

【 For immediate release 】



JINCHUAN 金川

Jinchuan Group International Resources Co., Ltd.

金川集團國際資源有限公司

(2362.HK)

**Jinchuan International Announces
Interim Results for the Six Months Ended 30 June 2014
Revenue Decreased by 8.2% to Approximately US\$321.5 Million
Profit Attributable to the Owners Decreased to Approximately US\$786,000**

Financial Highlights

	(US\$'000)	For the six months ended 30 June	
		2014 <i>(unaudited)</i>	2013 <i>(restated and unaudited)</i>
Revenue		321,527	350,194
Gross Profit		36,288	48,024
Exchange Gain (One-off and Non-cash Nature)		–	160,012
EBITDA		53,075	214,052
Profit for the Year Attributable to Owners		786	166,010
Basic Earnings per Share (US cents)		0.02	3.82
Diluted Earnings per Share (US cents)		0.01	2.80
Total Equity		1,417,017	1,419,977
Gearing Ratio		15.2%	13.2%
Gross Profit Margin		11.3%	13.7%

(20 August 2014, Hong Kong) ----- **Jinchuan Group International Resources Co., Ltd** (the “Company”, together with its subsidiaries, collectively referred to “the Group” or “Jinchuan International”, Stock Code: 2362.HK) today announced its interim results for the six months ended 30 June 2014 (the period under review). For the six months ended 30 June 2014, the Group’s revenue amounted to approximately US\$321.5 million (2013: approximately US\$350.2 million), representing a decrease of approximately 8.2%. It was due to the decrease in the overall revenue arising from general drop in copper price and thus lower the selling price of copper products in Trading segment. Profit attributable to the owners of the company amounted to approximately US\$0.8 million as compared with that of US\$166.0 million for the same period last year. Such decrease in the profit was due to the new recognition of amortisation of mineral rights relating to the acquisition of Jin Rui and the recognition of an exchange loss upon translation or conversion from Renminbi into United States dollars. Basic earnings per share was US 0.02 cents (2013: US 3.82 cents). The Directors do not recommend an interim dividend for the six months ended 30 June 2014.

Exchange gain of US\$160.0 million was recorded in same period of last year. Such exchange gain was the recognized from the revaluation of a South African Rand (“ZAR”) denominated shareholder loan 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 the six months ended 30 June significantly during 2013.

Profit after tax decreased to approximately US\$1.1 million is mainly resulted from the above one-off non-cash exchange gain on shareholder loan (as explained above) of US\$160.0 million recognized for the same period in 2013 (financial year 2013: approximately US\$190.7 million) no longer be recognized in the current period under review, because the shareholder loan giving rise to such exchange gain were fully settled (upon the Company’s acquisition of Jin Rui and its subsidiaries, including Metorex Group)

The Mining Operations revenue increased as a factor of the increase in the sale volume for the six months ended 30 June 2014, which was represented by Metorex Group’s. Increase of 7.1% and 15.5% in sale volume respectively for copper and cobalt compared to the six months ended 30 June 2013. On the other hand, the revenue was affected by the decrease in the average copper price due to the volatility in the copper market. In fact, the Average LME Copper Price reduced by 8.1% received during the six months ended 30 June 2014. The Group was able to counter the downward pressure on the copper price by increasing the volume of copper produced and hence sold during in the six months ended 30 June 2014.

The Mineral and Metal Trading segment, which activities are all copper-related, recorded a considerable decrease in revenue by 26.0% from US\$147.1 million for the six months ended 30 June 2013 to approximately US\$108.9 million for the six months ended 30 June 2014. The decrease in revenue was due to the major decrease of 30,603 tonnes in the volume of copper concentrate sold to Jinchuan Group Co., Ltd, which was 52.1% lower than the six months ended 30 June 2013. A higher trade volume was attained by the Group through the development of existing source channels and extension to third party customer, despite the overall drop in copper price from 2013 to 2014.

The gross profit of the Group decreased by 24.4% to approximately US\$36.3 million (2013: approximately US\$48.0 million) for the six months ended 30 June 2014. Predominantly, the recognition of amortization of mineral rights and other intangible assets relating to the acquisition of Jin Rui result in the drop of gross profit margin from 13.7% to 11.3% for the six months ended 30 June 2014.

