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 2017

RESULTS

The Board 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 2017 together with the comparative figures in 2016 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2017

	Notes	**2017**	2016
		US$'000	*US$'000*
Revenue	*3*	**549,188**	364,845
Cost of sales		**(433,025)**	(362,488)
Gross profit		**116,163**	2,357
Other gains and losses	*5*	**(12,527)**	(2,273)
Selling and distribution costs		**(31,257)**	(23,440)
Administrative expenses		**(20,587)**	(20,925)
Reversal of impairment loss	*6*	**17,080**	53,748
Finance income		**986**	686
Finance costs	*7*	**(8,673)**	(6,832)

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

For the year ended 31 December 2017

	Notes	**2017** **US$'000**	2016 US$'000
Profit before tax	*8*	**61,185**	3,321
Income tax (expense) credit	*9*	**(7,750)**	2,993
Profit for the year		**53,435**	6,314
Other comprehensive income:			
Item that may be reclassified subsequently to profit or loss:			
Fair value change on cash flow hedges, net of income tax		**–**	270
Other comprehensive income for the year		**–**	270
Total comprehensive income for the year		**53,435**	6,584
Profit (loss) for the year attributable to:			
Owners of the Company		**41,624**	8,347
Non-controlling interests		**11,811**	(2,033)
		53,435	6,314
Total comprehensive income (expense) for the year attributable to:			
Owners of the Company		**41,624**	8,617
Non-controlling interests		**11,811**	(2,033)
		53,435	6,584
Earnings per share	*10*		
Basic (US cents)		**0.89**	0.19
Diluted (US cents)		**0.32**	0.07

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2017

	Notes	**2017** **US$'000**	2016 US$'000
Non-current assets			
Property, plant and equipment		**671,077**	688,100
Mineral rights		**488,057**	478,007
Exploration and evaluation assets		**212,332**	181,630
Other non-current assets		**16,602**	18,578
		1,388,068	1,366,315
Current assets			
Inventories		**172,093**	109,066
Trade and other receivables	*12*	**146,808**	104,395
Held for trading investments		**–**	3,705
Derivative financial instruments		**–**	219
Bank balances and cash		**75,162**	96,402
		394,063	313,787
Current liabilities			
Trade and other payables	*13*	**87,787**	71,764
Amount due to an intermediate holding company		**119,815**	4,331
Amount due to a fellow subsidiary		**5,974**	744
Amount due to a non-controlling shareholder of a subsidiary		**418**	–
Bank borrowings		**133,881**	83,333
Short-term provisions		**10,000**	5,416
Tax payable		**2,392**	338
		360,267	165,926
Net current assets		**33,796**	147,861
Total assets less current liabilities		**1,421,864**	1,514,176

CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(Continued)*

At 31 December 2017

	Note	2017 US$'000	2016 US$'000
Non-current liabilities			
Bank borrowings		**231,415**	311,222
Long-term provisions		**28,772**	27,303
Deferred tax liabilities		**291,195**	288,107
Amount due to an intermediate holding company		**–**	115,000
Amount due to a fellow subsidiary		**–**	5,000
		551,382	746,632
Net assets		**870,482**	767,544
Capital and reserves			
Share capital	*14*	**6,197**	5,578
Perpetual subordinated convertible securities		**1,089,084**	1,089,084
Reserves		**(303,571)**	(394,079)
Equity attributable to owners of the Company		**791,710**	700,583
Non-controlling interests		**78,772**	66,961
Total equity		**870,482**	767,544

1. GENERAL

The Company is a public limited company incorporated in the Cayman Islands and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). Its parent is Jinchuan (BVI) Limited (incorporated in the British Virgin Islands) and its ultimate holding company is 金川集團股份有限公司 (Jinchuan Group Co., Ltd) ("JCG") (incorporated in the People's Republic of China (the "PRC")).

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

The consolidated financial statements are presented in United States dollars ("US$"), which is also the functional currency of the Company.

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

Amendments to IFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to IFRSs issued by the International Accounting Standards Board (the "IASB") for the first time:

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 amendments to IFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

New and amendments to IFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to IFRSs that have been issued but are not yet effective:

IFRS 9	Financial instruments[1]
IFRS 15	Revenue from contracts with customers and the related amendements[1]
IFRS 16	Leases[2]
IFRS 17	Insurance contracts[4]
IFRIC 22	Foreign currency transactions and advance consideration[1]
IFRIC 23	Uncertainty over income tax treatments[2]
Amendments to IFRS 2	Classification and measurement of share-based payment transactions[1]
Amendments to IFRS 4	Applying IFRS 9 Financial instruments with IFRS 4 insurance contracts[1]
Amendments to IFRS 9	Prepayment features with negative compensation[2]
Amendments to IFRS 10 and IAS 28	Sale or contribution of assets between an investor and its associate or joint venture[3]
Amendments to IAS 19	Plan amendment, curtailment or settlement[2]
Amendments to IAS 28	Long-term interests in associates and joint ventures[2]
Amendments to IAS 40	Transfers of investment property[1]
Amendments to IAS 28	As part of the annual improvements to IFRSs 2014 – 2016 cycle[1]
Amendments to IFRSs	Annual improvements to IFRSs 2015 – 2017 cycle[2]

[1] Effective for annual periods beginning on or after 1 January 2018
[2] Effective for annual periods beginning on or after 1 January 2019
[3] Effective for annual periods beginning on or after a date to be determined
[4] Effective for annual periods beginning on or after 1 January 2021

The directors of the Company anticipate that the application of the other amendments to IFRSs and Interpretations will have no material impact on the consolidated financial statements in the foreseeable future.

