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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)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2017

RESULTS

The Board is pleased to announce the unaudited condensed consolidated interim results of the Group for the six months ended 30 June 2017 together with the comparative figures for the corresponding period in 2016 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2017

		Six months ended	
	Notes	**30/6/2017** ***US$'000*** **(unaudited)**	30/6/2016 *US$'000* (unaudited)
Revenue	4	**243,993**	171,970
Cost of sales		**(203,868)**	(180,978)
Gross profit (loss)		**40,125**	(9,008)
Other gains and losses	6	**(137)**	581
Selling and distribution costs		**(11,868)**	(11,251)
Administrative expenses		**(8,839)**	(9,960)
Finance income		**519**	209
Finance costs		**(5,060)**	(3,098)
Profit (loss) before taxation	7	**14,740**	(32,527)
Income tax (expense) credit	8	**(4,774)**	11,286
Profit (loss) for the period		**9,966**	(21,241)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME *(continued)*

For the six months ended 30 June 2017

		Six months ended	
		30/6/2017	30/6/2016
	Notes	***US$'000***	*US$'000*
		(unaudited)	(unaudited)
Other comprehensive income:			
Item that may be subsequently reclassified to profit or loss:			
Fair value change on cash flow hedges, net of income tax		**–**	511
Other comprehensive income for the period		**–**	511
Total comprehensive income (expense) for the period		**9,966**	(20,730)
Profit (loss) for the period attributable to:			
Owners of the Company		**7,787**	(15,736)
Non-controlling interests		**2,179**	(5,505)
		9,966	(21,241)
Total comprehensive income (expense) for the period attributable to:			
Owners of the Company		**7,787**	(15,322)
Non-controlling interests		**2,179**	(5,408)
		9,966	(20,730)
Earnings (loss) per share			
Basic (US cents)	10	**0.17**	(0.36)
Diluted (US cents)	10	**0.06**	(0.36)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2017

	Notes	At 30/6/2017 US$'000 (unaudited)	At 31/12/2016 US$'000 (audited)
Non-current assets			
Property, plant and equipment		**684,194**	688,100
Mineral rights		**472,887**	478,007
Exploration and evaluation assets		**201,054**	181,630
Other non-current assets		**17,823**	18,578
		1,375,958	1,366,315
Current assets			
Inventories		**128,157**	109,066
Trade and other receivables	11	**153,561**	104,395
Held for trading investments		**3,953**	3,705
Derivative financial instruments		**–**	219
Bank balances and cash		**53,171**	96,402
		338,842	313,787
Current liabilities			
Trade and other payables	12	**95,210**	71,764
Amount due to an intermediate holding company		**119,885**	4,331
Amount due to a fellow subsidiary		**5,883**	744
Bank borrowings		**44,157**	83,333
Derivative financial instruments		**491**	–
Short-term provisions		**4,285**	5,416
Tax payable		**2,805**	338
		272,716	165,926
Net current assets		**66,126**	147,861
Total assets less current liabilities		**1,442,084**	1,514,176

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(continued)

At 30 June 2017

	Notes	At 30/6/2017 US$'000 (unaudited)	At 31/12/2016 US$'000 (audited)
Non-current liabilities			
Bank borrowings		**297,793**	311,222
Long-term provisions		**28,046**	27,303
Deferred tax liabilities		**291,197**	288,107
Amount due to an intermediate holding company		**–**	115,000
Amount due to a fellow subsidiary		**–**	5,000
		617,036	746,632
Net assets		**825,048**	767,544
Capital and reserves			
Share capital	13	**6,197**	5,578
Perpetual subordinated convertible securities		**1,089,084**	1,089,084
Reserves		**(339,373)**	(394,079)
Equity attributable to owners of the Company		**755,908**	700,583
Non-controlling interests		**69,140**	66,961
Total equity		**825,048**	767,544

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2017

1. CORPORATE INFORMATION

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 registered office address of the Company is at P. O. Box 309, Ugland House, Grand Cayman KY1-1104, Cayman Islands. The address of the principal place of business of the Company is at Unit 3101, 31/F, United Centre, 95 Queensway, Admiralty, Hong Kong.

