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LINGJIN

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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)

ANNOUNCEMENT

PROPOSED ISSUANCE OF SHORT-TERM CORPORATE BONDS

This Announcement is issued for the purpose of informing the Shareholders that, in accordance with the relevant procedural requirements under applicable PRC laws and regulations and the Company's articles of association, and pursuant to Article 61 of the Company's articles of association, the Board proposed to ask the Shareholders to consider, authorize and approve the proposed issuance of a short-term corporate bond by the Company in the principal amount of up to RMB650,000,000. An EGM will be convened and held for the Shareholders to consider, and if thought fit, to approve the issuance of the short-term corporate bonds.

A circular containing the details of the proposed issuance of the short-term corporate bonds and the notice of the EGM will be dispatched to the Shareholders as soon as possible in accordance with the Listing Rules.

The proposed issue of the short-term corporate bonds may or may not occur. Shareholders and investors should therefore exercise caution in dealing in the Company's shares.

SHORT-TERM CORPORATE BONDS

The board of directors (the "Board") of Lingbao Gold Company Ltd. (the "Company") now proposes to seek shareholders' authorization and approval for (i) the proposed issuance of short-term corporate bonds in the PRC for a principal amount of up to RMB650,000,000 for a term of 365 days and (ii) the Chairman of the Board or any person authorized by the Chairman of the Board be authorized to determine and finalise the terms and conditions of and any relevant matters in relation to the proposed issuance of short-term corporate bonds based on the needs of the Company and the market conditions at the time of issuance, including to determine and finalise the final principal amount and interest rate of such short-term corporate bonds.

The Directors believe that the proposed issuance of short-term corporate bonds will provide the Company with a further source of funding at an interest rate which is expected to be lower than the interest rate for loans generally available from commercial banks. The Directors consider that the issuance of the short-term corporate bonds will lower the Company's finance costs of borrowings and is in the interests of the Company and its Shareholders as a whole. Proceeds from the proposed issuance of the short-term corporate bonds are expected to be used as working capital of the Company and for replacement with the Company's existing bank loans. It is expected that the short-term corporate bonds will be issued to institutional investors in the PRC banking industry and will not be issued to the public investors. Subject to Shareholders' approval, the Company will, if required or as otherwise considered appropriate, make further announcement when the proposed issuance of short-term corporate bonds takes place.

GENERAL

A circular containing further details of the proposed issuance of the short-term corporate bonds and notice of the EGM will be dispatched to the Shareholders as soon as practicable in accordance with the Listing Rules.

The proposed issue of the short-term corporate bonds may or may not occur. Shareholders and investors should therefore exercise caution in dealing in the Company's shares.

DEFINITIONS

Unless the context requires otherwise, the following words and phrases used in this announcement have the following meanings:

"Board"	:	the board of Directors
"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
"Directors"	:	the directors of the Company
"EGM"	:	the extraordinary general meeting of the Company to be convened to approve the proposed issuance of short-term corporate bonds
"Listing Rules"	:	Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (as amended from time to time)
"PRC"	:	The People's Republic of China and, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"RMB"	:	Reminbi, the lawful currency of the PRC

"Shareholders" : the shareholders of the Company
"Stock Exchange" : The Stock Exchange of Hong Kong Limited

By order of the Board
Lingbao Gold Company Ltd.
Xu Gaoming
Chairman

Henan, the PRC, 15 August 2008

As at the date of this announcement, the Board comprises four executive directors, namely Mr. Xu Gaoming, Mr. Wang Jianguo, Mr. Lu Xiaozhao and Mr. Jin Guangcai; three non-executive directors, namely Mr. Xu Wanmin, Mr. Di Qinghua and Mr. Qi Guozhong; and four independent non-executive directors, namely Mr. Ning Jincheng, Mr. Wang Yanwu, Mr. Niu Zhongjie and Mr. Zheng Jinqiao.