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)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2013

RESULTS

The board of Directors (the "Board") of Jinchuan Group International Resources Co. Ltd (the "Company") is pleased to announce the audited results of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2013 together with the comparative figures in 2012 as follows:

- Revenue in 2013 of US$742.2 million, representing an increase of 21.2% from US$612.2 million (restated) in 2012.
- Copper sales volume from Mining Operations in 2013 of 52,910 tonnes, representing an increase of 23.8% from 42,723 tonnes in 2012.
- Profit for the year in 2013 of US$206.6 million, representing an increase of 332.2% from US$47.8 million (restated) in 2012.
- Basic earnings per share in 2013 was US cents 4.69, representing an increase of 346.7% from US cents 1.05 in 2012. Diluted earnings per share in 2013 was US cents 2.98, representing an increase of 287.0% from US cents 0.77 in 2012.
- Total equity amounted to US$1,420.0 million as at 31 December 2013, representing an increase of 315.3% from US$341.9 million (restated) as at 31 December 2012.
- Gearing ratio (net debt divided by total equity) as at 31 December 2013 was 13.2% and as at 31 December 2012 (as restated) was 10.7%.
- Upon the completion of the acquisition of entire equity interest in Jin Rui Mining Investment Limited in November 2013, the Group changed its presentation currency from HK$ to US$. Moreover, the combination of Jin Rui was considered as a business combination under common control, it has been accounted for by the Company using merger accounting principles and the comparative figures in the consolidated financial statements of the Group in 2012 are restated accordingly.

CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME
Year ended 31 December 2013

	Notes	2013 US$'000	2012 US$'000 (Restated)
CONTINUING OPERATIONS			
Revenue	5	**742,242**	612,193
Cost of sales		**(632,313)**	(502,515)
Gross profit		**109,929**	109,678
Exchange gain		**190,737**	41,369
Other income		**249**	150
Other gains and losses	7	**1,684**	1,011
Selling and distribution costs		**(34,100)**	(40,284)
Administrative expenses		**(30,819)**	(23,232)
Other expenses	8	**(14,037)**	(10,738)
Finance income		**1,064**	1,769
Finance costs	9	**(6,506)**	(5,747)
Profit before taxation	10	**218,201**	73,976
Income tax expense	11	**(14,364)**	(24,903)
Profit for the year from continuing operations		**203,837**	49,073
DISCONTINUED OPERATIONS	12		
Profit (loss) for the year from discontinued operations		**2,805**	(1,250)
Profit for the year		**206,642**	47,823
Other comprehensive expense:			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation		**(20,977)**	(1,362)
Translation reserve released upon disposal of subsidiaries		**(2,314)**	–
Fair value change on cash flow hedges, net of income tax		**(3)**	(297)
Other comprehensive expense for the year		**(23,294)**	(1,659)
Total comprehensive income for the year		**183,348**	46,164

	Note	2013 US$'000	2012 US$'000 (Restated)
Profit (loss) for the year attributable to owners of the Company			
– from continuing operations		**201,072**	46,088
– from discontinued operations		**2,805**	(1,250)
Profit for the year attributable to owners of the Company		**203,877**	44,838
Profit for the year attributable to non-controlling interests			
– from continuing operations		**2,765**	2,985
– from discontinued operations		**–**	–
Profit for the year attributable to non-controlling interests		**2,765**	2,985
		206,642	47,823
Total comprehensive income attributable to:			
Owners of the Company		**180,587**	43,787
Non-controlling interests		**2,761**	2,377
		183,348	46,164
Earnings per share	13		
From continuing and discontinued operations			
Basic *(US cents)*		**4.69**	1.05
Diluted *(US cents)*		**2.98**	0.77
From continuing operations			
Basic *(US cents)*		**4.62**	1.08
Diluted *(US cents)*		**2.94**	0.79

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
31 December 2013

	Notes	**31.12.2013** **US$'000**	31.12.2012 US$'000 (Restated)	1.1.2012 US$'000 (Restated)
Non-current assets				
Property, plant and equipment		**615,594**	608,845	4,579
Mineral rights and other intangible assets		**923,236**	919,248	2,014
Exploration and evaluation assets		**315,053**	274,665	–
Prepaid land lease payments		**–**	446	518
Other non-current assets		**26,754**	27,537	256
		1,880,637	1,830,741	7,367
Current assets				
Inventories		**70,664**	62,308	3,186
Trade and other receivables	14	**234,902**	228,341	4,130
Prepaid land lease payments		**–**	72	89
Available-for-sale investments		**–**	–	2,176
Amount due from ultimate holding company		**2**	25	–
Amounts due from related parties		**–**	366	318
Derivative financial instruments		**244**	34	–
Tax recoverable		**19**	49	–
Restricted cash deposits		**14,712**	9,169	–
Bank balances and cash		**58,739**	71,332	91,500
		379,282	371,696	101,399
Current liabilities				
Trade and other payables	15	**103,143**	189,410	7,136
Amount due to ultimate holding company		**29**	24	–
Amount due to a fellow subsidiary		**36**	1,085,737	–
Amounts due to related parties		**–**	2,432	1,164
Amounts due to non-controlling shareholders of subsidiaries		**–**	76	77
Borrowings		**196,694**	72,935	2,997
Short-term provisions		**6,121**	4,828	–
Obligations under finance leases		**–**	15	50
Derivative financial instruments		**257**	381	–
Tax payable		**8,603**	8,817	211
		314,883	1,364,655	11,635
Net current assets (liabilities)		**64,399**	(992,959)	89,764
Total assets less current liabilities		**1,945,036**	837,782	97,131

	Notes	**31.12.2013**	31.12.2012	1.1.2012
		US$'000	*US$'000*	*US$'000*
			(Restated)	(Restated)
Non-current liabilities				
Borrowings		**50,157**	34,818	–
Long-term provisions		**20,396**	20,014	57
Obligations under finance leases		**–**	7	16
Deferred tax liabilities		**454,506**	441,034	228
		525,059	495,873	301
Net assets		**1,419,977**	341,909	96,830
Capital and reserves				
Share capital	16	**5,578**	3,532	3,532
Perpetual subordinated convertible securities	17	**1,089,084**	–	–
Reserves		**121,648**	137,191	93,404
Equity attributable to owners of the Company		**1,216,310**	140,723	96,936
Non-controlling interests		**203,667**	201,186	(106)
Total equity		**1,419,977**	341,909	96,830

1. GENERAL

The Company is a listed public company incorporated in the Cayman Islands as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The Company's ultimate holding company is 金川集團股份有限公司 (Jinchuan Group Co., Ltd*) ("JCG"), which is established in the People's Republic of China ("PRC").

The Company is an investment holding company. The principal activities of the Group are trading of mineral and metal products; property development and investment; and manufacture and trading of cosmetic and related products, as well as the provision of beauty technical and training services. After the combination of the entire equity interests in Jin Rui Mining Investment Limited ("Jin Rui", which wholly owns Metorex (Proprietary) Limited and its subsidiaries (the "Metorex Group"), together the "Jin Rui Group") and all shareholder's loans due by Jin Rui as detailed in note 2, the Group is also engaged in metal mining activities, primarily copper and cobalt production.

Upon completion of the business combination, the directors of the Company reassessed the Company's functional currency and considered that the functional currency of the Company should be changed from Hong Kong dollars ("HK$") to United State dollars ("US$") as US$ has become the currency that mainly influences the operation of the Group's significant entities.

The directors of the Company also consider that the use of US$ is more meaningful in presenting the operating results and financial position of the Group in view of the operations of the Group. As a result, the Group elected to change its presentation currency from HK$ to US$ in the current year. The comparative figures for the year ended 31 December 2012 have also been restated to reflect the change in the presentation currency to US$ accordingly.