The Company is an investment holding company. The principal activities of the Company and its subsidiaries (collectively referred to as the "Group") are mining operations, primarily copper and cobalt production, and trading of mineral and metal products.

2. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with the International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34") issued by the International Accounting Standards Board (the "IASB") as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange (The "Listing Rules").

3. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which have been measured at fair values, as appropriate.

Except as disclosed below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2017 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2016.

In the six months ended 30 June 2017, the Group has applied, for the first time, the following amendments to International Financial Reporting Standards ("IFRSs") and International Accounting Standard ("IAS") issued by the International Accounting Standards Board ("IASB") that are relevant for the preparation of the Group's condensed consolidation financial statements.

Amendments to IAS 7	Disclosure initiative
Amendments to IAS 12	Recognition of deferred tax assets for unrealised losses
Amendments to IFRS 12	As part of the annual improvements to IFRSs 2014-2016 cycle

The application of the above amendments to IFRSs and IAS in the six months ended 30 June 2017 has had no material effect on the amounts reported and/or disclosures set out in these condensed consolidated financial statements.

4. REVENUE

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

	Six months ended	
	30/6/2017	30/6/2016
	US$'000	*US$'000*
	(unaudited)	(unaudited)
Sales of copper	**175,158**	145,514
Sales of cobalt	**68,835**	26,456
	243,993	171,970

5. 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's operating and reportable segments are as follows:

- Mining operations
- Trading of mineral and metal products

Segment revenues and results

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

For the six months ended 30 June 2017 (unaudited)

	Mining operations *US$'000*	**Trading of mineral and metal products** *US$'000*	**Total** *US$'000*
Sales of copper	**122,225**	**52,933**	**175,158**
Sales of cobalt	**68,835**	**–**	**68,835**
Segment revenue	**191,060**	**52,933**	**243,993**
Segment results	**15,437**	**70**	**15,507**
Unallocated corporate income			**182**
Unallocated corporate expenses			**(949)**
Profit before taxation			**14,740**

For the six months ended 30 June 2016 (unaudited)

	Mining operations *US$'000*	Trading of mineral and metal products *US$'000*	Total *US$'000*
Sales of copper	90,948	54,566	145,514
Sales of cobalt	26,456	–	26,456
Segment revenue	117,404	54,566	171,970
Segment results	(30,871)	(416)	(31,287)
Unallocated corporate income			1,020
Unallocated corporate expenses			(2,260)
Loss before taxation			(32,527)

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

6. OTHER GAINS AND LOSSES

	Six months ended 30/6/2017 US$'000 (unaudited)	30/6/2016 US$'000 (unaudited)
Other exchange (losses) gains, net	**(139)**	548
License fee income	**169**	46
Change in fair value of derivative financial instruments, net	**(204)**	–
Loss on disposal of property, plant and equipment	**–**	(13)
Others	**37**	–
	(137)	581

7. PROFIT (LOSS) BEFORE TAXATION

	Six months ended 30/6/2017 US$'000 (unaudited)	30/6/2016 US$'000 (unaudited)
Profit (loss) before taxation has been arrived at after charging:		
Depreciation of property, plant and equipment	**24,218**	24,759
Write-down of inventories	**–**	619
Amortisation of mineral rights and other intangible assets	**5,120**	46
Operating lease rentals in respect of equipment, premises and vehicles	**560**	520

8. INCOME TAX (EXPENSE) CREDIT

	Six months ended	
	30/6/2017	30/6/2016
	US$'000	*US$'000*
	(unaudited)	(unaudited)
The tax (expense) credit comprises:		
Current taxation		
Hong Kong Profits Tax	**–**	–
Corporate income tax in Democratic Republic of Congo ("DRC")	**(1,639)**	(989)
Corporate income tax in Zambia	**(23)**	(199)
Corporate income tax in South Africa	**(22)**	(27)
	(1,684)	(1,215)
Deferred taxation	**(3,090)**	12,501
	(4,774)	11,286

No provision for Hong Kong Profits tax has been made as the Company does not have assessable profits arising in Hong Kong for both years.

