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)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2018

RESULTS

The Board is pleased to announce the unaudited condensed consolidated interim results of the Group for the six months ended 30 June 2018 together with the comparative figures for the corresponding period in 2017 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2018

		Six months ended	
		30/6/2018	30/6/2017
	Notes	***US$'000***	*US$'000*
		(unaudited)	(unaudited)
Revenue	4	**825,190**	243,993
Cost of sales		**(629,056)**	(203,868)
Gross profit		**196,134**	40,125
Other gains and losses	6	**5,744**	(137)
Selling and distribution costs		**(35,038)**	(11,868)
Administrative expenses		**(19,507)**	(8,839)
Finance income		**827**	519
Finance costs		**(11,805)**	(5,060)
Profit before tax	7	**136,355**	14,740
Income tax expense	8	**(51,370)**	(4,774)
Profit for the period		**84,985**	9,966

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

For the six months ended 30 June 2018

	Notes	Six months ended 30/6/2018 US$'000 (unaudited)	30/6/2017 US$'000 (unaudited)
Other comprehensive expense:			
Item that may be subsequently reclassified to profit or loss:			
Exchange differences on translation of financial statement of foreign operations		**(873)**	–
Other comprehensive expense for the period		**(873)**	–
Total comprehensive income for the period		**84,112**	9,966
Profit for the period attributable to:			
Owners of the Company		**61,022**	7,787
Non-controlling interests		**23,963**	2,179
		84,985	9,966
Total comprehensive income for the period attributable to:			
Owners of the Company		**60,149**	7,787
Non-controlling interests		**23,963**	2,179
		84,112	9,966
Earnings per share			
Basic (US cents)	10	**1.04**	0.17
Diluted (US cents)	10	**0.46**	0.06

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2018

	Notes	**At 30/6/2018 *US$'000* (unaudited)**	At 31/12/2017 *US$'000* (audited)
Non-current assets			
Property, plant and equipment		**735,871**	671,077
Mineral rights		**485,510**	488,057
Exploration and evaluation assets		**123,982**	212,332
Other non-current assets		**14,730**	16,602
		1,360,093	1,388,068
Current assets			
Inventories		**166,176**	172,093
Trade and other receivables	11	**239,220**	146,808
Bank balances and cash		**104,574**	75,162
		509,970	394,063
Current liabilities			
Trade and other payables	12	**61,085**	87,787
Amount due to an intermediate holding company		**122,289**	119,815
Amount due to a fellow subsidiary		**6,081**	5,974
Amount due to a non-controlling shareholder of a subsidiary		**178**	418
Bank borrowings		**130,279**	133,881
Short-term provisions		**6,268**	10,000
Tax payable		**41,860**	2,392
		368,040	360,267
Net current assets		**141,930**	33,796
Total assets less current liabilities		**1,502,023**	1,421,864

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(continued)

At 30 June 2018

	Notes	**At 30/6/2018 *US$'000* (unaudited)**	At 31/12/2017 *US$'000* (audited)
Non-current liabilities			
Bank borrowings		**212,447**	231,415
Long-term provisions		**31,166**	28,772
Deferred tax liabilities		**297,480**	291,195
		541,093	551,382
Net assets		**960,930**	870,482
Capital and reserves			
Share capital	13	**16,166**	6,197
Perpetual subordinated convertible securities	13	**88,462**	1,089,084
Reserves		**747,186**	(303,571)
Equity attributable to owners of the Company		**851,814**	791,710
Non-controlling interests		**109,116**	78,772
Total equity		**960,930**	870,482

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2018

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 Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The address of the principal place of business of the Company is at Unit 3101, 31/F, United Centre, 95 Queensway, Hong Kong.

The Company is an investment holding company. The principal activities of the subsidiaries 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 ("IAS") 34 "Interim Financial Reporting" 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.

Other than changes in accounting policies resulting from application of new and amendments to International Financial Reporting Standards ("IFRS"), the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2018 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2017.