The change in the presentation currency and the restatement of the comparative amounts from HK$ to US$ have had no material impact on the Group's consolidated financial statements for the years presented.

* *For identification purpose only*

2. BASIS OF PREPARATION

Pursuant to the sale and purchase agreement entered between the Company and Jintai Mining Investment Limited ("Jintai"), a fellow subsidiary of the Company and an indirect wholly-owned subsidiary of the Company's ultimate holding company, on 27 August 2013, the Company agreed to acquire the entire equity interests in Jin Rui and settle all outstanding shareholder's loans due by Jin Rui to Jintai at a consideration of US$1,290,000,000. The consideration was satisfied by the allotment and issue of 1,595,880,000 new ordinary shares of the Company at an issue price of HK$1.00 per share and the issue of perpetual subordinated convertible securities (the "Convertible Securities") of the Company in the aggregate amount of US$1,085,400,000 (the "Combination"). Jin Rui Group is engaged in metal mining activities, primarily copper and cobalt production. The Combination was completed on 14 November 2013. At the date of completion, the fair value of the new ordinary shares issued by the Company, which was determined based on the quoted market price on 14 November 2013, amounted to US$206,646,000. The fair value of the Convertible Securities issued by the Company, which was determined based on a valuation carried out on that day by Asset Appraisal Limited ("AAL"), an independent valuer not connected with the Group, amounted to US$1,089,084,000.

Since the Group and Jin Rui are both under the common control of the Company's ultimate holding company prior to and after the Combination, the Combination of Jin Rui was considered as a business combination under common control, and therefore has been accounted for by the Company using merger accounting, as if the Combination had occurred on 30 November 2011, being Jin Rui's date of incorporation by Jintai, and thereby the Group and Jin Rui first came under the control of the Company's ultimate holding company, except for the subsidiaries acquired by Jin Rui Group during the year ended 31 December 2012, which was settled in cash by Jin Rui Group, and the subsidiaries deregistered or disposed of by the Group or Jin Rui Group during the years ended 31 December 2012 and 2013. Accordingly, the consolidated financial statements of the Company have been prepared in accordance with the principles of merger accounting. Accordingly, the consolidated assets and liabilities of Jin Rui are included in the consolidated financial statements since 30 November 2011 as if Jin Rui had been combined with the Group from the date when Jin Rui first came under the control of the Company's ultimate holding company. As a result, the comparative figures in the consolidated financial statements of the Group have been restated accordingly.

Apart from the aforesaid business combination of entities under common control, certain comparative figures set out in the Group's consolidated statement of profit or loss and other comprehensive income have been re-presented to conform with current year's presentation on discontinued operations.

(a) The effect of the business combination under common control described above on the consolidated statement of profit or loss and other comprehensive income during the year ended 31 December 2012 is as follows:

	2012 *US$'000* (Previously stated)	Effect of merger accounting for Jin Rui Group *US$'000*	2012 *US$'000* (Restated)
CONTINUING OPERATIONS			
Revenue	223,203	388,990	612,193
Cost of sales	(220,945)	(281,570)	(502,515)
Gross profit	2,258	107,420	109,678
Exchange gain	–	41,369	41,369
Other income	6	144	150
Other gains and losses	278	733	1,011
Selling and distribution costs	(390)	(39,894)	(40,284)
Administrative expenses	(2,303)	(20,929)	(23,232)
Other expenses	–	(10,738)	(10,738)
Finance income	735	1,034	1,769
Finance costs	(23)	(5,724)	(5,747)
Profit before taxation	561	73,415	73,976
Income tax expense	(255)	(24,648)	(24,903)
Profit for the year from continuing operations	306	48,767	49,073
DISCONTINUED OPERATIONS			
Loss for the year from discontinued operations	(1,250)	–	(1,250)
(Loss) profit for the year	(944)	48,767	47,823
Other comprehensive income (expense):			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation	31	(1,393)	(1,362)
Fair value change on cash flow hedges, net of income tax	–	(297)	(297)
Other comprehensive income (expense) for the year	31	(1,690)	(1,659)
Total comprehensive (expense) income for the year	(913)	47,077	46,164
Profit (loss) for the year attributable to owners of the Company			
– from continuing operations	306	45,782	46,088
– from discontinued operations	(1,250)	–	(1,250)
(Loss) profit for the year attributable to owners of the Company	(944)	45,782	44,838
Profit for the year attributable to non-controlling interests			
– from continuing operations	–	2,985	2,985
– from discontinued operations	–	–	–
Profit for the year attributable to non-controlling interests	–	2,985	2,985
	(944)	48,767	47,823
Total comprehensive (expense) income attributable to:			
Owners of the Company	(913)	44,700	43,787
Non-controlling interests	–	2,377	2,377
	(913)	47,077	46,164

(b) The effect of the business combination under common control described above on the consolidated statement of financial position as at 1 January 2012 is as follows:

	1.1.2012 *US$'000* (Previously stated)	**Effect of merger accounting for Jin Rui Group** *US$'000*	**1.1.2012** *US$'000* (Restated)
Non-current assets			
Property, plant and equipment	4,579	–	4,579
Intangible assets	2,014	–	2,014
Prepaid land lease payments	518	–	518
Other non-current assets	256	–	256
	7,367	–	7,367
Current assets			
Inventories	3,186	–	3,186
Trade and other receivables	4,130	–	4,130
Prepaid land lease payments	89	–	89
Available-for-sale investments	2,176	–	2,176
Amounts due from related parties	318	–	318
Bank balances and cash	91,500	–	91,500
	101,399	–	101,399
Current liabilities			
Trade and other payables	7,118	18	7,136
Amounts due to related parties	1,164	–	1,164
Amounts due to non-controlling shareholders of subsidiaries	77	–	77
Borrowings	2,997	–	2,997
Obligations under finance leases	50	–	50
Tax payable	211	–	211
	11,617	18	11,635
Net current assets (liabilities)	89,782	(18)	89,764
Total assets less current liabilities	97,149	(18)	97,131
Non-current liabilities			
Long-term provisions	57	–	57
Obligations under finance leases	16	–	16
Deferred tax liabilities	228	–	228
	301	–	301
Net assets (liabilities)	96,848	(18)	96,830
Capital and reserves			
Share capital	3,532	–	3,532
Reserves	93,422	(18)	93,404
Equity attributable to owners of the Company	96,954	(18)	96,936
Non-controlling interests	(106)	–	(106)
Total equity	96,848	(18)	96,830

(c) The effect of the business combination under common control described above on the consolidated statement of financial position as at 31 December 2012 is as follows:

