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 2020

RESULTS

The Board is pleased to announce the audited results of the Group for the year ended 31 December 2020 together with the comparative figures in 2019 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2020

	Notes	**2020** ***US$'000***	2019 *US$'000* (Restated)
Continuing operations			
Revenue	3	**531,502**	465,408
Cost of sales		**(408,621)**	(379,300)
Royalty tax		**(36,324)**	(36,036)
Gross profit		**86,557**	50,072
Other income, other gains and losses	5	**(5,169)**	(550)
Selling and distribution costs		**(23,125)**	(29,261)
Administrative expenses		**(8,118)**	(7,190)
Reversal of impairment loss, net	6	**27,000**	9,654
Finance income		**1,182**	1,752
Finance costs	7	**(14,053)**	(20,709)
Profit before tax	8	**64,274**	3,768
Income tax (expense) credit	9	**(22,353)**	7,368
Profit for the year from continuing operations		**41,921**	11,136

	Notes	**2020**	2019
		US$'000	*US$'000*
			(Restated)
Discontinued operations			
Profit for the year from discontinued operations		**573**	1,986
Profit for the year		**42,494**	13,122
Other comprehensive income (expense):			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		**2,253**	(525)
Other comprehensive income (expense) for the year		**2,253**	(525)
Total comprehensive income for the year		**44,747**	12,597
Profit (loss) for the year attributable to:			
owners of the Company			
– from continuing operations		**30,030**	6,945
– from discontinued operations		**(87)**	1,800
		29,943	8,745
non-controlling interests			
– from continuing operations		**11,891**	4,191
– from discontinued operations		**660**	186
		12,551	4,377
		42,494	13,122

	Notes	**2020**	2019
		US$'000	*US$'000*
			(Restated)
Total comprehensive income attributable to owners of the Company			
– from continuing operations		**30,030**	6,945
– from discontinued operations		**1,440**	1,485
		31,470	8,430
Earnings per share	*10*		
From continuing and discontinued operations			
Basic *(US cent)*		**0.24**	0.07
Diluted *(US cent)*		**0.23**	0.07
From continuing operations			
Basic *(US cent)*		**0.24**	0.06
Diluted *(US cent)*		**0.23**	0.05

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2020

	Notes	**2020** **US$'000**	2019 US$'000
Non-current assets			
Property, plant and equipment		**705,304**	688,850
Right-of-use assets		**1,325**	2,704
Mineral rights		**501,145**	489,389
Exploration and evaluation assets		**119,652**	146,161
Other non-current assets		**13,104**	13,639
		1,340,530	1,340,743
Current assets			
Inventories		**191,417**	201,988
Trade and other receivables	*12*	**128,066**	156,468
Tax recoverable		**–**	209
Amount due from a related company		**16**	–
Bank deposits with maturity over three months		**34,476**	–
Bank balances and cash		**73,839**	45,215
		427,814	403,880
Current liabilities			
Trade and other payables	*13*	**95,449**	70,626
Amount due to an intermediate holding company		**131,257**	128,284
Amount due to a fellow subsidiary		**5,111**	5,134
Amount due to a non-controlling shareholder of a subsidiary		**441**	482
Bank borrowings		**30,736**	28,365
Lease liabilities		**952**	1,371
Short-term provisions		**7,173**	7,049
Tax payable		**7,633**	–
Bank overdrafts		**–**	944
		278,752	242,255
Net current assets		**149,062**	161,625
Total assets less current liabilities		**1,489,592**	1,502,368

	Notes	2020 US$'000	2019 US$'000
Non-current liabilities			
Deferred tax liabilities		**263,076**	268,805
Bank borrowings		**179,000**	209,000
Lease liabilities		**366**	1,367
Long-term provisions		**30,221**	33,007
		472,663	512,179
Net assets		**1,016,929**	990,189
Capital and reserves			
Share capital	*14*	**16,166**	16,166
Perpetual subordinated convertible securities		**88,462**	88,462
Reserves		**789,838**	759,985
Equity attributable to owners of the Company		**894,466**	864,613
Non-controlling interests		**122,463**	125,576
Total equity		**1,016,929**	990,189

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2020

1. GENERAL INFORMATION

Jinchuan Group International Resources Co., Ltd. (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 ultimate holding company is 金川集團股份有限公司 (Jinchuan Group Co., Ltd*) ("**JCG**"), a state-owned enterprise established in the People's Republic of China (the "**PRC**"). The addresses of registered office of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and the principal place of business of the Company in Hong Kong is Unit 3101, 31/F, United Centre, 95 Queensway, Hong Kong.

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

Certain comparative figures have been restated to re-present the results of the discontinued operations of trading of mineral and metal products in the PRC.

* *for identification purposes only*

2. APPLICATION OF AMENDMENTS TO 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 "Amendments to References to the Conceptual Framework in IFRS Standards" and the following amendments to IFRSs issued by the International Accounting Standards Board for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2020 for the preparation of the consolidated financial statements:

Amendments to IAS 1 and IAS 8	Definition of Material
Amendments to IFRS 3	Definition of a Business
Amendments to IFRS 9, IAS 39 and IFRS 7	Interest Rate Benchmark Reform

3. REVENUE

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

	2020	2019
	US$'000	*US$'000*
		(Restated)
Sales of copper	**382,825**	392,290
Sales of cobalt	**131,958**	79,502
Revenue from sales of commodities	**514,783**	471,792
Provisional pricing adjustment	**16,719**	(6,384)
Revenue – reported measure	**531,502**	465,408

For certain sales of minerals, revenue is recognised initially at a selling price that is determined on a provisional basis. The final selling price is subject to the weight and grades of minerals in the Group's minerals products and movements in mineral prices up to the date of final pricing, normally 0 to 90 days after the initial booking. The adjustment in respect of final mineral price is shown as provisional pricing adjustment.

For the remaining sales of minerals, revenue is recognised under a fixed pricing arrangement. The selling price is determined with reference to the prices of related products listed on the LME on the date of contract inception with customers.

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.

No operating segments have been aggregated in arriving at the reportable segments of the Group.

The Group's operating and reportable segments are as follows:

- Mining operations

- Trading of mineral and metal products

During the year, the Group discontinued the operations in the PRC and those results are presented as discontinued operations. The segment information below does not include any amounts for the discontinued operations.

Segment revenues 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 2020

Continuing operations

	Mining operations *US$'000*	**Trading of mineral and metal products** *US$'000*	**Total** *US$'000*
Segment revenue			
Revenue	**482,783**	**32,000**	**514,783**
Provisional pricing adjustment	**14,886**	**1,833**	**16,719**
	497,669	**33,833**	**531,502**
Segment results	**66,510**	**673**	**67,183**
Unallocated corporate income			**852**
Unallocated corporate expenses			**(3,761)**
Profit before tax from continuing operations			**64,274**

For the year ended 31 December 2019 (Restated)

Continuing operations

	Mining operations *US$'000*	Trading of mineral and metal products *US$'000*	Total *US$'000*
Segment revenue			
Revenue	471,792	97,298	569,090
Inter-segment sales	(97,298)	–	(97,298)
Provisional pricing adjustment	(6,384)	–	(6,384)
	368,110	97,298	465,408
Segment results	6,956	(587)	6,369
Unallocated corporate income			1,560
Unallocated corporate expenses			(4,161)
Profit before tax from continuing operations			3,768

Inter-segment sales are charged at prevailing market price.