In the current interim period, the Group has applied, for the first time, the following new and amendments to IFRSs issued by the IASB which are mandatory effective for the annual period beginning on or after 1 January 2018 for the preparation of the Group's condensed consolidated financial statements:

IFRS 9	Financial instruments
IFRS 15	Revenue from contracts with customers and the related amendments
IFRIC 22	Foreign currency transactions and advance consideration
Amendments to IFRS 2	Classification and measurement of share-based payment transactions

Amendments to IFRS 4	Applying IFRS 9 “Financial instruments” with IFRS 4 “Insurance contracts”
Amendments to IAS 40	Transfers of investment property
Amendments to IAS 28	As part of the annual improvements to IFRSs 2014–2016 cycle

The new and amendments to IFRSs have been applied in accordance with the relevant transition provisions in the respective standards and amendments which results in changes in accounting policies, amounts reported and/or disclosures as described below.

3.1 Impacts and changes in accounting policies of application on IFRS 15 “Revenue from Contracts with Customers”

The Group has applied IFRS 15 for the first time in the current interim period. IFRS 15 superseded IAS 18 “Revenue”, IAS 11 “Construction Contracts” and the related interpretations.

The Group recognises revenue from the following major sources:

- Mining operations
- Trading of mineral and metal products

The Group has applied IFRS 15 retrospectively with the cumulative effect of initially applying this standard recognised at the date of initial application, 1 January 2018. Any difference at the date of initial application is recognised in the opening retained profits (or other components of equity, as appropriate) and comparative information has not been restated. Furthermore, in accordance with the transition provisions in IFRS 15, the Group has elected to apply the Standard retrospectively only to contracts that are not completed at 1 January 2018. Accordingly, certain comparative information may not be comparable as comparative information was prepared under IAS 18 “Revenue” and IAS 11 “Construction Contracts” and the related interpretations.

3.1.1 Key changes in accounting policies resulting from application of IFRS 15

IFRS 15 introduces a 5-step approach when recognising revenue:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the Group satisfies a performance obligation.

Under IFRS 15, the Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good and service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;

- the Group's performance creates and enhances an asset that the customer controls as the Group performs; or

- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

A contract asset represents the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with IFRS 9. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

Variable consideration

For contracts that contain variable consideration (grades of metals), the Group estimates the amount of consideration to which it will be entitled using the most likely amount.

The estimated amount of variable consideration is included in the transaction price only to the extent that it is highly probable that such an inclusion will not result in a significant revenue reversal in the future when the uncertainty associated with the variable consideration is subsequently resolved.

At the end of each reporting period, the Group updates the estimated transaction price (including updating its assessment of whether an estimate of variable consideration is constrained) to represent faithfully the circumstances present at the end of the reporting period and the changes in circumstances during the reporting period. There is no material impact on the timing and amounts of total revenue recognised in the current year.

3.2 Impacts and changes in accounting policies of application on IFRS 9 "Financial Instruments"

In the current period, the Group has applied IFRS 9 "Financial Instruments" and the related consequential amendments to other IFRSs. IFRS 9 introduces new requirements for 1) the classification and measurement of financial assets and financial liabilities, 2) expected credit losses ("ECL") for financial assets and 3) general hedge accounting.

The Group has applied IFRS 9 in accordance with the transition provisions set out in IFRS 9. i.e. applied the classification and measurement requirements (including impairment) retrospectively to instruments that have not been derecognised as at 1 January 2018 (date of initial application) and has not applied the requirements to instruments that have already been derecognised as at 1 January 2018. The difference between carrying amounts as at 31 December 2017 and the carrying amounts as at 1 January 2018 are recognised in the opening retained profits and other components of equity, without restating comparative information.

Accordingly, certain comparative information may not be comparable as comparative information was prepared under IAS 39 "Financial Instruments: Recognition and Measurement".

3.2.1 Key changes in accounting policies resulting from application of IFRS 9

Classification and measurement of financial assets

Trade receivables arising from contracts with customers are initially measured in accordance with IFRS 15.

All recognised financial assets that are within the scope of IFRS 9 are subsequently measured at amortised cost or fair value, including unquoted equity investments measured at cost less impairment under IAS 39.

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income ("FVTOCI"):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value through profit or loss ("FVTPL"), except that at the date of initial application/initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income ("OCI") if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which IFRS 3 "Business Combinations" applies.

In addition, the Group may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the "other gains and losses" line item.

The directors of the Company reviewed and assessed the Group's financial assets as at 1 January 2018 based on the facts and circumstances that existed at that date. There is no material impact on the current measurement.

