



**中国多金属矿业**  
CHINA POLYMETALLIC MINING

## China Polymetallic Mining Limited

***Announces a 2.7% increase in 2013 revenue to RMB489.9 million,  
and recommends a final dividend of HK\$0.008 per share***

[13<sup>th</sup> March 2014, 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 announced a 2.7% increase in revenue to RMB 489.9 million for the year ended 31 December 2013 (the “Year”).

### Financial Highlights

Financial Highlights	For the Year Ended 31 December (RMB'000)		
	2013	2012	Change
Revenue	489,859	477,106	+2.7%
Gross profit	363,666	390,194	-6.8%
Gross profit margin	74.2%	81.8%	-7.6 percentage points
Profit attributable to owners of the Company	138,487	176,984	-21.8%
Basic and diluted earnings per share	RMB0.07	RMB0.09	-22.2%
Final dividend	HK\$0.008/Per share	Nil	NA
Full year dividend	HK\$0.018/Per share	Nil	NA

The increase in revenue was mainly due to gains in mining and processing output of the Group’s key mining assets, namely the Shizishan Mine and the Dakuangshan Mine. This outweighed the negative impact of a decrease in the average selling price of lead-silver concentrates and zinc-silver concentrates as a result of a fall in the market prices of lead, zinc and silver in 2013.

The Group's gross profit for the Year dropped by 6.8% from 2012 to RMB363.7 million. This in turn caused the gross profit margin to ease by 7.6 percentage points to 74.2%, as a drop in average selling price of lead-silver concentrates and zinc-silver concentrates and an increase in average unit cost of sales of lead-silver concentrates and zinc-silver concentrates.

The Group's net profit attributable to owners of the Company for the Year retreated by 21.8% to RMB138.5 million from the previous year, due to overall cost increase. Excluding the equity-settled share-based payments, the Group's net profit was approximately RMB195.6 million with an increase of RMB8.7 million from 2012. Basic and fully diluted earnings per share retreated by 22.2% to RMB0.07.

The Company's cash flow situation improved substantially during the Year. Net cash flow generated from operating activities amounted to RMB455.1 million, turning around from a net outflow of RMB6.5 million in 2012. Meanwhile, net cash outflow used in investing activities dropped to 169.4 million from 568.4 million in 2012. Net cash inflow from financing activities amounted to RMB34.8 million, recovering from a net outflow of RMB26.1 million. As a result, net increase in cash stood at RMB320.5 million against a decrease of RMB601.0 million in 2012.

The board recommends a final dividend of HK\$0.008 per share (equivalent to approximately RMB0.006 per share) for the Year.

On operating performance during the Year, the total raw ore mined of the Shizishan Mine, the Group's flagship producing mine, increased by 31.8% to 453,800 tonnes from 2012. The production volume of lead, zinc and silver rose respectively by 16.0% to 23,526 tonnes, 8.2% to 17,910 tonnes and 26.4% to 54,097 kilograms from 2012.

Meanwhile, the Dakuangshan Mine, upon completion of the construction work of power network infrastructure by the local government, has been ramped-up to full capacity since September 2013. The volume of the raw ore mined and processed during the Year amounted to approximately 95,200 tonnes and 82,700 tonnes.

On the Group's other mining assets, the Company is currently applying the mining permit pertaining to the first mining area of approximately four sq.km. for the Liziping Mine, a lead-zinc-silver polymetallic mine. Detailed exploration work in the remaining areas (approximately 14.29 sq.km.) is to be conducted soon. The Company expects mining permit for the first mining area to be received in the second half of this year and to initiate

the construction work of mineral processing capacity of 1,000 tonnes per day at the mine in the second half of this year. The construction period is estimated to last for nine months to one year.

The Menghu Mine, a lead-zinc polymetallic mine, is under the early stage of development. As the mine owns a higher grade of ore, the Company will not build processing plant for it. The output from this mine is geared for direct sales. It is expected that a small-scale mineral extraction will be achieved in the second quarter of 2014. Currently, the mining permit of the Menghu Mine covers an area of 0.4 sq.km and is valid for five years to 2 May 2015.

As for the Lushan Mine, a tungsten-tin polymetallic mine operated by an independent third party Yunnan Xiangcaopo Mining Co., Ltd, with whom the Company has entered into an exclusive ore supply agreement. Pilot tests for the early stage processing achieved satisfactory results and the construction work for the first phase of the 250tpd new gravity-selection processing line is expected to be completed by the third quarter of this year.

When reviewing the Company's operation last year, Mr. Ran Xiaochuan, Chairman and Executive Director of China Polymetallic said, "In view of the tightening macro-economy and industry economy, the Group shifted focus to its own operation and strived to raise overall efficiency and output. This helped counteract proactively the dampening effects caused by the deteriorating external environment."

Going forward, the management has aimed at spearheading the Company to the position as a leading non-ferrous pure mining company in China through improving its own production capacity and seeking suitable acquisition opportunities.

"Armed with an experienced team, a solid financial position and an improved operational efficiency, our Company is well positioned to grow from strength to strength." Mr. Ran said.

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### **About China Polymetallic Mining Limited**

China Polymetallic Mining Limited ("China Polymetallic" or "The Company") is one of the leading silver, lead and zinc mining companies in China and was the first non-ferrous metals Pure Mining Company listed on the Hong Kong Stock Exchange. With a high quality asset portfolio in ramp-up, the Company continues to develop and explore large and high-grade reserves. With all its current operations 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 mine. The Company is developing the Liziping

Mine, a lead-zinc-silver mine and the Menghu Mine, a lead-zinc mine. The Company also obtained an exploration permit to the lead-zinc-silver Dazhupeng Mine and has secured exclusive long-term, low-cost raw ore supply from the Lushan Mine, a tungsten-tin mine. China Polymetallic will further 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>.