	31.12.2012 *US$'000* (Previously stated)	**Effect of merger accounting for Jin Rui Group** *US$'000*	**31.12.2012** *US$'000* (Restated)
Non-current assets			
Property, plant and equipment	3,405	605,440	608,845
Mineral rights and other intangible assets	2,014	917,234	919,248
Exploration and evaluation assets	–	274,665	274,665
Prepaid land lease payments	446	–	446
Other non-current assets	256	27,281	27,537
	6,121	1,824,620	1,830,741
Current assets			
Inventories	2,255	60,053	62,308
Trade and other receivables	175,160	53,181	228,341
Prepaid land lease payments	72	–	72
Amount due from ultimate holding company	–	25	25
Amounts due from related parties	366	–	366
Derivative financial instruments	–	34	34
Tax recoverable	–	49	49
Restricted cash deposits	9,169	–	9,169
Bank balances and cash	34,669	36,663	71,332
	221,691	150,005	371,696
Current liabilities			
Trade and other payables	126,152	63,258	189,410
Amount due to ultimate holding company	–	24	24
Amount due to a fellow subsidiary	–	1,085,737	1,085,737
Amounts due to related parties	2,432	–	2,432
Amounts due to non-controlling shareholders of subsidiaries	76	–	76
Borrowings	2,171	70,764	72,935
Short-term provisions	–	4,828	4,828
Obligations under finance leases	15	–	15
Derivative financial instruments	50	331	381
Tax payable	747	8,070	8,817
	131,643	1,233,012	1,364,655
Net current assets (liabilities)	90,048	(1,083,007)	(992,959)
Total assets less current liabilities	96,169	741,613	837,782
Non-current liabilities			
Borrowings	–	34,818	34,818
Long-term provisions	30	19,984	20,014
Obligations under finance leases	7	–	7
Deferred tax liabilities	197	440,837	441,034
	234	495,639	495,873
Net assets	95,935	245,974	341,909
Capital and reserves			
Share capital	3,532	–	3,532
Reserves	92,509	44,682	137,191
Equity attributable to owners of the Company	96,041	44,682	140,723
Non-controlling interests	(106)	201,292	201,186
Total equity	95,935	245,974	341,909

(d) The effect of the business combination under common control described above on the Group's basic and diluted earnings (loss) per share for the years ended 31 December 2012 and 2013 is as follows:

	2013		2012	
	Impact on basic earnings per share *US cents*	**Impact on diluted earnings per share** *US cents*	Impact on basic (loss) earnings per share *US cents*	Impact on diluted (loss) earnings per share *US cents*
Figures before adjustments	**0.17**	**0.17**	(0.02)	(0.03)
Adjustments arising from merger accounting for Jin Rui Group	**4.52**	**2.81**	1.07	0.80
Figures after adjustments	**4.69**	**2.98**	1.05	0.77

3. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs")

The Group has applied the following new and revised IFRSs issued by the International Accounting Standards Board ("IASB") for the first time in the current year.

Amendments to IFRSs	Annual improvements to IFRSs 2009 – 2011 cycle
Amendments to IFRS 7	Disclosures – Offsetting financial assets and financial liabilities
Amendments to IFRS 10, IFRS 11 and IFRS 12	Consolidated financial statements, joint arrangements and disclosure of interests in other entities: Transition guidance
IFRS 10	Consolidated financial statements
IFRS 11	Joint arrangements
IFRS 12	Disclosure of interests in other entities
IFRS 13	Fair value measurement
Amendments to IAS 1	Presentation of items of other comprehensive income
IAS 19 (as revised in 2011)	Employee benefits
IAS 27 (as revised in 2011)	Separate financial statements
IAS 28 (as revised in 2011)	Investments in associates and joint ventures
IFRIC 20	Stripping costs in the production phase of a surface mine

The application of the new and revised IFRSs in the current year has had no material impact on the Group's financial performance and position for the current and prior years and/or the disclosures set out in these consolidated financial statements.

4. SIGNIFICANT ACCOUNTING POLICIES

The Group's consolidated financial statements have been prepared in accordance with IFRSs issued by the IASB. In addition, the Group's consolidated financial statements include applicable disclosures required by the Rules Group's Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") and by the Hong Kong Companies Ordinance.

The accounting policies used in the Group's consolidated financial statements are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2012, except for the following accounting policies which are adopted by the Group during the current year as these became applicable to the Group as a result of the Combination.

Merger accounting for business combination involving entities under common control

The consolidated financial statements incorporate the financial statements items of the combining entities or businesses in which the common control combination occurs as if they had been combined from the date when the combining entities or businesses first came under the control of the controlling party.

The net assets of the combining entities or businesses are consolidated using the existing book values from the controlling party's perspective. No amount is recognised in respect of goodwill or excess of acquirer's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of common control combination, to the extent of the continuation of the controlling party's interest.

The consolidated statement of profit or loss and other comprehensive income includes the results of each of the combining entities or businesses from the earliest date presented or since the date when the combining entities or businesses first came under the common control, where this is a shorter period, regardless of the date of the common control combination.

The comparative amounts in the consolidated financial statements are presented as if the entities or businesses had been combined at the end of the previous reporting period or when they first came under common control, whichever is shorter.

Perpetual subordinated convertible securities

Perpetual subordinated convertible securities are converted into a fixed number of ordinary shares of the Company and include no contractual obligation for the Group to deliver cash or another financial asset to the holders or to exchange financial assets or financial liabilities with the holders under conditions that are potentially unfavourable to the Group. These securities are classified as equity instruments and are initially recognised at their fair value on the date of issuance without subsequent remeasurement.

5. REVENUE

Revenue represents revenue arising from sales of goods. An analysis of the Group's revenue from continuing operations for the year is as follows:

	2013	2012
	US$'000	*US$'000*
		(Restated)
Continuing operations:		
Sales of copper	**688,033**	559,408
Sales of cobalt	**54,209**	52,785
	742,242	612,193

6. SEGMENT INFORMATION

IFRS 8 "Operating segments" requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker ("CODM") in order to allocate resources to the segment and assess its performance.

The CODM has been identified as the executive directors of the Company. They review the Group's internal reporting for the purpose of resource allocation and assessment of segment performance.

The Group was previously organised into three operating and reportable segments: (1) trading of mineral and metal products; (2) property investment and development; and (3) cosmetic and beauty. Following the cessation of property investment and development and cosmetic and beauty operation (note 12) and the acquisition of a subsidiary, in the current year the Group's operating and reportable segments are as follows:

- Trading of Mineral and Metal Products
- Mining Operations, primarily copper and cobalt production

Segment revenues and results

The following is an analysis of the Group's revenue and results by operating and reportable segments.

For the year ended 31 December 2013

	Trading of mineral and metal products *US$'000*	**Mining operations** *US$'000*	**Total** *US$'000*
Segment revenue	307,506	434,736	742,242
Segment results	7,604	24,557	32,161
Unallocated corporate income			190,800
Unallocated corporate expenses			(4,760)
Profit before taxation (continuing operations)			218,201

For the year ended 31 December 2012 (restated)

	Trading of mineral and metal products *US$'000*	**Mining operations** *US$'000*	**Total** *US$'000*
Segment revenue	223,203	388,990	612,193
Segment results	2,758	42,004	44,762
Unallocated corporate income			41,824
Unallocated corporate expenses			(12,610)
Profit before taxation (continuing operations)			73,976

Note: The accounting policies of operating segments are the same as the Group's accounting policies. Segment revenue and segment results comprise turnover from external customers and profit before taxation of each segment (excluding exchange gains, finance income, acquisition-related costs and other central administration costs), respectively.

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by operating and reportable segments:

Segment assets

	31.12.2013	31.12.2012
	US$'000	*US$'000*
		(Restated)
Continuing operations:		
Trading of mineral and metal products	**184,589**	203,281
Mining operations	**2,068,033**	1,974,549
Total segment assets	**2,252,622**	2,177,830
Unallocated corporate assets	**7,297**	14,091
Assets relating to discontinued operations	**–**	10,516
Consolidated assets	**2,259,919**	2,202,437

Segment liabilities

	31.12.2013	31.12.2012
	US$'000	*US$'000*
		(Restated)
Continuing operations:		
Trading of mineral and metal products	**91,067**	123,026
Mining operations	**284,728**	194,007
Total segment liabilities	**375,795**	317,033
Unallocated corporate liabilities	**464,147**	1,535,554
Liabilities relating to discontinued operations	**–**	7,941
Consolidated liabilities	**839,942**	1,860,528

Note: Segment assets and segment liabilities comprise total assets (excluding tax recoverable, bank balances and other unallocated corporate assets) and total liabilities (excluding tax payable, deferred tax liabilities and other unallocated corporate liabilities) of each segment respectively.

