



A Leader in China's Gold Jewelry Market



*2018 Second Quarter
Financial Results Conference Call
August 9, 2018, at 4:30 PM ET*

Forward Looking Statement



This corporate presentation contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, which can be identified by the use of words such as "believes," "expects," "may," "will," "intends," "plans," "estimates," or "anticipates" or other comparable terminology as well as future or conditional verbs such as "will," "should," "would," or "could." Such statements involve known and unknown risks, uncertainties and other factors that could cause the actual results of the Company to differ materially from the results expressed or implied by such statements, including changes from anticipated levels of sales, future international, national or regional economic and competitive conditions, changes in relationships with customers, access to capital, difficulties in developing and marketing new products and services, marketing existing products and services, customer acceptance of existing and new products and services and the risks and uncertainties described in the Company's most recent annual report on Form 10-K and the Company's quarterly reports on Form 10-Q. Accordingly, although the Company believes that the expectations reflected in such forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct. The Company has no obligation to update or reuse the forward-looking information contained in this presentation. All forward-looking statements are qualified in their entirety by this cautionary statement.



Kingold ~ 2018 Second Quarter Financial Highlights



- **Net sales increased** by 42.6% to \$678.8 million
- **Processed 27.6 metric tons of 24-karat gold products**, an increase of 6.2%
- **Net income was \$13.6 million**, or \$0.20 per diluted share in 2018Q2

Metric Tons of Gold Processed

Three Months Ended:

June 30, 2018

June 30, 2017

| | Volume | % of Total | Volume | % of Total |
|--------------|-------------|---------------|-----------|-------------|
| Branded* | 16.9 | 61.1% | 12 | 46.2% |
| Customized** | 10.7 | 38.9% | 14 | 53.8% |
| Total | 27.6 | 100.0% | 26 | 100% |

Six Months Ended:

June 30, 2018

June 30, 2017

| | Volume | % of Total | Volume | % of Total |
|--------------|-------------|---------------|-------------|---------------|
| Branded* | 29.8 | 58.6% | 20.1 | 47.7% |
| Customized** | 21.1 | 41.4% | 22.0 | 52.3% |
| Total | 50.9 | 100.0% | 42.1 | 100.0% |



* Branded Production: The Company acquires gold from the Shanghai Gold Exchange to produce branded products.

** Customized Production: Clients who purchase customized products supply gold to the Company for processing.

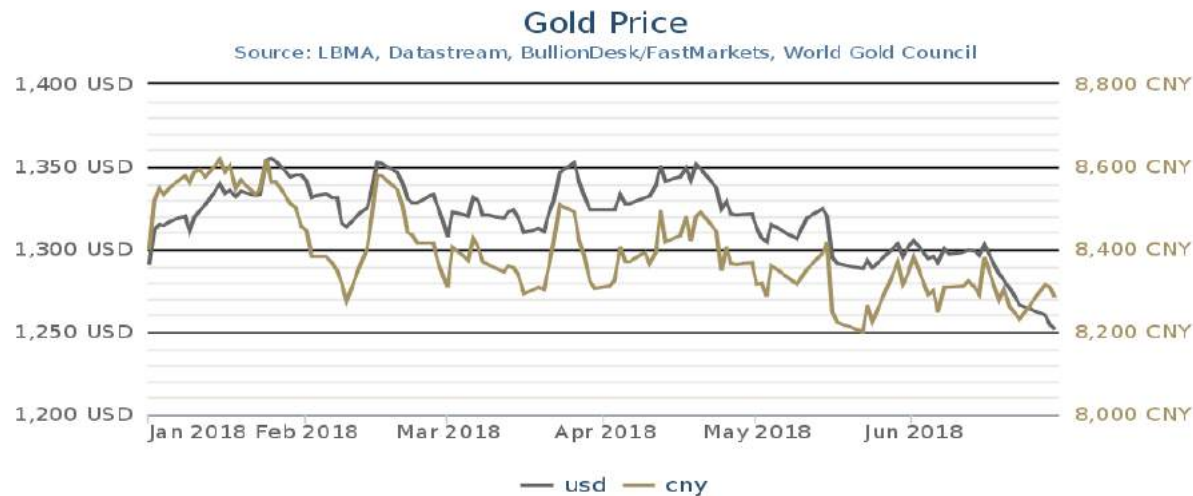
* Attributable to common stockholders

China's Gold Demand Favorable for Q2 2018



- Chinese consumers responded well to industry focus on innovation and branding, Jewelry demand extended its recent recovery, gaining 5% to 144.9t in Q2. *
- China bar and coin investment: 11% growth in Q2 fueled by currency and stock market weakness.*

