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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 24 June 2011 and 7 July 2011, respectively. The Board wishes to announce further information in relation to the distribution of the 2010 Final Dividend. Unless otherwise defined, terms used in this announcement shall have the same meanings as those defined in the said announcements.

Pursuant to the State Administration of Taxation Notice on Matters Concerning the Levy and Administration of Individual Income Tax After the Repeal of Guo Shui Fa [1993] No. 45 (Guo Shui Han [2011] No. 348) (《國家稅務總局關於國稅發[1993]45號文件廢止後有關個人所得稅徵管問題的通知》(國稅函[2011]348號)) (the “SAT Notice”) dated 28 June 2011, and the letter titled “Tax arrangements on dividends paid to Hong Kong residents by Mainland companies” issued by The Stock Exchange of Hong Kong Limited (the “Stock Exchange Letter”) dated 4 July 2011, the Company is required to withhold the individual income tax in respect of the 2010 Final Dividend paid to the Individual H Shareholders, as a withholding agent on behalf of them. However, the Individual H Shareholders may be entitled to certain tax preferential treatments pursuant to the tax treaties between the PRC and the countries or regions in which the Individual H Shareholders are domiciled and the tax arrangements between Mainland China and Hong Kong or Macau.

As announced on 24 June 2011, the Company has temporarily withheld 20% of the 2010 Final Dividend distributed to the Individual H Shareholders whose names appear on the register of members of H shares of the Company. The Company will finally withhold and arrange for the payment of the withholding tax pursuant to the above the SAT Notice and the Stock Exchange Letter and other relevant laws and regulation, including the “Notice of the State Administration of Taxation in relation to the Administrative Measures on Preferential Treatment Entitled by Non-residents under Tax Treaties (Tentative)” (Guo Shui Fa [2009] No.124) (《國家稅務總局關於印發<非居民享受稅收協定待遇管理辦法(試行)>的通知》(國稅發[2009]124號)) (the “Tax Treaties Notice”). The Company will determine the country of domicile of the Individual H Shareholders based on the registered address as recorded in the register of members of the Company on 5 May 2011 (the “Registered Address”). The Company assumes no responsibility and disclaims all liabilities whatsoever in relation to the tax status or tax treatment of the Individual H Shareholders and for any claims arising from any delay in or inaccurate determination of the tax status or tax

treatment of the Individual H Shareholders or any disputes over the withholding mechanism or arrangements. Details of arrangements are as follows:

- For Individual H Shareholders who are Hong Kong or Macau residents and those whose country of domicile is a country which has entered into a tax treaty with the PRC stipulating a dividend tax rate of 10%, the Company will finally withhold and pay individual income tax at the rate of 10% on behalf of the Individual H Shareholders.
- For Individual H Shareholders whose country of domicile is a country which has entered into a tax treaty with the PRC stipulating a dividend tax rate of less than 10%, the Company will finally withhold and pay individual income tax at the rate of 10% on behalf of the Individual H Shareholders. If the relevant Individual H Shareholders would like to apply for a refund of the excess amount of tax withheld and paid, the Company can assist the relevant shareholder to handle the application for the underlying preferential tax benefits pursuant to the relevant tax treaty, provided that the relevant shareholder shall submit the information required under the Tax Treaties Notice in person to the Company's H share transfer branch office, Computershare Hong Kong Investor Services Limited on or before 5 September 2011. Upon approval of such information by competent tax authorities, the Company will assist in refunding the excess amount of tax withheld and paid.
- For Individual H Shareholders whose country of domicile is a country which has entered into a tax treaty with the PRC stipulating a dividend tax rate of more than 10% but less than 20%, the Company will finally withhold and pay individual income tax at the actual tax rate stipulated in the relevant tax treaty.
- For Individual H Shareholders whose country of domicile is a country which has entered into a tax treaty with the PRC stipulating a dividend tax rate of 20%, or a country which has not entered into any tax treaties with the PRC, or under any other circumstances, the Company will finally withhold and pay individual income tax at the rate of 20% on behalf of the Individual H Shareholders.

If the domicile of an Individual H Shareholder is not the same as the Registered Address or if the Individual H Shareholder would like to apply for a refund of the excess amount of tax finally withheld and paid, the Individual H Shareholder shall notify and provide relevant supporting documents in person to the Company's H share transfer branch office, Computershare Hong Kong Investor Services Limited on or before 5 September 2011. Upon approval of the supporting documents by the relevant tax authorities, the Company will follow the guidance given by the tax authorities to implement relevant tax withholding provisions and arrangements. Individual H Shareholders may either personally or appoint a representative to attend to the procedures in accordance with the requirements under the Tax Treaties Notices if they do not provide the relevant supporting documents to the Company within the time period stated above.

After deducting the final withholding tax payable to the relevant tax authorities, the Company will arrange for the refund of the remaining portion (if any) of 20% of the 2010 Final Dividend temporarily withheld. It is expected that the refund cheques will be dispatched to the relevant Individual H Shareholders on or around 30 September 2011 by ordinary post at their own risk.

Shareholders are recommended to consult their tax advisors regarding the tax impact on the possession and disposing of H shares of the Company in the PRC, Hong Kong and other countries.

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

Henan, the PRC, 19 August 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.