Corporate income tax in Mauritius, South Africa and the DRC are calculated at 15%, 28% and 30% (six months ended 30 June 2016: 15%, 28% and 30%) on the estimated assessable profits for the period, respectively.

Corporate income tax in Zambia is calculated at 30% in the current period (six months ended 30 June 2016: 30%). The tax rate applicable to the assessable profits for the period ranges from 30% to 45% (six months ended 30 June 2016: 30% to 45%). The applicable tax rate is determined by a number of factors including the revenue of respective subsidiary and the average copper price of the period.

9. DIVIDEND

No dividend was paid or declared by the Company in respect of the six months ended 30 June 2017 (six months ended 30 June 2016: nil).

10. EARNINGS (LOSS) PER SHARE

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

	Six months ended	
	30/6/2017	30/6/2016
	US$'000	*US$'000*
	(unaudited)	(unaudited)
Earnings (loss)		
Earnings (loss) for the purpose of basic and diluted earnings (loss) per share	**7,787**	(15,736)

	Six months ended	
	30/6/2017	30/6/2016
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings (loss) per share	**4,529,543,106**	4,350,753,051
Effect of dilute potential ordinary shares:		
Convertible securities	**8,466,120,000**	–
Weighted average number of ordinary shares for the purpose of diluted earning per share	**12,995,663,106**	4,350,753,051

The computation of diluted loss per share for the six months ended 30 June 2016 does not assume the conversion of the Company's outstanding perpetual subordinated convertible securities ("PSCS") into 8,466,120,000 ordinary shares since their conversion would result in a decrease in loss per share.

There were no other potential ordinary shares outstanding as at end of both reporting periods.

11. TRADE AND OTHER RECEIVABLES

The Group provided customers (other than its ultimate holding company and a fellow subsidiary) with 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 presented based on the invoice date, which approximated the revenue recognition date.

	At 30/6/2017 ***US$'000*** **(unaudited)**	At 31/12/2016 *US$'000* (audited)
Within 3 months	**59,109**	36,768
4 to 6 months	**13,501**	2,285
	72,610	39,053

Included in trade and other receivables as at 30 June 2017 was an amount due from a fellow subsidiary of US$31,031,000 (31 December 2016 US$6,631,000), which was of trade nature. The Group provided the fellow subsidiary with a credit period ranging from current to 180 days.

12. TRADE AND OTHER PAYABLES

	At 30/6/2017	At 31/12/2016
	US$'000	*US$'000*
	(unaudited)	(audited)
Trade payables	**57,068**	53,516
Other payables and accruals	**38,142**	18,248
	95,210	71,764

Included in other payables and accruals are accrual for freight charges, export clearing charges, provision for unpaid import duties and related surcharges in the DRC, and other general operation related payables.

The following is an aged analysis of trade payables, presented based on the invoice date.

	At 30/6/2017	At 31/12/2016
	US$'000	*US$'000*
	(unaudited)	(audited)
Within 3 months	**37,451**	40,263
4 to 6 months	**15,035**	10,470
7 to 12 months	**4,336**	2,550
Over 1 year	**246**	233
	57,068	53,516

The credit period on purchases of goods ranges from 0 to 90 days.

13. SHARE CAPITAL

	Number of shares	Share capital HK$'000
Ordinary shares of HK$0.01 each		
Authorised:		
At 1 January 2016, 31 December 2016, 1 January 2017 and 30 June 2017	**20,000,000,000**	200,000
Issued and fully paid		
At 1 January 2016 and 30 June 2016, 1 January 2017	**4,350,753,051**	43,508
Issued of new shares by the way of subscription (note a)	**483,000,000**	4,830
At 30 June 2017	**4,833,753,051**	48,338

Shown in the condensed consolidated financial statements as:

	Amount US$'000
At 31 December 2016	5,578
At 30 June 2017	6,197

Note a: On 28 April 2017, the Company issued 483,000,000 new shares by the way of subscription at the price of HK$0.80 per subscription share, raised gross proceeds of approximately HK$386,400,000. The net proceeds has been used for but not limited to general capital purposes.