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 non-operating related finance income, other income, gains and losses and other central administration costs and finance costs), respectively.

5. OTHER INCOME, OTHER GAINS AND LOSSES

	2020 ***US$'000***	2019 *US$'000* (Restated)
Continuing operations		
Exchange losses, net	**(5,705)**	(987)
Others	**536**	437
	(5,169)	(550)

6. REVERSAL OF IMPAIRMENT LOSS, NET

	2020	2019
	US$'000	*US$'000*
Continuing operations		
Reversal of impairment loss recognised in respect of mineral rights, net	**27,000**	16,977
Impairment loss recognised in respect of property, plant and equipment	**–**	(7,323)
	27,000	9,654

For the purposes of impairment assessment, the Group's property, plant and equipment, mineral rights, right-of-use assets and exploration and evaluation assets are grouped at the lowest level for which there are largely independent cash inflows.

Following the increase in copper price and improvement in mine economics, the Group identified these to be indicators for reversal of impairment previously provided. The Group has recognised reversal of impairment on mineral rights amounting to US$27,000,000 for the Cash Generating Unit ("**CGU**") of Ruashi Mine ("**Ruashi CGU**") as its recoverable amount is higher than the carrying amount. The recoverable amount of the Ruashi CGU was determined based on a value in use calculation. The discounted cash flow method was calculated based on a pre-tax discount rate of 25.6% and cash flow projection prepared from financial forecasts approved by the directors of the Company covering the expected mine life period until the end of mine life estimated based on proved and probable reserves. The aggregate copper reserves assumed in the projection is approximately 244,000 tonnes with an estimated mine life of approximately 8 years. The discount rate used reflects current market assessments of the time value of money and the risks specific to the CGU for which the estimates of future cash flows have not been adjusted. Other key assumptions for the calculation related to the estimation of cash inflows/outflows future copper price of US$6,400 per tonne. There are no impairment or reversal of impairment recognised for other CGUs.

7. FINANCE COSTS

	2020	2019
	US$'000	*US$'000*
		(Restated)
Continuing operations		
Interest on		
Convertible Securities	**88**	88
Bank borrowings	**9,989**	14,850
Loan from an intermediate holding company	**3,757**	5,481
Loan from a fellow subsidiary	**163**	238
Lease liabilities	**56**	52
	14,053	20,709

8. PROFIT BEFORE TAX

	2020	2019
	US$'000	*US$'000*
		(Restated)
Profit before tax from continuing operations has been arrived at after charging:		
Staff costs		
Directors' emoluments	**617**	539
Other staff costs		
– Salaries and other benefits	**49,166**	49,027
– Retirement benefits schemes contributions	**1,089**	3,923
	50,872	53,489
Auditors' remuneration	**473**	486
Depreciation of property, plant and equipment	**73,360**	81,010
Depreciation of right-of-use assets	**925**	897
Amortisation of mineral rights	**15,244**	18,086
Impairment loss on inventories (included in cost of sales)	**5,395**	–

9. INCOME TAX EXPENSE (CREDIT)

	2020	2019
	US$'000	*US$'000*
		(Restated)
The tax expense (credit) comprises:		
Continuing operations		
Current taxation		
Hong Kong Profits Tax	**–**	–
Corporate income tax in the DRC	**27,948**	22,493
Corporate income tax in Zambia	**134**	1,388
Under provision in prior years	**–**	156
	28,082	24,037
Deferred taxation	**(5,729)**	(31,405)
	22,353	(7,368)

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

Corporate income tax in Mauritius, South Africa, Zambia and the Democratic Republic of Congo (the "**DRC**") are calculated at 15%, 28%, 30% and 30% (2019: 15%, 28%, 30% and 30%) on the estimated assessable profits for the year, respectively.

10. EARNINGS PER SHARE

For continuing operations

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

	2020	2019
	US$'000	*US$'000*
Earnings		
Earnings for the purpose of basic earnings per share	**30,030**	6,945
Add: Interest expense on Convertible Securities	**88**	88
Earnings for the purpose of diluted earnings per share	**30,118**	7,033

	2020	2019
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**12,609,873,051**	12,609,873,051
Effect of dilutive potential ordinary shares:		
Convertible Securities	**690,000,000**	690,000,000
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**13,299,873,051**	13,299,873,051

For continuing and discontinued operations

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

	2020	2019
	US$'000	*US$'000*
Earnings		
Earnings for the purpose of basic earnings per share	**29,943**	8,745
Add: Interest expense on Convertible Securities	**88**	88
Earnings for the purpose of diluted earnings per share	**30,031**	8,833

The denominators used are the same as those set out above for continuing operations.

For discontinued operations

The (loss) earnings per share for discontinued operations is as follows:

	2020	2019
	US cent	*US cent*
Basic	**(0.00)**	0.01
Diluted	**(0.00)**	0.02

The calculation of the (loss) earnings per share for discontinued operations is based on:

	2020	2019
	US$'000	*US$'000*
(Loss) Earnings		
(Loss) earnings for the purpose of basic and diluted (loss) earnings per share	**(87)**	1,800

The denominators used are the same as those set out above for continuing operations.

11. DIVIDEND

	2020	2019
	US$'000	*US$'000*
Dividends for ordinary shareholders of the Company recognised as distributions during the year 2019 Final – HK0.1 cent per share (2019: 2018 Final – HK0.1 cent per share)	**1,617**	1,617

Subsequent to the end of the reporting period, a final dividend in respect of the year ended 31 December 2020 of HK0.1 cent per ordinary share, in an aggregate amount of approximately HK$12,610,000, equivalent to approximately US$1,617,000, has been proposed by the directors of the Company and is subject to approval by the shareholders in the forthcoming annual general meeting.

12. TRADE AND OTHER RECEIVABLES

	2020	2019
	US$'000	*US$'000*
Financial assets at fair value through profit or loss ("FVTPL")		
Trade receivables under provisional pricing arrangements	**55,245**	73,763
Financial assets at amortised cost		
Trade receivables	**–**	34,224
Other receivables	**8,354**	9,700
	8,354	43,924
Non-financial assets		
Other receivables	**2,773**	2,836
Prepayments	**6,712**	1,518
Value-added tax recoverable	**54,982**	34,427
	64,467	38,781
	128,066	156,468

Included in trade receivables as at 31 December 2019 was an amount due from a fellow subsidiary of US$7,933,000, which was of trade nature. The amount was fully settled during the current year. The Group provided this fellow subsidiary with a credit period of 8 days.