3. REVENUE

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

	2017	2016
	US$'000	*US$'000*
Sales of copper	**360,952**	306,848
Sales of cobalt	**186,226**	57,997
Sales of zinc	**2,010**	–
	549,188	364,845

4. 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 revenue and results

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

For the year ended 31 December 2017

	Mining operations *US$'000*	Trading of mineral and metal products *US$'000*	Total *US$'000*
Segment revenues	**449,203**	**99,985**	**549,188**
Segment results	**63,413**	**(474)**	**62,939**
Unallocated corporate income			**986**
Unallocated corporate expenses			**(2,740)**
Profit before tax			**61,185**

For the year ended 31 December 2016

	Mining operations	Trading of mineral and metal products	Total
	US$'000	*US$'000*	*US$'000*
Segment revenues	263,186	101,659	364,845
Segment results	6,886	(962)	5,924
Unallocated corporate income			217
Unallocated corporate expenses			(2,820)
Profit before tax			3,321

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

Segment assets and liabilities

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

Segment assets

	2017	2016
	US$'000	*US$'000*
Mining operations	**1,656,646**	1,623,689
Trading of mineral and metal products	**72,564**	49,339
Total segment assets	**1,729,210**	1,673,028
Unallocated corporate assets	**52,921**	7,074
Consolidated assets	**1,782,131**	1,680,102

Segment liabilities

	2017	2016
	US$'000	*US$'000*
Mining operations	**566,289**	599,887
Trading of mineral and metal products	**50,625**	23,302
Total segment liabilities	**616,914**	623,189
Unallocated corporate liabilities	**294,735**	289,369
Consolidated liabilities	**911,649**	912,558

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

Other segment information

For the year ended 31 December 2017

	Mining operations	**Trading of mineral and metal products**	**Unallocated**	**Total**
	US$'000	***US$'000***	***US$'000***	***US$'000***
Amounts included in the measure of segment results and segment assets:				
Addition to non-current assets *(Note)*	**57,101**	**–**	**–**	**57,101**
Finance income	**548**	**5**	**433**	**986**
Finance costs	**6,924**	**664**	**1,085**	**8,673**
Reversal of impairment loss recognised in respect of mineral rights	**(17,080)**	**–**	**–**	**(17,080)**
Depreciation of property, plant and equipment	**43,377**	**33**	**12**	**43,422**
Amortisation of mineral rights	**7,030**	**–**	**–**	**7,030**

For the year ended 31 December 2016

	Mining operations *US$'000*	Trading of mineral and metal products *US$'000*	Unallocated *US$'000*	Total *US$'000*
Amounts included in the measure of segment results and segment assets:				
Addition to non-current assets *(Note)*	67,933	–	601	68,534
Finance income	593	92	1	686
Finance costs	6,583	112	137	6,832
Impairment loss recognised in respect of exploration and evaluation assets	14,017	–	–	14,017
Reversal of impairment loss recognised in respect of mineral rights	(67,765)	–	–	(67,765)
Depreciation of property, plant and equipment	46,772	39	77	46,888
Amortisation of mineral rights	10,973	–	–	10,973
Loss (gain) on disposal of property, plant and equipment	126	(28)	–	98

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

Geographical information

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

	Revenue from external customers		**Non-current assets**	
	2017	2016	**2017**	2016
	US$'000	*US$'000*	***US$'000***	*US$'000*
Hong Kong	**–**	–	**576**	628
Africa	**70,341**	52,813	**1,385,652**	1,362,783
Mainland China	**358,345**	159,655	**–**	–
Switzerland	**118,492**	152,377	**–**	–
Others	**2,010**	–	**–**	–
	549,188	364,845	**1,386,228**	1,363,411

Information about major customers

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

	2017	2016
	US$'000	*US$'000*
Customer A (notes a and b)	**186,226**	45,175
Customer B (notes a and c)	**74,144**	N/A
Customer C (notes a and c)	**70,341**	N/A
Customer D (notes a and d)	**N/A**	77,899
Customer E (notes a and d)	**N/A**	72,961
Customer F (notes a and d)	**N/A**	52,288

Notes:

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

(b) The customer is an indirect non-wholly owned subsidiary of the ultimate holding company of the Company.

(c) The corresponding revenue did not contribute over 10% of the total revenue of the Group during 2016.

(d) The corresponding revenue did not contribute over 10% of the total revenue of the Group during 2017.