14. CAPITAL COMMITMENTS

	At 30/6/2017 ***US$'000*** **(unaudited)**	At 31/12/2016 *US$'000* (audited)
Capital expenditure in respect of property, plant and equipment, mineral rights and exploration and evaluation assets contracted for but not provided in the condensed consolidated financial statements	**9,604**	8,081

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The principal business of the Group is in the mining operations, primarily copper and cobalt production, and trading of mineral and metal products. The recovery in copper and cobalt price during the first half of 2017 has given rise to positive impact on our overall financial performance for the period under review. Beside, through technological reform, continuous optimization of economic and technical indicators and reducing operating costs. Our Group was able to turnaround to a profitable results.

Mining operations

Our mining operations is represented by the Metorex Group, which is headquartered in South Africa. The Metorex Group has majority control over two operating mines in Africa which are the Ruashi Mine, a copper and cobalt mine located in the DRC and the Chibuluma South Mine (including the Chifupu copper deposit), a copper mine located in Zambia. During the six months period ended 30 June 2017, the Group produced 20,788 tonnes of copper (six months period ended 30 June 2016: 20,333 tonnes) and 2,005 tonnes of cobalt (six months period ended 30 June 2016: 1,754 tonnes), and sold 20,796 tonnes of copper (six months period ended 30 June 2016: 20,355 tonnes) and 2,022 tonnes of cobalt (six months period ended 30 June 2016: 1,674 tonnes) which generated sales of US$122.2 million and US$68.8 million respectively (six months period ended 30 June 2016: US$90.9 million and US$26.5 million respectively).

Kinsenda Project, a brownfield copper project under construction and located in the DRC, as well as two advanced stage exploration projects located in the DRC, namely the Musonoi Project, which is a greenfield copper and cobalt project; and the Lubembe Project, which is a greenfield copper project.

Trading of Mineral and Metal Products

During the six months ended 30 June 2017, the Company purchased and sold a total of approximately 9,335 tonnes (six months ended 30 June 2016: 10,563 tonnes) of copper blister and nil (six months ended 30 June 2016: 6,166 tonnes) of copper concentrate. Its revenue from sales of copper blister and copper concentrate for the six months ended 30 June 2017 amounted to US$52.9 million and nil respectively (six months ended 30 June 2016: US$49.3 million and US$5.3 million respectively).

During the six months ended 30 June 2016, a shipment of remaining 6,166 tonnes copper concentrate was sourced from a European supplier under a 2015 contract and sold all to the Company's ultimate holding company (namely JCG). Since then, no renewal contract of copper concentrate for 2016 has been entered into. The copper blister was sourced from a Zambian producer under a renewed 2016 contract with annual quantity of 20,000 tonnes and sold directly to copper refineries in China as well as through traders and also a joint venture partner of JCG.

FINANCIAL REVIEW

The Company's operating results for the six months ended 30 June 2017 are a consolidation of the results of the mining operations and Trading of Mineral and Metal Products.

Revenue

The revenue for the six months ended 30 June 2017 was US$244.0 million, representing a increase of 41.9% compared with US$172.0 million for the six months ended 30 June 2016.

The increase in revenue from mining operations was predominantly affected by the increase in the copper and cobalt price in the market. The average copper cash price received over the six months ended 30 June 2017 increased by 31.5% to US$5,877 per tonne as compared to that for the six months ended 30 June 2016. The average cobalt price received has significantly increased by 115.4% for the first half of 2017 to US$34,050 per tonne, as compared to that for the same period in 2016. Revenue was also positively affected due to the increase in the sales volume for the six months ended 30 June 2017, with copper volume increased by 2.2% and cobalt volume increased by 20.8%, compared to sales volumes for the six months ended 30 June 2016.

