



A Leader in China's Gold Jewelry Market



*2018 Fourth Quarter and Year End
Financial Results Conference Call
April 3, 2019, at 8:30 AM 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 Fourth Quarter and Year End Financial Highlights



- Net sales were approximately \$2.48 billion, increased by 41% from approximately \$2.01 billion.
- Processed a total of 114.2 metric tons [one metric ton = 35,274 ounces] of 24-karat gold products in 2018, an increase of 10.4% compared to 103.4 metric tons. This result exceeded the Company's previously announced estimate of between 100 metric tons and 110 metric tons.
- Gross profit increased by 32% to \$264.3 million from \$199.9 million.
- Gross margin was 10.7% compared to 9.9%.
- Net income was \$49.5 million, or \$0.75 per diluted share, increased by 89% from \$26.2 million, or \$0.39 per diluted share.
- Book value per diluted share was \$9.64 at December 31, 2018, compared to \$5.91 at December 31, 2017.

Metric Tons of Gold Processed				
Year Ended:				
	December 31, 2018		December 31, 2017	
	Volume	% of Total	Volume	% of Total
Branded*	62.9	55.1%	51.5	49.8%
Customized**	51.3	44.9%	51.9	50.2%
Total	114.2	100.0%	103.4	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

Kingold ~ 2018 Fourth Quarter and Year End Financial Highlights



- Net sales were \$631.2 million, compared to \$657.1 million.
- Processed a total of 33.7 metric tons of 24-karat gold products, compared to 31.2 metric tons.
- Net income was \$9.5 million, or \$0.15 per diluted share, compared to \$10.5 million, or \$0.15 per diluted share.

Metric Tons of Gold Processed				
Three Months Ended:				
	December 31, 2018		December 31, 2017	
	Volume	% of Total	Volume	% of Total
Branded*	16.4	48.7%	16.8	53.8%
Customized**	17.3	51.3%	14.4	46.2%
Total	33.7	100.0%	31.2	100%



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

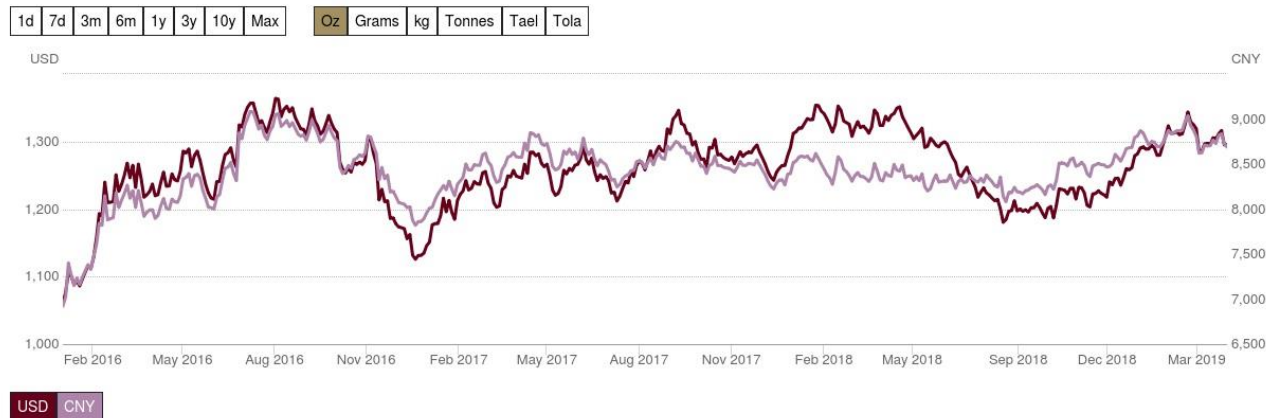
** Customized Production: Clients who purchase customized products supply gold to the Company for processing.

* Attributable to common stockholders



- Annual Chinese jewelry demand grew by 3%
 - ◆ Certain sectors of the gold jewelry market were robust, with ultra-high purity products (9999s or 99999s) performing well in some regions and 3D hard gold continuing to grow.
- China recorded another good year, with annual bar and coin demand steady at 304.2t.
- The Shanghai Gold Benchmark price rose 3.4%.