The Group provided customers (other than its fellow subsidiaries) with a credit period ranging from 5 days to 30 days (2019: 5 days to 30 days). Before accepting new customers, the Group performs a credit assessment to assess the potential customers' credit limit and credit quality.

The following is an ageing analysis of trade receivables presented based on invoice date at the end of the reporting period.

	2020 US$'000	2019 US$'000
Within 3 months	**40,790**	93,922
4 to 6 months	**6,668**	5,133
7 to 12 months	**4,112**	999
Over 1 year	**3,675**	7,933
	55,245	107,987

13. TRADE AND OTHER PAYABLES

	2020 US$'000	2019 US$'000
Financial liabilities at FVTPL		
Trade payables under provisional pricing arrangements	**28,864**	24,453
Financial liabilities at amortised cost		
Other payables	**637**	3,662
Non-financial liabilities		
Other payables and accruals	**65,948**	42,511
	95,449	70,626

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

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

	2020	2019
	US$'000	*US$'000*
Within 3 months	**26,843**	21,358
4 to 6 months	**287**	799
7 to 12 months	**628**	1,168
Over 1 year	**1,106**	1,128
	28,864	24,453

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

14. SHARE CAPITAL

	Number of shares	**Amount**
		HK$'000
Ordinary shares of HK$0.01 each		
Authorised:		
At 1 January 2019, 31 December 2019, 1 January 2020 and 31 December 2020	20,000,000,000	200,000
Issued and fully paid:		
At 1 January 2019, 31 December 2019 and 31 December 2020	**12,609,873,051**	**126,099**

Shown in the consolidated financial statements as:

	Amount
	US$'000
At 31 December 2019 and 31 December 2020	**16,166**

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

JCI and its subsidiaries are principally engaged in (i) the mining of metals, primarily copper and cobalt, in the DRC and Zambia; and (ii) the trading of mineral and metal products in the PRC and Hong Kong.

Financial results of the Group for the year ended 31 December 2020 was heavily impacted by the fluctuation in commodity prices. In the first half of 2020, LME copper price fell to just over US$4,600 per tonne in late March as nations around the world began to battle the early stages of the coronavirus pandemic. Since the start of the second half of 2020, copper bounced back, in large powered by demand from the PRC and closed 2020 on a high at US$7,755 per tonne on 31 December 2020, positively affected the Group's results for the year ended 31 December 2020.

Mining Operations

The Group has majority control over two operating mines in Africa which are Ruashi Mine, a copper and cobalt mine located in Lubumbashi, the DRC, and Kinsenda Mine, a copper mine located in Haut-Katanga Province, the DRC and one mine in care and maintenance which is Chibuluma South Mine (including Chifupu Deposit), a copper mine located in Zambia.

In 2020, the Group produced 72,477 tonnes of copper (2019: 73,057 tonnes) and 4,158 tonnes of cobalt (2019: 5,070 tonnes), and sold 67,843 tonnes of copper (2019: 75,549 tonnes) and 5,468 tonnes of cobalt (2019: 4,831 tonnes) which generated sales of US$388.2 million and US$109.5 million respectively (2019: US$387.6 million and US$77.9million respectively).

Copper production was slightly lower by 1% in the year ended 31 December 2020 as compared to 2019. Ruashi's copper production in the year ended 31 December 2020 of 33,897 tonnes was comparable to 2019. Chibuluma's production in 2020 of 8,023 tonnes in 2020 was 2% lower compared to 8,174 tonnes in 2019 as a result of production ceased since July 2020 when the Group placed Chibuluma in care and maintenance. Kinsenda reported a lower copper production in 2020 of 30,557 tonnes which was 2% lower than 2019 of 31,059 tonnes, as the ore and feed grade were lower in 2020.

The Group's cobalt production was 18% lower in 2020 as compared to 2019. The lower production was due to lower grade of cobalt ore mined in the year and lower recoveries.

The Group also has control over Musonoi Project, a copper and cobalt project at development stage, and Lubembe Project, a copper project in exploration stage. Both projects are located in the DRC.

Trading of Mineral and Metal Products

During the year ended 31 December 2020, the trading divisions of the Group have recorded a turnover of US$167 million (2019: US$782 million) via the trading of commodities, including copper cathode, copper matte and cobalt hydroxide.

FINANCIAL REVIEW

The Group's operating results for the year ended 31 December 2020 are a consolidation of the results from the operating mines in the DRC and Zambia and the trading of mineral and metal products in Hong Kong and the PRC. The analysis below comprised of both continuing operations and discontinued operations of the Group.

Revenue

The revenue for the Group's operations in the year ended 31 December 2020 was US$664.6 million, representing a decrease of 46.7% compared to US$1,246.9 million for the year ended 31 December 2019. Reasons for the decrease in revenue during the year are discussed below.

The Group's sales performance from its mining operations and trading of mineral and metal products was as follows:

For the year ended 31 December

	2020	2019
Mining operations:		
Volume of copper sold (t)	**67,843**	75,549
Volume of cobalt sold (t)	**5,468**	4,831
Average price realised per tonne of copper (US$)	**5,721**	5,130
Average price realised per tonne of cobalt (US$)	**20,031**	16,116
Revenue from sales of copper (US$'000)	**388,140**	387,550
Revenue from sales of cobalt (US$'000)	**109,529**	77,858
Total revenue from mining operations – including provisional pricing adjustment (US$'000)	**497,669**	465,408
Trading of mineral and metal products:		
Revenue – trading of externally sourced mineral and metal products – including provisional pricing adjustment (US$'000)	**166,893**	781,490
Total Revenue (US$'000)	**664,562**	1,246,898

Note: Pricing coefficients were considered in actual sales revenue

The average LME copper and MB cobalt prices for the year ended 31 December 2020 were US$6,169 per tonne (2019: US$6,005 per tonne) and US$33,954 per tonne (2019: US$35,459 per tonne) respectively, representing an increase of 2.7% and a decrease of 4.2% respectively.

The increase in benchmark copper price in the second half of 2020 impacted positively on revenue. The average LME copper price in 2019, first half of 2020 and second half of 2020 were US$6,005 per tonne, US$5,490 per tonne and US$6,847 per tonne respectively.

Copper revenue from mining operations in the year ended 31 December 2020 increased by 0.2% as compared to 2019. This was due to 11.5% increase in the average realised copper price in 2020 as compared to 2019 offset by 10.2% decrease in volume of copper sold in 2020 as compared to 2019.

The Group has decided to send copper concentrate produced by Kinsenda Mine to a local smelter for processing into copper blister starting from March 2020. Due to the additional time required for processing copper concentrate to copper blister, no sales was recorded by Kinsenda in March and April 2020. Kinsenda started selling copper blister to international market in May 2020. Kinsenda managed to realise a higher achieved price for product sold as the market copper price increased in the second half of 2020.

