



## ArtGo Mining Announces 2014 Interim Results

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### Business Continues to Scale New Heights, with a Turnaround on its Revenue Surging by 5 Times

- In 1H2014, the revenue of Group amounted to approximately RMB219 million, representing a significant increase of 5 times as compared with the same period last year.
- The Group showed turnaround successfully during the period, representing a net profit of approximately RMB72.6 million in 1H2014 as compared to net loss of RMB6.9 million during the same period of last year.
- The equity attributable to owners amounted to approximately RMB936 million, representing an increase of approximately RMB75 million as compared with the end of last year.
- The basic net profit per share was approximately RMB0.05 for the year ended 30 June 2014.

#### Financial Highlights

For the six months ended 30 June 2014	2014 (RMB'000)	2013 (RMB'000)	Change
Revenue	<b>219,080</b>	37,032	491.6%
Gross profit	<b>143,325</b>	18,153	689.5%
Profit/(Loss) before tax	<b>102,275</b>	(3,535)	Turnaround to Profit
Profit/(Loss) and total comprehensive income/(Loss) attributable to the owner of the Company for the period	<b>72,593</b>	(6,913)	Turnaround to Profit
Basic net profit per share	<b>RMB0.05</b>	N/A	N/A

(28 August 2014, Hong Kong) **ArtGo Mining Holdings Limited** ("ArtGo Mining", the "Company", together with its subsidiaries, the "Group") (stock code:03313.HK) is pleased to announce the unaudited interim results for the six months ended 30 June 2014 ("Review Period", "1H2014").

With its outstanding business performance, the Group achieved remarkable results in 1H2014. In Review Period, the Group's revenue surged by 491.6% to approximately RMB219.1 million, while the gross profit recorded a significant increase of approximately 6.9 times to RMB143.33 million. The gross profit margin of the Group increased significantly to 65.4% in the Review Period, which was mainly benefited from the combined effect of the improved quality of the Group's products, the decrease in product costs per unit and the increasing proportion of construction material and marble blocks with higher gross profit margin. In addition, the Group succeed in recording turnover in Review Period, representing a net profit of approximately RMB72.6 million.

In February 2013, the Group launched a large-scale commercial production at a marble mine ("Yongfeng Mine") situated in Yongfeng County, Jiangxi Province in China. For the six months ended 30 June 2014, the Group has extracted a total of 29,085 cubic meters of marble blocks in Yongfeng Mine. We have developed two operating mining areas in Yongfeng Mine, namely North #1 and North #4 mining areas. There are eight benches (31 December 2013: seven benches) in North #1 mining areas and [five] benches (31 December 2013: two benches) in North #4 mining areas. With the further development of Yongfeng Mine, the yield of marble recorded a significant increase from 12,312 cubic meters in the corresponding period in 2013 to 29,085 cubic meters in Review Period.

The Group's products are mainly divided into three types, including marble blocks, one-side polished slabs and cut-to-size slabs. The yield of the Group's main productions maintained stable increase in Review Period. The production of one-side-polished slabs was 631,668 sqm in Review Period and the production of cut-to-size slabs was 310,208 sqm during the same period. In 1H2014, the sales of cut-to-size slabs was RMB150.7 million, accounting for 68.8% of total product sales, which contributed a considerable revenue to the Group. In addition, the average selling price of the Group's products all recorded increase in Review Period, among which marble blocks was the fastest growing product. The unit selling price of marble blocks increased approximately 46.8% comparing to the last corresponding period, which mainly driven by large market demand of the products, unique resource advantages of the Group. In addition, the gradual recovery of comparatively low unit selling price with the enlargement of the Group's sales channels, which originally set for the purpose of speeding up the expansion and infiltration of market, also improved the growth of the unit selling price of marble blocks.

The Group owns the largest nationwide marble distribution network, which lays the stable foundation for sales of the Group's products. In Review Period, the Group further expanded its distribution network. The numbers of distributors increased from 69 to 94, covering 80 cities across

29 provinces and autonomous regions in People's Republic of China (the "PRC" or "China"). Besides the expansion of sales channels, the Group has enhanced the development of sales channels since 2H2013 in order to further promote the image of the brand, build an iconic landmark, establish branding for the quality project, and stabilize the fast growing trend and enlarge the foundation of sales revenue and profits. The results of direct sales was also outstanding in Review Period. The percentage which direct sales accounted for domestic revenue increased by 59.0 percentage points comparing to the period. Together with distributors channels, direct sales channels effectively improved the Group's revenue during the period under review.

**Mr. Liu Chuanjia, Chairman of ArtGo Mining** said, "Benefited from the increase of yield of Yongfeng Mine and main products of the Group and the expansion of distribution network and direct sales channels, the Group achieved remarkable results in 1H2014. Our Yongfeng Mine enjoys favorable topographical and geological conditions, which allow us to ramp up production scale easily and quickly. Such conditions, together with the convenient location of the Yongfeng Mine and its ready access to utilities, help us to achieve a low operating cost and a high profit margin. We are very confident in the mining of Yongfeng Mine in the future and believe it will contribute more considerable revenue to the Group."

Looking forward, **Mr. Liu Chuanjia** further said, "The Group has a huge amount of high-quality marble mineral reserves and extensive industry experience. Building on this foundation, the Group shall seize the initiatives, carrying out thorough analysis throughout every part, including upstream and downstream, of the marble industry in order to adopt the optimal industry positioning and development strategy. Shouldering the responsibility of formulating product standards for the marble industry, the Group shall demonstrate the ability of production and designing high-end products by setting its standardized products as an example. The Group is devoted to expand a wider channel for production and marketing, with the goal to become an excellent brand in the marble industry."

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**About ArtGo Mining Holdings Limited (Stock code: 3313.HK)**

Listed in 2013 on Hong Kong Stock Exchange, **ArtGo Mining Holdings Limited** ("ArtGo", stock code : 3313.HK) is a vertically integrated branded marble producer. It owns China's largest marble mine, Yongfeng mine, and China's largest marble distribution network.

Based on a CPR report by the persons qualified under JORC criterion, as of 30th September 2014, Yongfeng mine, with 98.12 million m<sup>3</sup> measured and indicated resources and 44.16 million m<sup>3</sup> proved and probable reserves, enjoys 46.7% historical block recovery rate of mine. According to Frost & Sullivan report, the industry average block recovery rate of mine is 15%. Yongfeng mine is expected to maintain approximately 45% block recovery rate. With 94 distributors nationwide, the network constitutes the largest marble distribution network in China.