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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)

POSITIVE PROFIT ALERT

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).

Preliminary information on the financial results of the Group for the year ended 31 December 2013

The board of directors (the “**Board**”) of the Company wishes to inform the shareholders of the Company and potential investors that the Group is expected to record a profit for the year ended 31 December 2013 as compared to a loss recorded by the Group for the full year of 2012. The turnaround to profit from a loss position is mainly attributable to (i) the net profit for 2013 contributed by Jin Rui Mining Investment Limited (“**Jin Rui**”) and its subsidiaries (including Metorex (Proprietary) Limited) (collectively referred to as the “**Jin Rui Group**”), 100% interest of which was acquired by the Company on 14 November 2013; and (ii) the increase in the net profit derived from the trading of mineral and metal products by the Group in 2013 as compared with that in 2012 primarily due to the increase in the volume of such trading activities.

Through the acquisition of the Jin Rui Group, the Company has acquired the mining assets and mining operations undertaken by Metorex (Proprietary) Limited and its subsidiaries (collectively referred to as the “**Metorex Group**”) and therefore, the results of operation of the Metorex Group derived from its mining operations will be accounted for in the Company’s consolidated financial statements for the year ended 31 December 2013.

As disclosed in the Company's circular dated 30 August 2013 in respect of the aforementioned acquisition (the "VSA Circular"), the net profit from continuing operations of the Jin Rui Group for the six months ended 30 June 2013 amounted to approximately US\$164.7 million. The net profit of the Jin Rui Group is mainly attributable to (i) the non-cash exchange gains on the shareholder loan denominated in South African Rand owed by Jin Rui to its then shareholder prior to the Company's acquisition of Jin Rui in November 2013, as a result of the depreciation of South African Rand against the United States Dollar, and (ii) the net profit derived from the mining operations of the Metorex Group. For details of the financial results of the Jin Rui Group and the Metorex Group for the six months ended 30 June 2013, please refer to the Company's VSA Circular, in particular Appendices I and II to the VSA Circular respectively. The above two factors continued to impact the financial results of the Jin Rui Group for the second half of 2013.

Adoption of merger accounting in the preparation of consolidated financial statements for 2013

Upon completion of the aforementioned acquisition, the assets and liabilities of the Jin Rui Group will be accounted for in the consolidated financial statements of the Group using merger accounting as the Company and Jin Rui are both under the control of 金川集團股份有限公司 (Jinchuan Group Co., Ltd*), the ultimate holding company of the Company and Jin Rui, before and after the date of acquisition, and that control is not transitory. As a result, the Company will treat Jin Rui has been part of the Group since its date of incorporation on 30 November 2011 in the preparation of its consolidated financial statements.

Accordingly, the Company's consolidated financial statements for the year ended 31 December 2013 will consolidate the financial results of the Jin Rui Group for the full year of 2013, instead of since the Company acquired Jin Rui on 14 November 2013. As a result, it is expected that the consolidated net profit for the year ended 31 December 2013 of the Company (after accounting for the full year's financial results of the Jin Rui Group as explained above) will be quite significant as compared to the moderate loss position recorded by the Company for the year ended 31 December 2012.

In addition, due to the adoption of merger accounting by the Company in the preparation of its consolidated financial statements as stated above, the 2012 comparative figures of the Company's consolidated financial statements will also need to be restated to consolidate the financial results of the Jin Rui Group for the full year of 2012. Accordingly, in the annual results announcement and annual report to be issued by the Company for the year of 2013, readers will not be able to compare the Company's consolidated financial results for the year of 2013 with the Company's consolidated financial results for the year of 2012 prior to the making of the restatements for 2012 resulting from the acquisition of the Jin Rui Group simply by reading the financial

* For identification purpose only

statements contained therein. Should shareholders and potential investors wish to conduct such comparison, please refer to the Company's annual results announcement dated 21 March 2013 and the Company's 2012 annual report for details of the Company's consolidated financial results for the year of 2012 without the impact of the restatements.

Change in presentation currency for financial statements

As disclosed in the Company's announcement dated 14 November 2013, the Group has changed its presentation currency from Hong Kong Dollar to United States Dollar from 14 November 2013 upon completion of the Company's acquisition of Jin Rui on 14 November 2013. Accordingly, the information in the Company's annual results announcement for the year ended 31 December 2013 and the 2013 annual report will be all presented in United States Dollar, instead of Hong Kong Dollar.

As the Company is still in the process of finalising the annual results for the year ended 31 December 2013, 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 such information has not been audited or reviewed by the Company's auditors, and is therefore subject to change. Details of the Group's relevant results and performance will be disclosed in the annual results for the year ended 31 December 2013 which is expected to be announced in mid-March 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
Mr. Yang Zhiqiang
Chairman

Jinchang City, Gansu Province, the People's Republic of China, 11 February 2014

As at the date of this announcement, the Board comprises 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.