World Gold Council – 2018 Annual Gold Price Chart **GOLDHUB** Gold prices



Data as of 29 March, 2019

Sources: FastMarkets, ICE Benchmark Administration, Thomson Reuters, World Gold Council;

See disclaimer on gold.org



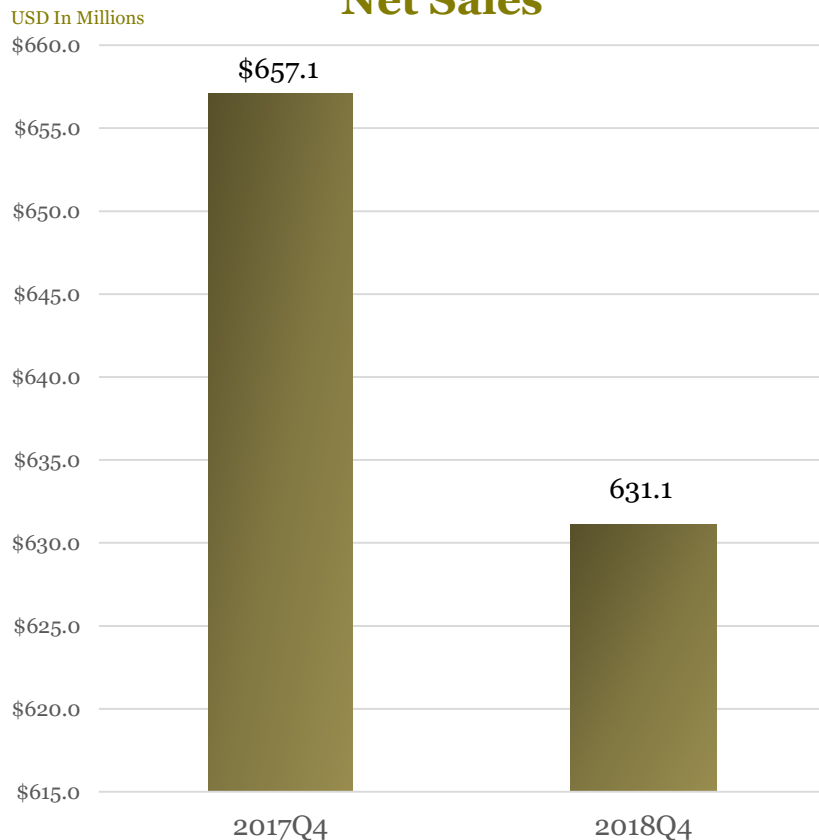


2018 Fourth Quarter and Year End Financial Highlights

Net Sales and Gross Profit ~ Q4 2018



Net Sales



Net sales for the three months ended December 31, 2018 amounted to \$631.2 million, an decrease of \$26 million, or 3.9%, from net sales of \$657.1 million for the three months ended December 31, 2017.

Gross Profit



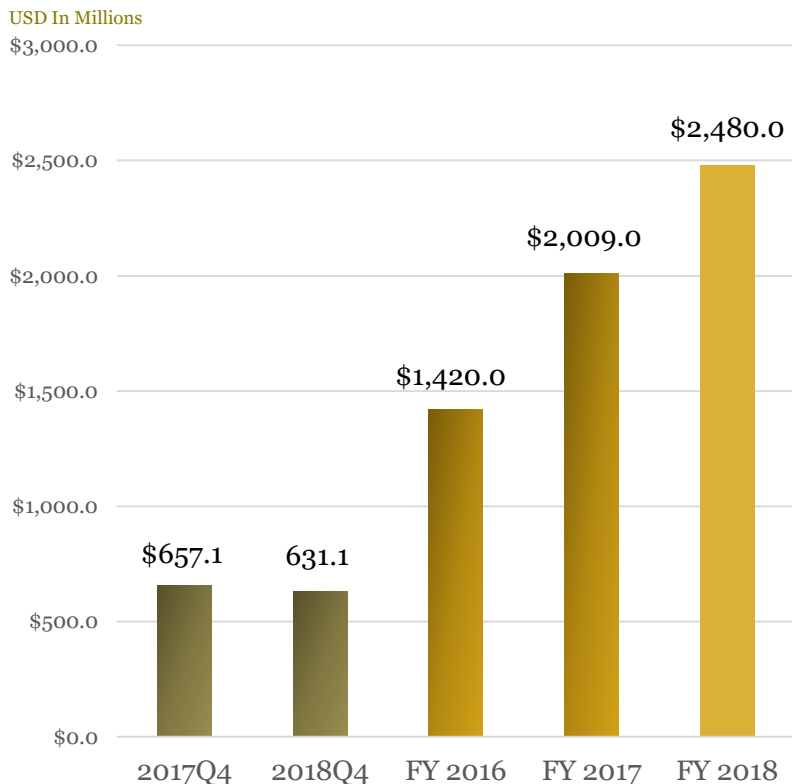
Gross margin for the three months ended December 31, 2018 was 11.9%, compared to 8.6% for the same period in 2017.