Impairment under ECL model

The Group recognises a loss allowance for ECL on financial assets which are subject to impairment under IFRS 9 (including trade receivables, loan to a Democratic Republic of the Congo ("DRC") state-owned power company and value-added tax recoverable). The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL (“12m ECL”) represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment are done based on the Group’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for trade receivables and contract assets without significant financing component. The ECL on these assets are assessed individually for debtors with significant balances and/or collectively using a provision matrix with appropriate groupings.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument’s external (if available) or internal credit rating;

- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;

- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor’s ability to meet its debt obligations;

- an actual or expected significant deterioration in the operating results of the debtor;

- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the aforegoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if i) it has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a debt instrument to have low credit risk when it has an internal or external credit rating of 'investment grade' as per globally understood definitions.

The Group considers that default has occurred when the instrument is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information.

Generally, the ECL is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition. For a lease receivable, the cash flows used for determining the ECL is consistent with the cash flows used in measuring the lease receivable in accordance with IAS 17 "Leases".

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit impaired, in which case interest income is calculated based on amortised cost of the financial asset.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables, where the corresponding adjustment is recognised through a loss allowance account.

As at 1 January 2018, the directors of the Company reviewed and assessed the Group's existing financial assets for impairment using reasonable and supportable information that is available without undue cost or effort in accordance with the requirements of IFRS 9. No material impact on the amount recognised in the current year.

Classification and measurement of financial liabilities

For financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in OCI, unless the recognition of the effects of changes in the liability's credit risk in OCI would create or enlarge an accounting mismatch in profit or loss. The remaining amount of change in the fair value of liability is recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in OCI are not subsequently reclassified to profit or loss; instead, they are transferred to retained profits upon derecognition of the financial liability.

For non-substantial modifications of financial liabilities that do not result in derecognition, the carrying amount of the relevant financial liabilities will be calculated at the present value of the modified contractual cash flows discounted at the financial liabilities' original effective interest rate. Transaction costs or fees incurred are adjusted to the carrying amount of the modified financial liabilities and are amortised over the remaining term. Any adjustment to the carrying amount of the financial liability is recognised in profit or loss at the date of modification.

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	
	30/6/2018	30/6/2017
	US$'000	*US$'000*
	(Unaudited)	(Unaudited)
Sales of copper	**422,122**	175,158
Sales of cobalt	**190,508**	68,835
Sales of nickel	**10,263**	–
Sales of aluminum ingot	**202,297**	–
	825,190	243,993

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 revenue 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 2018 (unaudited)

	Mining operations *US$'000*	Trading of mineral and metal products *US$'000*	Total *US$'000*
Sales of copper	224,157	197,965	422,122
Sales of cobalt	190,508	–	190,508
Sales of nickel	–	10,263	10,263
Sales of aluminum ingot	–	202,297	202,297
Segment revenue	414,665	410,525	825,190
Segment results	137,699	820	138,519
Unallocated corporate income			632
Unallocated corporate expenses			(2,796)
Profit before tax			136,355

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 tax			14,740

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 before tax of each segment (excluding finance income and other central administration costs), respectively.

6. OTHER GAINS AND LOSSES

	Six months ended	
	30/6/2018	30/6/2017
	US$'000	*US$'000*
	(unaudited)	(unaudited)
Other exchange gains (losses), net	**5,321**	(139)
License fee income	**101**	169
Change in fair value of derivative financial instruments, net	**–**	(204)
Others	**322**	37
	5,744	(137)

7. PROFIT BEFORE TAX

	Six months ended	
	30/6/2018	30/6/2017
	US$'000	*US$'000*
	(unaudited)	(unaudited)
Profit before tax has been arrived at after charging:		
Depreciation of property, plant and equipment	**37,642**	24,218
Amortisation of mineral rights	**2,547**	5,120
Operating lease rentals in respect of equipment, premises and vehicles	**670**	560

8. INCOME TAX EXPENSE

	Six months ended	
	30/6/2018	30/6/2017
	US$'000	*US$'000*
	(unaudited)	(unaudited)
The tax expense(credit) comprises:		
Current tax		
Hong Kong profits tax	**–**	–
Corporate income tax in PRC	**152**	–
Corporate income tax in DRC	**43,948**	1,639
Corporate income tax in Zambia	**1,360**	23
Corporate income tax in South Africa	**(375)**	22
	45,085	1,684
Deferred tax	**6,285**	3,090
	51,370	4,774

No provision for Hong Kong profit tax has been made as the Group does not have assessable profits arising in Hong Kong during the period (six months ended 30 June 2017: Nil).