Other segment information

For the year ended 31 December 2013

	Trading of mineral and metal products US$'000	Mining operations US$'000	Unallocated US$'000	Total US$'000
Amounts included in the measure of segment results and segment assets (continuing operations):				
Addition to non-current assets	88	127,705	1	127,794
Finance income	181	820	63	1,064
Finance costs	1,473	5,033	–	6,506
Depreciation of property, plant and equipment	24	41,088	12	41,124
Amortisation of mineral rights and other intangible assets	–	29,955	–	29,955
Loss on disposal of property, plant and equipment	–	61	–	61

For the year ended 31 December 2012 (restated)

	Trading of mineral and metal products US$'000	Mining operations US$'000	Unallocated US$'000	Total US$'000
Amounts included in the measure of segment results and segment assets (continuing operations):				
Addition to non-current assets	415	116,582	–	116,997
Addition to non-current assets through the acquisition of a subsidiary	–	1,771,602	–	1,771,602
Finance income	573	790	406	1,769
Finance costs	181	5,566	–	5,747
Depreciation of property, plant and equipment	26	37,345	12	37,383
Amortisation of mineral rights and other intangible assets	–	26,792	–	26,792
Loss on disposal of property, plant and equipment	–	88	–	88

Note: Non-current assets excluded loan receivable and rehabilitation trust fund.

Geographical information

Information about the Group's revenue from external customers is presented based on geographical location of the customers. Information about the Group's non-current assets (excluding loan receivable and rehabilitation trust fund) are based on geographical location of the assets.

	Revenue from external customers Year ended		**Non-current assets As at**	
	31.12.2013	31.12.2012	**31.12.2013**	31.12.2012
	US$'000	*US$'000*	***US$'000***	*US$'000*
		(Restated)		(Restated)
Continuing operations:				
Hong Kong	**–**	–	**129**	66
Africa	**130,008**	225,503	**1,875,377**	1,819,084
Mainland China	**361,716**	275,988	**–**	6,055
Switzerland	**250,518**	110,702	**–**	–
	742,242	612,193	**1,875,506**	1,825,205

Information about major customers

The following is an analysis of revenue from customers of the corresponding year contributing over 10% of the total revenue of the Group:

	2013	2012
	US$'000	*US$'000*
		(Restated)
Continuing operations:		
Largest customer *(note a)*	**335,136**	275,988
Second largest customer *(note b)*	**152,017**	135,291
Third largest customer *(note b)*	**130,008**	110,702
Fourth largest customer *(note b)*	**97,305**	90,212

Notes:

(a) Revenue from the above customer, representing ultimate holding company of the Company, is arising from trading of mineral and metal products and mining operations.

(b) Revenue from the above customers is arising from mining operations.

7. OTHER GAINS AND LOSSES

	2013 US$'000	2012 US$'000 (Restated)
Continuing operations:		
Other exchange gains, net	**1,745**	770
Gain on disposal of subsidiaries	**–**	329
Loss on disposal of property, plant and equipment	**(61)**	(88)
	1,684	1,011

8. OTHER EXPENSES

	2013 US$'000	2012 US$'000 (Restated)
Continuing operations:		
Expenses incurred for the Combination	**3,745**	790
Provision for unpaid import duties and related surcharge in Democratic Republic of Congo ("DRC")	**10,292**	–
Acquisition-related costs for acquisition of a subsidiary	**–**	9,948
	14,037	10,738

9. FINANCE COST

	2013 US$'000	2012 US$'000 (Restated)
Continuing operation:		
Interest on borrowings wholly repayable within five years	**6,506**	5,747

10. PROFIT BEFORE TAXATION

	2013 US$'000	2012 US$'000 (Restated)
Continuing operations:		
Profit before taxation has been arrived at after charging:		
Staff costs		
Directors' emoluments	**345**	214
Other staff costs		
– Salaries and other benefits	**59,427**	46,251
– Retirement benefits schemes contribution	**6,350**	4,470
	66,122	50,935
Auditors' remuneration	**292**	413
Depreciation of property, plant and equipment	**41,124**	37,383
Amortisation of mineral rights and other intangible assets	**29,955**	26,792
Operating lease rentals in respect of equipment, premises and vehicles	**591**	2,334

11. INCOME TAX EXPENSE

	2013 US$'000	2012 US$'000 (Restated)
Continuing operations:		
The tax charge (credit) comprises:		
Current taxation		
Hong Kong Profits Tax	**1,241**	256
Corporate income tax in DRC	**320**	245
Corporate income tax in Zambia	**19,960**	21,644
(Over)underprovision in prior years	**(107)**	49
	21,414	22,194
Deferred taxation	**(7,050)**	2,709
	14,364	24,903

Hong Kong Profits Tax has been provided at the rate of 16.5% (2012: 16.5%) on the estimated assessable profits arising in Hong Kong for the year.

Corporate income tax in Mauritius, South Africa and DRC are calculated at 15%, 28% and 30% (2012: 15%, 28% and 30%) on the estimated assessable profits for the year, respectively. Corporate income tax in Zambia is calculated at a progressive tax rate, being 30% in the current year (2012: 42%) on the estimated assessable profit for the year.

12. DISCONTINUED OPERATIONS

During the year ended 31 December 2013, the Group disposed of its entire equity interests in Carissa Bay Inc. ("Carissa Bay") and its subsidiaries that carried out all of the Group's cosmetic and beauty operation. In addition, as one of the steps to transform the Group's business into mining and mineral resources sector by disposing of and terminating the non-performing business, the Group's property investment and development operation was discontinued during the year.

The profit (loss) for the year from discontinued operations is set out below. The comparative figures in the consolidated statement of profit or loss and other comprehensive income have been re-presented to reflect cosmetic and beauty operation and property investment and development operation as discontinued operations.

	2013	2012
	US$'000	*US$'000*
Loss from cosmetic and beauty operation for the year	**(3)**	(804)
Loss from property investment and development operation for the year	**–**	(446)
	(3)	(1,250)
Gain on disposal of cosmetic and beauty operation	**2,808**	–
	2,805	(1,250)

The results of cosmetic and beauty operation, property investment and development operation, which have been included in the consolidated statement of profit or loss and other comprehensive income, were as follows:

	2013	2012
	US$'000	*US$'000*
Revenue	**6,370**	13,037
Cost of sales	**(1,327)**	(4,646)
Gross profit	**5,043**	8,391
Other income, gains and losses	**218**	241
Selling and distribution costs	**(1,807)**	(4,393)
Administrative expenses	**(3,193)**	(4,997)
Finance costs	**(77)**	(223)
Profit (loss) before taxation	**184**	(981)
Income tax expense	**(187)**	(269)
Loss for the year	**(3)**	(1,250)

	2013	2012
	US$'000	*US$'000*
The tax charge (credit) comprises:		
Current taxation		
Hong Kong Profits Tax	**201**	262
PRC Enterprise Income Tax	**–**	44
Overprovision in prior years	**–**	(7)
	201	299
Deferred taxation	**(14)**	(30)
	187	269

The provision for PRC Enterprise Income Tax is based on the estimated taxable income for PRC taxation purpose at 25% (2012: 25%) pursuant to the Law of the PRC on Enterprise Income Tax and Implementation Legislation.

