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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)*

**(Stock code: 3330)**

## **2014 THIRD QUARTERLY REPORT**

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).

Lingbao Gold Company Ltd. (the "Company" and together with its subsidiaries, the "Group") issued the medium-term notes in the People's Republic of China (the "PRC"). Pursuant to the relevant regulations in the PRC, the following is the unaudited third quarterly consolidated financial information of the Group for the period ended 30 September 2014 prepared in accordance with generally accepted accounting principles and practices in the PRC, which is published on the website of ChinaMoney (<http://www.chinamoney.com.cn>) and ChinaBond (<http://www.chinabond.com.cn>).

By order of the Board  
**Lingbao Gold Company Ltd.**  
**Jin Guangcai**  
*Chairman*

Henan, the PRC, 28 October 2014

*As at the date of this announcement, the Board comprises five executive directors, namely Mr. Jin Guangcai, Mr. Qiang Shanfeng, Mr. Zhang Guo, Mr. He Chengqun and Mr. Zhou Yudao; one non-executive director, namely Mr. Shi Yuchen; and four independent non-executive directors, namely Mr. Yang Dongsheng, Ms. Du Liping, Mr. Han Qinchun and Mr. Xu Qiangsheng.*

## Lingbao Gold Company Ltd.

## Balance Sheet

Unit: RMB Yuan

ASSETS	As at 30 September 2014		As at 31 December 2013	
	Group	Company	Group	Company
<b>Current assets:</b>				
Cash and cash equivalents	478,360,407.65	325,206,423.02	414,757,452.52	269,503,388.13
Trading financial assets	7,450,000.00	7,450,000.00	1,059,000.00	-
Notes receivable	162,253,693.15	87,670,246.84	163,191,750.87	102,196,365.84
Accounts receivable	427,597,237.57	356,316,159.36	445,831,700.88	411,622,510.87
Prepayments	440,799,806.39	394,408,497.36	374,139,541.82	339,575,100.47
Other receivables	63,856,408.81	1,226,316,898.62	47,928,990.94	1,242,767,828.97
Inventories	1,585,644,086.41	1,170,993,945.07	1,449,969,804.65	1,048,752,400.62
Non-current assets due within one year	-	-	15,758,548.68	15,758,548.68
Other current assets	162,364,700.15	117,356,066.39	129,585,870.45	71,737,444.02
<b>Total current assets</b>	<b>3,328,326,340.13</b>	<b>3,685,718,236.66</b>	<b>3,042,222,660.81</b>	<b>3,501,913,587.60</b>
<b>Non-current assets:</b>				
Long-term equity investments	11,323,596.35	660,272,348.97	11,323,596.35	659,402,550.97
Fixed assets	1,995,441,188.40	671,717,182.43	2,104,098,864.67	725,675,654.22
Construction in progress	517,112,912.46	154,955,808.08	363,694,784.25	96,807,589.17
Project materials	5,611,074.26	-	1,826,840.08	-
Disposal of fixed assets	123,314.40	-	115,709.56	-
Intangible assets	638,708,184.51	98,825,192.56	673,507,221.95	102,032,617.38
Goodwill	7,346,350.24	-	7,346,350.24	-
Long-term deferred expenses	8,806,481.88	4,806,976.27	7,941,639.03	4,016,631.60
Deferred income tax assets	303,607,910.36	277,733,083.44	303,585,721.78	277,733,083.44
Other non-current assets	210,081,689.67	23,938,545.44	207,881,194.34	21,081,707.73
<b>Total non-current assets</b>	<b>3,698,162,702.53</b>	<b>1,892,249,137.19</b>	<b>3,681,321,922.25</b>	<b>1,886,749,834.51</b>
<b>Total assets</b>	<b>7,026,489,042.66</b>	<b>5,577,967,373.85</b>	<b>6,723,544,583.06</b>	<b>5,388,663,422.11</b>