Net Sales and Gross Profit ~FY 2018



Net Sales



Net sales for the year ended December 31, 2018 was approximately \$2.48 billion, an increase of 41% from approximately \$2.01 billion reported in the year of 2017. The overall increase was mainly due to the following combined factors: (1) the total sales volume (in terms of quantity sold) for branded production increased from 51.5 metric tons in 2017 to 62.9 metric tons in 2018, causing 11.4 metric tons or 22.1% increase. However, the average unit selling price for branded production remained stable in 2018, which was RMB 254.8 per gram in 2018, compared to RMB 257.2 per gram in 2017, resulting in a slightly decrease of 0.9%. (2) Total sales volume (in terms of quantity sold) for customized production remained stable in 2018, which was 51.3 metric tons in 2018, compared to 51.8 metric tons in 2017. However, the average unit selling price for customized production increased from RMB 6.38 per gram in 2017 to RMB 6.89 per gram in 2018, causing 8.1% increase.

Gross Profit



Gross profit was approximately \$264.3 million for the year ended December 31, 2018, compared to approximately \$199.9 million for year of 2017. The increase in gross profit was mainly due to the following factors: (1) the increased sales volume from 103.4 metric tons in 2017 to 114.2 metric tons in 2018, which has impacted the Company's gross profit and gross margin for the year ended December 31, 2018; and (2) the increase in unit selling price of customized productions, which has impacted the gross margin.





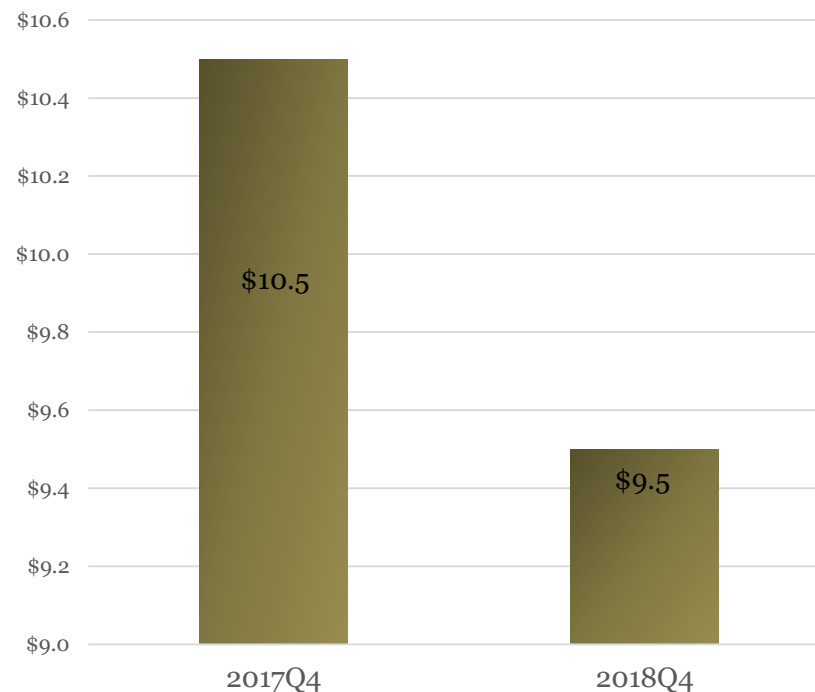
Operating Income

USD In Millions



Net Income*

USD In Millions



Net income for the three months ended December 31, 2018 was \$9.5 million, or \$0.14 per diluted share based on 66.1 million weighted average diluted shares outstanding, compared to net income of \$10.5 million in the prior year period, or \$0.15 per diluted share based on 66.8 million weighted average diluted shares outstanding in the prior-year period.

