Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

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)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2011

RESULTS

The board of Directors (the "Board") of Jinchuan Group International Resources Co. Ltd. (formerly known as "Macau Investment Holdings Limited") (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 2011 together with the comparative figures in 2010 as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2011

	Note	**2011**	2010
		HK$'000	*HK$'000*
REVENUE	3	**129,394**	126,916
Cost of sales		**(42,022)**	(54,564)
Gross profit		**87,372**	72,352
Other income and gains	3	**10,568**	3,055
Selling and distribution costs		**(54,225)**	(59,751)
Administrative expenses		**(59,736)**	(49,637)
Other expenses		**–**	(3,766)
Costs associated with equity-settled share options		**(969)**	(7,138)
Impairment of intangible asset		**–**	(75,000)
Impairment of available-for-sale investments		**–**	(315,192)
Finance costs		**(1,471)**	(1,264)

	Note	2011 HK$'000	2010 HK$'000
LOSS BEFORE TAXATION	4	**(18,461)**	(436,341)
Income tax credit/(expense)	5	**375**	(2,410)
LOSS FOR THE YEAR		**(18,086)**	(438,751)
OTHER COMPREHENSIVE INCOME/(LOSS)			
Changes in fair value of available-for-sale investments		**–**	(796)
Exchange differences on translation of foreign operations		**998**	1,879
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		**(17,088)**	(437,668)
Loss attributable to:			
Owners of the parent		**(18,084)**	(438,745)
Non-controlling interests		**(2)**	(6)
		(18,086)	(438,751)
Total comprehensive loss attributable to:			
Owners of the parent		**(17,086)**	(437,662)
Non-controlling interests		**(2)**	(6)
		(17,088)	(437,668)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	6		
Basic and diluted:			
For loss for the year		**0.66 cents**	56 cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2011

	Note	**2011**	2010
		HK$'000	*HK$'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**35,719**	39,268
Prepaid land lease payments		**4,035**	4,648
Intangible assets		**15,706**	15,706
Long term deposits		**2,000**	2,000
Total non-current assets		**57,460**	61,622
CURRENT ASSETS			
Available-for-sale investments	7	**16,969**	57,887
Inventories		**24,848**	31,994
Trade receivables	8	**15,727**	10,484
Prepayments, deposits and other receivables		**17,188**	52,153
Due from related parties		**2,480**	2,591
Cash and cash equivalents		**713,697**	631,188
Total current assets		**790,909**	786,297
CURRENT LIABILITIES			
Trade payables	9	**13,146**	17,269
Other payables and accruals		**42,369**	46,305
Interest-bearing bank borrowings		**23,373**	18,281
Due to related parties		**9,077**	4,112
Tax payable		**1,650**	1,502
Finance lease payables		**388**	334
Due to non-controlling shareholder of subsidiaries		**600**	600
Total current liabilities		**90,603**	88,403
NET CURRENT ASSETS		**700,306**	697,894
TOTAL ASSETS LESS CURRENT LIABILITIES		**757,766**	759,516

	2011	2010
	HK$'000	*HK$'000*
NON-CURRENT LIABILITIES		
Provision for long service payments	**452**	507
Finance lease payables	**126**	491
Deferred tax liabilities	**1,776**	2,563
Total non-current liabilities	**2,354**	3,561
NET ASSETS	**755,412**	755,955
EQUITY		
Equity attributable to owners of the parent		
Issued capital	**27,549**	27,285
Reserves	**728,689**	729,494
	756,238	756,779
Non-controlling interests	**(826)**	(824)
TOTAL EQUITY	**755,412**	755,955

1.1 BASIS OF PREPARATION

First-time adoption of International Financial Reporting Standards

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs"), which comprise all standards and interpretations approved by the International Accounting Standards Board (the "IASB"), and the disclosure requirements of the Hong Kong Companies Ordnance. All IFRSs effective for the accounting periods commencing from 1 January 2011, together with the relevant transitional provisions, have been adopted by the Group in the preparation of the financial statements throughout the year. They have been prepared under the historical cost convention. These financial statements are presented in Hong Kong dollars and all values are rounded to the nearest thousand except when otherwise indicated.