Cobalt revenue from mining operations for 2020 increased by 40.7% when compared to 2019 as a result of the increase in volume of cobalt sold and the average realised cobalt price. Despite market cobalt price was lower in 2020 as compared to 2019, there was a provisional pricing adjustment in 2019 to recognise the drop in cobalt price from the fourth quarter of 2018 to the first quarter of 2019, leading to a lower cobalt revenue recorded in 2019. In addition, the pricing coefficient for cobalt hydroxide increased significantly in 2020 as compared to 2019.

With the voluntary liquidation of Shanghai Jinchuan Junhe, the Group started a trading business line. The trading of mineral and metal products segment recorded a revenue on trading of externally sourced commodities of US$166.9 million in the year ended 31 December 2020. For details of the voluntary liquidation of Shanghai Jinchuan Junhe, please refer to the "Significant Events" section. The Group is studying other trading opportunities in the commodities market.

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:

For the year ended 31 December

	2020	2019
	US$'000	*US$'000*
Mining operations:		
Realisation costs	**17,166**	7,685
Mining costs	**57,219**	64,797
Ore purchase	**9,497**	28,336
Salaries and wages	**49,302**	51,875
Processing costs	**86,212**	86,666
Engineering and technical costs	**14,257**	15,200
Safety, health, environment and community costs	**4,452**	5,236
Mine administrative expenses	**30,610**	33,502
Other costs	**271**	366
Depreciation of property, plant and equipment	**73,177**	80,828
Depreciation of right-of-use assets	**97**	105
Amortisation of mineral rights	**15,244**	18,086
Movement in inventories	**17,342**	(13,382)
Sub-total	**374,846**	379,300
Trading of mineral and metal products:		
Purchase of commodities	**166,088**	778,534
Total Cost of Sales	**540,934**	1,157,834

Cost of sales for the Group's mining operations has decreased to US$374.8 million in the year ended 31 December 2020, representing a decrease of 1.2% as compared to US$379.3 million in the year ended 31 December 2019. The decrease was a result of the temporary suspension of operation at Chibuluma since July 2020 and the decrease in third party ores purchased in 2020. Foreign ore purchases were significantly lowered in an effort to save cost and minimise cash outflow during the COVID-19 pandemic. Ruashi increased mining activities to compensate for lower foreign ore purchases.

The decrease was partially setoff by additional toll charges paid to local refinery for processing copper concentrates to copper blister and the destocking of cobalt inventory in 2020.

Despite there is an increase in mining activities, the Group was able to reduce the overall mining costs slightly as the Group has maintained tight cost control and as part of the mining resulted from in ore development mined in 2020. Processing cost was slightly lower in 2020.

Cost of trading of mineral and metal products of US$166.1 million (2019: US$778.5 million) represented the cost of commodities purchased by our trading subsidiaries during the year. The decrease is in line with the decrease of trading segment's revenue.

Royalty Tax

Royalty tax increased from US$36.0 million for the year ended 31 December 2019 to US$36.3 million for the year ended 31 December 2020 in line with the increase in cobalt sales volume and cobalt sales revenue, offset by the one-off additional royalty tax paid in the year ended 31 December 2019 for the settlement of litigation with non-controlling shareholder of a subsidiary in 2019.

Gross Profit

Gross profit of the Group's operations has increased by 65% from US$53.0 million in 2019 to US$87.3 million in 2020. With copper and cobalt prices recovered in the second half of 2020, the Group recorded an improved gross profit ratio of 22.7% in the second half of 2020 as compared to the first half of the year of 4.4%. Cost in the second half of the year was under control and maintained at similar level while revenue increased. The start of selling copper blister product by Kinsenda also led to the increase in gross profit in the second half of 2020.

The gross profit margin increased from 4.3% in 2019 to 13.1% in 2020 in line to the increase in overall revenue from mining operations.

Net Finance Costs

Net finance costs has decreased by 32.7% from US$19.0 million in 2019 to US$12.8 million in 2020. Decrease in financing cost relates to the significant decrease in bank loan interest rates, which are mainly floating and valued based on LIBOR. Also, the Group has gradually repaid its bank loan using cashflow from Kinsenda Mine, leading to a decrease in principal outstanding.

For the year ended 31 December

	2020	2019
	US$'000	*US$'000*
Finance income	**1,287**	1,755
Finance costs	**(14,060)**	(20,743)
	(12,773)	(18,988)

Other Income, Other Gains and Losses

Increase in other losses in the year ended 31 December 2020 was due to the increase in unrealised exchange losses from US$1.0 million in 2019 to US$5.7 million in 2020.

Selling and Distribution Costs

The costs mainly represent the off-mine costs incurred when the Group sells its copper and cobalt products under the mining operations, and they primarily comprise of transportation expenses, custom clearing taxes and expenses.

Selling and distribution costs decreased by 21% from US$29.3 million for the year ended 31 December 2019 to US$23.1 million for the year ended 31 December 2020. The decrease in selling and distribution costs was primarily due to the change on revenue operating model of Kinsenda from selling copper concentrate to selling copper blister. This result on the cancellation of some logistics costs and taxes relating to the exportation of copper concentrate. The decrease was slightly setoff by the change in some cobalt contract in the year from FCA incoterms to CIF incoterms.

Administrative Expenses

Administrative expenses increased by 9.2% from US$7.8 million for the year ended 31 December 2019 to US$8.5 million for the year ended 31 December 2020. The increase in administrative expenses was mainly due to the additional safety, healthcare and community expenses incurred within the year.

Income Tax Expense and Credit

The Group is subject to taxes in the PRC, Hong Kong, the DRC, Zambia and South Africa due to its business operations in these jurisdictions. An income tax expense of US$22.5 million was derived in the year ended 31 December 2020 as compared to an income tax credit of US$6.7 million in the year ended 31 December 2019. Tax expenses increased in the year in line with the increase in profit before tax in 2020.

Reversal of Impairment Loss

The Group's mining operations recorded a reversal of impairment loss of US$27.0 million in the year ended 31 December 2020, as compared to the net reversal of impairment loss of US$9.7 million recorded in the year ended 31 December 2019. The Group has reviewed the updated life of mine model of the Group's two operating mines incorporating revised minable reserves and new commodities prices assumption, the Group has reversed Ruashi's impairment loss recognised in prior years to reflect the changes in assumptions and mineable reserves.

Profit for the Year

As a result of the above, the Group recorded a consolidated profit of US$42.5 million for the year ended 31 December 2020 as compared to US$13.1 million for the year ended 31 December 2019.

Profit Attributable to Shareholders

Profit attributable to shareholders of the Company for the year ended 31 December 2020 was US$29.9 million, representing an increase of 242% as compared to profit attributable to shareholders of the Company for the year ended 31 December 2019 of US$8.7 million.

The turnaround of the Group's result attributable to shareholders of the Company in 2020 as compared to 2019 was mainly due to: (1) the rebound of copper and cobalt prices in the second half of the year; (2) the strict cost control implemented throughout the year; and (3) the reversal of impairment loss.

