



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 MEDIUM TERM NOTE**

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 medium term note by the Company in the principal amount of up to RMB680,000,000. An EGM will be convened and held for the Shareholders to consider, and if thought fit, to approve the issuance of the medium term note.

A circular containing the details of the proposed issuance of the medium term note 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 medium term note may or may not occur. Shareholders and investors should therefore exercise caution in dealing in the Company's shares.**

### **MEDIUM TERM NOTE**

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 medium term note in the PRC for a principal amount of up to RMB680,000,000 for a period of three to five years 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 medium term note 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 medium term note.

The medium term note to be issued is intended to replace the existing short term bonds in the PRC for a principal amount of up to RMB 650,000,000 for a term of 365 days, which was approved by shareholders in an extraordinary general meeting held on 9 October 2008. However, if the issuance of the medium term note has failed for whatever reason, the Company will continue with the process for issuance of short term corporate bond mentioned. The Directors believe that the proposed issuance of

medium term note will reduce the Company reliance on short term borrow and to 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 medium term note 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 medium term note are expected to be used as working capital of the Company and for replacement with the Company's existing bank loans. Subject to Shareholders' approval, the Company will, if required or as otherwise considered appropriate, make further announcement when the proposed issuance of medium term note takes place.

## GENERAL

A circular containing further details of the proposed issuance of the medium term note 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 medium term note 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 medium term note
"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, 16 December 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.*