Prior to 2011, the Group prepared its consolidated financial statements in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") and its amendments and interpretations issued by the Hong Kong Institute of Certified Public Accountants.

Although HKFRSs have been fully converged with IFRSs except for certain differences in transitional provisions since 1 January 2005, management has given due consideration to the requirements under IFRS 1 *First-time Adoption of International Financial Reporting Standards* "IFRS 1" in preparing these consolidated financial statements. For this purpose, the date of the Group's transition to IFRSs was determined to be 1 January 2010, being the beginning of the earliest period for which the Group presents comparative information in these consolidated financial statements. With due regard to the Group's accounting policies in previous periods and the requirements of IFRS 1, management has concluded that no adjustments to the amounts reported under HKFRSs were required as at the date of IFRSs transition, or in respect of the year ended 31 December 2010.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2011. The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. All intra-group balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends are eliminated on consolidation in full.

Total comprehensive loss within a subsidiary is attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or accumulated losses, as appropriate.

1.2 CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

The Group has adopted the following new and revised IFRSs for the first time for the current year's financial statements.

IFRS 1 Amendment	Amendment to IFRS 1 *First-time Adoption of International Financial Reporting Standards – Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters*
IAS 24 (Revised)	*Related Party Disclosures*
IAS 32 Amendment	Amendment to IAS 32 *Financial Instruments: Presentation – Classification of Rights Issues*
IFRIC 14-Int 14 Amendments	Amendments to IFRIC 14-Int 14 *Prepayments of a Minimum Funding Requirement*
IFRIC 19-Int 19	*Extinguishing Financial Liabilities with Equity Instruments*
Improvements to IFRSs 2010	Amendments to a number of IFRSs issued in May 2010

Other than as further explained below regarding the impact of IAS 24 (Revised), and amendments to IFRS 3, IAS 1 and IAS 27 included in *Improvements to IFRSs 2010*, the adoption of the new and revised IFRSs has had no significant financial effect on these financial statements.

The principal effects of adopting these IFRSs/HKFRSs are as follows:

(a) IAS 24 (Revised) *Related Party Disclosures*

IAS 24 (Revised) clarifies and simplifies the definitions of related parties. The new definitions emphasise a symmetrical view of related party relationships and clarify the circumstances in which persons and key management personnel affect related party relationships of an entity. The revised standard also introduces an exemption from the general related party disclosure requirements for transactions with a government and entities that are controlled, jointly controlled or significantly influenced by the same government as the reporting entity. The accounting policy for related parties has been revised to reflect the changes in the definitions of related parties under the revised standard. The adoption of the revised standard did not have any impact on the financial position or performance of the Group.

(b) *Improvements to IFRSs 2010* issued in May 2010 sets out amendments to a number of IFRSs. There are separate transitional provisions for each standard. While the adoption of some of the amendments may result in changes in accounting policies, none of these amendments has had a significant financial impact on the financial position or performance of the Group. Details of the key amendments most applicable to the Group are as follows:

- IFRS 3 *Business Combinations*: The amendment clarifies that the amendments to IFRS 7, IAS 32 and IAS 39 that eliminate the exemption for contingent consideration do not apply to contingent consideration that arose from business combinations whose acquisition dates precede the application of IFRS 3 (as revised in 2008).

  In addition, the amendment limits the scope of measurement choices for non-controlling interests. Only the components of non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation are measured at either fair value or at the present ownership instruments' proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by another IFRS.

  The amendment also added explicit guidance to clarify the accounting treatment for non-replaced and voluntarily replaced share-based payment awards.

- IAS 1 *Presentation of Financial Statements*: The amendment clarifies that an analysis of each component of other comprehensive income can be presented either in the statement of changes in equity or in the notes to the financial statements. The Group elects to present the analysis of each component of other comprehensive income in the statement of changes in equity.

- IAS 27 *Consolidated and Separate Financial Statements*: The amendment clarifies that the consequential amendments from IAS 27 (as revised in 2008) made to IAS 21, IAS 28 and IAS 31 shall be applied prospectively for annual periods beginning on or after 1 July 2009 or earlier if IAS 27 is applied earlier.

1.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised IFRSs, that have been issued but are not yet effective, in these financial statements.