Corporate income tax in the PRC is calculated at 25% on the assessable profits for the period.

Corporate income tax in Mauritius, South Africa and the DRC are calculated at 15%, 28% and 30% (six months ended 30 June 2017: 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 2017: 30%). The tax rate applicable to the assessable profits for the period ranges from 30% to 45% (six months ended 30 June 2017: 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 2018 (six months ended 30 June 2017: nil).

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:

	Six months ended	
	30/6/2018	30/6/2017
	US$'000	*US$'000*
	(unaudited)	(unaudited)
Earnings		
Earnings for the purpose of basic earnings per share	**61,022**	7,787
Interest expense on Convertible Securities	**460**	555
Earnings for the purpose of diluted earnings per share	**61,482**	8,342

	Six months ended	
	30/6/2018	30/6/2017
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**5,864,840,786**	4,529,543,106
Effect of dilutive potential ordinary shares: Convertible securities	**7,435,032,265**	8,466,120,000
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**13,299,873,051**	12,995,663,106

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

11. TRADE AND OTHER RECEIVABLES

	At 30/6/2018	At 31/12/2017
	US$'000	*US$'000*
	(unaudited)	(audited)
Trade and bill receivables	**139,744**	60,886
Other receivables	**15,243**	14,083
Prepayments	**4,519**	3,396
Loan to a DRC state-owned power company - current	**2,000**	2,000
Value-added tax recoverable	**77,714**	66,443
	239,220	146,808

The Group provided customers (other than a fellow subsidiary) 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 following is an aged analysis of trade and bill receivables presented based on the invoice date, which approximated the revenue recognition date.

	At 30/6/2018	At 31/12/2017
	US$'000	*US$'000*
	(unaudited)	(audited)
Within 3 months	**117,639**	60,886
4-6 months	**22,105**	–
	139,744	60,886

Included in trade and other receivables as at 30 June 2018 was an amount due from a fellow subsidiary of US$73,502,000 (31 December 2017: US$21,161,000), which was of trade nature. The Group provided the fellow subsidiary with a credit period of 60 days.

12. TRADE AND OTHER PAYABLES

	At	At
	30/6/2018	31/12/2017
	US$'000	*US$'000*
	(unaudited)	(audited)
Trade payables	**16,934**	43,375
Other payables and accruals	**44,151**	44,412
	61,085	87,787

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	At
	30/6/2018	31/12/2017
	US$'000	*US$'000*
	(unaudited)	(audited)
Within 3 months	**13,599**	34,850
4 to 6 months	**1,310**	4,875
7 to 12 months	**650**	3,390
Over 1 year	**1,375**	260
	16,934	43,375

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

13. SHARE CAPITAL AND PERPETUAL SUBORDINATED CONVERTIBLE SECURITIES

	Number of shares	Share capital *HK$'000*
Ordinary shares of HK$0.01 each		
Authorised:		
At 1 January 2017, 31 December 2017, 1 January 2018 and 30 June 2018	**20,000,000,000**	200,000
Issued and fully paid		
At 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 31 December 2017 and 1 January 2018	**4,833,753,051**	48,338
Issue of new shares by conversion of Convertible Securities (note b)	**7,776,120,000**	77,761
At 30 June 2018	**12,609,873,051**	126,099

Shown in the condensed consolidated financial statements as:

	Amount ***US$'000***
At 31 December 2017	**6,197**
At 30 June 2018	**16,166**

Note a: On 28 April 2017, the Company issued 483,000,000 new ordinary shares by the way of subscription at the price of HK$0.80 per ordinary 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 allotted and issued under a specific mandate sought from the shareholders at an extraordinary general meeting of the Company held on 25 April 2017. 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.

