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## **THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in 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 and the accompanying form of proxy and the reply slip to the purchaser or 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.

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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)**

### **PROPOSED ISSUE OF MEDIUM TERM NOTE**

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A notice convening the extraordinary general meeting of Lingbao Gold Company Ltd. to be held at 2nd floor of the registered office of the Company at Xin Village, Yin Zhuang Town, Daonan Industrial Area, Lingbao, Henan, the PRC on Wednesday, 4 February 2009 at 10:00 a.m. is set out on pages 5 to 6 of this circular. A reply slip and a form of proxy are also enclosed. Whether or not you are able to attend the EGM in person, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon. In order to be valid, the proxy form must be deposited by hand and by post, for holders of H Shares of the Company, to the H share registrar of the Company, Computershare Hong Kong Investor Services Limited at Rooms 1806-1807, 18th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong and, for holders of domestic shares of the Company, to the registered address of the Company not less than 24 hours before the time for holding the meeting or not less than 24 hours before the time appointed for taking the poll. If the proxy form is signed by a person under a power of attorney or other authority, a notarially certified copy of that power of attorney or authority shall be deposited at the same time as mentioned in the proxy form. Completion and return of the proxy form will not preclude you from subsequently attending and voting at the EGM if you so wish.

19 December 2008

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## DEFINITIONS

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*In this circular, unless the context otherwise requires, the following expressions have the following meanings respectively:*

“Articles”	the articles of association of the Company
“Board”	the board of Directors
“Company”	Lingbao Gold Company Ltd. (靈寶黃金股份有限公司), a company incorporated in the PRC and the foreign shares of which are listed on the Hong Kong Stock Exchange
“Directors”	the directors of the Company
“EGM”	the extraordinary general meeting of the Company to be held on Wednesday, 4 February 2009
“H Shares”	overseas listed foreign shares in the ordinary share capital of the Company, with a nominal value of RMB0.20 each, which are listed on the Stock Exchange
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“PRC”	the People’s Republic of China, excluding, for the purpose of this circular only, the Hong Kong Special Administrative Region, the Macau Special Administrative Region, and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholders”	the holder(s) of the shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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LETTER FROM THE BOARD

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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)**

*Executive Directors:*

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

*Non-executive Directors:*

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

*Independent non-executive Directors:*

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

*Registered office:*

Xin Village  
Yin Zhuang 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

19 December 2008

*To the Shareholders*

Dear Sir or Madam,

**PROPOSED ISSUE OF MEDIUM TERM NOTE**

**A. INTRODUCTION**

The Company announced on 16 December 2008 that the Board proposes to ask the Shareholders to consider, authorize and approve the proposed issuance of the Company's medium term note.

The purpose of this circular is to give you details of, among other things, the proposed issuance of the Company's medium term note in order to enable you to make an informed decision on the proposed resolutions at the EGM.

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## LETTER FROM THE BOARD

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### **B. PROPOSED ISSUE OF MEDIUM TERM NOTE**

The Board now seeks shareholders' approval for (i) an 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) for the Chairman of the Board or any person authorized by the Chairman of the Board be authorized to determine and finalize 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 the issuance, including to determine and finalize 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 RMB650,000,000 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 borrowing 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.

**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.**

### **C. THE EGM**

A notice convening the EGM to be held at 2nd floor of the registered office of the Company at Xin Village, Yin Zhuang Town, Daonan Industrial Area, Lingbao, Henan, the PRC on Wednesday, 4 February 2009 at 10:00 a.m. is set out on pages 5 to 6 of this circular.

A reply slip and a form of proxy are also enclosed.

Whether or not you are able to attend the EGM in person, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon. In order to be valid, the proxy form must be deposited by hand or post, for holders of H Shares of the Company, to the H shares registrar of the Company, Computershare Hong Kong Investor Services Limited, Rooms 1806-1807, 18th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong and, for holders of domestic shares of the Company, to the registered address of the Company not less than 24 hours before the time for holding the EGM or not less than 24 hours before the time appointed for taking the poll. If the proxy form is signed by a person under a power of attorney or other authority, a notarially certified copy of that power of attorney or authority shall be deposited at the same time as mentioned in the proxy form. Completion and return of the proxy form will not preclude you from subsequently attending and voting at the EGM.

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## LETTER FROM THE BOARD

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If you intend to attend the EGM in person or by proxy, you are requested to complete the accompanying reply slip. In order to be valid, the completed and signed reply slip shall be delivered to the H shares registrar of the Company, Computershare Hong Kong Investor Services Limited at Rooms 1806-1807, 18th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for holders of H Shares) or to the Company's registered office address at Xin Village, Yin Zhuang Town, Daonan Industrial Area, Lingbao, Henan, the PRC (for holders of domestic shares) on or before Thursday, 15 January 2009. This reply slip may be delivered to Computershare Hong Kong Investor Services Limited or the Company by hand or by post.