IFRS 1 Amendments	Amendments to IFRS 1 *First-time Adoption of International Financial Reporting Standards – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters*[1]
IFRS 7 Amendments	Amendments to IFRS 7 *Financial Instruments: Disclosures – Transfers of Financial Assets*[1]
IFRS 9	Financial Instruments[6]
IFRS 10	*Consolidated Financial Statements*[4]
IFRS 11	*Joint Arrangements*[4]
IFRS 12	*Disclosure of Interests in Other Entities*[4]
IFRS 13	*Fair Value Measurement*[4]
IAS 1 Amendments	Amendments to IAS 1 *Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income*[3]
IAS 12 Amendments	Amendments to IAS 12 *Income Taxes – Deferred Tax: Recovery of Underlying Assets*[2]
IAS 19 (2011)	*Employee Benefits*[4]
IAS 27 (2011)	*Separate Financial Statements*[4]
IAS 28 (2011)	*Investments in Associates and Joint Ventures*[4]
IFRIC 20	*Stripping Costs in the Production Phase of a Surface Mine*[4]
IFRS 7 Amendments	Amendments to IFRS 7 Financial Instruments: *Disclosures – Offsetting Financial Assets and Financial Liabilities*[4]
IAS 32 Amendments	Amendments to IAS 32 Financial Instruments: Presentation– *Offsetting Financial Assets and Financial Liabilities*[5]

[1] Effective for annual periods beginning on or after 1 July 2011
[2] Effective for annual periods beginning on or after 1 January 2012
[3] Effective for annual periods beginning on or after 1 July 2012
[4] Effective for annual periods beginning on or after 1 January 2013
[5] Effective for annual periods beginning on or after 1 January 2014
[6] Effective for annual periods beginning on or after 1 January 2015

Further information about those changes that are expected to significantly affect the Group is as follows:

IFRS 9 issued in November 2009 is the first part of phase 1 of a comprehensive project to entirely replace IAS 39 *Financial Instruments: Recognition and Measurement*. This phase focuses on the classification and measurement of financial assets. Instead of classifying financial assets into four categories, an entity shall classify financial assets as subsequently measured at either amortised cost or fair value, on the basis of both the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. This aims to improve and simplify the approach for the classification and measurement of financial assets compared with the requirements of IAS 39.

In November 2010, the IASB issued additions to IFRS 9 to address financial liabilities (the "Additions") and incorporated in IFRS 9 the current derecognition principles of financial instruments of IAS 39. Most of the Additions were carried forward unchanged from IAS 39, while changes were made to the measurement of financial liabilities designated at fair value through profit or loss using the fair value option ("FVO"). For these FVO liabilities, the amount of change in the fair value of a liability that is attributable to changes in credit risk must be presented in other comprehensive income ("OCI"). The remainder of the change in fair value is presented in profit or loss, unless presentation of the fair value change in respect of the liability's credit risk in OCI would create or enlarge an accounting mismatch in profit or loss. However, loan commitments and financial guarantee contracts which have been designated under the FVO are scoped out of the Additions.

IAS 39 is aimed to be replaced by IFRS 9 in its entirety. Before this entire replacement, the guidance in IAS 39 on hedge accounting and impairment of financial assets continues to apply. The Group expects to adopt IFRS 9 from 1 January 2015.

IFRS 10 establishes a single control model that applies to all entities including special purpose entities or structured entities. It includes a new definition of control which is used to determine which entities are consolidated. The changes introduced by IFRS 10 require management of the Group to exercise significant judgement to determine which entities are controlled, compared with the requirements in IAS 27 and SIC-12 *Consolidation – Special Purpose Entities*. IFRS 10 replaces the portion of IAS 27 *Consolidated and Separate Financial Statements* that addresses the accounting for consolidated financial statements. It also includes the issues raised in SIC-12.

IFRS 12 includes the disclosure requirements for subsidiaries, joint arrangements, associates and structured entities that are previously included in IAS 27 *Consolidated and Separate Financial Statements*, IAS 31 *Interests in Joint Ventures and IAS 28 Investments in Associates*. It also introduces a number of new disclosure requirements for these entities.