The Group's sales performance from its mining operations was as follows:

	Six months ended 30 June	
	2017	2016
Volume of copper sold (tonne)	**20,796**	20,355
Volume of cobalt sold (tonne)	**2,022**	1,674
Revenue from sales of copper (US$ million)	**122.2**	90.9
Revenue from sales of cobalt (US$ million)	**68.8**	26.5
Total Revenue from mining operations (US$ million)	**191.1**	117.4
Average price received per tonne of copper (US$)	**5,877**	4,468
Average price received per tonne of cobalt (US$)	**34,050**	15,805

The activities of the trading segment are all copper-related, recorded a decrease in revenue of 3.0% from US$54.6 million for the six months ended 30 June 2016 to US$52.9 million for the six months ended 30 June 2017. The decrease in revenue was mainly due to no renewal of copper concentrate trading business compared to approximately US$5.3 million for the six months ended 30 June 2016, and net off with increase in the copper price during the first half of 2017.

Cost of sales

Cost of sales represents the costs associated with the production of copper and cobalt from the Group's mining operations and the purchase cost for the Group's Trading of Mineral and Metal Products.

	Six months ended 30 June	
	2017	2016
	US$'000	*US$'000*
Mining operations	**151,153**	126,974
Purchase for Trading of Mineral and Metal Products	**52,715**	54,004
Total Cost of Sales	**203,868**	180,978

Cost of sales for the six months ended 30 June 2017 increased by 12.6% to US$203.9 million from US$181.0 million for the six months ended 30 June 2016.

Cost for mining operations increased by 19.0% to US$151.2 million for the six months ended 30 June 2017 as a result of higher foreign ore material purchases and processing to increase production volumes.

The decrease in purchases for Trading of Mineral and Metal Products was primarily due to the decrease in trade volume of cooper blister and copper concentrate.

Gross profit

The Group recorded a gross profit of US$40.1 million for the six months ended 30 June 2017 as compared to a gross loss of US$9.0 million for the six months ended 30 June 2016. Predominantly, this is attributable to the increase in copper and cobalt price and production volume in the market over the period under review.

Net Financing cost

	Six months ended 30 June	
	2017	2016
	US$'000	*US$'000*
Financing income	**519**	209
Financing cost	**(5,060)**	(3,098)
	(4,541)	(2,889)

There was an increase in net financing cost to US$4.5 million for the six months ended 30 June 2017 from US$2.9 million for the six months ended 30 June 2016. This increase was mainly due to the increase in finance cost of mining operations of US$1.2 million.

Other gains and losses

For the six months ended 30 June 2017, other gains and losses amounted to a loss of US$0.1 million. It included a net exchange losses of US$0.1 million as compared to a net exchange gains of US$0.5 million for the six months ended 30 June 2016. The functional currency of Metorex, amongst others, was in US$.

Selling and distribution costs

Selling and distribution costs increased by 5.5% to US$11.9 million for the six months ended 30 June 2017 from US$11.3 million for the six months ended 30 June 2016. These costs mainly represent the off-mine costs incurred when the Group sells its copper and cobalt under its mining operations and, primarily comprise transportation expenses, ocean freight expenses and custom clearing expenses. The breakdown of selling and distribution costs is as follows:

	Six months ended 30 June	
	2017	2016
	US$'000	*US$'000*
Off-mine costs:		
Transportation	**131**	154
Ocean freight	**6,601**	6,296
Clearing costs of export	**4,866**	4,507
Others	**270**	294
Total Selling and distribution costs	**11,868**	11,251

The increase in selling and distribution costs was mainly due to higher sales volumes for the six months ended 30 June 2017 as compared with that for the corresponding period of 2016.

Administrative expenses

Administrative expenses decreased by US$1.2 million to US$8.8 million for the six months ended 30 June 2017 from US$10.0 million for the six months ended 30 June 2016. Administrative expenses mainly represent mining royalties payable to the minority shareholders of the Operating Mines in Africa, rehabilitation expenses and other operating expenses of the Group. The decrease in administrative expenses is due to decrease in other operating expenses of approximately US$1.0 million.

