Mine as at 3 June 2007 using a methodology which is deemed to be a profit forecast under Rule 14.62(1) of the Listing Rules.

(i) Letter from the Board

The Stock Exchange of Hong Kong Limited
11th Floor,
One International Finance Centre
1 Harbour View Street,
Hong Kong
24 April 2008

Dear Sir/Madam,

Discounted Cash Flow Forecast of the Istanbul Gold Mine

We, the undersigned, being the directors of the Company, hereby confirm that, in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, have reviewed the calculations for discounted cash flow forecast in the valuation report issued by Beijing Hung Jing Xi Investment Consultation Limited Liability Company (the "Valuer") regarding the fair value of the Istanbul Gold Mine as at 3 June 2007 (the "Valuation Report") for which the Valuer is solely responsible for, the summary of which are set out on pages 10 to 12 of the circular of the Company dated 24 April 2008 (the "Circular"). Pursuant to the Rule 14.62 of the Listing Rules, the Reporting Accountant of the Company have examined the arithmetical accuracy of the calculation of the Valuation Report in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" issued by the Hong Kong Institute of Certified Public Accountants.

We hereby confirm that the discounted cash flow forecast made pursuant to the Valuation Report as set out in the Circular is made after due and careful enquiry.

Yours faithfully,
Board of directors of
Lingbao Gold Company Limited

Xu Gaoming
Jin Guangcai
Qi Guozhong
Niu Zhongjie

Wang Jianguo
Xu Wanmin
Ning Jincheng
Zheng Jinqiao

Lu Xiaozhao
Di Qinghua
Wang Yanwu

(ii) Letter from Reporting Accountant

The Board of Directors
Lingbao Gold Company Ltd.

24 April 2008

Dear Sirs,

**Lingbao Gold Company Ltd. (the “Company”)
Valuation report of the mining right of Istanbul Gold Mine**

We have examined the arithmetical accuracy of the calculations of the valuation report for the mining right of a mine located in the territory of Kyrgyz Republic (“Istanbul Gold Mine”) as at 30 April 2007 (the “Valuation Report”), prepared by Beijing Hung Jing Xi Investment Consultation Limited Liability Company (“Hung Jing Xi”) dated 3 June 2007. The Valuation Report is regarded as a profit forecast under paragraph 29(2) of Appendix 1B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“SEHK”) (the “Listing Rules”) and will be included in a circular to be issued to the company’s shareholders in connection with the transaction involving the acquisition of Istanbul Gold Mine as announced by the company on 27 February 2008.

Hung Jing Xi is solely responsible for the preparation of the Valuation Report while Hung Jing Xi and the directors of the Company (the “Directors”) are responsible for the reasonableness and validity of the assumptions based on which the Valuation Report is prepared (the “Assumptions”).

Our engagement was conducted in accordance with Hong Kong Standard on Assurance Engagements 3000 “Assurance Engagements Other Than Audits or Reviews of Historical Financial Information” issued by the Hong Kong Institute of Certified Public Accountants. The procedures were performed solely to assist the directors of the Company to comply with Rule 14.62 of the Listing Rules. Our work does not constitute any valuation of Istanbul Gold Mine.

It is our responsibility to form an opinion, based on our work on the arithmetical accuracy of the calculation of the Valuation Report and to report our opinion solely to you, as a body, solely for the purpose of reporting under paragraph 29(2) of Appendix 1B of the Listing Rules and for no other purpose. We accept no responsibility to any other person in respect of, arising out of, or in connection with our work.

We were informed by the directors of the Company that as the valuation is discounted cash flow model, the Company's accounting policies are not applicable to the preparation of the Valuation Report. The Assumptions include hypothetical assumptions about future events as detailed in Appendix II to the Circular and management actions that cannot be confirmed and verified in the same way as past results, and these assumptions may or may not occur. Even if the events and actions anticipated do occur, actual results are still likely to be different from the Valuation Report and the variation may be material. Accordingly, we have not reviewed, considered or conducted any work on the reasonableness and the validity of the Assumptions and do not express opinion whatsoever thereon.

