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Lingbao Gold Group Company Ltd.

靈寶黃金集團股份有限公司

(A joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 3330)

POSITIVE PROFIT ALERT

This announcement is made by Lingbao Gold Group Company Ltd. (the “**Company**” and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that based on the preliminary assessment of the Group’s unaudited consolidated management accounts for the six months ended 30 June 2020 (the “**Current Period**”) and information currently available to the Board, the Group is expected to record a net profit of approximately RMB19,000,000 (profit before tax of approximately RMB50,000,000) for the Current Period, representing an increase of approximately RMB110,000,000 as compared with a net loss of approximately RMB91,340,000 (loss before tax of approximately RMB57,380,000) for the corresponding period in 2019. The expected turnaround from loss to profit was primarily due to the fact that the output of self-produced smelted gold in smelting segment, and mineral gold produced in mining segment aggregately increased by approximately 18% while the output of purchased compound gold in the smelting segment decreased by approximately 50% as compared with that for the corresponding period in 2019 as the Group managed to cope with the impact of COVID-19 and strengthened internal management, and the average selling prices of gold bullion increased significantly during the Current Period. This was also due to the decrease in both the production costs and finance costs to a certain extent, thanks to the Group’s optimization of relevant operation flows, introduction of corresponding reform measures and implementation of the cost reduction and efficiency enhancement measures.

This positive profit alert announcement is only based on the preliminary review on the unaudited management accounts of the Group and the current information available, which has neither been confirmed nor reviewed by the Company's auditor or the audit committee of the Company and is subject to possible adjustments arising from further review. The unaudited interim results of the Group for the six months ended 30 June 2020 will be announced before the end of August 2020 in accordance with the Listing Rules.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
Lingbao Gold Group Company Ltd.
Mr. Chen Jianzheng
Chairman

Henan, the PRC, 9 August 2020

As at the date of this announcement, the Board of the Company comprises four executive directors, namely Mr. Chen Jianzheng, Mr. Xing Jiangze, Ms. Zhou Xing and Mr. Zeng Xiangxin; three non-executive directors, namely Mr. Zhang Feihu, Mr. Shi Yuchen and Mr. Wang Leo; and four independent non-executive directors, namely Mr. Xu Rong, Mr. Han Qinchun, Mr. Wang Jiheng and Mr. Wang Guanghua.