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**JINCHUAN金川**

**JINCHUAN GROUP INTERNATIONAL RESOURCES CO. LTD**

金川集團國際資源有限公司

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 2362)**

## **PROFIT WARNING**

This announcement is made by Jinchuan Group International Resources Co. Ltd (the “**Company**”, together with its subsidiaries collectively referred to as the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders (the “**Shareholders**”) and potential investors of the Company that based on a preliminary assessment of the unaudited consolidated management accounts of the Group and the information currently available to the Board, the Group is expected to record a significant decline in profit for the six months ended 30 June 2014 as compared with the consolidated profit attributable to the owners of the Company from continuing operations of HK\$13.7 million (equivalent to approximately US\$1.8 million) recorded for the corresponding period in 2013.

Following the completion of acquisition of Jin Rui Mining Investment Limited (“**Jin Rui**”) by the Company in November 2013, Jin Rui and its subsidiaries (including Metorex (Proprietary) Limited) (collectively referred to as the “**Jin Rui Group**”) become members of the Group. Nonetheless, their contribution has not resulted in an overall increase in the consolidated profit of the Group for the six months ended 30 June 2014 as compared with the consolidated profit of the Group for the six months ended 30 June 2013 because (i) the fall in the selling price of copper products during the period under review has reduced the profit contribution of the Jin Rui Group, as well as the decrease in the revenue derived by the Group from the trading of mineral and metal products; (ii) the new recognition of an amortisation of mineral rights and other intangible assets relating to the acquisition of Jin Rui; and (iii) the recognition of an exchange loss upon translation or conversion of the Group’s monetary assets (mainly cash and receivables) denominated in Renminbi into United States dollars arising from sale of mineral and metal products.

In addition, the profit contribution of the Jin Rui Group to the Group for the six months ended 30 June 2014 is substantially less than the profit contribution of the Jin Rui Group to the Group for the year ended 31 December 2013 because the non-cash exchange gain on the shareholder loan denominated in South African Rand owed by Jin Rui to its previous shareholder of US\$190.7 million recognised in the year ended 31 December 2013 (which represented 94.8% of the consolidated profit attributable to the owners of the Company from continuing operations of US\$201.1 million for the full year of 2013) was only one-off in nature and did not recur during the six months ended 30 June 2014.

Please also refer to the announcement dated 11 February 2014 issued by the Company for an explanation of the impact on the Group's consolidated financial results as a result of the adoption of merger accounting by the Company in the preparation of consolidated financial statements subsequent to its acquisition of Jin Rui.

As the Company is still in the process of finalizing the interim results for the six months ended 30 June 2014, the information contained in this announcement is only based on a preliminary assessment by the management of the Company of the Group's unaudited management accounts currently available and is therefore subject to change. Details of the Group's relevant results and performance will be disclosed in the unaudited interim results for six months ended 30 June 2014 to be announced in mid-August 2014.

**Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.**

By Order of the Board  
**Jinchuan Group International Resources Co. Ltd**  
**Wong Tak Chuen**  
*Company Secretary*

Hong Kong, 23 July 2014

*For the purpose of this announcement, the exchange rate of USD1.00 = HK\$7.8 has been used for currency translation.*

*As at the date of this announcement, the Board comprises five executive directors, namely Mr. Yang Zhiqiang, Mr. Zhang Sanlin, Mr. Zhang Zhong, Mr. Chen Dexin and Mr. Douglas Campbell Walter Ritchie; one non-executive director, Mr. John Adam Ferreira; and two independent non-executive directors, namely Mr. Wu Chi Keung and Mr. Yen Yuen Ho, Tony.*