5. OTHER GAINS AND LOSSES

	2017	2016
	US$'000	*US$'000*
Other exchange (loss) gain, net	**(13,686)**	126
Loss on disposal of property, plant and equipment	**–**	(98)
Change in fair value of derivative financial instruments, net	**(219)**	(1,113)
Others	**1,378**	(1,188)
	(12,527)	(2,273)

6. REVERSAL OF IMPAIRMENT LOSS (IMPAIRMENT LOSS)

	2017	2016
	US$'000	*US$'000*
Reversal of impairment loss recognised in respect of mineral rights *(note a)*	**17,080**	67,765
Impairment loss recognised in respect of exploration and evaluation assets *(note b)*	**–**	(14,017)
	17,080	53,748

Notes:

For the purpose of impairment testing, the Group's property, plant and equipment, mineral rights and exploration and evaluation assets were allocated to five cash-generating units ("CGUs"), compromising two operating mines, one developing project and two exploration projects in Zambia and DRC, within mining operations segment. Details of the impairment assessment are set out below:

(a) As a result of the recovery in the copper and cobalt prices and the successful implementation of the cost-saving plan for the two operating mines during the year, the impairment review led to a reversal of impairment loss of US$17,080,000 for one of the operating mines during the year ended 31 December 2017 (2016: reversal of impairment loss of US$67,765,000 for two operating mines). The recoverable amount of the relevant assets has been determined on the basis of their value in use. The recoverable amount was determined based on the cash flow projections derived from the current mine plan, production reserves and estimated future copper and cobalt prices. The pre-tax discount rate used in measuring value in use was 13.3% and 14.9% (2016: 13.3% and 14.9%) for Zambia and DRC respectively.

(b) During the year ended 31 December 2016, despite the recovery in copper and cobalt price towards the end of 2016, the production plan of a developing project of the Group has been delayed mainly due to additional work performed. This additional work is neither budgeted nor planned. The recoverable amount of the relevant assets has been determined on the basis of their value in use. The recoverable amount was determined based on the cash flow projections derived from the current mine plan, production reserves and estimated future copper and cobalt prices. The pre-tax discount rate used in measuring value in use was 14.8%. Accordingly, an impairment loss in respect of exploration and evaluation assets of US$14,017,000 for the related CGU was recognised in profit or loss during the year ended 31 December 2016. During the year ended 31 December 2017, the mine commence the trial-production stage, and there is no impairment recognised or reversed after impairment assessment has been performed as at 31 December 2017.

Given the nature of the Group's activities, information on the fair value of an asset is usually difficult to obtain unless negotiations with potential purchasers are taking place.

Apart from disclosed above, there is no impairment recognised or reversed for the other CGUs during both years.

7. FINANCE COSTS

	2017	2016
	US$'000	*US$'000*
Interest on		
Convertible Securities	**1,094**	135
Bank and other borrowings	**17,772**	15,733
Loan from an intermediate holding company	**2,274**	3,057
Loan from a fellow subsidiary	**994**	960
	22,134	19,885
Less: Amounts capitalised in the cost of qualifying assets	**(13,461)**	(13,053)
	8,673	6,832

8. PROFIT BEFORE TAX

	2017	2016
	US$'000	*US$'000*
Profit before tax has been arrived at after charging (crediting):		
Staff costs		
Directors' emoluments	**253**	1,118
Other staff costs		
– Salaries and other benefits	**38,791**	40,408
– Retirement benefits schemes contributions	**3,984**	2,538
	43,028	44,064
Auditors' remuneration	**370**	355
Depreciation of property, plant and equipment	**43,422**	46,888
Amortisation of mineral rights	**7,030**	10,973
Change in fair value of derivative financial instruments, net	**219**	1,113
Change in fair value of held for trading investments	**(275)**	143
Operating lease rentals in respect of equipment, premises and vehicles	**1,120**	1,044
Interest income	**(986)**	(686)

9. INCOME TAX EXPENSE (CREDIT)

	2017	2016
	US$'000	*US$'000*
The tax expense (credit) comprises:		
Current taxation		
Hong Kong Profits Tax	**–**	–
Corporate income tax in DRC	**3,130**	2,134
Corporate income tax in Zambia	**1,248**	34
Corporate income tax in South Africa	**279**	–
Underprovision in prior years	**5**	45
	4,662	2,213
Deferred taxation	**3,088**	(5,206)
	7,750	(2,993)

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% (2016: 15%, 28% and 30%) on the estimated assessable profits for the year, respectively.

Corporate income tax in Zambia is calculated at 30% in the current year (2016: 30%). The tax rate applicable to the assessable profits arising in Zambia for the year ranged from 30% to 45%. The applicable tax rate is determined on a number of factors including the revenue of respective subsidiaries and the average copper price of the year.

10. EARNINGS PER SHARE

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

	2017	2016
	US$'000	*US$'000*
Earnings		
Earnings for the purpose of basic earnings per share	**41,624**	8,347
Add: Interest expense on Convertible Securities	**1,094**	135
Earnings for the purpose of diluted earnings per share	**42,718**	8,482

	2017	2016
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**4,682,898,256**	4,350,753,051
Effect of dilutive potential ordinary shares:		
Convertible Securities	**8,466,120,000**	8,466,120,000
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**13,149,018,256**	12,816,873,051

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

11. DIVIDEND

No dividend was paid or proposed for ordinary shareholders of the Company during the year and no dividend has been proposed since the end of the reporting period (2016: US$Nil)

12. TRADE AND OTHER RECEIVABLES

	2017	2016
	US$'000	*US$'000*
Trade and bill receivables	**60,886**	39,363
Less: Impairment	**–**	(310)
	60,886	39,053
Other receivables	**14,083**	9,116
Prepayments	**3,396**	2,790
Loan to a DRC state-owned power company – current	**2,000**	2,000
Value-added tax recoverable	**66,443**	51,436
	146,808	104,395

Included in trade and bill receivables as at 31 December 2017 was an amount due from a fellow subsidiary of US$21,161,000 (2016: US$6,631,000), which was of trade nature. The Group provided this fellow subsidiary with a credit period of 60 days.