	2013	2012
	US$'000	*US$'000*
Profit (loss) for the year from discontinued operations includes the following:		
Gain on disposal of available-for-sale investments	**–**	36
Depreciation of property, plant and equipment	**407**	942
Amortisation of prepaid land lease payments	**45**	88
Minimum lease payments under operating leases in respect of premises	**516**	1,027
Other staff costs		
– Salaries and other benefits	**2,094**	3,442
– Retirement benefits schemes contribution	**31**	299
Impairment of trade and bill receivables	**250**	244
Cash flows from (used in) cosmetic and beauty operation:		
Net cash flows from operating activities	**761**	438
Net cash flows used in investing activities	**(99)**	(389)
Net cash flows used in financing activities	**(12)**	(2)
Net cash flows	**650**	47
Cash flows from property investment and development operation:		
Cash flows from investing activities	**–**	2,212

13. EARNINGS PER SHARE

For continuing and discontinued operations

The calculation of the basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

	2013	2012
	US$'000	*US$'000*
		(Restated)
Earnings		
Earnings for the purpose of basic and diluted earnings per share	**203,877**	44,838

	2013	2012
		(Restated)
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**4,350,753,051**	4,285,348,133
Effect of dilutive potential ordinary shares:		
Convertible Securities	**2,484,926,631**	1,514,533,326
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**6,835,679,682**	5,799,881,459

The weighted average number of ordinary shares for the purpose of basic and diluted earnings per share for the years ended 31 December 2013 and 2012 had taken into account the issue of 1,595,880,000 ordinary shares of the Company and part of Convertible Securities, representing 1,579,256,973 potential ordinary shares, in exchange for the entire equity interests in Jin Rui as if they had been issued upon the Combination on 16 January 2012.

From continuing operations

The calculation of the basic and diluted earnings per share from continuing operations attributable to the owners of the Company is based on the following data:

	2013	2012
	US$'000	*US$'000*
		(Restated)
Profit for the year attributable to owners of the Company	**203,877**	44,838
Add: (Profit) loss for the year from discontinued operations	**(2,805)**	1,250
Earnings for the purpose of basic and diluted earnings per share from continuing operations	**201,072**	46,088

The denominators used are the same as those detailed above for both basic and diluted earnings per share.

From discontinued operations

Basic earnings per share for the discontinued operation is US0.07 cents (2012: basic loss per share of US0.03 cents) and diluted earnings per share for the discontinued operation is US0.04 cents (2012: diluted loss per share of US0.02 cents), based on the profit for the year of US$2,805,000 (2012: loss for the year of US$1,250,000) and the denominators detailed above for both basic and diluted earnings per share.

14. TRADE AND OTHER RECEIVABLES

The Group provided ultimate holding company a credit period ranging from 180 days to 360 days.

The Group also provided customers (other than ultimate holding company) a credit period ranging from 15 days to 180 days. Before accepting new customers, the Group uses a credit bureau to perform a credit assessment to assess the potential customers' credit limit and credit quality.

The following is an aged analysis of trade and bill receivables, net of impairment, presented based on invoice date at the end of the reporting period.

	31.12.2013	31.12.2012
	US$'000	*US$'000*
		(Restated)
Within 3 months	**117,819**	159,050
4 to 6 months	**64,371**	36,791
7 to 12 months	**9,819**	455
Over 1 year	**–**	437
	192,009	196,733

15. TRADE AND OTHER PAYABLES

The following is aged analysis of trade payables based on the invoice date at the end of the reporting period.

	31.12.2013	31.12.2012
	US$'000	*US$'000*
		(Restated)
Within 3 months	**46,743**	150,783
4 to 6 months	**4,454**	6,504
7 to 12 months	**815**	15
Over 1 year	**–**	684
	52,012	157,986

The credit period on purchases of goods ranged from current to 90 days.

16. SHARE CAPITAL

The movements in share capital of the Company are as follows:

	Number of shares	Amount
		HK$'000
Ordinary shares of HK$0.01 each		
Authorised:		
At 1 January 2012 and 31 December 2012	5,000,000,000	50,000
Increase in authorised share capital *(note a)*	15,000,000,000	150,000
At 31 December 2013	20,000,000,000	200,000
Issued and fully paid:		
At 1 January 2012 and 31 December 2012	2,754,873,051	27,549
Issue of shares *(note b)*	1,595,880,000	15,959
At 31 December 2013	4,350,753,051	43,508

Shown in the consolidated financial statements as:

	Amount
	US$'000
At 31 December 2013	5,578
At 31 December 2012	3,532

Notes:

(a) Pursuant to an ordinary resolution approved at the extraordinary general meeting of the Company held on 26 September 2013, the authorised share capital of the Company was increased from HK$50,000,000 (equivalent to US$6,410,000) to HK$200,000,000 (equivalent to US$25,640,000) by the creation of an additional 15,000,000,000 ordinary shares each ranking pari passu in all respect.

(b) Pursuant to the sale and purchase agreement for the Combination, part of the consideration for the Combination was satisfied by the allotment and issuance of 1,595,880,000 new ordinary shares of the Company. These shares were issued at HK$1.00 per share on 14 November 2013. The fair value of these shares, which was determined based on the quoted market price of 14 November 2013, amounted to US$206,646,000.

17. PERPETUAL SUBORDINATED CONVERTIBLE SECURITIES

On 14 November 2013, the Company issued Convertible Securities with an aggregate principal amount of US$1,085,400,000, being part of the consideration for the Combination. The fair value of the Convertible Securities, which was determined based on a valuation carried out by AAL on the date of completion of the Combination amounted to US$1,089,084,000.

The Convertible Securities are convertible into a maximum of 8,466,120,000 new ordinary shares of the Company at an initial conversion price of HK$1 per share, subject to certain conversion price adjustments. On or at any time after three years after the date of issue of the Convertible Securities, the Company may, at its sole discretion, elect to convert the Convertible Securities in whole or in part into ordinary shares of the Company. At any time when a holder of the Convertible Securities is not a connected person of the Company, a principal amount of the Convertible Securities which upon conversion will result in the holder holding in aggregate under 10% of the issued share capital of the Company shall be automatically converted into ordinary shares of the Company.

The Convertible Securities shall not bear any distribution for the first three years from the issue date but shall bear distribution at 0.1% of the principal amount per annum thereafter payable annually in arrears on 31 December each year and can be deferred at the discretion of the Company. The Convertible Securities have no fixed maturity and are redeemable at the Company's option at their principal amounts together with any accrued, unpaid or deferred distributions. While any distributions are unpaid or deferred, the Company may not, inter alia, declare or pay any dividends or distribution on any ordinary shares of the Company or redeem or buy-back any ordinary shares of the Company.

18. COMMITMENTS

Lease commitment

At the end of the reporting period, the Group was committed to make the following future minimum lease payments under non-cancellable operating leases which fall due as follows:

	2013	2012
	US$'000	*US$'000*
		(Restated)
Within one year	**757**	3,528
In the second to fifth years inclusive	**1,227**	2,466
	1,984	5,994

Operating lease payments represent rental payable by the Group for certain of its equipment, premises and vehicles. Lease is negotiated and rental is fixed originally for a lease term ranging from one to five years.

Capital commitment

	2013	2012
	US$'000	*US$'000*
		(Restated)
Capital expenditure in respect of property, plant and equipment, mineral rights and assets and exploration and evaluation assets		
– authorised but not contracted for	**118,248**	9,005
– contracted for but not provided	**216,377**	5,540
	334,625	14,545

MANAGEMENT DISCUSSION AND ANALYSIS

Restatement of 2012 comparative figures as a result of adoption of merger accounting for the Combination

Since the Group (excluding Jin Rui Group) and Jin Rui Group were both under the common control of JCG before and after the date of the Combination and that control is not transitory, the Group (excluding Jin Rui Group) and Jin Rui Group are regarded as continuing entities as at the date of business combinations and hence the Combination has been accounted for by the Company as combination of entities under common control by applying the principles of merger accounting. Accordingly, the consolidated statements of profit or loss and other comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows of the Group for the years ended 31 December 2012 and 2013 include the results of operations, changes in equity and cash flows of Jin Rui Group as if the current group structure upon the completion of the Combination had been in existence throughout the two years ended 31 December 2012 and 2013. The consolidated statements of financial position of the Group as at 1 January 2012 and 31 December 2012 have been restated to include the assets and liabilities of the companies comprising Jin Rui Group as if the current group structure had been in existence as at the respective date.