In our opinion, so far as the calculations are concerned, the Valuation Report has been properly complied on the bases and assumptions made by Hung Jing Xi and the directors of the Company as set out in Appendix II to the circular dated 24 April 2008.

Yours faithfully,

KPMG

Certified Public Accountants

The following is a summary of the valuation of the Istanbul Gold Mine prepared by Beijing Hung Jing Xi Investment Consultation Limited Liability Company, who is responsible for the preparation of the discounted cash flow forecast of the mining right of the Istanbul Gold Mine as at 3 June 2007.

Valuation Object: The mining right of Istanbul Gold Mine in Kyrgyz Republic.

Valuation Organization: Beijing Hung Jing Xi Investment Consulting Co. Ltd., a valuer holding valuation certificate issued by the PRC Ministry of Land and Resources for the assessment on exploration and exploitation right.

Valuation Purposes: The Company intends to reach agreement with the third parties on the development of the Istanbul Gold Mine in Kyrgyz Republic. The Company in this case should have a good understanding of the value of the mining right. Therefore this valuation is carried out to make the reasonable and fair advices on the value of the “mining right of the Istanbul Gold Mine in Kyrgyz Republic”. This evaluation report is only used for the purpose of consulting advices on understanding the value of the mining right for the Company.

Valuation Date: 30 April 2007.

Valuation Method: Discounted Cash Flow.

Valuation Assumptions: The valuation amount of the Istanbul Gold Mine was prepared on the follow principle assumptions:

- (1) there will be no material changes in existing political, legal or economics condition in Kyrgyz Republic;
- (2) there will be no major change in the current taxation law in Kyrgyz Republic;
- (3) inflation, interest rates, or foreign currency exchange rates will not differ materially from those presently prevailing;
- (4) development and production of the mining rights, production capacity, and production structure remains unchanged and the mining right continue to operate; and
- (5) economic conditions of Kyrgyz Republic will not deviate significantly from economic forecasts.

Principal Source of Information Used:

- (1) The State Bureau of Quality and Technical Supervision 1999, Classification of Solid Mineral Resources/Reserve (GB/T17766-1999);
- (2) Specifications for Drafting Geological Report on Solid Mineral Exploration/Closed Pit of Mines (DZ/T003-1002);

- (3) Guidebook for Evaluation of Mining Right (2206) Ed) – Evaluation Method and Parameter of Income Approach for Mining Right;
- (4) “The Announcement on Implementing the Amendment Plan on the Evaluation Method of Income Approach for Mining Right”, the Ministry of Land and Resources PRC, No.18, 2006;
- (5) Authorisation letter of consulting and evaluating the mining right value;
- (6) Certificate of Mining (Certificate No. 963AE);
- (7) The Summary Report on the West Wingside of Istanbul Deposit from 1983 to Early 1986 (Chinese edition);
- (8) Estimated Feasibility Study Report of Lingbao Gold Company Ltd. on Istanbul Gold Mine in Kyrgyz Republic prepared in February 2007 by He Nan Ye Jin Planning and Design Research Center (“Feasibility Study Report”); and
- (9) Governmental Conference of Kyrgyz Republic on the Available Underground Mineral Reserve (No. 176, 15 May 2007).

Financial information of the Mine and current financial information of the Mine used;

- (1) Mineral reserves approximately 2.4 million tons and the scale of production of approximately 450,000 tons per year. The average grade is approximately 7 grams per ton.
- (2) All gold produced are sold and the selling price is RMB134.2 per gram based on an average of three years price from May 2004 to April 2007.
- (3) The operating cost per ton of ore is approximately RMB357.
- (4) The discount rate used is 8%, this is according to “The Announcement on Implementing the Amendment Plan on the Evaluation Method of Income Approach for Mining Right”, the Ministry of Land and Resources PRC, No.18, 2006;

The above information are based on the information contained in the feasibility study report and valuation report.

The main technical and economic parameters are based primarily on certain reports including the Summary Report on the West Wingside of Istanbul Deposit from 1983 to Early 1986, Estimated Feasibility Study Report of Lingbao Gold Company Ltd. on Istanbul Gold Mine in Kyrgyz Republic, Governmental Conference of Kyrgyz Republic on the Available Underground Mineral Reserve (No. 176, 15 May 2007) and other materials collected by the Valuer.

