



中国多金属矿业
CHINA POLYMETALLIC MINING

China Polymetallic Mining Limited

1H2013 Net Profit Rose 96.7% to RMB89.0 Million

[28th August 2013, Hong Kong] **China Polymetallic Mining Limited** (“**China Polymetallic**” or the “Company”, together with its subsidiaries, the “Group”) (Stock code: 02133.HK), China’s leading private silver, lead and zinc mining company, today announces its unaudited interim results for the six months ended 30 June 2013 (the “Review Period”).

Financial Highlights

Interim Results Highlights	For the Six Months Ended 30 June (RMB Million)		
	2013	2012	Changes
Revenue	266.8	157.3	+69.6%
Gross Profit	206.6	126.2	+63.7%
Gross Profit Margin	77.4%	80.2%	-2.8 Percentage Points
Net Profit Attributable to Owners of the Company	89.0	45.3	+96.7%
Net Profit Margin	33.8%	29.2%	+4.6 Percentage Points
Basic and Diluted Earnings Per Share	RMB0.04	RMB0.02	+100%
Interim Dividend Per Share	RMB0.8 cent	N/A	N/A

China Polymetallic announced a 96.7% year-on-year increase in net profit attributable to owners of the Company to RMB89.0 million during the Review Period. The Group’s revenue also gained by 69.6% during the Review Period to RMB266.8 million. Basic and diluted earnings per share stood at RMB0.04 vis-à-vis RMB0.02 in the same period last year. The Board proposed payment of an interim dividend of HKD1 cent per share (equivalent to RMB0.8 cent per share)..

Excluding the two extraordinary items, namely RMB25.1 million of non-cash amortization of share options and RMB0.6 million of one-off expense related to the departure of directors, the interim profit would have been revised up to RMB114.7 million.

Stringent cost control and lowering of cash cost helped the Group mitigate the negative impact of

falling base metal prices. The Group's gross profit margin eased to 77.4% during the Review Period from 80.2% in the same period last year. Its net profit margin increased by 4.6 percentage points from 29.2% to 33.8% compared with the same period last year.

The Group's consolidated balance sheet remained strong as of 30 June 2013 with RMB362.2 million in cash and cash equivalents. During the Review Period, the Group recorded an operating cash inflow of RMB146.9 million vs. an outflow of RMB39.1 million in the same period last year.

Operational Highlights

The increase in revenue was driven by increase in mining and processing output from Shizishan Mine and the initial contribution from the Dakuangshan Mine. During the Review Period, the total raw ore mined increased by 160.1% year-on-year to 298,300 tonnes, and the production volume of lead and zinc concentrate amounted to 29,002 tons and 26,890 tons, respectively. The total production volume of silver was 36,381kg.

The Dakuangshan Mine commenced commercial production in early December 2012. The designed mining and processing capacity is 600 tonnes per day. However, the mine was operated at 300 tonnes per day during the Review Period primarily due to the construction of power network infrastructure by the local government.

The Menghu Mine was under the early stage of development. As the mine owns a higher grade of ore, the Company will not build processing plants for it. The output from this mine is geared for direct sales.

The Liziping Mine, the Lushan Mine and the Dazhupeng Mine were under exploration stage. The Liziping Mine received renewed exploration permit which covers an area of 18.29 square kilometers and is valid for two years until 14 March 2015. The Company is applying for the Liziping Mine mining permit pertaining to the first mining area which is approximately 4 square kilometers now.

Mr. Ran Xiaochuan, Chairman and Executive Director of China Polymetallic said:

"The challenging macro market environment exerted an unfavorable impact on China's mining industry. Despite weakening metal prices, the Group delivered satisfactory interim results mainly due to our cost control measures and operational improvements. We suggested an interim dividend of HKD1 cent per share, to reward our investors for their long-term supports to China Polymetallic. Going forward, we will fully utilize our unique position and grasp the opportunity brought by the government's 'Twelfth Five-Year Development Plan'. By continuing to deliver

organic growth, pursue strategic acquisitions, and enhance operational efficiency, we aim to generate better returns for shareholders.”

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About China Polymetallic Mining Limited

China Polymetallic Mining Limited (“China Polymetallic” or “The Company”) is China's leading private silver, lead and zinc mining company. China Polymetallic was the first non-ferrous metal Pure Mining Company listed on the Hong Kong Stock Exchange. With a high quality asset portfolio, the Company continues to develop and explore large and high-grade reserves. With all its current operations centered in Yunnan Province, the Company owns and operates the Shizishan Mine, a large-scale and high-grade lead-zinc-silver mine and the Dakuangshan Mine, a lead-zinc-silver polymetallic mine. The Company is developing the Liziping Mine, a lead-zinc-silver polymetallic mine and the Menghu Mine, a lead-zinc polymetallic mine. The Company also obtained an exploration permit to the lead-zinc-silver Dazhupeng Mine and has secured exclusive long-term polymetallic raw ore supply from the Lushan Mine, a tungsten-tin mine. The Company plans to leverage its unique position as a leading Chinese mining company and close proximity to its key customers to meet the demand for silver, lead and zinc while maximizing returns for shareholders.

For more information on China Polymetallic, please visit: <http://www.chinapolymetallic.com>.