Note b: During the six months ended 30 June 2018, various investors including Jinchuan (BVI) Limited ("Jinchuan BVI"), an indirect wholly-owned subsidiary of 金川集團股份有限公司 Jinchuan Group, which in turn is the controlling shareholder of the Company executed the conversion of the Convertible Securities in an aggregate principal amount of US$996,938,461 into ordinary shares at the conversion price of HK$1.00 per share.

As a result of the Conversion and pursuant to the terms of the Convertible Securities, on 6 June 2018, the Company allotted and issued a total of 7,776,120,000 ordinary shares to the investors including Jinchuan BVI, representing approximately 61.66% of the number of issued Shares as enlarged by the aforesaid allotment and issue of ordinary shares. These ordinary shares shall rank pari passu with all the existing Shares at the date of allotment and among themselves in all respects. The aggregate outstanding principal amount of the Convertible Securities has been reduced to US$88,461,539 immediately after the Conversion. The issued share capital of the Company has been increased to 12,609,873,051 shares upon abovementioned allotment and issue of the ordinary shares.

14. CAPITAL COMMITMENTS

	At 30/6/2018	At 31/12/2017
	US$'000	*US$'000*
	(unaudited)	(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	**24,837**	15,062

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 increase in copper and cobalt price during the first half of 2018 has given rise to positive impact on our overall financial performance for the period under review. Besides, through the increased effort by the management team to improve the operation efficiency of the Group, including cost saving, continuous technical innovation and improvement of production flow; and the increase in production of copper and cobalt during the period, the Group was able to achieve higher profit for the six months period ended 30 June 2018 as compared with the same period in 2017.

Mining Operations

The Group's mining operations is represented by Metorex Group, which is headquartered in South Africa. Metorex Group has majority control over three operating mines in Africa which are the Ruashi Mine, a copper and cobalt mine located in the DRC, Kinsenda Mine, a copper 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 2018, the Group produced 30,521 tonnes of copper (six months period ended 30 June 2017: 20,788 tonnes) and 2,579 tonnes of cobalt (six months period ended 30 June 2017: 2,005 tonnes), and sold 33,064 tonnes of copper (six months period ended 30 June 2017: 20,796 tonnes) and 2,566 tonnes of cobalt (six months period ended 30 June 2017: 2,022 tonnes) which generated sales of US$224.2 million and US$190.5 million respectively (six months period ended 30 June 2017: US$122.3 million and US$68.8 million respectively).

Musonoi Project, located in the DRC, is a copper and cobalt project currently at feasibility study stage. Lubembe Project, located in the DRC, is a greenfield copper exploration project.

Trading of Mineral and Metal Products

During the six months ended 30 June 2018, the Group purchased and sold a total of approximately 1,218 tonnes (six months ended 30 June 2017: 9,335 tonnes) of copper blister. The Group also purchased and sold a total of approximately 27,234 tonnes, 736 tonnes and 103,490 tonnes of copper cathode, nickel and aluminum ingot respectively which were sales generated from Shanghai Junhe in this period.

The Group's revenue from sales of copper blister for the six months ended 30 June 2018 amounted to US$9.3 million (six months ended 30 June 2017: US$52.9 million). The Group's revenue from sales of copper cathode, nickel and aluminum ingot, which were sales generated from Shanghai Junhe for the six months ended 30 June 2018 amounted to US$188.7 million, US$10.3 million and US$202.3 million respectively.

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. The profit from zinc repurchase business for the six months ended 30 June 2018 amounted to US$0.3 million.

FINANCIAL REVIEW

The Group's operating results for the six months ended 30 June 2018 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 2018 was US$825.2 million, representing an increase of 238% compared with US$244.0 million for the six months ended 30 June 2017.

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 selling price for the six months ended 30 June 2018 was increased by 15.4% to US$6,780 per tonne as compared to that for the six months ended 30 June 2017. The average cobalt selling price has significantly increased by 118% in the first half of 2018 to US$74,243 per tonne, as compared to that for the same period in 2017. It accounted for 83% of cobalt MB benchmark price. Revenue also benefited from the increase in the sales volume for the six months ended 30 June 2018, with copper sales volume increased by 59% and cobalt sales volume increased by 27%, compared to sales volumes for the six months ended 30 June 2017.