Income tax expenses

The Group is subject to taxes in Hong Kong, the DRC and Zambia due to its business operations in these jurisdictions. Income tax expenses of US$4.8 million was derived for the six months ended 30 June 2017 as compared with the income tax credit of US$11.3 million derived for the six months ended 30 June 2016. The increase in income tax expenses is primarily due to absence of recognition of estimated tax losses and the deferred tax credit from the movement in the property, plant and equipment, mineral rights and exploration and evaluation assets arising from the mining operations.

Profit for the period

As a result of the above, the Group recorded a consolidated profit for the six months ended 30 June 2017 of US$10.0 million, as compared with a consolidated loss of US$21.2 million for the corresponding period last year.

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

The EBITDA of the Group is derived as follows:

	Six months ended 30 June	
	2017	2016
	US$'000	*US$'000*
Profit (loss) for the period	**9,966**	(21,241)
Add: Net finance cost	**4,541**	2,889
Add: Income tax expenses	**4,774**	–
Less: Income tax credit	**–**	(11,286)
Add: Depreciation of property, plant and equipment and amortisation of mineral rights	**29,338**	24,805
EBITDA	**48,619**	(4,833)

Liquidity, Financial Resources and Capital Structure

As at 30 June 2017, the Group had bank balances and cash of approximately US$53.2 million as compared to US$96.4 million as at 31 December 2016. As at 30 June 2017, the Group had bank borrowings of US$44.2 million and loans from related companies of US$125.8 million both of which are due within one year, bank borrowings of US$273.8 million of which are due within 2 to 5 years and bank borrowings of US$24.0 million which are due over 5 years.

The gearing ratio of the Group as at 30 June 2017 was 50.2% compared to 55.1% as at 31 December 2016. Gearing ratio is defined as net debt over total equity, and net debt is derived from total borrowings (including amount due to an intermediate holding company and amount due to a fellow subsidiary) less bank balances and cash. The decrease in the gearing ratio was mainly attributable to the repayment of bank borrowings and increase in the total equity as a result of Completion of the Subscription. On 28 April 2017, the Company had issued of new shares by the way of subscription of the price of HK$0.80 per subscription share and raised gross proceeds of approximately HK$386.4 million. The Subscription is intended to serve as a strategic cooperative partnership between the Group and the Subscriber, whereby the Group will leverage on the additional funding to strengthen the Group's financial position and enhance funding liquidity for internal operations, while further broadening the shareholder base and capital base of the Group.

For the period under review, the Group had generally financed its operations with banks borrowings and internally generated cash flows.

Material acquisitions and disposals of investments

The Group did not undertake any material acquisition or disposal of investments during the six months ended 30 June 2017.

Significant capital expenditures

Except for the purchase of property, plant and equipment of US$20.3 million (six months ended 30 June 2016: US$20.4 million) and exploration and evaluation assets of US$19.4 million (six months ended 30 June 2016: US$9.8 million), no other significant capital expenditures were made for the six months ended 30 June 2017.

Details of charges on the Group's assets

As at 30 June 2017, the Group's inventories of US$4.5 million and trade and other receivables of US$4.0 million, were pledged to secure general banking facilities granted to the Group.

Contingent liabilities

The Group had no material contingent liabilities as at 30 June 2017.

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$, the currency the Group receives as its revenue for mining operations and trading of mineral and metal products. The Group's Operating Mines are located in the DRC and Zambia, and management offices are located in South Africa and Hong Kong. The Group monitors its exposure to foreign currency exchange risk on a on-going 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 ZAR, CDF and ZMW against US$ could affect the performance and financial position of the Group.

PROSPECTS

As commodities price rose on more positive macroeconomic data, cobalt price had increased significantly as a result of growing new energy vehicle and battery market, while copper price remains strong during first half of 2017. Copper and cobalt prices are anticipated to show a steady to optimistic outlook in medium to long term. Cost control and efficiency improvement continue to be undertaken across the Group to drive operational performance.