World Gold Council – 2018 First Half Gold Price Chart



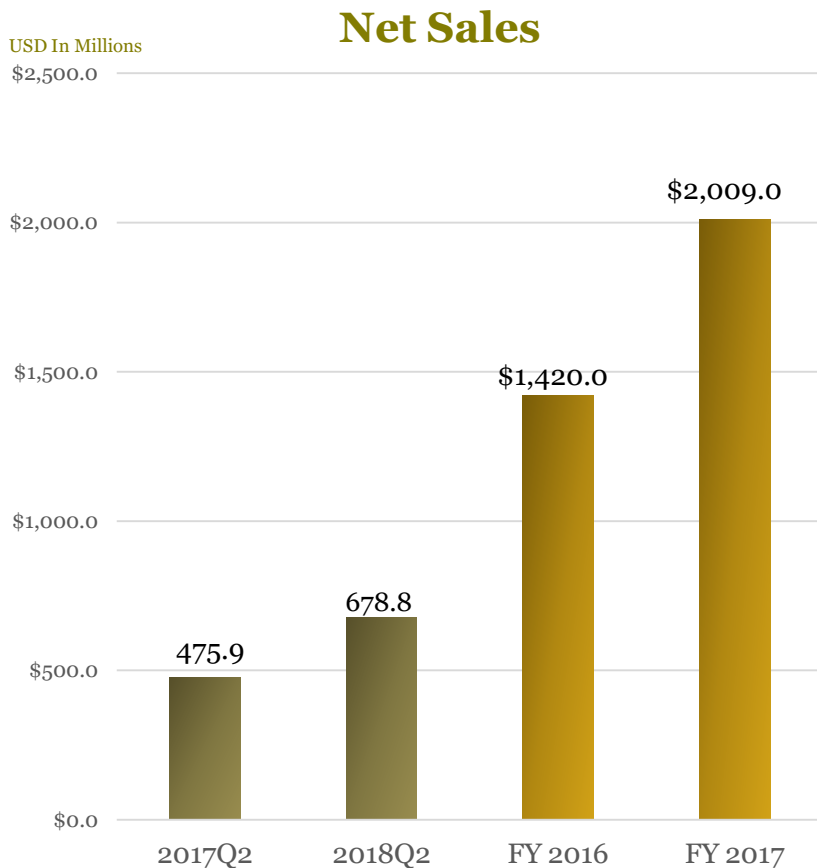
From World Gold Council – Interactive Chart





2018 Second Quarter Financial Highlights

Net Sales and Gross Profit



Net sales for the three months ended June 30, 2018 amounted to \$678.8 million, an increase of \$475.9 million, or 42.6%, from net sales of \$202.9 million for the three months ended June 30, 2017.

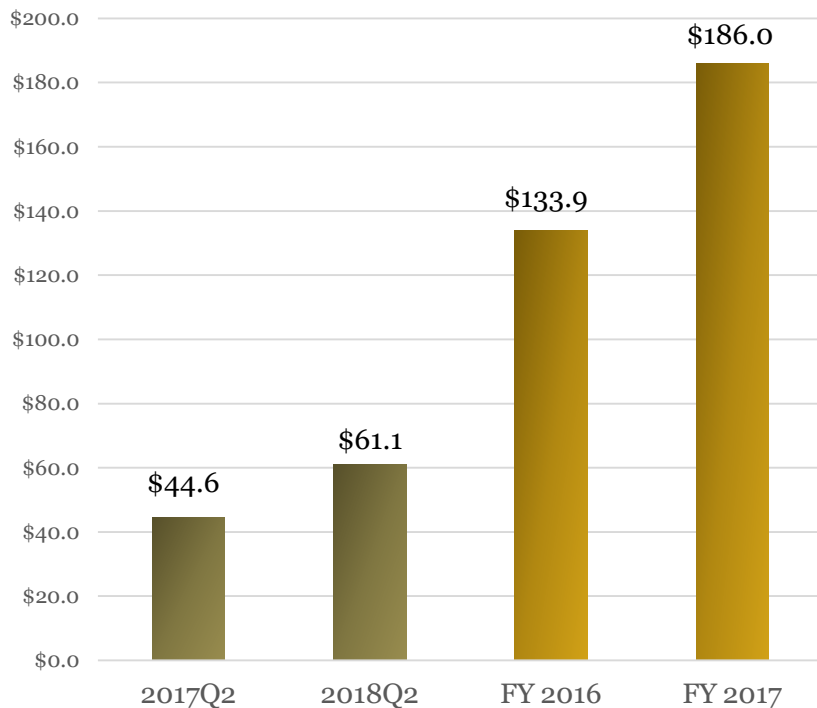
Gross margin for the three months ended June 30, 2018 was 9.4%, compared to 10% for the same period in 2017. The slight decrease in gross margin was primarily due to the decreased average selling price of our branded production, compensated by decreased unit cost of branded production during the three months ended June 30, 2018.





