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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**", together with its subsidiaries, the "**Group**") pursuant to Rule 13.09(2)(a) 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 the Company is pleased to inform the shareholders of the Company (the "**Shareholders**") and the potential investors that, based on the preliminary review of the unaudited consolidated management accounts of the Group for the six months ended 30 June 2026 and the information currently available to the Board, the Group expects to (i) record a revenue ranging from approximately RMB7,900,000,000 to RMB8,100,000,000 for the six months ended 30 June 2026, representing an increase ranging from approximately 1% to 4% as compared with the revenue of approximately RMB7,792,736,000 for the six months ended 30 June 2025; and (ii) record a net profit ranging from approximately RMB950,000,000 to RMB1,050,000,000 for the six months ended 30 June 2026, representing an increase ranging from approximately 42% to 57% as compared with the net profit of approximately RMB670,041,000 for the six months ended 30 June 2025. Such net profit performance was primarily attributable to the following factors: (i) mainly benefitting from the Group's steady advancement of production and operation and the continued rigorous implementation of cost reduction and efficiency enhancement measures during the first half of 2026, as well as the increase in the price of gold, the Group's major product, as compared with the same period in 2025; (ii) the Group completed the subscription transaction for a 50% + 1 share equity interest in St Barbara Mining Pty Ltd (the "**Target Company**") on 2 April 2026. The Target Company's core asset is the producing Simberi Gold Mine located in Papua New Guinea. The financial results of the Target Company from the completion date of the subscription have been consolidated into the Group's consolidated financial statements, exerting a positive impact on the Group's performance; (iii) the net profit of the Group for the first quarter of 2026 was significantly offset by the profit from its core business due to the impact of the recognition of a loss arising from changes in fair value of the Convertible Bonds (as defined below) of approximately RMB260.0 million and related finance costs (including actual and imputed interest) of approximately RMB22.11 million (the Board hereby emphasises that such matter is a non-cash item, arising solely from the application of and compliance with relevant accounting standards, does not involve any cash outflow, and does not reflect the underlying core operating performance of the Group).

EXPLANATION OF THE EXPECTED IMPACT OF THE CONVERTIBLE BONDS ON FINANCIAL PERFORMANCE FOR FISCAL YEAR 2026

References are made to the Company's announcements dated 25 November 2025 and 1 December 2025, the annual results announcement dated 26 March 2026, and inside information announcement dated 21 April 2026 (collectively, the "**Announcements**") in relation to, among others, (i) the issue of HK$1,166 million zero coupon convertible bonds due 2026 (the "**Convertible Bonds**") under the general mandate; and (ii) the full conversion of such Convertible Bonds into 65,395,378 H Shares at a conversion price of HK$17.83 per H Share during the conversion period (from 3 February 2026 to 19 March 2026). Unless the context otherwise requires, terms used herein shall have the same meanings as those defined in the Announcements.

The Board hereby informs the Shareholders and potential investors of the Company that, based on a preliminary assessment of the Group's unaudited consolidated management accounts for the period ending 31 December 2026 ("**Fiscal Year 2026**"), it is expected that the Group will record non-cash financial gains or losses relating to the Convertible Bonds issued by the Company, as detailed below:

SUMMARY OF FINANCIAL IMPACT

Based on the Board's preliminary assessment of the available information, during Fiscal Year 2026, due to the increase in the Company's share price leading to financial gains or losses arising from the Convertible Bonds, the Group expects to record:

- Loss on fair value changes: approximately RMB260.0 million; and
- Related financial expenses (including actual and imputed interest): approximately RMB22.11 million.

VIEWS AND EXPLANATIONS OF THE BOARD

The Board would like to highlight the following key points to the Shareholders and potential investors regarding the above matters:

- **Use of Proceeds and Strategic Value:** Among the net proceeds of approximately HK$1,151.6 million from this issuance of Convertible Bonds, approximately 80% is intended to be used for mergers and acquisitions and consolidations opportunities for overseas high quality gold mining assets, and approximately HK615.4 million will be used in accordance with the intended purposes and agreed terms to pay the consideration for acquiring a 50% + 1 share equity interest in the Target Company. These strategic acquisitions have already increased the Group's gold resource reserves, expanded its production scale and extended its overseas footprint, which is in line with the Group's long-term development strategy and the interests of its Shareholders as a whole.

- **Non-Cash Nature and Cash Flow:** The aforementioned fair value loss and finance costs are non-cash accounting items. Such accounting treatments are solely for the purpose of complying with the requirements of the Hong Kong Financial Reporting Standards (HKFRS) and do not involve any actual cash outflow from the Group or have any impact on the core operating performance of the Group. The Group's operating cash flows, bank balances, and working capital position remain unaffected by the above matters.

- **One-Off Impact and Conclusion of the Matter:** As the Convertible Bonds have been converted into shares by 19 March 2026, the Board considers such accounting impact to be one-off in nature. Following the completion of this conversion, it is expected that no further losses on fair value change related to the Convertible Bonds will arise in subsequent accounting periods.

- **Solid Core Business Performance:** The above profit or loss items do not reflect the underlying core operating performance of the Group. Excluding the impact of the aforementioned non-cash accounting items, the Group's business operations remain solid, with core profit performance in line with management's expectations.

As at the date of this announcement, the Company is still in the process of preparing the results of the Group for the six months ended 30 June 2026. The information contained in this announcement is only based on the Board's preliminary assessment of the unaudited consolidated management accounts of the Group for the six months ended 30 June 2026, which have not been reviewed or audited by the auditors of the Company, nor have they been reviewed by the audit committee of the Company. Such financial information is subject to finalization and necessary adjustments. The results of the Group for the six months ended 30 June 2026 are expected to be announced by the Company by the end of August 2026. Shareholders and potential investors are advised to carefully read the annual results announcement of the Company upon its publication.

Shareholders and potential investors should exercise caution when dealing in the shares of the Company.

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

Lingbao, Henan, the PRC
13 July 2026

As at the date of this announcement, the Board comprises five executive directors, namely Mr. Chen Jianzheng, Mr. Wang Pinran, Mr. Xing Jiangze, Mr. He Chengqun and Ms. Zhao Li; two non-executive directors, namely Mr. Zhang Feihu and Mr. Wang Guanran; and four independent non-executive directors, namely Mr. Yeung Chi Tat, Mr. Bo Shao Chuan, Mr. Guo Michael Xinsheng and Mr. Huang Hui.