Apart from the operating mines of Ruashi Mine and Chibuluma South Mine in the Group's African mining operations, Kinsenda Project had finished its commissioning of concentrator. Establishment of key systems including pre-dewatering, ventilation and backfill systems are in progress to ensure the target for production with full capacity. We look forward to the production of first ore underground in the fourth quarter of 2017. Musonoi Project, a quality copper and cobalt property, is gaining momentum for its project progress. The Group will continue to work on the site establishment work.

The Group is committed to explore ore resources within our own mine site as well as surrounding areas that could extend the mine life and increase output and production volume to achieve profitable growth. Meanwhile, the Group has been actively pursuing other suitable copper or cobalt project to capture opportunities for strategic development.

The Group has strengthened its capital base upon the subscription of share to a Subscriber during first half of 2017. With a solid financial foundation, the Group also plans to leverage on its parent company Jinchuan Group's strengths and experience to capitalize the growth in demand of commodities market. The Group remains confident in delivering attractive returns to the Company's shareholders in the long run.

Other than the matters above, there has been no material change from the information published in the report and accounts for the year ended 31 December 2016.

EMPLOYEES

As at 30 June 2017, the Group had 4,204 (31 December 2016: 3,991) employees, which comprises 1,915 (31 December 2016: 2,017) permanent workers and 2,289 (31 December 2016: 1,974) contractor's employees. Employees receive competitive remuneration packages including salary and medical and other benefits. Key staff may also be entitled to performance bonuses and grant of options over the shares of the Company.

DIVIDEND

The Board has resolved not to declare any interim dividend for the six months ended 30 June 2017 (six months ended 30 June 2016: nil).

CORPORATE GOVERNANCE INFORMATION AUDIT COMMITTEE

The audit committee's primary duties include review of the effectiveness of the Group's financial reporting process, internal control and risk management systems, overseeing the audit process and performing other duties as may be assigned by the Board from time to time. The Group's condensed consolidated financial statements for the six months ended 30 June 2017 have been reviewed by the audit committee.

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 to 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 six months ended 30 June 2017.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has applied the principles and complied with all applicable code provisions of the Corporate Governance Code as set out in Appendix 14 to the Listing Rules during the six months ended 30 June 2017, except for code provision A.5.1 of the Corporate Governance Code contained in Appendix 14 to the Listing Rules in relation to the composition requirement of establishing a nomination committee comprising a majority of independent non-executive Directors. As disclosed by the Company in its announcement published on 1 February 2017, following the resignation of Mr. Neil Thacker Maclachlan, the Company only had two independent non-executive Directors and four members in the remuneration and nomination committee. However, following the appointment of Mr. Poon Chiu Kwok on 21 March 2017 as, amongst other roles, an independent non-executive Director and a member of the remuneration and nomination committee, the Company has fully complied with the requirements under code provision A.5.1 of the Corporate Governance Code contained in Appendix 14 to the Listing Rules.

PURCHASE, SALES OR REDEMPTION OF LISTED SECURITIES

During the six months ended 30 June 2017, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

GLOSSARY

"Acquisition"	the acquisition by the Company of the entire equity interest in Jin Rui (along with the Metorex Group) in November 2013 pursuant to the sales and purchase agreement dated 27 August 2013, the details of which are set out in the circular of the Company dated 30 August 2013; with a total consideration of US$1,290,000,000 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 per share and the issue of PSCS of the Company in the aggregate amount of US$1,085,400,000
"Board"	the Board of Directors
"CDF"	Congolese Franc, the lawful currency of the Democratic Republic of Congo
"Chibuluma plc"	Chibuluma Mines plc, a company incorporated in Zambia and a subsidiary of Metorex
"Chibuluma South Mine"	an underground copper mine owned by Chibuluma plc situated in Zambia near the town of Kalulushi
"Chifupu deposit"	an adjacent copper deposit to Chibuluma South Mine under exploration which is located approximately 1.7 km southwest of Chibuluma South Mine
"Company" or "JCI"	Jinchuan Group International Resources Co. Ltd, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Main Board of the Stock Exchange
"Completion"	completion of the subscription in accordance with the terms of the Subscription Agreement
"Director(s)"	the director(s) of the Company
"DRC"	the Democratic Republic of Congo
"EBITDA"	earnings before interest (net finance costs), income tax, depreciation, amortisation and impairment loss

