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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)

(Stock code: 3330)

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

The Board wishes to inform the shareholders of the Company and potential investors that the unaudited net loss attributable to the equity shareholders of the Company for the six months ended 30 June 2018 is expected to be approximately RMB67,000,000 as compared to the corresponding year of 2017, of which the net profit attributable to the equity shareholders of the Company was approximately RMB26,450,000.

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

This announcement is made 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 (the "**Board**") of Lingbao Gold Group Company Ltd. (the "**Company**" and together with its subsidiaries, the "**Group**") wishes to inform the shareholders of the Company and potential investors that the unaudited net loss attributable to the equity shareholders of the Company for the six months ended 30 June 2018 is expected to be approximately RMB67,000,000 as compared to the corresponding year of 2017, of which the net profit attributable to the equity shareholders of the Company was approximately RMB26,450,000. Such turnaround from profit to loss was mainly due to the significant drop in gross profit margin for the smelting segment. The drop in the gross profit margin for the first half of 2018 was due to (i) the company have insufficient level of working capital to purchase gold concentrates to maintain high utilisation rate of the smelting production facilities; and (ii) the smelting plant operation was suspended for about one month due to repair and maintenance and environment protection equipment upgrades.

This profit warning announcement is only based on the preliminary review on the unaudited management accounts of the Group and the current information available, which have not been confirmed or reviewed by the Company's auditor. The results of the Group for the six months ended 30 June 2018 will be announced by the end of August 2018.

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

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

Henan, the PRC, 17 August 2018

As at the date of this announcement, the Board comprises five executive Directors, namely Mr. Chen Jianzheng, Mr. Wang Leo, Ms. Zhou Xing, Mr. Zhao Kun and Mr. Xing Jiangze; one non-executive Director, namely Mr. Shi Yuchen; and four independent non-executive Directors, namely Mr. Yang Dongsheng, Mr. Han Qinchun, Mr. Wang Jiheng and Mr. Wang Guanghua.