The Group provided customers (other than its fellow subsidiaries) with a credit period ranging from 15 days to 90 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 Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by senior management. The Group has significant concentration of credit risk where a debtor, being a fellow subsidiary of the Company, constitutes 35% (2016: 17%) of trade and bill receivables.

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

	2017	2016
	US$'000	*US$'000*
Within 3 months	**60,886**	36,768
4 to 6 months	**–**	2,285
	60,886	39,053

As at 31 December 2016, included in trade receivables was a receivable of US$1,627,000 (2017: US$Nil) which was past due as at the end of the reporting date and was regarded as not impaired as there had not been a significant change in the credit standing of the debtor. The Group did not hold any collateral over the receivable.

Movement in provision for impairment

	2017	2016
	US$'000	*US$'000*
1 January	**310**	310
Amount written off as uncollectible	**(310)**	–
31 December	**–**	310

As at 31 December 2016, included in the above provision for impairment of trade receivables was a provision for individually impaired trade receivables of US$310,000 with a carrying amount before provision of US$310,000. The amount was written off in 2017.

The individually impaired trade receivables related to customers that were in default or delinquency in principal payments and none of the receivables was expected to be recovered.

13. TRADE AND OTHER PAYABLES

	2017	2016
	US$'000	*US$'000*
Trade payables	**43,375**	53,516
Other payables and accruals	**44,412**	18,248
	87,787	71,764

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

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

	2017	2016
	US$'000	*US$'000*
Within 3 months	**34,850**	40,263
4 to 6 months	**4,875**	10,470
7 to 12 months	**3,390**	2,550
Over 1 year	**260**	233
	43,375	53,516

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

14. SHARE CAPITAL

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

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

Shown in the consolidated financial statements as:

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

Note: On 28 April 2017, the Company issued 483,000,000 new ordinary shares by way of subscription at the price of HK$0.80 per subscription share to SD Hi-Speed Investment HK Limited, an independent third party, and raised gross proceeds of HK$386,400,000 (equivalent to US$49,538,000). The subscription shares were alloted and issued under a specific mandate sought from the shareholders at an extraordinary general meeting of the Company held on 25 April 2017. The closing market price of the new shares was HK$1.17 per share, which was the close on which the terms of the placing was fixed. Details of the subscription are disclosed in the announcements of the Company dated 20 March 2017 and 28 April 2017 and circular of the Company dated 6 April 2017.

15. CAPITAL COMMITMENTS

	2017	2016
	US$'000	*US$'000*
Capital expenditure in respect of property, plant and equipment, mineral rights and exploration and evaluation assets contracted for but not provided in the consolidated financial statements	**15,062**	8,081

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The principal business of the Group is in mining operations, primarily copper and cobalt production, the Group also trades mineral and metal products. The recovery of copper and cobalt prices during 2017 has given rise to positive impact on our overall financial performance for the period under review. Beside, through technological reform, continuous optimization of economy and reducing operating costs, the Group was able to achieve more profit in 2017 as compared with last year.

Mining Operations

The Group's mining operations is represented by the Metorex Group, which is headquartered in South Africa. Metorex Group has majority control over two operating mines in Africa which are Ruashi Mine, a copper and cobalt mine located in the DRC and Chibuluma South Mine (including the Chifupu deposit), a copper mine located in Zambia. For the year ended 31 December 2017, the Group produced 42,512 tonnes of copper (2016: 42,587 tonnes) and 4,638 tonnes of cobalt (2016: 3,391 tonnes), and sold 42,443 tonnes of copper (2016: 43,083 tonnes) and 4,677 tonnes of cobalt (2016: 3,264 tonnes) which generated sales of US$263 million and US$186.2 million respectively (2016: US$205.2 million and US$58 million respectively). Copper production was comparable to 2016. The significant increase in cobalt production was mainly because of technological reform and optimization and higher cobalt feed grade.

Metorex Group also has control over Kinsenda Project, a development copper project which commence trial-production stage at the end of 2017 in the DRC, and Musonoi project, a copper and cobalt project in feasibility study stage, and Lubembe project, a copper project in exploration stage.

Trading of Mineral and Metal Products

For the year ended 31 December 2017, GHL purchased and sold a total of 16,141 tonnes (2016: 19,969 tonnes) of copper blister. The revenue from sales of copper blister for the year ended 31 December 2017 amounted to US$98 million (2016: US$96.3 million). The copper blister was sourced from a Zambian producer under a renewed annual contract for 20,000 tonnes in 2017. The volume of copper blister shipped during 2017 decreased by 19% as compared to 2016. The copper blister was sold in China directly.