For further details of the Combination and the business operations and activities of Jin Rui Group, please refer to the circular of the Company dated 30 August 2013.

BUSINESS REVIEW

2013 was a landmark year for the Group's transformation into a global metal mining company. Through the disposal of cosmetic and beauty business in June 2013 which was followed by a very substantial acquisition from JCG of a high grade copper and cobalt mining asset in Africa, namely Jin Rui Group, the Group had turned its core business into a pure metal mining play. The Combination together with its growing international minerals and metals related trading activities supported a steady revenue stream for the Group.

Mining Operations

Our Mining Operations segment is represented by the Metorex Group, which is headquartered in the Republic of South Africa ("South Africa"). Jin Rui had, in early 2012, through the making of a takeover offer, acquired the entire interest of Metorex (Proprietary) Limited and privatised it from the Johannesburg Stock Exchange. The Metorex Group has control over two operating and profit generating mines in Africa which are (i) Ruashi Mine, a copper and cobalt mine located in the DRC and (ii) Chibuluma South Mine (including the Chifupu copper deposit), a copper mine located in Zambia. During the year ended 31 December 2013, the Group produced 52,772 tonnes of copper and 3,045 tonnes of cobalt, and sold 52,910 tonnes of copper and 3,140 tonnes of cobalt which generated sales of US$380.5 million and US$54.2 million respectively.

The Metorex Group also has control over the Kinsenda Project, a development brownfields copper project under construction and located in the DRC, and two advanced stage exploration projects located in the DRC, namely (i) Musonoi Est Project, which is a greenfields copper and cobalt project; and (ii) Lubembe Project, which is a greenfields copper project.

Mineral and Metal Trading

During the year ended 31 December 2013, the Group has renewed its annual contracts with an affiliate of a Zambian producer to purchase approximately 18,000 tonnes of copper blister in 2013; and with an European supplier to purchase approximately 65,000 tonnes of copper concentrates from Outer Mongolia in 2013. Supply contracts with overseas suppliers primarily for the procurement of additional copper concentrates from Peru and Turkey were also entered into by the Group during the year.

During the year ended 31 December 2013, the Group's international trade business has purchased and sold a total of approximately 17,629 tonnes (2012: 11,545 tonnes) of copper blister and 125,274 tonnes (2012: 79,624 tonnes) of copper concentrates. The revenue from sales of copper blisters and concentrates for the year ended 31 December 2013 amounted to US$129.2 million and US$178.3 million respectively (2012: US$91.3 million and US$131.9 million respectively). The Group sold most of these mineral and metal products to JCG during the year and there were also sales made to third parties.

Discontinued Operations

To follow the Company's strategy to transform its business to the mineral and metal resources sector, the Group had disposed of its cosmetic and beauty business in June 2013 at a gain of US$2.8 million for a total cash consideration of HK$24.75 million (equivalent to US$3.2 million). Please refer to the circular of the Company dated 9 July 2013 for further details of the disposal.

FINANCIAL REVIEW

The Group's operating results from continuing operations for the year ended 31 December 2013 were primarily contributed by the Mining Operations and Trading of Mineral and Metal Products. As a result of the Combination and the merger accounting treatment as explained above, the consolidated results of the Group for the year ended 31 December 2013 have included the full year results of Jui Rui Group and the comparative figures for the year ended 31 December 2012 have also been restated to include the full year results of Jin Rui Group.

Revenue

The revenue for the year ended 31 December 2013 was US$742.2 million, representing an increase of 21.2% compared with US$612.2 million for the year ended 31 December 2012. This increase in revenue was due to the Group's increased sales of copper from its operating mines and also the increase in trade volume from its international mineral and metal trading activities.

The Group's sales performance from its Mining Operations was as follows:

	2013	2012
Volume of copper sold (tonne)	**52,910**	42,723
Volume of cobalt sold (tonne)	**3,140**	3,078
Revenue from sales of copper (US$ million)	**380.5**	336.2
Revenue from sales of cobalt (US$ million)	**54.2**	52.8
Total Revenue from mining operation (US$ million)	**434.7**	389.0
Average price received per ton of copper (US$)	**7,191**	7,869
Average price received per ton of cobalt (US$)	**17,261**	17,154

During the year under review, the Group was able to counter the downward pressure on the copper price by increasing the volume of copper produced and hence sold in 2013.

The Mineral and Metal Trading segment, which activities are all copper-related, recorded an significant increase in revenue by 37.8% from US$223.2 million for the year ended 31 December 2012 to US$307.5 million for the year ended 31 December 2013. A higher trade volume was attained by the Group through the development of existing sourcing channels and extension to third party customer in addition to JCG, despite the overall drop in copper price from 2012 to 2013.

Cost of sales

Cost of sales represents the purchase cost for the Mineral and Metal Trading and the costs associated with the production of copper and cobalt from the Group's mining operations. The major components of cost of sales are as follows:

	2013 *US$'000*	2012 *US$'000*
Purchases for Mineral and Metal Trading	**299,480**	220,789
Mining Operations:		
Realisation costs	**6,765**	5,745
Mining costs	**35,412**	27,596
Salaries and wages	**64,801**	52,336
Processing fees	**94,858**	65,861
Engineering and technical costs	**26,942**	27,159
Safety, health, environment and community costs	**2,901**	1,852
Depreciation of property, plant and equipment	**41,088**	37,375
Amortisation of mineral rights and other intangible assets	**29,995**	26,792
Other costs	**30,071**	37,010
Total Cost of Sales	**632,313**	502,515

Cost of sales for the year ended 31 December 2013 increased by 25.8% to US$632.3 million from US$502.5 million for the year ended 31 December 2012. The increase in the overall cost of sales was primarily due to the increase in trade volume for its international Mineral and Metal Trading and ore milled in the Group's operating mines.

The increase in salaries and wages were due to general inflationary increase, payments of retention bonus to certain management personnel in relation to the retention of these staff after Metorex Group's privatization and acquisition by JCG in January 2012, and payments of retrenchment benefits to certain other personnel.

Processing fees increased due to additional measures taken to cope with the electricity disruptions in the DRC which had previously lowered the production volume of the Ruashi Mine. The DRC power grid provided hydro-generated electricity which was unstable since 2012. In order to meet operational production targets, the Group had installed diesel power generators since February 2013 to provide alternative self-generated electricity sources which led to new bearing of substantial diesel cost in 2013.

Gross profit

The gross profit of the Group increased slightly by 0.2% to US$109.9 million for the year ended 31 December 2013 from US$109.7 million for the year ended 31 December 2012. Predominantly due to the higher diesel cost driving up the electricity cost in the Ruashi Mine, the gross profit margin decreased from 17.9% in 2012 to 14.8% in 2013.

Net Financing cost

	2013	2012
	US$'000	*US$'000*
Financing income	**1,064**	1,769
Financing cost	**(6,506)**	(5,747)
	(5,442)	(3,978)

The increase in net financing cost to US$5.4 million for the year ended 31 December 2013 from US$4.0 million for the year ended 31 December 2012 was due to the increase in borrowings which were used primarily for financing the development of the Kinsenda Project, as well as the increase in trade finance used for the Mineral and Metal Trading segment during the year.