Non-IFRS Financial Measure

C1 cash cost

The term "C1 cash cost" is a non-IFRS performance measure included in this "Management Discussion and Analysis" and is prepared on a per tonne of copper sold basis. The term C1 cash cost does not have any standardized meaning prescribed by IFRS and therefore may not be comparable to similar measures presented by other issuers. C1 cash cost is a common performance measure in the copper industry and is prepared and presented herein on a basis consistent with industry standard definitions. C1 cash costs include all mining and processing costs, mine site overheads, realisation costs through to refined metal and off-site costs.

The table below reconciles the Group's C1 cash costs to the statement of comprehensive income in the financial statements of the Group for the financial periods indicated.

For the year ended 31 December

	2020	2019
	US$'000	*US$'000*
Cash costs as reported in the income statement:		
Direct and indirect mining cost	**292,208**	322,989
Adjustment for change in copper inventory	**(3,099)**	(6,094)
C1 cash costs (excluding by-product credit)	**289,109**	316,895
Less: cobalt (by-product) revenue	**(109,529)**	(77,858)
Adjustment for change in cobalt inventory	**20,441**	(7,288)
C1 cash costs (including by-product credit)	**200,021**	231,749
Copper sold (t)	**67,843**	75,549
C1 cash cost per tonne of copper (excluding by-product credit) (US$/t)	**4,261**	4,195
C1 cash cost per tonne of copper (including by-product credit) (US$/t)	**2,948**	3,068

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

EBITDA is used by the management to evaluate the financial performance of the Group and identify underlying trends in business that could otherwise be distorted if the impact of items that do not consider indicative of the performance of the business and/or which we do not expect to be recurring are not eliminated. Companies may use different methods of depreciating assets. Management considered the impairment loss and fair value gains are non-recurring in nature and are not relevant to our core business operations. Management believes that these measures better reflect the Company's performance for the current period and are a better indication of its expected performance in future periods. EBITDA is intended to provide additional information, but does not have any standardized meaning prescribed by IFRS.

The EBITDA of the Group is derived as follows:

For the year ended 31 December

	2020	2019
	US$'000	*US$'000*
Profit for the year	**42,494**	13,122
Add: Net finance costs	**12,773**	18,988
Add (Less): Income tax expense (credit)	**22,493**	(6,697)
Add: Depreciation of property, plant and equipment	**73,360**	81,010
Add: Depreciation of right-of-use assets	**1,063**	1,320
Add: Amortisation of mineral rights	**15,244**	18,086
Less: Reversal of impairment loss recognised in respect of mineral rights	**(27,000)**	(25,000)
Add: Impairment loss recognised in respect of mineral rights and property, plant and equipment	**–**	15,346
EBITDA	**140,427**	116,175

The Company believes that in addition to conventional measures prepared in accordance with IFRS, certain investors will use the above tool and related information to evaluate the Company. It is intended to provide additional information and should not be considered in isolation nor as a substitute for measures of performance prepared in accordance with IFRS.

Issue of New Shares

During the years ended 31 December 2020 and 31 December 2019, no new shares have been issued by the Company.

Liquidity, Financial Resources and Capital Structure
As at 31 December 2020, the Group had bank balances and cash (including bank deposits) of US$108.3 million as compared to US$45.2 million as at 31 December 2019.

As at 31 December 2020, the Group had total bank borrowings of US$209.7 million (31 December 2019: bank borrowings and overdrafts of US$238.3 million) in which the bank borrowings of US$30.7 million (31 December 2019: bank borrowings and overdrafts of US$29.3 million) are due within one year, bank borrowings of US$179.0 million (31 December 2019: US$209.0 million) are due within 2 to 5 years and no bank borrowings due over 5 years.

In December 2020, the Group has entered into interest rate swap agreements with an independent commercial bank to swap the Group's outstanding LIBOR denominated bank loans to fixed interest rate for the remaining loan term. As at 31 December 2020, all outstanding bank loans of US$209.7 million are carrying effective fixed interest rate for the remaining loan term ranging from 2.5% to 3.9%.

As at 31 December 2020, the Group had loans from related companies of US$136.8 million (31 December 2019: US$133.9 million) which are due within one year.

The gearing ratio of the Group as at 31 December 2020 was 23.4% compared to 33.0% as at 31 December 2019. Gearing ratio is defined as net debt over total equity, and net debt is derived from total borrowings and overdrafts (including amount due to related companies) less bank balances and cash (including bank deposits). The decrease in the gearing ratio was due to the decrease in bank borrowings as at 31 December 2020 as compared to 31 December 2019 and increase of bank balance and cash (including bank deposits) as at 31 December 2020.

For the year ended 31 December 2020, the Group 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 ended 31 December 2020, there was no material acquisition or disposal of subsidiaries, associates and joint ventures.

Significant Events

MOU with JCHX

On 29 March 2019, Metorex, a wholly-owned subsidiary of the Company, and 金誠信礦業管理股份有限公司 (JCHX Mining Management Co., Ltd.*) ("**JCHX**") entered into a non-legally binding memorandum of understanding (the "**MOU**"). Pursuant to the MOU and subject to the entering into of a formal agreement, Metorex shall cause its wholly-owned subsidiary incorporated in South Africa, Ruashi Holdings, to allot new shares in favour of JCHX. If the proposed allotment of shares contemplated under the MOU materializes, and depending on the final terms to be agreed between the parties, Ruashi Holdings will become a non wholly-owned subsidiary of the Group. The proposed allotment of shares will be a deemed disposal of an interest in a subsidiary of the Company for purpose of the Listing Rules.

The MOU merely provides a framework of cooperation between Metorex and JCHX. The terms of cooperation contemplated under the MOU are subject to the terms of any definitive agreement(s) which Metorex and JCHX may subsequently enter into from time to time.

As Metorex and JCHX did not enter into any legally binding contract within 365 days from the date of the MOU, the MOU was deemed to be terminated automatically and ceased to have any effect.

The MOU is non-legally binding and neither the Company nor JCHX will have any obligation and liabilities to each other. The Board considers that the lapse of the MOU does not have any material adverse impact on the business operation and financial position of the Group.

The Group will continually endeavour to explore other means of cooperation which may or may not involve JCHX. Further announcement(s) will be made by the Company to keep the shareholders of the Company and potential investors informed as and when required under the Listing Rules.

Voluntary Liquidation of Shanghai Jinchuan Junhe

As disclosed in the Company's announcement dated 7 September 2018, with respect to the actual investment amount contributed by GHL in Shanghai Jinchuan Junhe, Junhe Holdings guaranteed to provide a return of at least 8% per annum on such investment amount ("**GHL's Investment Return**") to GHL.