The zinc repurchase business that GHL started in late 2016 intended as a low-risk trading business which purchases physical zinc and hedges the market risk with London Metal Exchange futures. For the year ended 31 December 2017, GHL traded zinc repo trading products. The profit from zinc repo business for the year ended 31 December 2017 amounted to US$0.27 million.

FINANCIAL REVIEW

The Group's operating results for the year ended 31 December 2017 are a consolidation of the results from the mining operations and the trading of mineral and metal products.

Revenue

The revenue for the year ended 31 December 2017 was US$549.2 million, representing an increase of 50.5% compared to US$364.8 million for the year ended 31 December 2016. Revenue increased during the year mainly contributed from mining operation business which was further discussed below.

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

	2017	2016
Volume of copper sold *(tonne)*	**42,443**	43,083
Volume of cobalt sold *(tonne)*	**4,677**	3,264
Revenue from sales of copper *(US$ million)*	**263.0**	205.2
Revenue from sales of cobalt *(US$ million)*	**186.2**	58.0
Total revenue from the mining operations *(US$ million)*	**449.2**	263.2
Average price received per tonne of copper *(US$)*	**6,196**	4,764
Average price received per tonne of cobalt *(US$)*	**39,817**	17,770

Note: Cobalt price has already included price ratio of 69.5%.

During the year ended 31 December 2017, the higher commodity market prices impacted positively on the Group's revenue. Revenue of the Group's mines reported at US$449.2 million and increased by 71% from 2016.

The copper mining revenue increased by 28% from 2016 to 2017, as a result of higher price. 2017 copper production volume was comparable to the 2016 production volume. The cobalt revenue increased by 221% from 2016 to 2017 as a result of higher cobalt price as well as an increase in cobalt production volume.

The trading of mineral and metal products segment recorded a decrease in revenue from sales of copper related raw materials by 3.6% from US$101.7 million for the year ended 31 December 2016 to US$98 million for the year ended 31 December 2017. New revenue generated from inventory financing relating to non-ferrous metal commodities which was initiated in late 2016.

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 trading of mineral and metal products. The major components of cost of sales are as follows:

	2017	2016
	US$'000	*US$'000*
Mining Operations:		
Realisation costs	**6,051**	6,167
Mining costs	**141,237**	44,124
Salaries and wages	**41,330**	41,680
Processing costs	**70,710**	78,054
Engineering and technical costs	**20,661**	20,059
Safety, health, environment and community costs	**2,717**	2,970
Depreciation of property, plant and equipment	**43,377**	46,772
Amortisation of mineral rights	**7,030**	10,973
Other costs	**497**	10,867
Sub-total	**333,610**	261,666
Purchases for Trading of Mineral and Metal Products	**99,415**	100,822
Total Cost of Sales	**433,025**	362,488

Cost of mining operations increased by 27.5% to US$333.6 million (2016: US$261.7 million) for the year ended 31 December 2017 as a result of more stripping cost to mine low grade ore. At the end of 2017, the mining area already passed the low grade ore area.

The decrease in purchases for trading of mineral and metal products was primarily due to the decrease in trade volume of copper blister.

The decrease in processing costs was mainly attributable to the implementation of cost saving measures, lower reagent price and lower power cost. Ruashi Mine had reduced dependence on diesel generators, and relied more on the lower cost local electricity supply. Current efficiencies for the Electro-winning process resulted in additional power savings. The debottle-neck project impacted positively on production by increasing the plants processing capacity.

Gross Profit

The gross profit of the Group increased by 4,742% from US$2.4 million for the year ended 31 December 2016 to US$116.2 million for the year ended 31 December 2017. The increase in copper and cobalt prices and increase in cobalt production volumes were the main causes of increase in the gross profit. The gross profit margin increased from 0.6% in 2016 to 21.2% in 2017.

Net Financing Costs

	2017	2016
	US$'000	*US$'000*
Financing income	**986**	686
Financing costs	**(8,673)**	(6,832)
	(7,687)	(6,146)

The net financing costs increased by 25.1% from US$6.1 million to US$7.7 million during 2017. There was an increase of US$0.3 million and US$1.8 million for the financing income and financing costs for 2017 compared with 2016.

The increase in finance income was mainly due to increase in bank interest income from time deposit in Hong Kong.

The increase in finance costs was mainly due to the increase in interest on perpetual subordinated convertible securities ("PSCS") by US$1.1 million and increase in average interest rate during 2017.

Other Gains and Losses

The significant increase in other losses during 2017 was mainly due to a significant unrealised exchange loss of approximately US$16.6 million derived from the conversion of VAT ("Value-added tax") receivables denominated in CDF which depreciated.

Selling and Distribution Costs

The costs mainly represent the off-mine costs incurred when the Group sells its copper and cobalt under the mining operations, and they primarily comprise of transportation expenses, freight expenses and custom clearing expenses. The breakdown of selling and distribution costs is as follows:

	2017	2016
	US$'000	*US$'000*
Off-mine costs:		
Transportation	**276**	335
Freight	**19,470**	13,156
Clearing costs of export	**10,946**	9,350
Others	**565**	599
Total Selling and Distribution Costs	**31,257**	23,440

Selling and distribution costs increased by 33.3% from US$23.4 million for the year ended 31 December 2016 to US$31.3 million for the year ended 31 December 2017. This was primarily due to the higher production volume of cobalt and tonnage sold.