Consequential amendments were made to IAS 27 and IAS 28 as a result of the issuance of IFRS 10, IFRS 11 and IFRS 12. The Group expects to adopt IFRS 10, IFRS 11, IFRS 12, and the consequential amendments to IAS 27 and IAS 28 from 1 January 2013.

IFRS 13 provides a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The standard does not change the circumstances in which the Group is required to use fair value, but provides guidance on how fair value should be applied where its use is already required or permitted under other IFRSs. The Group expects to adopt IFRS 13 prospectively from 1 January 2013.

Amendments to IAS 1 change the grouping of items presented in OCI. Items that could be reclassified (or recycled) to profit or loss at a future point in time (for example, upon derecognition or settlement) would be presented separately from items which will never be reclassified. The Group expects to adopt the amendments from 1 January 2013.

2. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has two reportable operating segments as follows:

(a) the manufacture and trading of cosmetic and related products, and the provision of beauty technical and tutoring services segment ("Cosmetic and Beauty"); and

(b) the property investment and development segment.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/(loss), which is a measure of adjusted profit/(loss) before tax. The adjusted profit/(loss) before tax is measured consistently with the Group's profit before tax except that interest income, unallocated other income and gains as well as head office and corporate expenses are excluded from such measurement.

Segment assets exclude equity investments at fair value through profit or loss, certain cash and cash equivalents and other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

Year ended 31 December 2011	Property investment and development	Cosmetic and Beauty	Total
	HK$'000	*HK$'000*	*HK$'000*
Segment revenue:			
Sales to external customers	–	129,394	129,394
Other revenue	762	760	1,522
	762	130,154	130,916
Reconciliation:			
Elimination of intersegment sales			–
Revenue			130,916
Segment results	762	(11,750)	(10,988)
Reconciliation:			
Interest income and unallocated gains			9,046
Corporate and other unallocated expenses			(16,519)
Loss before tax			(18,461)
Segment assets	16,969	120,865	137,834
Reconciliation:			
Corporate and other unallocated assets			710,535
Total assets			848,369
Segment liabilities	–	90,920	90,920
Reconciliation:			
Corporate and other unallocated liabilities			2,037
Total liabilities			92,957
Other segment information:			
Depreciation and amortisation	–	10,675	10,675
Loss on disposal and write-off of items of property, plant and equipment	–	920	920
Capital expenditure*	–	4,679	4,679

* Capital expenditure consists of additions to property, plant and equipment.

Year ended 31 December 2010	Property investment and development HK$'000	Cosmetic and Beauty HK$'000	Total HK$'000
Segment revenue:			
Sales to external customers	–	126,916	126,916
Other revenue	–	1,237	1,237
	–	128,153	128,153
Reconciliation:			
Elimination of intersegment sales			–
Revenue			128,153
Segment results	(315,192)	(107,985)	(423,177)
Reconciliation:			
Interest income and unallocated gains			1,818
Corporate and other unallocated expenses			(14,982)
Loss before tax			(436,341)
Segment assets	94,207	130,701	224,908
Reconciliation:			
Corporate and other unallocated assets			623,011
Total assets			847,919
Segment liabilities	–	89,626	89,626
Reconciliation:			
Corporate and other unallocated liabilities			2,338
Total liabilities			91,964
Other segment information:			
Impairment of intangible asset	–	75,000	75,000
Depreciation and amortisation	–	11,631	11,631
Impairment of available-for-sale investments	315,192	–	315,192
Loss on disposal and write-off of items of property, plant and equipment	–	3,764	3,764
Capital expenditure*	43,000	8,031	51,031

* Capital expenditure consists of additions to property, plant and equipment and available-for-sale investments.

Geographical information

(a) Revenue from external customers

	2011	2010
	HK$'000	*HK$'000*
Hong Kong	**46,597**	37,494
Mainland China	**82,797**	89,422
	129,394	126,916

The revenue information above is based on the location of the customers.

(b) Non-current assets

	2011	2010
	HK$'000	*HK$'000*
Hong Kong	**22,497**	22,725
Mainland China	**34,963**	38,897
	57,460	61,622

The non-current asset information above is based on the location of assets and excludes financial instruments and deferred tax assets.

Information about a major customer

Revenue of approximately HK$20,445,000 was derived from sale of the Cosmetic and Beauty products to a single customer. There was no single customer accounted for over 10% of total revenue in 2010.