Up to 31 December 2019, the operation results of Shanghai Jinchuan Junhe managed to cover the GHL's Investment Return, but the overall operation, performance and the growth prospect of Shanghai Jinchuan Junhe had not been as promising as originally planned, in particular under the challenging market conditions impacted by, among others, the spread of COVID-19. After negotiation concerning the way forward, both GHL and Junhe Holdings agreed unanimously to liquidate Shanghai Jinchuan Junhe by way of shareholders' voluntary liquidation. After liquidation, Shanghai Jinchuan Junhe would cease to be a subsidiary of the Company.

On 24 March 2020, written resolutions were passed by all shareholders of Shanghai Jinchuan Junhe to voluntarily liquidate Shanghai Jinchuan Junhe.

Cancellation of GHL's Investment Return

As disclosed in the Company's announcement published on 30 June 2020, the Board had considered, among other factors, (i) to minimise the uncertainties of the liquidation process; (ii) to maintain a good relation with Junhe Holdings and Junhe Group (a major participant of commodities market in the PRC), and (iii) to expedite the liquidation process so as to recoup the amount of the Group's capital contributed to Shanghai Jinchuan Junhe, GHL, as approved by the Board, agreed to accept to distribute the investment return in the ratio corresponding to the parties' respective shareholding in Shanghai Jinchuan Junhe (that is, 60% and 40%) and to waive the payment of the outstanding GHL's Investment Return otherwise payable by Junhe Holdings or Mr. He Qi, the de facto controller of Junhe Group. As at 31 December 2020, the liquidation of Shanghai Jinchuan Junhe is still in progress.

Financing for Musonoi Project

On 18 December 2020, Ruashi (as borrower), a non wholly-owned subsidiary of the Company and the owner of the Musonoi Project, entered into a facility agreement (the "**Ruashi Facility Agreement**") with CDBC Gansu Branch (as lender) in relation to a term loan facility in an amount of US$350,000,000 for financing the development and construction of Musonoi Project. For details of the Ruashi Facility Agreement, please refer to the Company's announcement dated 18 December 2020.

Lease Agreement in respect of Zambia's Assets

On 28 December 2020, Chibuluma (as lessor), an indirect non wholly-owned subsidiary of the Company, entered into a lease agreement with an independent third party (as lessee) for a 5-year term lease in respect of Chifupu Deposit and the plant and equipment thereof. For details of the lease agreement, please refer to the Company's announcement dated 28 December 2020.

Significant Capital Expenditures

During the year ended 31 December 2020, the Group acquired property, plant and equipment amounting to US$60.5 million (2019: US$34.4 million), mineral rights assets of US$Nil (2019: US$12.4 million) and incurred expenditures on exploration and evaluation assets amounting to US$2.8 million (2019: US$5.2 million) for the Group's mining operations. During the year, the Group did not recognise additional right-of-use assets (2019: US$2.5 million).

Details of Charges on the Group's Assets

As at 31 December 2020, none of the Group's assets were pledged or subject to encumbrance to secure general banking facilities granted to the Group.

Details of Contingent Liabilities

As at 31 December 2020, the Group did not have any significant contingent liabilities.

Foreign Exchange Risk Management

The reporting currency of the Group is US$ and the functional currencies of subsidiaries of the Group are mainly US$ and RMB. The Group is also exposed to currency change in HK$, ZAR, CDF and ZMW. Given the exchange rate peg between HK$ and US$, the Group is not exposed to significant exchange rate risk of HK$. The Group's significant assets are located in the DRC, Zambia, South Africa and the PRC and the Group is exposed to fluctuation in CDF, ZMW, ZAR and RMB. The Group monitors its exposure to foreign currency exchange risk on an on-going basis.

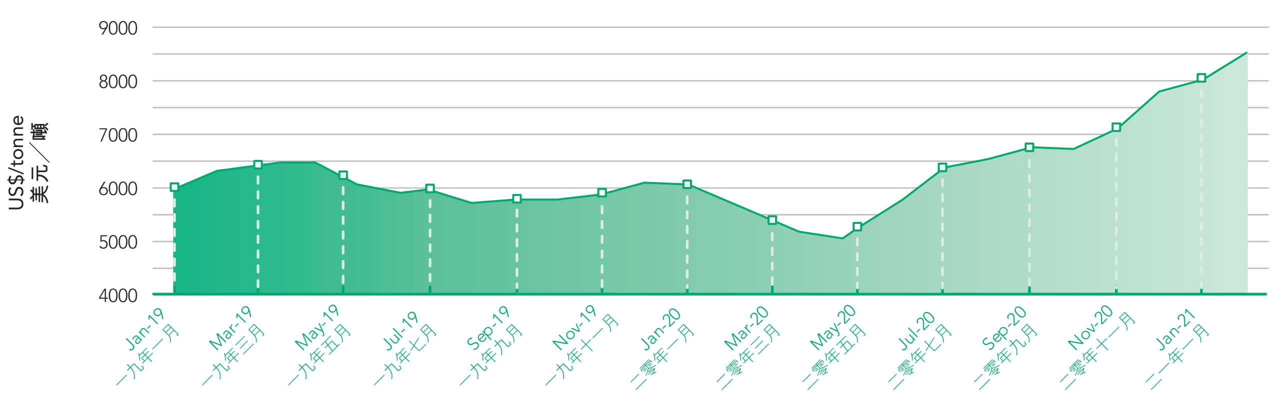
PROSPECT

Global mining industry underwent severe challenges in the past fifteen months caused by the disruption of COVID-19 and the on-going trade war between the PRC and the US, the two largest economies in the world. Commodities price has been in a roller coaster in 2020 and likely to remain volatile in the short term future.

Copper price is highly susceptible to swings in global policy and economic uncertainty. The fundamental of the copper market is sound and with the entrance of US-China Phase 1 trade deal in January 2020, copper price has increased healthily to US$6,300 per tonne level. However, the widespread of COVID-19 in the PRC has affected global logistics arrangement and have delayed the resumption of refineries and factories production in the PRC after the Chinese new year, which dragged down short term copper price in February and March 2020. LME copper price reached a bottom of as low as US$4,617.5 per tonne in March 2020. Following the drop in new COVID-19 cases in the PRC, the PRC has gradually reopened its economy and businesses started to resume and the demand for fundamental metal supply increased. Copper refineries have recommenced operations and the demand of copper concentrate has increased since then. LME copper price has rebounded to US$6,000 per tonne level by the end of June 2020, the highest point of copper since January 2020.

LME copper price remained above US$6,000 per tonne throughout the second half of 2020 and has reached a six years high of US$7,964 per tonne on 18 December 2020. The rebound continued after year end and LME copper price has reached a nine and a half year high of US$9,614.5 per tonne in February 2021, representing a gain of 24% compared to the end of 2020.

LME COPPER PRICE (JAN 2019 TO FEB 2021)
倫金所銅價（二零一九年一月至二零二一年二月）



Source: LME
資料來源：倫金所

Copper demand from the PRC started to turn strong since June 2020. Import of copper concentrate into the PRC was 1.59 million tonnes in June 2020 according to PRC Custom figures, which being the lowest monthly total since September 2019. The copper concentrate import figure has reached 1.89 million tonnes in December 2020. Strong growth was also seen in the import of copper blister and scrap into the PRC.