As at 30 June 2014, the Group had bank balances and cash of approximately US\$103.6 million (2013: approximately US\$73.5 million). The gearing ratio of the Group as at 30 June 2014 was 15.2% compared to 13.2% as at 31 December 2013.

Mr. Yang Zhiqiang, the Chairman of Jinchuan Group and the Chairman of the Board of the Directors and Chief Executive Officer of Jinchuan International said, “In the first half of 2014, the Group has fully transformed itself into a global metal mining company. The acquisition of a high grade copper and cobalt mining assets in the Central African Copper Belt in November 2013 had turned the Group’s core business into a pure metal mining play.”

During the period, the Metorex Group has controlled over two mines in Africa which are (i) Ruashi Mine, a copper and cobalt mine located in the DRC and (ii) Chibuluma South Mine, a copper mine located in Zambia. During the period under review, sales volume for copper and cobalt was 26,055 tonnes (2013: 24,320 tonnes) and 1,641 tonnes (2013: 1,421 tonnes) respectively which generated sales of approximately US\$180.3 million (2013: approximately US\$178.5 million) and approximately US\$32.3 million (2013: approximately US\$24.6 million) respectively.

Reviewing the period, the Group's Trading business has purchased and sold a total of approximately 10,232 tonnes (2013: 8,600 tonnes) of copper blister and 28,097 tonnes (2013: 58,700 tonnes) of copper concentrates, during the six months ended 30 June 2014, sold 600 tonnes (2013: Nil) of off-grade copper cathodes to customers. The Trading revenue from sales of copper blisters, copper concentrates and off-grade copper cathodes for the six months ended 30 June 2014 amounted to approximately US\$69.8 million, approximately US\$35 million and approximately US\$4.1 million respectively (2013: approximately US\$61.7 million, approximately US\$85.4 million and nil respectively).

In addition, a silver lining has been seen among the problem of the unstable power supply in the Democratic Republic of Congo (the "DRC"). In August 2014, an additional power supply from CEC was furnished by the Zambian power provider across the border. Not only did it relieve the Group's reliance on the DRC power grid, but also eased the Group's cost burden from using alternative diesel power. The Group has also taken initiative to actively develop the Kinsenda Project, a copper exploration project, with an expectation for commissioning in 2015. At the same time, high attention is paid to accelerate the pre-development studies for (i) Musonoi Project, a greenfield copper and cobalt project; and (ii) Lubembe Project, a greenfield copper project.

With the granting of US\$225 million bank loan from China Development Banking Corporation, the Group has been able to foster the project development. Under the revised schedule, it is expected that the commission of the production could take place by second half of 2015, it is expected to achieve an average annual output of 26,000 tonnes copper concentrates.

Mr. Yang said, "Eyeing on the future, our Group will actively explore possible acquisitions of overseas mining and mineral resources assets, in particular the operating/producing assets. We are determined to consolidate the tangible strategies, and transform the Group into a global metal mining company comprehensively."

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About Jinchuan Group International Resources Co., Ltd

Jinchuan International is a Hong Kong listed company established by Jinchuan Group Co., Ltd for the purposes of accelerating the establishment of the mining group's multinational operation strategy and elevating Jinchuan Group's global investing, financing and operating capabilities. In virtue of Hong Kong's advantages as an international financial center and trade center, by vigorously carrying out internationalized operating strategy, the Company is the flagship platform for Jinchuan Group to develop overseas mining resources. The Company is primarily engaged in the development of overseas mining resources projects, capital operation and assets management of overseas mining resources projects, as well as trading of raw materials and products of nickel, copper, cobalt and precious metals.

Details please refer to <http://www.jinchuan-intl.com>

About Metorex Group

Metorex is an established Central African mining company headquartered in Johannesburg of South Africa, which is focusing on the base metal mining industry. All the projects of the Metorex Group are located in the DRC and Zambia, in the Central African copperbelt. The Central African copperbelt which extends from north eastern Angola through southern DRC and into Zambia, is one of the richest sources of copper and cobalt in the world containing over a tenth of the world's copper mineral reserves and a third of the world's cobalt mineral reserves. It is second only to the Chilean porphyry belt in terms of copper endowment. The Group's operating mines include Ruashi Mine of the DRC (main products: copper cathode and cobalt hydroxide) and Chibuluma South Mine of Zambia (main products: copper concentrate). The Group also holds Kinsenda Project, a brownfield underground mining project and exploration greenfield projects of Lubembe and Musonoi Est.

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