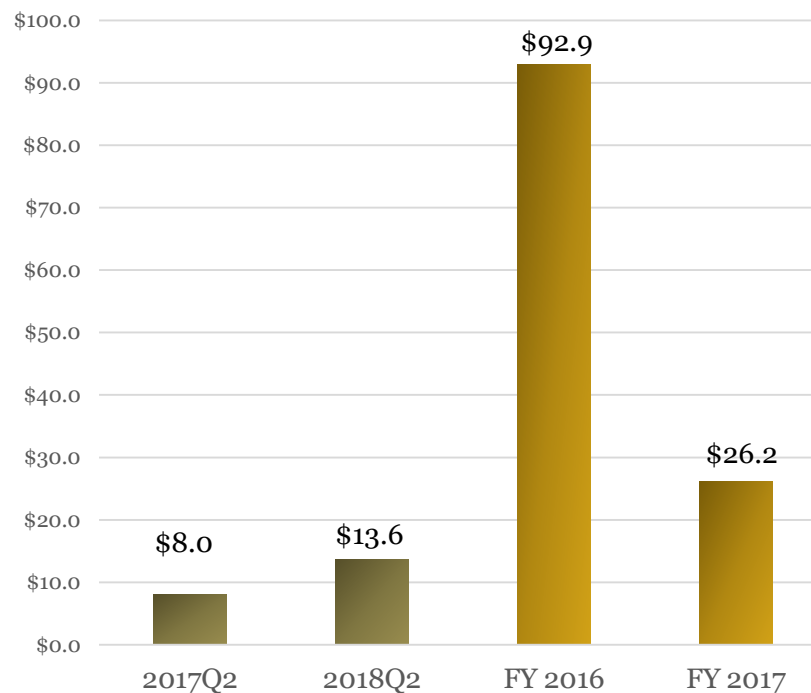
Operating Income

USD In Millions



Net Income*

USD In Millions



Net income for the three months ended June 30, 2018 was \$13.6 million, or \$0.20 per diluted share based on 66.2 million weighted average diluted shares outstanding, compared to net income of \$8.0 million in the prior year period, or \$0.12 per diluted share based on 66.4 million weighted average diluted shares outstanding in the prior-year period.



Select Balance Sheet Data



| (In USD 000s) | At June 30, 2018 (Unaudited) | At December 31, 2017 (Audited) |
|--|---|---|
| Cash and cash equivalents, excluding restricted cash | \$240 | \$4,997 |
| Accounts receivable | - | \$768 |
| Inventories (Gold) | \$150,438 | \$135,043 |
| Total Current Assets | \$1,616,970 | \$2,063,119 |
| Total Assets | \$2,559,247 | \$3,042,345 |
| Short-term Loans / Bank Notes | \$908,636 | \$962,102 |
| Debts Payable, net | - | - |
| Total Current Liabilities | \$1,014,005 | \$1,294,860 |
| Total Liabilities | \$2,186,181 | \$2,652,113 |
| Total Equity | \$373,066 | \$390,232 |
| Total Liabilities and Equity | \$2,559,247 | \$3,042,345 |





Based on its existing resources and capacity, the Company reiterates its previously announced belief that gold processed will be between **100 to 110** metric tons during 2018.



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