Unit: RMB Yuan

LIABILITIES AND SHAREHOLDERS' EQUIT	As at 30 September 2014		As at 31 December 2013	
	Group	Company	Group	Company
<b>Current liabilities:</b>				
Short-term borrowings	1,731,482,275.00	1,469,517,900.00	1,397,537,000.00	1,277,537,000.00
Notes payable	81,422,000.00	30,000,000.00	24,850,000.00	-
Accounts payable	508,860,917.22	404,652,825.49	692,664,487.99	548,107,213.23
Deposits received	8,930,533.28	4,424,343.81	3,274,987.95	3,788,684.95
Payroll and benefits payable	56,169,977.43	26,313,574.29	55,904,081.00	26,892,677.35
Taxes payable	31,123,300.92	16,790,118.85	25,807,544.99	11,528,539.06
Interests payable	35,602,484.26	30,121,535.03	38,302,374.58	36,906,184.45
Dividends payable	1,260,000.00	1,260,000.00	9,221,841.49	9,221,841.49
Other payables	254,511,857.70	140,152,687.45	234,273,143.21	135,937,880.71
Non-current liabilities due within one year	436,071,875.00	323,000,000.00	324,416,638.65	29,500,000.00
<b>Total current liabilities</b>	<b>3,145,435,220.81</b>	<b>2,446,232,984.92</b>	<b>2,806,252,099.86</b>	<b>2,079,420,021.24</b>
<b>Non-current liabilities:</b>				
Long-term loans	1,310,335,008.08	847,080,908.00	1,370,197,803.00	1,058,580,908.00
Bonds payable	700,000,000.00	700,000,000.00	700,000,000.00	700,000,000.00
Long-term payables	24,808,898.76	-	25,852,219.07	-
Estimated liabilities	14,064,349.27	-	13,937,513.40	-
Deferred income tax liabilities	158,850.00	-	158,850.00	-
Other non-current liabilities	147,538,573.04	93,049,271.27	130,943,508.93	81,474,473.45
<b>Total non-current liabilities</b>	<b>2,196,905,679.15</b>	<b>1,640,130,179.27</b>	<b>2,241,089,894.40</b>	<b>1,840,055,381.45</b>
<b>Total liabilities</b>	<b>5,342,340,899.96</b>	<b>4,086,363,164.19</b>	<b>5,047,341,994.26</b>	<b>3,919,475,402.69</b>
<b>Shareholders' equity:</b>				
Paid-in share capital	154,049,818.20	154,049,818.20	154,049,818.20	154,049,818.20
Capital reserve	841,988,823.68	842,846,685.68	841,988,823.68	842,846,685.68
Surplus reserves	166,553,430.94	161,287,604.76	166,458,219.94	161,287,604.76
Retained profits	523,347,272.98	333,420,101.02	504,196,401.47	311,003,910.78
Translation difference	9,182,228.16	-	8,355,798.70	-
<b>Total equity attributable to equity holders of the parent company</b>	<b>1,695,121,573.96</b>	<b>-</b>	<b>1,675,049,061.99</b>	<b>-</b>
<b>Minority interests</b>	<b>-10,973,431.26</b>	<b>-</b>	<b>1,153,526.81</b>	<b>-</b>
<b>Total shareholders' equity</b>	<b>1,684,148,142.70</b>	<b>1,491,604,209.66</b>	<b>1,676,202,588.80</b>	<b>1,469,188,019.42</b>
<b>Total liabilities and shareholders' equity</b>	<b>7,026,489,042.66</b>	<b>5,577,967,373.85</b>	<b>6,723,544,583.06</b>	<b>5,388,663,422.11</b>

Lingbao Gold Company Ltd.  
Income Statement

Unit: RMB Yuan

Events	January – September 2014		January – September 2013	
	Group	Company	Group	Company
Total operating revenue	4,784,149,639.76	4,083,646,416.44	5,635,733,118.87	5,154,405,094.71
Total operating cost	4,767,163,262.65	4,073,107,708.95	6,100,855,839.92	5,629,258,052.79
Included: cost of sale	4,327,480,410.12	3,828,492,068.05	5,584,765,032.36	5,320,396,888.85
Taxes and surcharges	10,293,917.68	6,289,882.22	4,791,332.25	2,308,343.29
Selling expenses	24,106,180.99	4,848,662.60	19,856,864.68	5,575,564.06
Administrative expenses	224,090,856.14	102,444,699.48	224,725,047.69	119,381,204.58
Financial expenses	181,191,897.72	131,032,396.60	185,667,753.08	139,748,671.77
Assets impairment losses	-	-	81,049,809.86	41,847,380.24
Add: Gains on changes in fair value (loss marked by “-”)	7,450,000.00	7,450,000.00	-	-
Investment income (loss marked by “-”)	1,912,067.60	1,908,510.00	-	-
Operating profit (loss marked by “-”)	26,348,444.71	19,897,217.49	-465,122,721.05	-474,852,958.08
Add: Non-operating income	10,509,210.96	6,266,696.80	12,391,060.86	5,554,342.04
Less: Non-operating expenses	14,432,760.83	3,747,723.38	15,192,560.08	9,548,726.11
Total Profit (loss marked by “-”)	22,424,894.84	22,416,190.91	-467,924,220.27	-478,847,342.15
Less: income tax	15,573,343.85	-	-102,407,022.19	-119,711,835.54
Net profit (loss marked by “-”)	6,851,550.99	22,416,190.91	-365,517,198.08	-359,135,506.61
Net profit attributable to equity holders of the parent company	19,246,085.34	22,416,190.91	-352,812,165.61	-359,135,506.61
Minority interests	-12,394,534.35	-	-12,705,032.47	-
Earnings per share:				
(I) Basic earnings per share	0.02	-	-0.46	-
(II) Diluted earnings per share	0.02	-	-0.46	-
Other comprehensive income	1,094,005.74	-	9,499,592.58	-
Total comprehensive income	7,945,556.73	22,416,190.91	-356,017,605.50	-359,135,506.61
Total comprehensive income attributable to the shareholders of the parent company	20,072,514.80	-	-345,180,762.04	-
Total comprehensive income attributable to the minority shareholders	-12,126,958.07	-	-10,836,843.46	-