Valuation Results: Based on the investigation, understanding and analysis on the valuation object and the actual situation of the market on the basis of valuation of mining rights in accordance with the principles and procedures of selecting appropriate methods for assessment, evaluation parameters, and careful estimate, determined the valuation value of the “Mining Right of the Istanbul Gold Mine in Kyrgyz Republic” was RMB239,304,800.

The Directors have assessed the validity of all assumption and cashflow projection in the valuation report as to the latest practicable date, and have considered the terms of the Cooperation Agreement to be on normal commercial terms, fair and reasonable and in the interests of the Company and its subsidiaries as a whole.

1. Responsibility Statement

This document includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this document and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement in this document misleading.

2. Disclosure of Interests

- (a) As at the Latest Practicable Date, the interests of the Directors, Supervisors or chief executive of the Company in the shares capital of the Company which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests which they were taken or deemed to have under such provisions of the SFO), or were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or were required, pursuant to the Model Code for Securities Transactions by the Directors of Listed Companies of the Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

Name	Number of Shares or underlying Shares	Nature of interest	Percentage of shareholding
Mr. Meng Fanrui (孟凡瑞先生) (a Supervisor)	18,000,000	Corporate (Note 1)	2.34%
Mr. Guo Xuchang (郭續長先生) (a Supervisor)	12,250,000	Corporate (Note 1)	1.59% (Note 2)

Notes:

- Henan Xuanrui Assets Company Limited (“Henan Xuanrui”) owns approximately 2.34% interest in the Company. Mr. Meng Fanrui (孟凡瑞先生) owns approximately 61.6% interest in Henan Xuanrui and together with his wife Ms. Ma Xianting (馬仙婷小姐), hold approximately 96.1% of the shareholding in Henan Xuanrui. Under section 316 of the Securities and Futures Ordinance, Mr. Meng Fanrui (孟凡瑞先生) is deemed to be interested in the Shares held by Henan Xuanrui.
- Lingbao Guoshi Mining Limited Liability Company (“Lingbao Guoshi Mining”) owns approximately 1.59% interest in the Company. Mr. Guo Xuchang (郭續長先生) owns approximately 78.8% interest in Lingbao Guoshi Mining and together with his wife Ms. Yang Yuqin (楊玉琴小姐), hold 100% of the shareholding in Lingbao Guoshi Mining. Under section 316 of the Securities and Futures Ordinance, Mr. Guo Xuchang (郭續長先生) is deemed to be interested in the Shares held by Lingbao Guoshi Mining.

Save as disclosed above, so far as the Company is aware, as at the Latest Practicable Date, none of the Directors or Supervisors or chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (as defined in Part XV of the SFO) for which (a) notification shall be given to the Company or the Stock Exchange pursuant to the provisions of Divisions 7 and 8 of Part XV of the SFO (including those interests and short positions which the Directors and chief executives are supposed or deemed to be holding or owning pursuant to the provisions of the SFO); or (b) registration shall be made in the register in accordance with Section 352 of the SFO; or (c) notification shall be made to the Company and the Stock Exchange pursuant to the Model Mode for Securities Transactions by Directors of Listed Companies of the Listing Rules.

- (b) As at the Latest Practicable Date, so far as are known to the Directors, interests or short positions held by any individual or company (other than a Director or a Supervisor or chief executive of the Company) for which disclosure shall be made to the Company pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or any beneficial interests representing 5% or more of the issued share capital of the Company directly or indirectly which were recorded in the register kept by the Company under section 336 of the SFO, were as follows:

Name	Number of Shares	Name of interest	Percentage of shareholding
Lingbao State-owned Assets Operation Limited Liability Company (<i>Note 1</i>)	373,840,620	Beneficial	48.54%

Note:

- In addition to its direct interest in 373,840,620 Shares, Lingbao State-owned Assets Operation Limited Liability Company has an indirect interest in the Company through its equity interest of approximately 43.3% in 靈寶市黃金機械有限責任公司 (Lingbao Gold Machinery Limited Liability Company), which in turn holds approximately 21.1% equity interest in Lingbao Jinxiang Auto Parts Limited Liability Company, which is a Promoter and holds approximately 1.79% shareholding in the Company.