3. REVENUE AND OTHER INCOME AND GAINS

Revenue, which is also the Group's turnover, represents the net invoiced value of goods sold, after allowances for returns, value-added tax and trade discounts; and the value of services rendered.

An analysis of revenue, other income and gains is as follows:

	2011	2010
	HK$'000	*HK$'000*
Revenue		
Sale of goods	**92,493**	99,030
Rendering of services	**36,901**	27,886
	129,394	126,916
Other income and gains		
Bank interest income	**6,744**	587
Gain on foreign exchange	**2,263**	34
Gain on disposal of a subsidiary	**762**	–
Gain on disposal of available-for-sale investments	**–**	605
Gain on disposal of equity investments at fair value through profit or loss	**–**	431
Others	**799**	1,398
	10,568	3,055

4. LOSS BEFORE TAXATION

The Group's loss before taxation is stated after charging/(crediting) the following:

	2011	2010
	HK$'000	*HK$'000*
Cost of inventories sold	**31,735**	42,335
Cost of services provided	**10,287**	12,229
Depreciation	**10,195**	10,847
Amortisation of prepaid land lease payments	**613**	798
Minimum lease payments under operating leases in respect of buildings	**9,052**	9,849
Auditors' remuneration	**2,590**	1,760
Employee benefit expense (excluding directors' remuneration):		
Wages, salaries and allowances	**39,886**	34,425
Pension scheme contributions	**4,408**	4,818
Expense incurred for equity-settled share options granted (excluding directors' remuneration)	**686**	3,139
	44,980	42,382
Gain on disposal of equity investment at fair value through profit or loss	**–**	(431)
Gain on disposal of a subsidiary	**(762)**	–
Gain on disposal of available-for-sales investments	**–**	(605)
Write-down/(write-back) of inventories to net realisable value	**(243)**	2,984
Impairment of intangible assets	**–**	75,000
Impairment of available-for-sale investments	**–**	315,192
Loss on write-off of items of property, plant and equipment	**920**	3,764
Foreign exchange differences, net	**(1,311)**	(34)
Impairment of trade receivables	**4,559**	1,342

5. INCOME TAX CREDIT/(EXPENSE)

Hong Kong profits tax is estimated at the rate of 16.5% (2010: 16.5%) on the estimated assessable profits arising in Hong Kong during the year. No provision for Hong Kong profits tax has been made in the consolidated financial statements as the Company has no estimated assessable profits for the year (2010: Nil).

Taxation on profits derived by Mainland China subsidiaries has been estimated at Mainland China corporate income tax rate of 25% (2010: 25%).

	2011	2010
	HK$'000	*HK$'000*
Current – Mainland China		
Charge for the year	**492**	1,669
Overprovision in prior years	**(80)**	–
Deferred	**(787)**	741
Total tax (credit)/expense for the year	**(375)**	2,410

6. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of basic loss per share amounts is based on the loss for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 2,750,116,000 (2010: 782,224,000) in issue during the year.

No adjustment has been made to the basic loss per share amounts presented for the years ended 31 December 2011 and 31 December 2010 in respect of a dilution as the Group had no potential dilutive ordinary shares in issue as at 31 December 2011 and the impact of the share options outstanding had an anti-diluting effect on the basic loss per share presented for 2010.

The calculation of the basic loss per share is based on:

	2011	2010
	HK$'000	*HK$'000*
Loss		
Loss attributable to ordinary equity holders of the parent used in the basic loss per share calculation	**(18,084)**	(438,745)

	Number of shares (in '000)	
	2011	2010
Shares		
Weighted average number of ordinary shares in issue during the year used in the basic loss per share calculation	**2,750,116**	782,224

7. AVAILABLE-FOR-SALE INVESTMENTS

	2011	2010
	HK$'000	*HK$'000*
Unlisted equity investments, at cost	**111,410**	373,079
Impairment	**(94,441)**	(315,192)
	16,969	57,887

Unlisted equity investments consisted of investments in equity interests which were designated as available-for-sale investments and have no fixed maturity date or coupon rate.