Exchange gain

During 2013, the exchange gain arose from the transfer of a South African Rand ("ZAR") denominated shareholder loan of ZAR9,193.4 million provided by Jintai to Jin Rui, a fellow subsidiary of the Company and the seller of Jin Rui to the Company, as part of the arrangement for the Company's acquisition of the entire equity interest of Jin Rui. As the value of ZAR against US$ depreciated throughout 2012 and more significantly from the beginning of 2013 to 14 November 2013 (being the completion date of the acquisition of Jin Rui), the Group recognised exchange gain of US$190.7 million for the year ended 31 December 2013 and US$41.4 million for the year ended 31 December 2012 from this shareholder loan, representing an increase of 360.6%.

Other gains and losses

Other gains and losses was mainly attributable to the exchange gains from the mineral and metal trading business of the Group. As the Group received most of its sales revenue from mineral and metal trading activities in Renminbi and there was a gradual appreciation of Renminbi ("RMB") over the years ended 31 December 2013 and 2012, the Group recorded exchange gains from its Renminbi denominated trade receivables.

Selling and distribution costs

Selling and distribution costs decreased by 15.4% to US$34.1 million for the year ended 31 December 2013 from US$40.3 million for the year ended 31 December 2012. The costs mainly represent the off-mine costs incurred when the Group sells its copper and cobalt under its mining operations, and is primarily comprised of transportation expenses, ocean freight expenses and custom clearing expense. The breakdown of selling and distribution costs is as follows:

	2013	2012
	US$'000	*US$'000*
Off-mine costs:		
Transportation	**812**	713
Ocean freight	**19,549**	20,157
Clearing costs of export	**13,379**	19,024
Others	**360**	390
Total Selling and distribution costs	**34,100**	40,284

Decrease in selling and distribution costs was mainly due to decrease in the clearing costs of export which represent the sales tax on export sales of the Group's mining operation. The decrease was mainly due to the utilization of a cobalt dryer in 2013 which significantly reduced the moisture content and weight of the exported minerals hence less tax was charged.

Administrative expenses

Administrative expenses increased by 32.8% to US$30.8 million for the year ended 31 December 2013 from US$23.2 million for the year ended 31 December 2012. Administrative expenses mainly represent mining royalties payable to the minority shareholder of the operating mines in Africa and other operating expenses of the Group. Under local regulations, the holder of a mining exploitation title is subject to mining royalties payable to the treasury of the local central government. The increase in administrative expense was mainly caused by the increase of royalties paid for the year ended 31 December 2013 compared to those for the year ended 31 December 2012.

Other expenses

Other expenses represent the cost incurred for the Group's acquisition activities, respectively for the Company's acquisition of Jin Rui Group in November 2013 (US$3.7 million) and for Jin Rui's acquisition of Metorex Group in January 2012 (US$0.7 million) and provisions made in the Group's mining operations. The amount have increased by 30.7% to US$14.0 million for the year ended 31 December 2013 from US$10.7 million for the year ended 31 December 2012. A breakdown for other expenses is provided in note 8.

The expected costs for the above acquisitions have been fully provided for as at 31 December 2013. In 2013, the Group made significant provisions for unpaid import duties, related late payment penalty and filing fees arising from its mining operations. Under the local DRC legislation, import duties should be paid before mineral goods are imported into the DRC and utilised for consumption. In 2013, the Group appointed a new tax clearing agent and discovered that there were unpaid import duties for certain of the mineral goods imported by the Group into the DRC in the past. All of the non-compliant imported goods were identified and provisions for duties and penalty were made accordingly.

Income tax expense

The Group is subject to taxes in Hong Kong, DRC and Zambia due to its business operations in these jurisdictions. Income tax expense has decreased by 42.2% to US$14.4 million for the year ended 31 December 2013 from US$24.9 million for the year ended 31 December 2012. The decrease was due to the recognition of a US$7.1 million deferred tax credit in 2013 caused by a change in Zambian tax legislation for depreciation allowance for the Group's mining assets.

Profit for the year from continuing operations

As a result of the above, the profit for the year of the Group from continuing operations increased by 315.1% to US$203.8 million for the year ended 31 December 2013 from US$49.1 million for the year ended 31 December 2012.

Underlying profit for the year from continuing operations

Since the Group had special items during the year of 2013 which would not have been incurred under ordinary operations of the Group, below is a reconciliation for the underlying profit of the Group which better reflects the operational performance of the Group:

	2013	2012
	US$'000	*US$'000*
Profit for the year from continuing operations	**203,837**	49,073
Special items:		
Less: Exchange gains from shareholder loan*	**(190,737)**	(41,369)
Add: Expenses incurred for the Combination *(note 8)*	**3,745**	790
Add: Provisions for unpaid import duties and related surcharge in DRC# *(note 8)*	**10,292**	–
Add: Acquisition-related costs for acquisition of a subsidiary *(note 8)*	**–**	9,948
Underlying profit for the year from continuing operations	**27,137**	18,442

* The exchange gain derived from the shareholder loan arose as a result of the Company's acquisition of Jin Rui Group and this exchange gain incurred from January 2012 (which represented the shareholder loan made by Jintai to Jin Rui for the payment of the consideration to the shareholders and optionholders of Metorex (Proprietary) Limited to complete the general offer to acquire and privatise Metorex (Proprietary) Limited) and up to 14 November 2013 (being the completion date of the Combination). Accordingly, the incidence giving rise to this exchange gain is just one-off in nature and will not recur in the future. Further, the shareholders loan has also been assigned by Jintai to the Company as part of the arrangement for the Company's acquisition of Jin Rui and therefore became an inter-company balance within the Group and any future exchange gain or loss (if any) relating to this shareholder loan would not be reflected in the Group's consolidated financial statements after intra-group eliminations.

\# Under local DRC legislation, import taxes should be paid and an approval for consumption certificate should be obtained before goods are imported into the DRC and utilized for consumption. In the current year, the Group initiated a change of import and clearing agents which discovered that certain goods previously imported by the Group to the DRC varied from the above legislation. Accordingly, the Group has made a provision for the unpaid import duties on such imported goods, additional surcharge on the variation from legislation, as well as fees for services provided by the new agents. The directors of the Company and Metorex consider that the accrued amount recognized in profit or loss account during the year ended 31 December 2013 is adequate but not excessive.

Earnings before interest (net finance costs), income tax, depreciation and amortisation ("EBITDA")

The EBITDA of the Group is derived as follows:

	2013	2012
	US$'000	*US$'000*
Profit for the year	**203,837**	49,073
Add: Net finance cost	**5,442**	3,978
Add: Income tax expense	**14,364**	24,903
Add: Depreciation of property, plant and equipment	**41,124**	37,383
Add: Amortisation of mineral rights and other intangible assets	**29,955**	26,792
EBITDA	**294,722**	142,129

Liquidity, Financial Resources and Capital Structure

As at 31 December 2013, the Group had bank balances and cash of approximately US$73.5 million (of which US$14.7 million was pledged for funding environmental liabilities relating to mining operation and issuance of letters of credit in favor of the Group's suppliers) as compared to US$80.5 million (of which US$9.2 million was pledged for funding environmental liabilities relating to mining operation and issuance of letters of credit in favor of the Group's suppliers) as at 31 December 2012.

As at 31 December 2013, the Group had borrowings of US$196.7 million which are due within one year and US$50.2 million which are due within 5 years.

The gearing ratio of the Group as at 31 December 2013 was 13.2% compared to 10.7% as at 31 December 2012. Gearing ratio is defined as net debt over total equity, and net debt is derived from total borrowings less bank balances and cash. Increase in the gearing ratio was caused by more banks loans obtained by the Group to fund its capital expenditures.