Save as disclosed above, as far as the Directors are aware, as at the Latest Practicable Date, there was no other person who had any interests or short positions in shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 or 3 of Part XV of the SFO or who owns any beneficial interests representing 5% or more of any class of shares or warrants or attached with a right to vote at any of the shareholders' general meeting of the Company.

- (c) As at the Latest Practicable Date, so far as is known to the Directors, the following persons (other than a Director or a Supervisor or chief executive of the Company) were, directly or indirectly, interested in 10 per cent. or more of the nominal value of the share capital carrying rights to vote in all circumstances at general meetings of the following subsidiaries of the Company:
- (i) 靈寶市紅土領金礦 was interested in 20.0 per cent. of the paid up capital of Lingbao Hongxin Mining Limited Liability Company.
 - (ii) 江西省地王礦業投資諮詢有限公司 was interested in 20.0 per cent. of the paid up capital of Jiangxi Mingxin Mining Company Limited.
 - (iii) 于克新 was interested in 18.0 per cent. of the paid up capital of Chi Feng City Zheng Ji Mining Company Limited.
 - (iv) 瀋陽市金路物資有限公司 was interested in 20.0 per cent. of the paid up capital of Chi Feng Ling Jin Mining Company Limited.
 - (v) 劉寬亮 was interested in 20.0 per cent. of the paid up capital of Lingbao Yixin Mining Limited Liability Company.
 - (vi) 劉海榮 and 劉海峰 were interested in 16.0 per cent. and 10.0 per cent respectively of the paid up capital of Tianshui Hongwu Mining Development Company Limited.

Save as disclosed above, as at the Latest Practicable Date, so far as are known to the Directors, there was no other person who is directly or indirectly, interested in 10% or more of the equity interest carrying rights to vote in all circumstances at general meetings of any other members of the Group.

3. Service Contracts

As at the Latest Practicable Date, none of the Directors and Supervisors of the Company had entered or proposed to enter into any service contract with any member of the Group which is not determinable by such member of the Group within one year without payment of compensation (other than statutory compensation).

4. Litigation

As at the Latest Practicable Date, no member of the Group is engaged in any litigation or arbitration or claim of material importance and no litigation or arbitration or claim of material importance is known to the Directors to be pending or threatened against any member of the Group.

5. Miscellaneous

- (a) The joint company secretary of the Company is Mr. Poon, Chi Leung Lawrence and Mr. Zhao Jugang. Mr. Poon Chi Leung, Lawrence is a Certified Practising Accountant of CPA Australia and an associate member of the Hong Kong Society of Accountants. He acts concurrently as the chief financial officer and alternate authorised representative of the Company. Mr. Zhao Jugang is a non-practising lawyer admitted in the PRC and acts concurrently as the secretary to the Board.

The qualified accountant of the Company is Mr. Poon Chi Leung, Lawrence.

- (b) The registered office of the Company is situated at Xin Village, Yin Zhuang Town, Daonan Industrial Area, Lingbao, Henan, the PRC and the Company's principal place of business in Hong Kong is situated at Room 1902, MassMutual Tower, 38 Gloucester Road, Wanchai, Hong Kong. The address of the Company's Hong Kong share registrar and transfer office, Computershare Hong Kong Investor Services Limited, is at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
- (c) As at the Latest Practical Date, none of the Directors or their respective associates had any personal interests in companies engaged in businesses, which compete or may compete with the Group (as would be required to be disclosed under Rule 8.10 of the Listing Rules if each of them were a controlling shareholder).

6. Expert and Consent

The following is the qualification of the expert who has given its opinions in this circular:

Name	Qualification
Beijing Hung Jing Xi Investment Consultation Limited Liability Company	Certified Valuer
KPMG	Certified Public Accountants

As at the Latest Practicable Date, the expert did not have any shareholding in any Shares or any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any shares in any member of the Group. The expert has given and has not withdrawn its written consent to the issue of this circular with reference to its name included herein in the form and context in which it appears.