Administrative Expenses

Administrative expenses decreased by 1.4% from US$20.9 million for the year ended 31 December 2016 to US$20.6 million for the year ended 31 December 2017. Administrative expenses mainly include staff costs and mining royalties payable to the minority shareholders and local government of the Operating Mines in Africa and other operating expenses of the Group.

Reversal of Impairment Loss

During the year under review, the Group recorded a non-cash reversal of impairment loss of US$17.1 million on the mineral rights (2016: reversal of impairment loss of US$67.8 million), since there were increases in copper and cobalt prices towards the end of the year as well as successful implementation of cost-saving plans as compared to 2016.

The reversal of impairment loss was made in relation to Ruashi Mine in the DRC in 2017.

The reversal of impairment loss was resulted from the change in value of the principal parameters used in the 2016 impairment assessment in the mining operations, mainly the higher estimated price for commodities, namely copper and cobalt, and the lower estimated cost resulted from the successful implementation of cost control measures in 2017.

During the year ended 31 December 2016, despite the recovery in copper and cobalt price towards the end of 2016, the production plan of a developing project of the Group has been delayed mainly due to additional work performed. This additional work is neither budgeted nor planned. The recoverable amount of the relevant assets has been determined on the basis of their value in use. The recoverable amount was determined based on the cash flow projections derived from the current mine plan, production reserves and estimated future copper and cobalt prices. The pre-tax discount rate used in measuring value in use was 14.8% (2016: 14.8%). Accordingly, an impairment loss in respect of exploration and evaluation assets of US$14,017,000 for the related CGU was recognised in profit or loss during the year ended 31 December 2016. During the year ended 31 December 2017, the mine commence the trial-production stage, and there is no impairment recognised or reversed after impairment assessment has been performed as at 31 December 2017.

The key value of input used in the valuation comprise forecast long term copper price over LOM at a range from US$6,500 per tonne to US$7,500 per tonne; and forecast long term cobalt price was US$55,115 per tonne. The discount rate, as another key value of input, remained stable in 2017 as a result of no significant change of risk profiles of the countries of the respective mines are located. Moreover, the successful optimization of respective current mine plans in 2017 improved the cost structure, gave rise to favourable effect to the reversal of the impairment loss.

Given the nature of the Group's activities, the valuation method adopted for each mine was determined based on discounting the respective cash flow projections to derive the value in use as the recoverable amount.

Income Tax (Expense)/Credit

The Group is subject to taxes in Hong Kong, DRC, Zambia and South Africa due to its business operations in these jurisdictions. An income tax expense of US$7.7 million was derived for the year ended 31 December 2017 as opposite to the income tax credit of US$3.0 million in 2016. The increase in income tax expense was primarily due to the increase in profit before tax in 2017 as compared with 2016. The income tax credit in 2016 was mainly resulted from the recognition of estimated tax losses and the deferred tax credit from the movements in the property, plant and equipment, mineral rights and exploration and evaluation assets arising from the mining operations.

Profit for the Year

As a result of the above, the Group recorded a consolidated profit of US$53.4 million for the year ended 31 December 2017 as compared to that of US$6.3 million for the year ended 31 December 2016.

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

The EBITDA of the Group is derived as follows:

	2017	2016
	US$'000	*US$'000*
Profit for the year	**53,435**	6,314
Add: Net finance costs	**7,687**	6,146
Add(Less): Income tax expense(credit)	**7,750**	(2,993)
Add: Depreciation of property, plant and equipment	**43,422**	46,888
Add: Amortisation of mineral rights	**7,030**	10,973
Add: Reversal of impairment loss recognised in respect of mineral rights	**(17,080)**	(67,765)
Add: Impairment loss recognised in respect of exploration and evaluation assets	**–**	14,017
EBITDA	**102,244**	13,580

Liquidity, Financial Resources and Capital Structure

As at 31 December 2017, the Group had bank balances and cash of approximately US$75.2 million as compared to US$96.4 million as at 31 December 2016.

As at 31 December 2017, the Group had total bank borrowings of US$365.3 million in which the bank borrowings of US$133.9 million are due within one year, bank borrowings of US$197.4 million are due within 2 to 5 years and bank borrowings of US$34 million are due over 5 years.

As at 31 December 2017, the Group had loans from related companies of US$126.2 million which are due within one year.

The gearing ratio of the Group as at 31 December 2017 was 47.8% 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 due to the decrease in bank borrowings in 2017 as compared to 2016 and increase of net asset in 2017.

For the year under review, the Group has financed its operations with loan facilities provided by banks, borrowings from related companies and internally generated cash flows.

Material Acquisitions and Disposals of Investments

During the year, the Group entered into a joint venture agreement (the "JV Agreement") with Junhe Holdings Limited (the "JV partner"), a company established in the PRC and a subsidiary of Junhe Group, in relation to the formation of Shanghai Jinchuan Junhe Economic Development Co., Ltd (the "JV Company"), a limited liability company in the PRC.

Pursuant to the JV Agreement, it was intended that the shareholding of the JV Company would be held as to 60% by the Group and 40% by the JV Partner. The total registered capital (which was equal to the total investment to be made by the Group and the JV Partner) of the JV Company was RMB100 million.