8. TRADE RECEIVABLES

	2011	2010
	HK$'000	*HK$'000*
Trade receivables	**22,137**	12,335
Impairment	**(6,410)**	(1,851)
	15,727	10,484

The Group has different trading terms with customers for different businesses.

For services rendered, no credit term is granted to customers.

For the sale of goods, payment in advance is normally required, except for major customers. The Group's trading terms with its customers are mainly on credit. The credit period granted to customers generally ranges from one month to three months.

The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk except for approximately 28% (2010: nil) of trade receivables is from a debtor of the Group. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

An aged analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of provisions, is as follows:

	2011	2010
	HK$'000	*HK$'000*
Within 3 months	**10,698**	8,764
4 to 6 months	**3,164**	1,118
7 to 12 months	**1,865**	480
Over 1 year	**–**	122
	15,727	10,484

9. TRADE PAYABLES

An aged analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	2011	2010
	HK$'000	*HK$'000*
Within 3 months	**9,589**	11,580
4 to 6 months	**1,904**	1,163
7 to 12 months	**1,050**	2,824
Over 1 year	**603**	1,702
	13,146	17,269

The trade payables are non-interest-bearing and are normally settled on 90-day terms.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The investment in the Company by Jinchuan Group Joint Stock Limited* 金川集團股份有限公司 (Formerly as 金川集團有限公司)(the "Jinchuan Group") in November 2010 marked the Company's strategic intention to shift its business into the mining and mineral resources sector. With effect from 12 January 2011, the name of the Company changed from "Macau Investment Holdings Limited" to "Jinchuan Group International Resources Co. Ltd 金川集團國際資源有限公司". It signified the Company to operate as Jinchuan Group's flagship for undertaking its overseas operations in mining assets investment and mineral and metal trading in the region and across the world.

Notwithstanding the Company's ongoing move towards the mining and mineral resources sector, the Cosmetic & Beauty and Property Investment & Development segments continued to be the core businesses of the Group in 2011. The details of their results of operations for the year ended 31 December 2011 are as follows:

Cosmetic and Beauty

Our Cosmetic and Beauty segment is represented by CMM International Group Limited and its subsidiaries (the "CMM Group"), which are engaged in cosmetic and beauty products distribution as well as the related beauty center services and beauty school tuition services in both Hong Kong and the People's Republic of China (the "PRC"). It is a leader in beauty trends through providing innovative beauty services, skin care and cosmetic products to retail customers and educating beauty professionals in beauty schools.

In Hong Kong, the beauty school operations conducted by CMM Monita academy division had seen growth in revenue and number of students. Besides the continuation of professional skin care and make up courses, new diversified courses like wedding and event management, and bridal services had been well accepted. Training co-operations with DFS Hong Kong Limited under the beauty school operations had also been successful. In the coming year CMM Monita academy will continue to develop courses for the professionals in the beauty industry and provide better opportunities to enhance their career path with the specialised education.

In 2011, in the PRC market CMM retail brand continues to be our best selling brand. Besides the traditional department store counter distribution, there had been successful promotion on our online shop CMM.tmall.com and TV direct sells in various TV shopping channels. CMM retail brands had also been seeking alternative distribution channels in China including the beauty chain store channel in the 2nd and 3rd tier cities. The Company will continue to develop brand presence in the market through these channels.

CMM Group has over 40 years of brand tradition and experiences in the beauty industry in this market. CMM will continue to produce the best quality beauty products, provide the best professional beauty services and best industry training to ensure that CMM group continues to be a market leader in China and Hong Kong.

* *For identification purpose only*

Property Investment and Development

Along with the Company's strategic intention to focus its business in the mining and mineral resources sector, the Company disposed of its indirect equity interest in one of its two Macau property projects in May 2011, from which a gain of HK$0.8 million was realised. After the end of the year, the remaining property assets of the Group was also realised with a HK$0.3 million gain.

FINANCIAL REVIEW

Except for other income & gains of HK$9.8 million, costs associated with equity-settled share options of HK$1.0 million and administrative expenses of head office in Hong Kong amounting to HK$15.9 million, the Group's operating results for the year ended 31 December 2011 are primarily contributed by its Cosmetics & Beauty segment operated by the CMM Group.