"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollar(s), the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Jinchuan Group" or "JCG"	金川集團股份有限公司 (Jinchuan Group Co., Ltd*), a state-owned enterprise established in the PRC and the controlling shareholder of the Company
"Jin Rui"	Jin Rui Mining Investment Limited (金瑞礦業投資有限公司), a company incorporated in the Republic of Mauritius and a direct wholly-owned subsidiary of the Company
"Kinsenda Project"	a brownfields copper project owned by Kinsenda SA and situated in the Katanga Province, the DRC
"Kinsenda SA"	Kinsenda Copper Company SA, a company incorporated in the DRC and a subsidiary of Metorex
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Lubembe Project"	a greenfield copper project owned by Kinsenda SA and situated in the Katanga Province, DRC
"Metorex"	Metorex (Proprietary) Limited, a company incorporated in South Africa and an indirect wholly-owned subsidiary of the Company
"Metorex Group"	Metorex and its subsidiaries (including Chibuluma plc, Kinsenda SA and Ruashi Mining), which comprise (amongst other investment holding companies) the operating companies within the Group
"Metorex Holdings"	Metorex Holdings (Proprietary) Limited
"Musonoi Project"	a greenfield copper and cobalt project owned by Ruashi Mining and situated in the Katanga Province, DRC

* *For identification purposes only*

"Operating Mines"	Ruashi Mine and Chibuluma South Mine
"PRC"	the People's Republic of China
"PSCS" or "Convertible Securities"	the perpetual subordinated convertible securities to be issued by the Company to satisfy part of the purchase price for the Acquisition
"RMB"	"Renminbi", the lawful currency of the PRC
"Ruashi Mine"	an opencast oxide copper and cobalt mine owned by Ruashi Mining and situated in the DRC on the outskirts of Lubumbashi, the capital of Katanga province
"Ruashi Mining"	Ruashi Mining SAS, a company duly incorporated in the DRC, a subsidiary of Metorex
"South Africa"	the Republic of South Africa
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Subscriber"	SD Hi-Speed Investment HK Limited (山東高速環渤海投資(香港)有限公司), a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of SD Hi-Speed Huanbohai (Tianjin) Equity Investment Fund (Limited Partnership)* (山東高速環渤海(天津)股權投資基金合伙企業(有限合伙))
"Subscription"	the subscription of the Subscription Shares by the Subscriber pursuant to the Subscription Agreement
"Subscription Agreement"	the agreement entered into between the Company and the Subscriber on 20 March 2017, pursuant to which the Company conditionally agreed to allot and issue and the Subscriber conditionally agreed to subscribe for the Subscription Shares in accordance with the terms and conditions set out therein
"Subscription Shares"	the total of 483,000,000 shares of the Company have been allotted and issued by the Company to the Subscriber at Completion

* *For identification purposes only*

"SX-EW"	Solvent extraction – electrowinning
"USD/US$"	United States dollars, the lawful currency of the US
"Zambia"	the Republic of Zambia
"ZAR"	South African Rand, the lawful currency of South Africa
ZMW	Zambian Kwacha, the lawful currency of Zambia
"%"	percentage
"km"	kilometre(s)

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

Beijing, the PRC, 18 August 2017

As at the date of this announcement, the Board comprises four executive Directors, namely Mr. Yang Zhiqiang, Mr. Zhang Sanlin, Mr. Chen Dexin and Mr. Zhang Zhong; one non-executive Director, Mr. Zeng Weibing; and three independent non-executive Directors, namely Mr. Wu Chi Keung, Mr. Yen Yuen Ho, Tony and Mr. Poon Chiu Kwok.