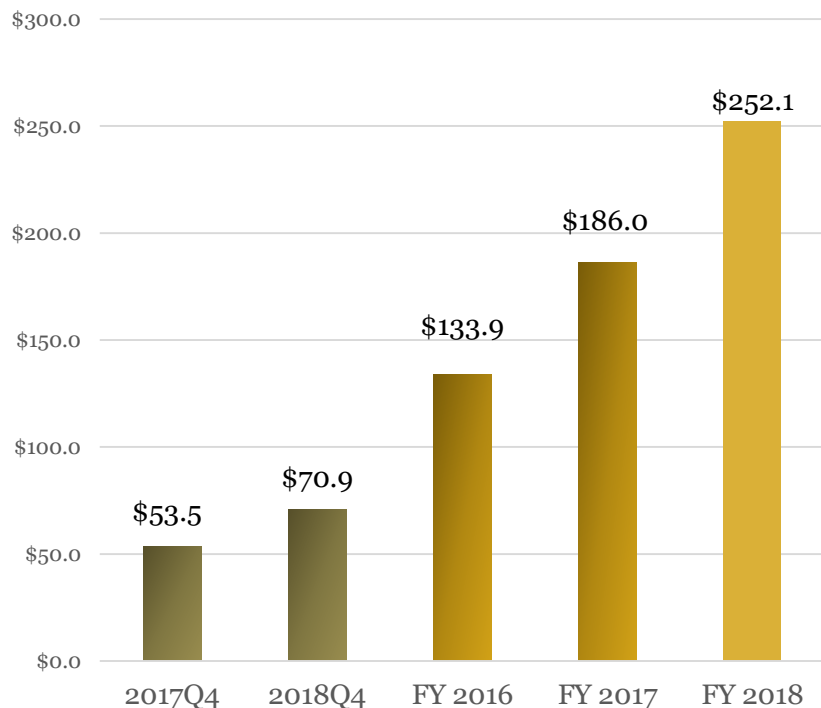


* Attributable to common stockholders



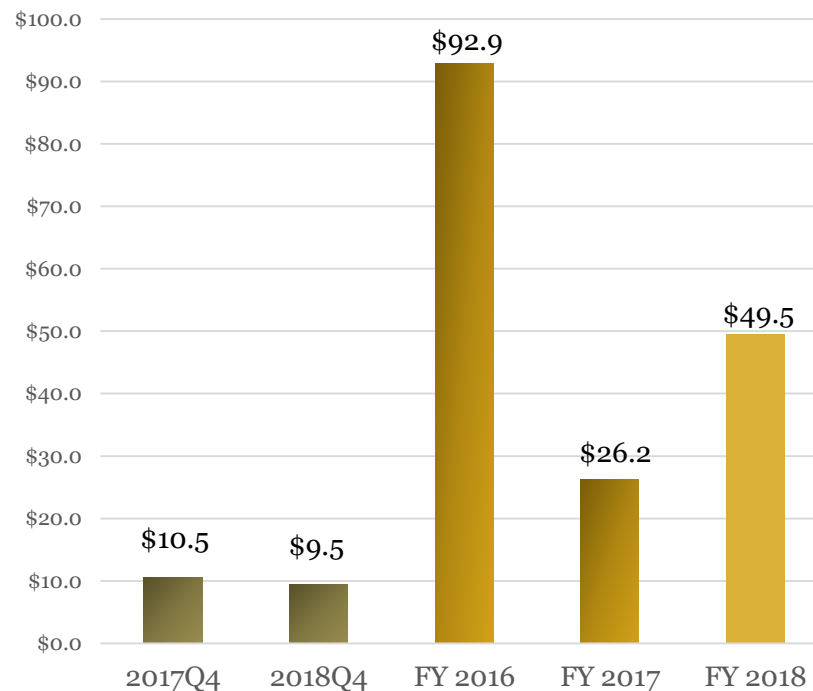
Operating Income

USD In Millions



Net Income*

USD In Millions



Net income for the year ended December 31, 2018 was approximately \$49.5 million, or \$0.75 per diluted share based on 66.2 million weighted average diluted shares outstanding, compared to net income of approximately \$26.2 million in the prior year, or \$0.39 per diluted share based on 66.5 million weighted average diluted shares outstanding in the prior-year.



Select Balance Sheet Data



(In USD 000s)	At December 31, 2018 (Audited)	At December 31, 2017 (Audited)
Cash and cash equivalents, excluding restricted cash	\$233	\$4,997
Accounts receivable	\$451	\$768
Inventories (Gold)	\$127,035	\$135,043
Total Current Assets	\$1985,745	\$2,063,119
Total Assets	\$2,699,814	\$3,042,345
Short-term Loans / Bank Notes	\$1,034,948	\$962,102
Debts Payable, net	-	-
Total Current Liabilities	\$1,148,455	\$1,294,860
Total Liabilities	\$2,061,479	\$2,652,113
Total Equity	\$638,335	\$390,232
Total Liabilities and Equity	\$2,699,814	\$3,042,345



Growth Outlook for 2019



Based on its existing resources and capacity along with strong demand for 24-karat gold products in China, the Company believes that its gold sales are expected to be between 110 metric tons and 120 metric tons during 2019.

This guidance is based solely on current projected, organic growth.



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