Except the investment mentioned above, the Group did not undertake any material acquisitions or disposals of investments during the year under review.

Issue of New Shares

During the year, the Company issued 483,000,000 new shares by way of subscription at the price of HK$0.80 per subscription share, and raised gross proceeds of approximately HK$386,400,000. The said subscription of shares was intended to serve as a strategic cooperative partnership between the Group and the Subscriber, whereby the Group has leveraged on the additional funding from the subscription to strengthen its financial position and enhance its funding liquidity for internal operations, while further broadening the shareholder base and capital base of the Group. The net proceeds has been also used for general working capital purposes.

Significant Capital Expenditures

During the year, the Group acquired property, plant and equipment of US$26.4 million (2016: US$45.6 million) and incurred expenditures on exploration and evaluation assets of US$30.7 million (2016: US$23.0 million) for the Group's mining operations.

Details of Charges on the Group's Assets

The Group's inventories of US$4.2 million (2016: US$3.9 million) and trade and other receivables of US$3.9 million (2016: US$4.0 million), respectively, were pledged to secure general banking facilities granted to the Group.

Details of Contingent Liabilities

During the year ended 31 December 2017, the Group received a claim from a non-controlling shareholder of a subsidiary for the payment of overdue royalties together with interest and compensation. Save as disclosed above, the Group did not have any other material contingent liabilities as at 31 December 2017.

Foreign Exchange Risk Management

The reporting currency of the Group is US$ and the functional currencies of subsidiaries of the Group are mainly US$. The Group's significant assets are in DRC, and the Group's foreign exchange risk exposed to CDF. The Group monitors its exposure to foreign currency exchange risk on a on-going basis. There have been fluctuations in the exchange rate of CDF against US$ in recent years.

Given the exchange rate peg between HK$ and US$, the Group is not exposed to significant exchange rate risk of HK$.

MINERAL RESOURCES AND MINERAL RESERVES

The Group's Mineral Resources as at 31 December 2017 are estimated to contain 4,462kt copper and 362kt cobalt. Ruashi Mine contains 571kt copper and 75kt cobalt; Chibuluma South Mine contains 106kt copper; Kinsenda Project contains 1,140kt copper; Musonoi Project contains 868kt copper and 287kt cobalt; and Lubembe Project contains 1,777kt copper.

The Group's Mineral Reserves as at 31 December 2017 are estimated to contain 484kt copper and 26kt cobalt. Ruashi Mine contains 170kt copper and 26kt cobalt; Chibuluma South Mine contains 33kt copper; and Kinsenda Project contains 281kt copper.

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 during 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. Kinsenda will be in production from early 2018. 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 volumes to achieve the growth. Meanwhile, the Group has been actively pursuing other suitable copper or cobalt projects to capture opportunities for strategic development. The Group has strengthened its capital base upon the subscription of shares to a Subscriber during 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.

EMPLOYEES

As at 31 December 2017, the Group had 4,302 (2016: 3,991) employees, which comprised 1,985 (2016: 2,017) permanent workers and 2,317 (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 bonus and grant of options of the Company.

DIVIDEND

No dividend has been paid or declared by the Company for the year ended 31 December 2017 (2016: Nil).

EVENTS AFTER THE REPORTING PERIOD

As disclosed by the Company in its announcement dated 9 February 2018, the Company discovered that the 2017 Connected Transaction Amount exceeded the 2017 Annual Cap. The 2017 Annual Cap was exceeded mainly due to an unexpected surge in the price and demand for cobalt and the oversight of the sale figure of copper blister to Sky Hero with gross profit of US$58,000 for 2017.

As the 2017 Connected Transaction Amount exceeded the 2017 Annual Cap, the Company is in the process of re-complying with the reporting, announcement and independent shareholders' approval requirements pursuant to the Listing Rules. The Board will seek the approval of the Independent Shareholders, among other things, to approve the Ratification at the EGM.

CORPORATE GOVERNANCE INFORMATION

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, financial reporting matters and the continuing connected transactions of the Group for the year ended 31 December 2017. The audited annual results of the Group for the year ended 31 December 2017 have been reviewed by the Audit Committee. The Group's consolidated financial statements for the year ended 31 December 2017 have been audited by the Company's auditor, Deloitte Touche Tohmatsu, and an unqualified opinion has been issued.

Model Code for Securities Transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code"), as set out in Appendix 10 to the Listing Rules, as its own code of conduct regarding Directors' dealings in the Company's securities. Following specific enquiry mode to all Directors, the Directors have confirmed that they have complied with required standards as set out in the Model Code during the year ended 31 December 2017.

Corporate Governance Code

The Company has complied throughout the year ended 31 December 2017 with all applicable code provisions of the Corporate Governance Code (the "CG Code") as set out in Appendix 14 to the Listing Rules, except for the code provisions A.5.1 and E.1.2.

Code provision A.5.1 of the CG Code stipulates that the nomination committee should comprise 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 CG Code.

