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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)

FURTHER INFORMATION ON THE PAYMENT OF 2010 FINAL DIVIDEND

Reference is made to the announcement of Lingbao Gold Company Ltd. (the “Company”) dated 3 June 2011 (the “Announcement”) in respect of the payment of the final dividend for the year ended 31 December 2010 (the “2010 Final Dividend”). The board of directors of the Company (the “Board”) wishes to announce further information in relation to the payment of the 2010 final dividend as follows.

Due to the recent change of PRC tax regulations, the Circular on the Questions Concerning Tax on the Profits Earned by Enterprises with Foreign Investment, Foreign Enterprises and Individual Foreigners from the Transfer of Stocks (Stock Rights) and on Dividend Income (Guo Shui Fa [1993] No. 45) (《關於外商投資企業、外國企業和外籍個人取得股票（股權）轉讓收益和股息所得稅收問題的通知》(國稅發[1993] 45號)) issued by the State Administration of Taxation (the “Circular”), where individual foreigners who were the holders of H shares were temporarily exempted from PRC individual income tax for the dividends (bonus) paid by domestic enterprises which issued such H shares, was repealed under the Announcement on the List of Fully and Partially Invalid and Repealed Tax Regulatory Documents (《關於公佈全文失效廢止、部份條款失效廢止的稅收規範性文件目錄的公告》) dated 4 January 2011. As a result, the individual shareholders who hold the Company’s H shares and whose names appear on the register of members of H shares of the Company (the “Individual H Shareholders”) can no longer be exempted from the PRC individual income tax when the Company distributes the 2010 Final Dividend based on the Circular.

Pursuant to the PRC Individual Income Tax Law (《中華人民共和國個人所得稅法》), the Implementation Regulations of the Individual Income Tax Law (《中華人民共和國個人所得稅法實施條例》), the Tentative Measures on Withholding and Payment of Individual Income Tax (《個人所得稅代扣代繳暫行辦法》) and other relevant laws and regulations (collectively, “Relevant Laws and Regulations”), in view of opinions from relevant PRC tax authorities, the Individual H Shareholders shall pay individual income tax at a tax rate of 20% upon their receipt of distribution of dividends from the Company, which shall be withheld and paid by the Company on behalf of the Individual H Shareholders. The Individual H Shareholders may wish to apply for a tax refund (if any) in accordance with the relevant requirements of applicable tax agreements (arrangements) subject to further confirmation from relevant PRC tax authorities based on the information provided by such individual shareholders.

Having considered the time required for collecting information from the Individual H Shareholders and obtaining relevant PRC tax authorities' confirmation, the Company hereby announces that, in order to ensure the Company's compliance with Relevant Laws and Regulations while following the previously announced timetable for payment of dividend by the Company, the Company will, at the time it pays the 2010 Final Dividend to the Individual H Shareholders, temporarily withhold 20% of the total dividend to be distributed to the Individual H Shareholders. After the relevant PRC tax authorities confirm the individual income tax amount to be withheld by the Company based on information to be provided by the Individual H Shareholders, the Company will pay the appropriate amount of tax temporarily withheld by the Company to the relevant qualified Individual H Shareholders on a timely basis, if applicable, and will publish further announcement with respect to the progress of the above matter.

Shareholders are recommended to consult their taxation advisors regarding the owning and disposing of H shares of the Company in the PRC and in Hong Kong and other tax effects.

Other information in respect of the payment of the final dividend as disclosed in the Announcement remains unchanged.

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

Henan, the PRC, 24 June 2011

As at the date of this announcement, the Board comprises five executive Directors, namely Mr. Xu Gaoming, Mr. Jin Guangcai, Mr. Liu Pengfei, Mr. Zhang Guo and Mr. He Chengqun; one non-executive Director, namely Mr. Wang Yumin; and four independent non-executive Directors, namely Mr. Niu Zhongjie, Mr. Wang Han, Mr. Yan Wanpeng and Ms. Du Liping.