### **D. PROCEDURE FOR DEMANDING A POLL**

Pursuant to Article 84 of the articles of association of the Company, a resolution put to the vote of the meeting shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded by:

- (i) the chairman of the meeting;
- (ii) at least two Shareholders present in person or by proxy for the time being entitled to vote at the meeting; or
- (iii) any Shareholder or Shareholders present in person or by proxy and representing one-tenth or more of the total voting rights of all Shareholders having the right to vote at the meeting.

Unless a poll is duly demanded and the demand is not withdrawn, a declaration by the chairman that a resolution has been passed and an entry to that effect made in the minute book of the Company, shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded for or against the resolution.

### **E. RECOMMENDATION**

The Directors consider that the proposed issuance of medium term note is in the best interests of the Company and its Shareholders as a whole.

Accordingly, the Directors recommend the Shareholders to vote in favour of the resolution which will be proposed at the EGM.

Yours faithfully,  
For and on behalf of the Board of Directors  
**Lingbao Gold Company Ltd.**  
**Xu Gaoming**  
*Chairman*

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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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)**

**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting (“EGM”) of Lingbao Gold Company Ltd. (“Company”) will be held at 2nd floor of the registered office of the Company at Xin Village, Yin Zhuang Town, Daonan Industrial Area, Lingbao, Henan, the People’s Republic of China (“PRC”) on Wednesday, 4 February 2009 at 10:00 a.m. to consider and approve the following resolution by way of special resolution:

**“THAT:**

- (1) the Company be authorized to issue medium term note (“Medium Term Note”) in the PRC with a principal amount of up to RMB680,000,000 for a period of three to five years;
- (2) the Chairman (the “Chairman”) of the board of directors of the Company (the “Board”) or any person authorized by the Chairman be authorized to determine and finalize the terms and conditions of any relevant matters in relation to the proposed Medium Term Note issue based on the needs of the Company and the market conditions at the time of the issuance, including determining and finalizing the final principal amount and interest rates of the Medium Term Note; and
- (3) the Board be authorized to execute all necessary documents, to conduct appropriate information disclosures and/or to do all such things and acts as are considered necessary or expedient and in the interests of the Company for the purpose of effecting or otherwise in connection with its proposed Medium Term Note issue or any matter incidental thereto.”

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

Henan, the PRC, 19 December 2008

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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*Notes:*

1. The register of members of the Company will be closed from Monday, 5 January 2009 to Wednesday, 4 February 2009 (both days inclusive), during which period no transfer of shares can be registered. In order to qualify for attending the EGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's H shares registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for holders of H shares) or the registered office address of the Company (for holders of domestic shares), no later than 4:30 p.m. on Friday, 2 January 2009.
2. Holders of domestic shares and H shares whose names appear on the H share register of members of the Company at the close of business on Wednesday, 4 February 2009 are entitled to attend and vote at the EGM and may appoint one or more proxies to attend and, in the event of a poll, vote on their behalves. A proxy need not be a member of the Company.
3. In order to be valid, the proxy form must be deposited by hand or post, for holders of H shares of the Company, to the H shares registrar of the Company, Computershare Hong Kong Investor Services Limited, Rooms 1806-1807, 18th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong and, for holders of domestic shares of the Company, to the registered address of the Company not less than 24 hours before the time for holding the meeting or not less than 24 hours before the time appointed for taking the poll. If the proxy form is signed by a person under a power of attorney or other authority, a notarially certified copy of that power of attorney or authority shall be deposited at the same time as mentioned in the proxy form.
4. Shareholders or their proxies shall produce their identity documents when attending the meeting.
5. Shareholder who intends to attend the EGM should complete and return the reply slip and return it by hand or by post to the share registrar of the Company (for holders of H shares) or to the registered office address of the Company (for holders of domestic shares) on or before Thursday, 15 January 2009.
6. The registered office address of the Company is as follows:  
  
Xin Village  
Yinzhuang Town  
Daonan Industrial Area  
Lingbao  
Henan  
The People's Republic of China  
Tel: 86 398 8862220  
Fax: 86 398 8860166
7. The EGM is expected to be held for less than half a day. Shareholders who attend the meeting shall bear their own travelling and accommodation expenses.
8. The Board confirms that there is no other matter which should be brought to the attention of the shareholders.
9. As at the date of this notice, the Board comprises four executive Directors, namely Xu Gaoming, Wang Jianguo, Lu Xiaozhao and Jin Guangcai; three non-executive Directors, namely Xu Wanmin, Di Qinghua and Qi Guozhong; and four independent non-executive Directors, namely Ning Jincheng, Wang Yanwu, Niu Zhongjie and Zheng Jinqiao.