Code provision E.1.2 of the CG Code stipulates that the chairman of the board should attend the annual general meeting. Mr. Yang Zhiqiang, the then Chairman of the Board, was unable to attend the Company's annual general meeting held on 19 June 2017 (the "2017 AGM") as he had conflicting business schedule. The then chairmen and members of the Audit Committee, Remuneration and Nomination Committee, Risk Management Committee, Strategy and Investment Committee and the then Chief Financial Officer attended the 2017 AGM. The Company considers that their presence is sufficient for answering questions from and communication with shareholders present at the 2017 AGM.

PURCHASES, SALES OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2017.

PUBLICATION OF FINANCIAL RESULTS ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This announcement is available for viewing on the websites of the Stock Exchange and the Company. The annual report of the Company for the year ended 31 December 2017 will be dispatched to shareholders of the Company and published on the Stock Exchange and the Company's websites respectively in due course.

GLOSSARY

"2016 CCT Agreement"	the framework agreement dated 29 November 2016 entered into between the Company and Jinchuan for trading of Mineral and Metal Products between the Group and the Jinchuan Group for the three years commencing from 1 January 2017 up to 31 December 2019
"2017 Annual Cap"	the annual cap of USD165 million for the trading of Mineral and Metal Products between the Group and Jinchuan Group for the year ended 31 December 2017 as approved by the then independent shareholders of the Company at the extraordinary general meeting of the Company held on 27 January 2017
"2017 Connected Transaction Amount"	the aggregate transaction amount for the trading of Mineral and Metal Products between the Group and the Jinchuan Group in the sum not exceeding USD212 million under the 2016 CCT Agreement for the year ended 31 December 2017
"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 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"	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
"Director(s)"	the director(s) of the Company
"DRC"	the Democratic Republic of Congo
"EBITDA"	earnings before interest, tax, depreciation and amortisation and impairment loss
"EGM"	the extraordinary general meeting expected to be convened by the Company on 16 April 2018 for, among other matters, approving the Ratification
"Group"	the Company and its subsidiaries
"GHL"	Golden Harbour International Trading Limited, a company incorporated in Hong Kong and indirectly wholly-owned by the Company
"HK$"	Hong Kong dollar(s), the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Independent Shareholders"	Shareholders other than Jinchuan and its associates
"Jinchuan" 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
"Jinchuan Group"	collectively, Jinchuan and its subsidiaries and associates controlled by it from time to time excluding the Group
"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
"Junhe Group"	Shanghai Junhe Group Co., Ltd, a company established in the PRC and the holding company of the JV Partner

"Kinsenda Project"	a brownfield 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
"LOM"	Life of mine
"Lubembe Project"	a greenfield copper project owned by Kinsenda SA and situated in the Katanga Province, the 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
"Mineral and Metal Products"	mineral products, metal products and other raw materials Jinchuan Group needs for its own production and for its sale to third parties, including but not limited to copper or nickel ores and concentrates, copper or nickel cathodes and other forms of copper, nickel or other metals bearing raw materials, cobalt and its related products
"Mineral Reserve(s)"	the economically mineable material derived from a Measured Mineral Resource or Indicated Mineral Resource or both. It includes diluting and contaminating materials and allows for losses that are expected to occur when the material is mined. Appropriate assessments to a minimum of a pre-feasibility study for a project and a LOM plan for an operation must have been completed, including consideration of, and modification by, realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors (the modifying factors). Such modifying factors must be disclosed (Capitalised terms used in this paragraph shall have the same meanings as those defined in Chapter 18 of the Listing Rules)

"Mineral Resource(s)"	a concentration or occurrence of material of economic interest in or on the Earth's crust in such a form, quality, and quantity that there are reasonable and realistic prospects for eventual economic extraction. The location, quantity, grade, continuity and other geological characteristics of a Mineral Resource are known, or estimated from specific geological evidence, sampling and knowledge interpreted from an appropriately constrained and portrayed geological model
"Musonoi Project"	a greenfield copper and cobalt project owned by Ruashi Mining and situated in the Katanga Province, the DRC
"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
"Ratification"	the ratification of the 2017 Annual Cap by an amount equal to the 2017 Connected Transaction Amount
"RMB"	"Renminbi", the lawful currency of the PRC
"Ruashi Holdings"	Ruashi Holdings (Proprietary) Limited, a company incorporated in South Africa and a subsidiary of Metorex
"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 Ruashi Holdings

"Subscriber"	SD Hi-Speed Investment HK Limited, 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)股權投資基金合夥企業(有限合夥))
"Sky Hero"	Sky Hero (Hong Kong) Limited, a subsidiary of Jinchuan
"South Africa"	the Republic of South Africa
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"US$"	United States dollars, the lawful currency of the US
"Zambia"	the Republic of Zambia
"%"	percentage
"km"	kilometre(s)
"kt"	thousand tonne(s)

By Order of the Board
JINCHUAN GROUP INTERNATIONAL RESOURCES CO. LTD
Gao Tianpeng
Executive Director

* *For identification purposes only*

Hong Kong, 27 March 2018

As at the date of this announcement, the Board comprises two executive Directors, namely Mr. Gao Tianpeng and Mr. Qiao Fugui; three non-executive Directors, namely Mr. Chen Dexin, Mr. Zhang Youda and Mr. Zeng Weibing; and three independent non-executive Directors, namely Mr. Wu Chi Keung, Mr. Yen Yuen Ho, Tony and Mr. Poon Chiu Kwok.