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

	Six months ended 30 June	
	2018	2017
Volume of copper sold (tonne)	**33,064**	20,796
Volume of cobalt sold (tonne)	**2,566**	2,022
Revenue from sales of copper (US$ million)	**224.2**	122.3
Revenue from sales of cobalt (US$ million)	**190.5**	68.8
Total Revenue from Mining Operations (US$ million)	**414.7**	191.1
Average selling price per tonne of copper (US$)	**6,780**	5,877
Average selling price per tonne of cobalt (US$)	**74,243**	34,050

The trading of mineral and metal products segment recorded an increase in revenue from sales of copper related raw materials by 274.3% from US$52.9 million for the six months ended 30 June 2017 to US$198 million for the six months ended 30 June 2018. The trading of mineral and metal products segment recorded sales of copper cathode, nickel and aluminum ingot related raw materials of US$188.7 million, US$10.3 million and US$202.3 million respectively, which were generated in the Shanghai Junhe for the period ended 30 June 2018. For the first half of 2018, the trading of mineral and metal products revenue increased by 676% compared with 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	
	2018	2017
	US$'000	*US$'000*
Mining operations	**219,471**	151,153
Purchase for trading of mineral and metal products	**409,585**	52,715
Total cost of sales	**629,056**	203,868

Cost of sales for the six months ended 30 June 2018 increased by 208.6% to US$629.1 million from US$203.9 million for the six months ended 30 June 2017.

Cost of mining operations increased by 45.2% to US$219.5 million for the six months ended 30 June 2018 as a result of higher foreign ore material purchases and processing to increase production volumes and Kinsenda Mine started production officially in January 2018.

The increase in purchases for trading of mineral and metal products was primarily due to the sales of copper cathode, nickel and aluminum ingot related raw materials, generated in Shanghai Junhe in this period.

Gross profit

The Group recorded a gross profit of US$196.1 million for the six months ended 30 June 2018 as compared to a gross profit of US$40.1 million for the six months ended 30 June 2017. Predominantly, this is attributable to the increase in copper and cobalt price in the market and production volume over the period under review.

Net financing cost

	Six months ended 30 June	
	2018	2017
	US$'000	*US$'000*
Financing income	**827**	519
Financing cost	**(11,805)**	(5,060)
	(10,978)	(4,541)

There was an increase in net financing cost by US$6.4 million to US$11 million for the six months ended 30 June 2018 from US$4.5 million for the six months ended 30 June 2017. This increase was mainly due to the increase in average interest rate and the interest expenses incurred by Kinsenda Mine during 2018.

Other gains and losses

For the six months ended 30 June 2018, other gains and losses amounted to a gain of US$5.7 million which included a net exchange gain of US$5.3 million (six months ended 30 June 2017: net exchange loss of US$0.1 million). The net exchange gain in this period was attributable to the conversion of deferred tax liability and the trade payable denominated in CDF which depreciated during this period. The functional currency of Metorex, amongst others, was in US$.

Selling and distribution costs

Selling and distribution costs increased by 195.2% to US$35 million for the six months ended 30 June 2018 from US$11.9 million for the six months ended 30 June 2017. 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	
	2018	2017
	US$'000	*US$'000*
Off-mine costs:		
Transportation	**1,935**	131
Ocean freight	**18,420**	6,601
Clearing costs of export	**14,515**	4,866
Others	**168**	270
Total selling and distribution costs	**35,038**	11,868

The increase in selling and distribution costs was mainly due to higher sales volumes for the six months ended 30 June 2018 as compared with that for the corresponding period of 2017.

Administrative expenses

Administrative expenses increased by US$10.7 million to US$19.5 million for the six months ended 30 June 2018 from US$8.8 million for the six months ended 30 June 2017. Administrative expenses mainly represented mining royalties payable to the minority shareholders of the Operating Mines in Africa, provision for rehabilitation expenses and other operating expenses of the Group. The increase in administrative expenses was mainly due to increase in royalties expense to minority shareholders of the Operating Mines and the commencement of operation of a new subsidiary, Shanghai Junhe. The increase in royalties was due to the increase in revenue of the Group.