With COVID-19 still causing disruption in copper producing countries in South America including the two largest copper producing countries Peru and Chile, and the interruption of Australia's supply of copper concentrate to the PRC since the final quarter of 2020, where copper smelters in the PRC are struggling to secure enough concentrates from the world and LME inventories have fallen to lowest level since 2008. Copper market forecasted to remain tight in the short term future.

While the precise timing of COVID-19 to be contained is still unknown, copper fundamental factors are still strong and copper price is expected to stay strong after COVID-19 is contained. With US new president took office in 2021 and a new US$1.9 trillion pandemic relief bill passed, in additional to the availability of COVID-19 vaccine, copper, as a critical commodity used in construction and infrastructure, will definitely benefit from the economic recovery. Global commodities trader Trafigura sees a significant deficit in the region of ten million tonnes of copper by 2030, and will require building eight projects the size of Escondida, the world's largest copper mine, to close the gap.

Since September 2020, nations around the globe has initiated the strategic target of carbon neutral. Copper, as the most commonly used conductible material, will be used more frequently in areas including solar, wind, power storage, new energy and distribution with the enhance of carbon neutral era, the demand for copper will further increase.

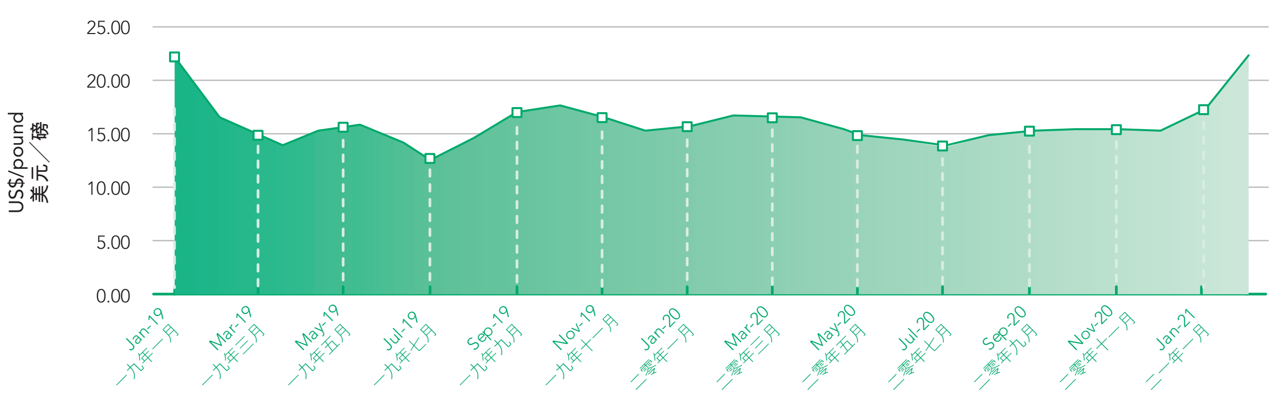
According to market research, electric vehicle ("**EV**") industry worldwide will need 250% more copper in 2030 for charging stations compared to 2019, and each EV consumes quadruple copper as compared to conventional internal combustion engine-powered vehicle, copper will benefit from the modest growth of the electric vehicle industry in the long term. Growth in EV industry was most enhanced in Europe in 2020 where approximately 1.367 million EV was sold, a 142% growth compared to last year. Europe exceeded the PRC in EV market share for the first time where its market share increased from 3% in 2019 to 11% in 2020. Traditional car makers has speed up their transition from traditional models to new EV models and a total of 65 new EV models was launched in Europe in 2020.

In the case of cobalt, since retreating by more than 70% from the all time high of US$43.7 per pound recorded in April 2018 to US$12.1 per pound by the end of July 2019 as a result of the rising supplies produced by artisanal miners in the DRC, and a surplus in supply of cobalt chemicals for the production of rechargeable batteries for EV in the PRC, the overall demand for cobalt remained weak in 2019.

In August 2019, one of the largest cobalt mine in the DRC announced a temporary suspension of production for an expected two years time limiting the global cobalt supply in the near future, cobalt price has since rebounded to US$15.1 per pound by the end of 2019 and reached US$17.0 per pound by the end of February 2020.

Cobalt price stayed relatively stable in 2020 and benchmark MB cobalt price has reached a year low of US$13.75 per pound in July 2020 and has since rebounded to US$15.25 per pound level. Cobalt price has been transacted within the range of US$13.75 per pound to US$17.0 per pound in 2020 while cobalt has traded between US$12.1 per pound to US$26.5 per pound in 2019.

MB COBALT PRICE (JAN 2019 TO FEB 2021)
金屬導報鈷價（二零一九年一月至二零二一年二月）



Source: Fastmarkets MB
資料來源：金屬導報

With cobalt demand recovered from COVID-19 and cobalt price increased to US$25 per pound level in early 2021, level last seen in January 2019.

The major cobalt mine in the DRC supplied over 18% of the global cobalt market and with the mine under care and maintenance scheduled for two years, global cobalt supply will remain shorthanded in the short term future. At the same time, the DRC Government has placed stricter control on the source of cobalt and has initiated plan to regulate artisanal and illegal cobalt mining in the DRC. Together with the pressure from international organization to limit the supply of minerals from mine with child labour, and stricter logistics requirement for transporting cobalt material, cobalt supply will remain tight in near future.

On the demand side of cobalt, the two main usage of cobalt is for the manufacturing of alloy and industrial chemical and for the manufacturing of batteries. According to a recent cobalt research, in 2020, around 53% of cobalt usage was for manufacturing of batteries, and in which approximately 73% of the battery demand is for non-EV purpose, including telecommunication equipment, computer and laptop, while the remaining approximately 26% is for manufacturing EV's batteries.

Analyst predicts that the increase in EV battery demand is estimated to be 24.3% compound annual growth rate from 2020 to 2025. The long term demand for cobalt will grow from 143,000 tonnes in 2020, of which the EV battery sector accounts for 14.6%, to 230,000 tonnes in 2025, of which the EV battery sector account for 27%. Together with the increase in non-EV battery demand by approximately 9.8% compound annual growth rate from 56,000 tonnes in 2020 to a predicted 88,800 tonnes in 2025. We also anticipate that as manufacturers and traders drain their stock, the year long downward trend of cobalt price will come to an end, and healthier and more sustainable demand for it will lead to the gradual recovery of cobalt price.

Copper and cobalt market will continue to be difficult to operate in 2021. The Group will continue to monitor all factors causing market fluctuation and will ensure the Group is able to respond to any market changes in a prepared and timely manner.