Revenue and gross profit

The revenue for the year ended 31 December 2011 was HK$129 million, an increase of 2% as compared with HK$127 million in the prior year. The growth in revenue during the year was resulted from significant growth in service income from providing beauty tuition courses and cosmetic services but offset by decrease in sales of cosmetic products.

Improvement of gross profit margin from 57% in prior year to 68% in current year was also due to the increase in higher margin service income proportion in the total revenue mix.

Other income and gains

Other income and gains increased in 2011 compared to prior year mainly due to increase in bank interest income by HK$6.1 million and exchange gain by HK$2.2 million. Majority of the financial resources pending investment in mining assets were placed as bank deposits which thus gave rise to a higher interest income and exchange gains than those of prior year's.

Selling and distribution costs

The decrease in selling and distribution costs of HK$5.5 million is mainly due to cost cutting measures carried out by CMM Group upon rationsation of its sales outlets during the year. Salaries of sales staff decreased as CMM group secured new distributor and thus reduced the headcount of sales staff. To align with the strategic focus on target market, some outlets were closed and resulted in a drop in depreciation on sales counter and rental expenses. The cost cutting measures also extended to the curtail of advertising fees.

Administrative expenses

The predominant reason for the increase in administrative expenses by 20.3% to HK$59.7 million from HK$49.6 million in prior year is mainly due to the increase in promotional expenses in launching a ceremony in Hong Kong in February 2011, the Group invited guests from the politics and business arena to witness the milestone upon its change of business focus and name of the Company. Other increases include the office salary and rental expenses, as well as redundancy payment for sales outlets cessation.

Liquidity, Financial Resources and Capital Structure

As at 31 December 2011, the Group had cash and bank balances of approximately HK$714 million as compared to HK$631 million as at 31 December 2010. The interest-bearing bank borrowings of the Group of HK$23 million is due within one year.

For the year under review, the Group generally finances its operation with internally generated cash flows and equity. The Company's issued share capital as at 31 December 2011 was HK$27,548,731 and the number of its issued ordinary shares was 2,754,873,051 shares of HK$0.01 each. During the year, the Company has issued 26,400,000 ordinary shares by means of full exercise of all outstanding share options which generated proceeds of HK$15.6 million. In May 2011, the disposal of its interest in one of its two Macau property projects and the related shareholder loan assignment generated HK$78.0 million (in aggregate). The Group is in a net cash position as at 31 December 2011.

Material acquisitions and disposals of investments

In May 2011, the Group disposed of its available-for-sale investments, being its entire equity interest in a wholly-owned subsidiary which held interest in one of its two Macau property projects, together with the related shareholder loan assignment, for a total cash consideration of HK$78.0 million.

Save as 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 for HK$5.4 million in the Cosmetic and Beauty segment, there were no significant capital expenditures for the year ended 31 December 2011.

Details of charges on the Group's assets

The Group's buildings and prepaid land lease payments with net book values of HK$15.7 million and HK$4.7 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 2011.

Foreign exchange exposure

During the year under review, since the Group generated most of its revenue from sale of goods and provision of service in Hong Kong and the People's Republic of China, the proceeds of which were denominated either in Hong Kong dollars or Renminbi, and the Group's payments for purchases of materials and salaries were either made in Hong Kong dollars, Renminbi, or Hong Kong dollars pegged currencies, the Group has not entered into any transactions for hedging purposes and the Group's foreign currency exposure is minimal. The Group monitors its exposure to foreign currency risk and will consider hedging such risk if necessary.

PROSPECTS

With a strong industrial presence of Jinchuan Group in the non-ferrous metal worldwide, the Group is eager to build up its overseas mining asset portfolios to shoulder its delegation by Jinchuan Group as a flagship for undertaking of overseas mining and mineral resources operations. Mining investments involve sizable capital and, therefore, critical industrial studies and financing considerations are always cautiously conducted before securing a target. In parallel with that, the Group intends to deploy more trading effort to activate its sales of mineral and metal products. Additional customer channel will be explored externally. We believe that the boosting up of trading revenue is the fastest means in scaling up the Group as a non-ferrous metal operators. We will pay more attention to accelerate our trading activities in year 2012 to catch up the scale, and derive more revenue through the on-sale to Mainland customers taking advantage of prevailing low financing cost in Hong Kong as compared to Mainland.