For the year under review, the Group had generally financed its operations with loan facilities provided by banks and internally generated cash flows.

Material acquisitions and disposals of investments

On 14 November 2013, the Group completed its acquisition of Jin Rui Group from Jintai through, as consideration, the issuance of 1,595,880,000 new ordinary shares at an issue price of HK$1.00 per share and the perpetual subordinated convertible securities in the aggregate amount of US$1,085.4 million convertible into 8,466,120,000 new ordinary share at an initial price of HK$1.00 per share. For details of the acquisition, please refer to the circular of the Company dated 30 August 2013 and the announcements of the Company dated 27 August 2013 and 14 November 2013.

On 27 June 2013, the Group completed its disposal of Carissa Bay Inc. at a cash consideration of HK$24.75 million (equivalent to US$3.2 million). For details of the disposal, please refer to the announcement and circular of the Company dated 24 June 2013 and 9 July 2013 respectively. As a result of this disposal, the Group ceased carrying out any cosmetics and beauty operation,

Save for the above, the Group had no other material acquisitions or disposals of investments during the year under review.

Significant capital expenditures

Save for the purchase of property, plant and equipment of US$51.4 million (2012: 108.1 million), mineral rights of US$36.0 million (2012: US$8.9 million) and exploration and evaluation assets of US$40.4 million (2012: nil), no significant capital expenditures were made for the year ended 31 December 2013.

Details of charges on the Group's assets

The Group's restricted cash deposits of US$14.7 million and non-current assets (including portions of property, plant and equipment, mineral rights, and exploration and evaluation assets), inventories and trade and other receivables of US$1,853.7 million, US$67.5 million and US$22.6 million respectively, were pledged to secure general banking facilities granted to the Group.

Contingent liabilities

The Group had no material contingent liabilities as at 31 December 2013.

Foreign exchange risk management

The reporting currency of the Group is in US$ and the functional currencies of subsidiaries of the Group are mainly in US$, HK$ or ZAR. For its mineral and metal trading activities, the Group is exposed to foreign currency exchange risk in RMB and ZAR which are predominantly the currency the Group receives as its revenue for its mineral and metal trading business and the currency for its mining operations in Africa, respectively. The Group monitors its exposure to foreign currency exchange risk on a continual basis.

Given the exchange rate peg between HK$ and US$, the Group is not exposed to significant exchange rate risk for transactions conducted in HK$. On the other hand, the exchange rate fluctuation of RMB against US$ and ZAR against US$ could substantially affect the performance and financial position of the Group.

There had been moderate fluctuations in the exchange rate of RMB against US$ and significant fluctuations in the exchange rate of ZAR against US$ in recent years. During 2013, the Group managed its foreign currency exchange risk arising from RMB and ZAR denominated transactions by entering into specific foreign exchange deliverable forward contracts to lock the exchange rate of future revenue receipts against US$.

PROSPECTS

With the completion of the Company's acquisition of Jin Rui Group in November 2013, a solid platform is set for the Group to accelerate its footprint in the global mining and resources sector. Heading into 2014, we will streamline our regional operations to achieve synergy and continue to grow our businesses in metal resources mining and mineral and metal trading. For our mining operations, we will follow the strategic objective of optimising the existing operating mines located in Ruashi and Chibuluma, and ensuring that the Kinsenda, Chifupu and Mosonoi projects are executed on time and within budget. For our mineral and metal trading business, we will strive to expand our third party customers base and widen profit margin. Combining JCG's network and support from Metorex Group's local expertise in Africa, we are in a favorable position to achieve improvements in financial and operational performance.

EMPLOYEES

As at 31 December 2013, the Group had 3,673 (2012: 4,054) employees. Employees receive competitive remuneration packages including salary and medical and other benefits. Key staff may also be entitled to performance bonus and grant of options over the shares of the Company.

Dividend

No dividend has been paid or declared by the Company for the year ended 31 December 2013 (2012: Nil).

CORPORATE GOVERNANCE INFORMATION

Audit Committee

During the year, the audit committee of the Company has reviewed the accounting principles and standards adopted by the Group, and has discussed and reviewed the internal control, reporting matters and the continuing connected transactions of the Group. The audited annual results for the year ended 31 December 2013 have been reviewed by the audit committee. The Group's consolidated financial statements for the year ended 31 December 2013 have been audited by the Company's auditors, Deloitte Touche Tohmatsu, and an unqualified opinion has been issued.

Model Code for Securities Transactions

The Company has adopted the Model code for Securities Transactions By Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules. Based on specific enquiry with all directors, the directors of the Company have confirmed that they have complied with required standards as set out in the Model Code for the year ended 31 December 2013.

Corporate Governance Code

The Company has complied throughout the year ended 31 December 2013 with the code provisions of the Corporate Governance Code (the "CG Code") as set out in Appendix 14 to the Listing Rules, except for the following deviation:

Non-compliance with paragraph A2.1

CG Code provision A2.1 stipulates that the role of Chairman and Chief Executive Officer ("CEO") should be separate and should not be performed by the same individual. During the year ended 31 December 2013, Mr. Yang Zhiqiang held the offices of Chairman and CEO of the Company. The Board believes that vesting the roles of both Chairman and CEO in the same person provides the Company with strong and consistent leadership and allows for effective and efficient planning and implementation of business decisions and strategies.

The Company will continue to review the effectiveness of the Group's corporate governance structure and consider whether any changes, including the separation of the roles of Chairman and CEO, are necessary.

PURCHASES, SALES OR REDEMPTION OF LISTED SECURITIES

On 14 November 2013, pursuant to the sale and purchase agreement dated 27 August 2013 entered into by, amongst others, the Company and Jintai in connection with the acquisition of Jin Rui by the Company, the Company has:

i) issued 915,669,000 new ordinary shares to Jinchuan (BVI) 1 Limited, a nominee of Jintai;

ii) issued 418,591,000 new ordinary shares to Jinchuan (BVI) 2 Limited, a nominee of Jintai;

iii) issued 261,620,000 new ordinary shares to Jinchuan (BVI) 3 Limited, a nominee of Jintai; and

iv) issued the Convertible Securities to Jinchuan (BVI) Limited, a nominee of Jintai. Upon full conversion of the Convertible Securities and based on the initial conversion price of HK$1.00 per share, the Company will be required to allot and issue 8,466,120,000 new ordinary shares credited as fully paid, subject to the terms of the Convertible Securities.

For further details of the above issuance, please refer to the circular of the Company dated 30 August 2013 and the announcements of the Company dated 27 August 2013 and 14 November 2013.

Except as disclosed above, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2013.

PUBLICATION OF FINANCIAL RESULTS ON THE WEBSITE OF THE STOCK EXCHANGE

This announcement is available for viewing on the websites of the Hong Kong Exchanges and Clearing Limited ("HKEx") and the Company. The annual report for the year ended 31 December 2013 containing all the information required by applicable requirements of Appendix 16 to and Chapter 18 of the Listing Rules will be dispatched to shareholders of the Company and published on the HKExnews and the Company's websites respectively in due course.

By Order of the Board
JINCHUAN GROUP INTERNATIONAL RESOURCES CO. LTD
Mr. Yang Zhiqiang
Chairman

Hong Kong, 19 March 2014

As at the date of this announcement, the Board consists of four executive directors, namely Mr. Yang Zhiqiang, Mr. Zhang Sanlin, Mr. Zhang Zhong and Mr. Chen Dexin; two non-executive directors, namely, Mr. Gao Tianpeng and Mr. Ferreira, John Adam; and three independent non-executive Directors, namely Mr. Gao Dezhu, Mr. Wu Chi Keung, and Mr. Yen Yuen Ho, Tony.