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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)

**SUPPLEMENTAL ANNOUNCEMENT
IN RESPECT OF THE ANNUAL REPORT FOR THE YEAR ENDED 31
DECEMBER 2018
AND CHANGE IN USE OF PROCEEDS**

Reference is made to the annual report for the year ended 31 December 2018 (“**2018 Annual Report**”) of Lingbao Gold Group Company Ltd. (the “**Company**”, together with its subsidiaries collectively referred to as the “**Group**”) and the announcement of the Company dated 4 January 2018 (the “**2018 Announcement**”) in respect of issuance of new domestic shares under general mandate. Unless the context otherwise indicated, capitalized terms used in this announcement shall have the same meanings as those defined in the 2018 Annual Report and 2018 Announcement.

As disclosed in the 2018 Announcement, on 4 January 2018, the Company entered into the Subscription Agreements with nine Subscribers (being independent third parties), respectively, pursuant to which the Company had agreed to allot and issue an aggregate of 94,000,000 Subscription Shares to the Subscribers at a price of RMB0.912 per Subscription Share. The Company intended to use such net proceeds to repay the short-term bank loan of the Company.

The board of directors (the “**Board**”) of the Company hereby wishes to supplement that the proceeds raised from issuance of new domestic shares on a non-public basis (the “**Proceeds**”) were fully recognized on 18 January 2018, and fully utilized as at 19 March 2018. The Proceeds amounted to a total of RMB85,728,000, while the net Proceeds, after netting off the attorney fee and consultant fee of approximately RMB3,119,000, amounted to approximately RMB82,609,000. In consideration of changes in the business environment and actual use by the Company, the Board resolved that the Proceeds should be reallocated so that such Proceeds could be utilized in more efficiently and the financial conditions of the Company would be improved. The net Proceeds were actually used for 1) purchasing raw materials in an amount of approximately RMB71,627,000; 2) paying taxation in an amount of approximately RMB8,982,000; and 3) repaying bank loans and interest in an amount of approximately RMB2,000,000.

The supplemental information as contained in this announcement will not affect other information set forth in the 2018 Annual Report. Save for the supplemental information as disclosed above, the contents of the 2018 Annual Report remain unchanged.

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

Henan Province, the PRC, 7 November 2019

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. Wang Leo; Two non-executive directors, namely Mr. Zhang Feihu and Mr. Shi Yuchen; and four independent non-executive directors, namely Mr. Yang Dongsheng, Mr. Han Qinchun, Mr. Wang Jiheng and Mr. Wang Guanghua.