Diversification of the Group's existing businesses into mining and mineral resources sector continue to be the strategic emphasis in Year 2012. Along with the recent overseas acquisitions made by Jinchuan Group, the Group is exploring an effective pathway to take up more mining and mineral resource projects to anchor its international industrial establishment. Within the regime of respective rules and regulations, more action plans would be executed to develop the Group into a major play of non-ferrous metal operator.

CONTINUING CONNECTED TRANSACTIONS

The Group has been principally engaged in Cosmetic & Beauty business and Property Investment & Development business. Leveraging on Jinchuan Group's background and established market position in an integrated non-ferrous metal industry, the Group has repositioned its business to focus on overseas mining operations and related mineral and metal trading.

It is the first step to implement the Group's repositioning strategy to become an overseas purchasing arm of the Jinchuan Gorup for mineral and metal products. In the Extraordinary General Meeting of the Company held on 24 August 2011, the continuing connected transactions ("CCT") regarding the sale of mineral and metal products from the Group to Jinchuan Group or its subsidiaries (for purpose of the CCT, excluding the Group) and the proposed annual caps for the CCT for the remaining part of the year ended 31 December 2011 and for the two full years ending 31 December 2013 were approved by the independent shareholders of the Company. Details of the CCT are set out in the announcement of the Company dated 18 July 2011 and in the circular to shareholders of the Company dated 8 August 2011.

In light of the unfavourable market conditions, the Group did not enter into any CCT with Jinchuan Group during the financial year ended 31 December 2011 and hence the annual cap for 2011 was not utilised. It was beyond our expectation that the market prices of non-ferrous metal, in particular, copper and nickel, had dropped as a result of weakened demand from the PRC ultimate industrial users upon a gloomy outlook during the remaining months of 2011 since the proposed CCT was announced by the Company on 18 July 2011. The trading function of the Group needed more time to adjust itself in view of the price changes and deteriorated market conditions. Under the uncertainty market sentiment on the global economy during such period, the arrangements with Jinchuan Group contemplated in the Circular was not effected due to a more conservative approach was taken by all trading parties in organizing such overseas procurement of non-ferrous metal related products under a new transaction flow. After spending the time to adjust the arrangements and the investment of tremendous effort, a trading contract of annual supply of about 12,000 metric tons of blister copper from Africa was concluded between the Company and Jinchuan Group in February 2012 which marked a good start on the implementation of the strategy to become an overseas purchasing arm of the Jinchuan Group for mineral and metal products and the Company remains positive that more similar contracts will be entered into with Jinchuan Group in the financial year of 2012.

EMPLOYEES

As at 31 December 2011, the Group had 453 employees. Employees receive competitive remuneration packages including salary and medical benefits. Key staff may also be entitled to performance bonus and share options.

DIVIDEND

No dividend has been paid or declared by the Company in respect of the year ended 31 December 2011.

PURCHASE, SALES OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2011.

AUDIT COMMITTEE

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 and reporting matters. The audited annual results for the year ended 31 December 2011 have been reviewed by the audit committee. The Group's consolidated financial statements have been audited by the Company's auditors, Ernst & Young, and they have issued an unqualified opinion.

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 of the Listing Rules. Based on specific enquiry of all directors, during the year ended 31 December 2011, 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 2011.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has complied throughout the year ended 31 December 2011 with the applicable code provisions of the Code on Corporate Governance Practices ("CG Code") 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 2011, 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.

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 2011 containing all the information required by Appendix 16 to the Listing Rules will be dispatched to shareholders of the Company and published on the HKEx's and the Company's websites in due course.

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

Hong Kong, 14 March 2012

As at the date of this announcement, the Board consists of five executive Directors, namely Mr. Yang Zhiqiang, Mr. Zhang Sanlin, Mr. Zhang Zhong, Ms. Deng Wen and Ms. Maria Majoire Lo, three non-executive Directors, namely, Mr. Gao Tianpeng, Mr. Qiao Fugui and Ms. Zhou Xiaoyin, and three independent non-executive Directors, namely Mr. Gao Dezhu, Mr. Wu Chi Keung, and Mr. Yen Yuen Ho, Tony.