Income tax expenses

The Group is subject to taxes in Hong Kong, the PRC, the DRC and Zambia due to its business operations in these jurisdictions. Income tax expenses of US$51.4 million increased by 971% as compared to the income tax expenses of US$4.8 million for the six months ended 30 June 2017. The increase in income tax expenses is primarily due to the increase in taxable profit in the first half of 2018.

Profit for the period

As a result of the above, the Group recorded a consolidated profit for the six months ended 30 June 2018 of US$85.0 million, as compared with a consolidated profit of US$10.0 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	
	2018	2017
	US$'000	*US$'000*
Profit for the period	**84,985**	9,966
Add: Net finance cost	**10,978**	4,541
Add: Income tax expenses	**51,370**	4,774
Add: Depreciation of property, plant and equipment and amortisation of mineral rights	**40,189**	29,338
EBITDA	**187,522**	48,619

Liquidity, Financial Resources and Capital Structure

As at 30 June 2018, the Group had bank balances and cash of approximately US$104.6 million as compared to US$75.2 million as at 31 December 2017. As at 30 June 2018, the Group had total bank borrowings of US$342.7 million in which the bank borrowings of US$130.3 million are due within one year, bank borrowings of US$212.4 million are due within one to five years.

As at 30 June 2018, the Group had outstanding loans from related companies of US$128.5 million which are due within one year.

The gearing ratio of the Group as at 30 June 2018 was 38.1% compared to 47.8% as at 31 December 2017. 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, amount due to a fellow subsidiary and amount due to a non-controlling shareholder of a subsidiary) less bank balances and cash. The decrease in the gearing ratio was mainly attributable to the repayment of bank borrowings by the Group during this period.

During the six months ended 30 June 2018, various investors including Jinchuan (BVI) Limited ("Jinchuan BVI"), an indirect wholly-owned subsidiary of Jinchuan Group, which in turn is the controlling shareholder of the Company, executed the conversion of the Convertible Securities in an aggregate principal amount of US$996,938,461 into ordinary shares of the Company at the conversion price of HK$1.00 per share.

As a result of the Conversion and pursuant to the terms of the Convertible Securities, on 6 June 2018, the Company allotted and issued a total of 7,776,120,000 ordinary shares to the investors including Jinchuan BVI, representing approximately 61.66% of the number of issued shares of the Company as enlarged by the aforesaid allotment and issue of ordinary shares. These ordinary shares shall rank pari passu with all the existing shares at the date of allotment and among themselves in all respects. The aggregate outstanding principal amount of the Convertible Securities has been reduced to US$88,461,539 immediately after the Conversion. The issued share capital of the Company has been increased to 12,609,873,051 shares upon above mentioned allotment and issue of the ordinary shares.

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 2018.

Significant capital expenditures

Except for the purchase of property, plant and equipment of US$12.7 million (six months ended 30 June 2017: US$20.3 million) and exploration and evaluation assets of US$1.4 million (six months ended 30 June 2017: US$19.4 million), no other significant capital expenditures were made for the six months ended 30 June 2018.

Details of charges on the Group's assets

As at 31 December 2017, the Group's inventories of US$4.2 million and trade and other receivables of US$3.9 million, were pledged to secure general banking facilities granted to the Group. As at 30 June 2018, no inventories and trade and other receivables of the Group were pledged to secure general banking facilities granted to the Group.

Contingent liabilities

As at 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. Such claim was still in legal proceedings as at 30 June 2018. Save as disclosed above, the Group had no other material contingent liabilities as at 30 June 2018.

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 an on-going basis.

For the mineral and metal products trading activities, the Group is also exposed to foreign currency exchange risk in RMB, the currency the Group receives as its revenue for part of its mineral and metal products trading business.

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 RMB, 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 the growing electric vehicle and battery market, while copper price remains strong during the first half of 2018. 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 Mine started production from January 2018. Musonoi Project, a quality copper and cobalt property, is gaining momentum for its project progress. The Front-End Engineering Detailed Design (FEED) commenced for Musonoi Project in 2018. The Group will continue to work on the site establishment work.

Chibuluma acquired three exploration tenements in North Western Province of Zambia during 2018.

The Group is committed to explore ore resources within our own mine sites 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 projects to capture opportunities for strategic development.

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 2017.