Lingbao Gold Company Ltd.  
Cash Flow Statement

Events	January – September 2014		January – September 2013	
	Group	Company	Group	Company
Unit: RMB Yuan				
I. Cash flows from operating activities:				
Cash received from sale of goods or rendering of services	4,713,672,310.39	3,962,975,719.84	5,503,030,683.22	4,908,414,591.18
Refunds of tax received	3,529,777.32	-	12,357,517.39	-
Cash received relating to other operating activities	51,700,340.89	11,676,922.09	140,693,305.15	121,777,996.20
Sub-total of cash inflows	<u>4,768,902,428.60</u>	<u>3,974,652,641.93</u>	<u>5,656,081,505.76</u>	<u>5,030,192,587.38</u>
Cash paid for goods and services	4,330,451,555.16	3,809,799,993.75	4,918,959,658.05	4,622,653,169.44
Cash paid to and on behalf of employees	202,709,353.41	107,162,048.11	226,701,669.74	121,903,131.50
Cash paid for all types of taxes	138,662,544.48	103,638,049.17	119,961,772.12	68,710,605.16
Cash paid relating to other operating activities	88,757,241.64	54,999,653.09	88,636,239.34	51,524,733.69
Sub-total of cash outflows	<u>4,760,580,694.69</u>	<u>4,075,599,744.12</u>	<u>5,354,259,339.25</u>	<u>4,864,791,639.79</u>
Net cash flows from operating activities	<u>8,321,733.91</u>	<u>-100,947,102.19</u>	<u>301,822,166.51</u>	<u>165,400,947.59</u>
II. Cash flows from investing activities:				
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	18,096,287.34	17,033,248.68	29,215,225.18	29,054,895.22
Cash received relating to other investing activities	-	117,959,291.36	350,958.90	350,958.90
Sub-total of cash inflows	<u>18,096,287.34</u>	<u>134,992,540.04</u>	<u>29,566,184.08</u>	<u>29,405,854.12</u>
Cash paid for acquisition of fixed assets, intangible assets and	197,987,982.85	52,179,527.95	212,197,496.22	47,178,350.53
Cash paid for investments	-	869,798.00	-	-
Cash paid relating to other investing activities	9,936,524.14	52,142,012.03	-	66,665,012.62
Sub-total of cash outflows	<u>207,924,506.99</u>	<u>105,191,337.98</u>	<u>212,197,496.22</u>	<u>113,843,363.15</u>
Net cash flows from investing activities	<u>-189,828,219.65</u>	<u>29,801,202.06</u>	<u>-182,631,312.14</u>	<u>-84,437,509.03</u>
III. Cash flows from financing activities:				
Cash received from borrowing	1,256,584,195.64	1,093,419,502.50	2,257,555,215.52	2,029,209,244.95
Cash received from other financing activities	15,300,827.82	14,770,000.00	16,062,989.71	6,950,000.00
Sub-total of cash inflows	<u>1,271,885,023.46</u>	<u>1,108,189,502.50</u>	<u>2,273,618,205.23</u>	<u>2,036,159,244.95</u>
Cash repayment of borrowings	820,693,000.00	820,693,000.00	2,043,115,478.51	1,847,115,478.51
Cash paid for distribution of dividends or profits and for payment of interest expenses	193,984,593.15	158,469,399.48	233,410,982.87	208,280,202.39
Cash paid relating to other financing activities	11,194,953.20	2,178,168.00	34,596,260.19	2,150,000.00
Sub-total of cash outflows	<u>1,025,872,546.35</u>	<u>981,340,567.48</u>	<u>2,311,122,721.57</u>	<u>2,057,545,680.90</u>
Net cash flows from financing activities	<u>246,012,477.11</u>	<u>126,848,935.02</u>	<u>-37,504,516.34</u>	<u>-21,386,435.95</u>
IV. Effect of foreign exchange rate changes on cash and cash equivalents	-116,721.03	-	778,934.23	-
V. Net increase in cash and cash equivalents	<u>64,389,270.34</u>	<u>55,703,034.89</u>	<u>82,465,272.26</u>	<u>59,577,002.61</u>
Add: Balance of cash and cash equivalents at beginning of period	367,202,675.07	233,125,253.33	267,935,030.80	194,214,826.92
VI. Balance of cash and cash equivalents at end of period	<u>431,591,945.41</u>	<u>288,828,288.22</u>	<u>350,400,303.06</u>	<u>253,791,829.53</u>