With Kinsenda Mine has already been producing at full capacity, the Group's focus in the near future is the construction of the Musonoi copper-cobalt mine in Kolwezi, the DRC and the development of the Ruashi's sulphide deposit. Construction work at Musonoi Project has progressed well in the year and the Group has entered into a financing agreement with CDBC for the construction of Musonoi Project.

Since the Group's business spans different regions and countries, our overseas business is therefore susceptible to the stability of and changes in the local government policies, social and economic environments, and international relations. If there are any material adverse changes in the aforesaid factors, our business, financial condition and operating results may be adversely affected. We endeavour to closely monitor the aforesaid situation and to promptly adjust our strategies in response thereto.

Exploration work will continue in Ruashi's sulphide zone below oxide zone, Musonoi Project deeper area and Kinsenda Mine infill drilling.

To be a world-class mineral corporation is the ultimate goal of the Group. Apart from the existing operations in Africa, the Group will actively look into the market and seek for investment opportunities which can provide the Group with growth and synergies while strictly comply with the regional regulations in order to give investors and Shareholders confidence in supporting the Group.

Also, with the continuous support of JCG and prudent strategic planning of the Board, the Group remains confident that the performance of the Group will overcome the disadvantages and stand out from the crowd under such unfavorable market conditions, and create values for the stakeholders of the Company.

More efforts had been put towards new business development, in particular in identifying opportunities at Southern Africa which was close to our existing mines to look for synergy. We will continually, prudently and actively pursue any new business development opportunity.

We will continue to improve quality, efficiency and production. The Company strives to continuously reduce production costs, with its strategy of "Improvement on Cobalt and Maintaining Growth on Copper" to increase production and sales and achieve better profitability.

EMPLOYEES

As at 31 December 2020, the Group had 1,564 (31 December 2019: 1,761) permanent workers and 2,758 (31 December 2019: 2,778) contractor's employees. Employees of the Group receive competitive remuneration packages including salary and medical and other benefits. Key staff may also be entitled to performance bonuses and grant of option shares of the Company.

DIVIDEND

The Directors recommend the payment of a final dividend of HK0.1 cent per Share (2019: HK0.1 cent per share), totaling approximately HK$12,610,000 (2019: approximately HK$12,610,000). Subject to obtaining the approval at the forthcoming annual general meeting, the final dividend is expected to be paid on or before 16 August 2021.

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 2020. The audited annual results of the Group for the year ended 31 December 2020 have been reviewed by the Audit Committee. The Group's consolidated financial statements for the year ended 31 December 2020 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 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 year ended 31 December 2020.

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 year ended 31 December 2020.

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 2020.

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 2020 will be dispatched to Shareholders and published on the Stock Exchange and the Company's websites respectively in due course.

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 which 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
"CDBC"	China Development Bank
"CDF"	Congolese Franc, the lawful currency of the DRC
"Company" or "JCI"	Jinchuan Group International Resources Co. Ltd, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 2362)
"Chibuluma"	Chibuluma Mines plc, a company incorporated in Zambia and an indirect non wholly-owned subsidiary of the Company
"Chibuluma South Mine"	an underground copper mine owned by Chibuluma situated in Zambia near the town of Kalulushi
"Chifupu Deposit"	an underground copper deposit owned by Chibuluma situated in Zambia which is located approximately 1.7km southwest of Chibuluma South Mine

"COVID-19"	Novel coronavirus pneumonia epidemic
"Directors"	the director(s) of the Company
"DRC"	the Democratic Republic of Congo
"EBITDA"	Earnings before interest (net finance cost), income tax, depreciation and amortisation and impairment loss
"GHL"	Golden Harbour International Trading Limited, a company incorporated in Hong Kong and an indirect wholly-owned subsidiary of the Company
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"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 Company
"Jin Rui"	Jin Rui Mining Investment Limited, 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 Junhe Holdings
"Junhe Holdings"	Junhe Holdings Limited, a company established in the PRC and a subsidiary of Junhe Group

"Kinsenda"	Kinsenda Copper Company SA, a company incorporated in the DRC and an indirect non wholly-owned subsidiary of the Company
"Kinsenda Mine"	an underground copper mine owned by Kinsenda and situated in Katanga Province in the DRC
"km"	kilometer(s)
"LIBOR"	the London Interbank Offered Rate
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"LME"	London Metal Exchange, a recognized investment exchange regulated by the Financial Conduct Authority of the United Kingdom and a recognised publisher of reference prices for various metals which are timely published on its designated website (www.lme.com) on a daily basis for metal and investment communities
"Lubembe Project"	a greenfield copper project owned by Kinsenda and situated in the Katanga Province in the DRC
"MB"	Metal Bulletin, a premium intelligence service for metaland steel professionals, being part of the Euromoney Institutional Investor Plc Group of companies and a recognized publisher of reference prices for long-term cobalt trading contracts which are timely published on its designated website (www.metalbulletin.com) on daily basis for subscribed members and publications
"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, Kinsenda and Ruashi), the mining operation arm of the Group
"Musonoi Project"	a brownfield copper and cobalt project owned by Ruashi and situated in north of Kolwezi town, Lualaba Province, the DRC
"PRC"	the People's Republic of China
"PSCS" or "Convertible Securities"	the perpetual subordinated convertible securities issued by the Company to satisfy part of the purchase price for the Acquisition
"RMB"	Renminbi, the lawful currency of the PRC
"Ruashi"	Ruashi Mining SAS, a company incorporated in the DRC and an indirect non wholly-owned subsidiary of the Company
"Ruashi Holdings"	Ruashi Holdings (Proprietary) Limited, a company incorporated in South Africa and a wholly-owned subsidiary of the Company
"Ruashi Mine"	an opencast oxide copper and cobalt mine owned by Ruashi and situated in the DRC on the outskirts of Lubumbashi, the capital of Katanga Province
"Shanghai Jinchuan 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 the PRC and a 60% owned subsidiary of the Company
"Share(s)"	ordinary share(s) of HK$0.01 each in the share capital of the Company listed on the Stock Exchange
"Shareholder(s)"	the holder(s) of the Share(s)
"South Africa"	the Republic of South Africa

"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"t"	tonne(s)
"US$"	United States dollars, the lawful currency of the United States of America
"Zambia"	the Republic of Zambia
"ZAR"	South African Rand, the lawful currency of South Africa
"ZMW"	Zambian Kwacha, the lawful currency of Zambia
"%"	percentage

* *For identification purposes only*

By order of the Board
JINCHUAN GROUP INTERNATIONAL RESOURCES CO. LTD
Wong Hok Bun Mario
Company Secretary

Hong Kong, 26 March 2021

As at the date of this announcement, the Board comprises two executive Directors, namely Mr. Gao Tianpeng and Mr. Cheng Yonghong; three non-executive Directors, namely Mr. Zhang Youda, Mr. Liu Jian and Mr. Wang Qiangzhong; and three independent non-executive Directors, namely Mr. Wu Chi Keung, Mr. Yen Yuen Ho, Tony and Mr. Poon Chiu Kwok.