EMPLOYEES

As at 30 June 2018, the Group had 4,766 (31 December 2017: 4,302) employees, which comprises 1,917 (31 December 2017: 1,985) permanent workers and 2,849 (31 December 2017: 2,317) contractor's employees. Employees receive competitive remuneration packages including salary and medical and other benefits. Key staff may also be entitled to performance bonuses.

DIVIDEND

The Board has resolved not to declare any interim dividend for the six months ended 30 June 2018 (six months ended 30 June 2017: nil).

CORPORATE GOVERNANCE INFORMATION

Audit Committee

The primary duties of the Audit Committee of the Company 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 2018 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, as its own code of conduct regarding Directors' dealings in the Company's securities. Based on specific enquiry made to all Directors, the Directors have confirmed that they have complied with the required standards as set out in the Model Code during the six months ended 30 June 2018.

Corporate Governance Code

The Company has applied the principles and complied with all applicable code provisions of the Corporate Governance Code (the "CG Code") as set out in Appendix 14 to the Listing Rules during the six months ended 30 June 2018, except for code provision E.1.2. Code provision E.1.2 of the CG Code stipulates that the chairman of a listed issuer should attend the issuer's annual general meeting. Mr. Chen Dexin, the Chairman of the Company, was unable to attend the Company's annual general meeting held on 26 June 2018 (the "2018 AGM") as he had conflicting business schedule. Other Directors, members of the Audit Committee, Remuneration and Nomination Committee, Risk Management Committee, Strategy and Investment Committee and the Chief Financial Officer attended the 2018 AGM. The Company considers that their presence is sufficient for answering questions from and effective communication with shareholders present at the 2018 AGM.

PURCHASE, SALES OR REDEMPTION OF LISTED SECURITIES

During the six months ended 30 June 2018, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

SUBSEQUENT EVENT

On 17 July 2018, Kinsenda SA and Jin Gang entered into the maintenance contract and the mining contract. By leveraging on Jin Gang's strengths and experience in underground mining production and the close relationship between the Group and the JCG Group, the Group could operate in a more cost-efficient manner. Please refer to the announcement published by the Company on 17 July 2018 for more details.

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 DRC
"Chibuluma plc" or "Chibuluma"	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"	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
"Completion"	completion of the subscription in accordance with the terms of the Subscription Agreement
"Conversion"	The conversion executed by various investors including Jinchuan (BVI) Limited, an indirect wholly-owned subsidiary of the Jinchuan Group, which in turn is the controlling shareholder of the Company, in respect of the conversion of the PSCS in an aggregate principal amount of US$996,938,461 into conversion shares at the conversion price of HK$1.00 per Share
"Director(s)"	the director(s) of the Company

"DRC"	the Democratic Republic of Congo
"EBITDA"	earnings before interest (net finance costs), income tax, depreciation and amortisation
"GHL"	Golden Harbour International Trading Limited, a company incorporated in Hong Kong and an indirectly wholly-owned subsidiary of the Company
"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
"JCG Group"	collectively, Jinchuan Group and its subsidiaries and associates controlled by it from time to time, and for the purpose of this announcement, excluding the Group
"Jinchuan Group"	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 Gang"	Jin Gang (D.R Congo) SA, an indirect non-wholly owned subsidiary of Jinchuan 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
"Kinsenda Mine"	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

* *For identification purposes only*

"MB"	Metal Bulletin
"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
"Musonoi Project"	a greenfield copper and cobalt project owned by Ruashi Mining and situated in the Katanga Province, DRC
"Operating Mines"	Ruashi Mine, Kinsenda 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
"Shanghai Junhe"	上海金川均和經濟發展有限公司(Shanghai Jinchuan Junhe Economic Development Co., Ltd*), a company incorporated in PRC and 60% owned subsidiary of the Company
"South Africa"	the Republic of South Africa
"Stock Exchange"	The Stock Exchange of Hong Kong Limited

* *For identification purposes only*

"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）股權投資基金合夥企業(有限合夥))
"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
"US$"	United States dollars, the lawful currency of the United States
"Zambia"	the Republic of Zambia
"ZAR"	South African Rand, the lawful currency of South Africa
"ZMW"	Zambian Kwacha, the lawful currency of Zambia
"%"	per cent
"km"	kilometres

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

Hong Kong, 15 August 2018

* *For identification purposes only*

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.