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JINCHUAN GROUP INTERNATIONAL RESOURCES CO. LTD
金 川 集 團 國 際 資 源 有 限 公 司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2362)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2021

RESULTS

The Board is pleased to announce the unaudited condensed consolidated interim results of the Group for the six months ended 30 June 2021 together with the comparative figures for the corresponding period in 2020 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2021

		Six months ended 30 June	
	Notes	**2021** ***US$'000*** **(unaudited)**	2020 *US$'000* (unaudited) (restated)
Continuing operations			
Revenue	*4*	**360,444**	214,481
Cost of sales		**(204,346)**	(183,528)
Royalty payment		**(22,411)**	(16,319)
Gross profit		**133,687**	14,634
Other income, other gains and losses	*6*	**2,521**	(845)
Selling and distribution costs		**(8,810)**	(11,934)
Administrative expenses		**(3,651)**	(2,774)
Impairment loss	*7*	**–**	(8,590)
Written off of property, plant and equipment		**(10,369)**	–
Finance income		**421**	648
Finance costs		**(4,517)**	(8,408)
Profit (loss) before tax	*8*	**109,282**	(17,269)
Income tax expense	*9*	**(30,629)**	(7,981)
Profit (loss) for the period from continuing operations		**78,653**	(25,250)

	Notes	Six months ended 30 June **2021** ***US$'000*** **(unaudited)**	2020 *US$'000* (unaudited) (restated)
Discontinued operations			
Profit for the period from discontinued operations		**–**	418
Profit (loss) for the period		**78,653**	(24,832)
Other comprehensive expense:			
Item that may be reclassified subsequently to profit or loss:			
Exchange difference arising on translation of foreign operation		**–**	(520)
Release of cumulative translation reserves upon liquidation of foreign operation		**(438)**	–
Fair value loss on hedging instruments designated in cash flow hedges		**(465)**	–
Other comprehensive expense for the period		**(903)**	(520)
Total comprehensive income (expense) for the period		**77,750**	(25,352)
Profit (loss) for the period attributable to:			
Owners of the Company			
– from continuing operations		**61,114**	(28,080)
– from discontinued operations		**–**	(235)
		61,114	(28,315)
Non-controlling interests			
– from continuing operations		**17,539**	2,830
– from discontinued operations		**–**	653
		17,539	3,483
		78,653	(24,832)

	Notes	Six months ended 30 June **2021** **US$'000** **(unaudited)**	2020 US$'000 (unaudited) (restated)
Total comprehensive income (expense) attributable to owners of the Company:			
– from continuing operations		**60,211**	(28,080)
– from discontinued operations		**–**	(547)
		60,211	(28,627)
Earnings (loss) per share	*11*		
From continuing and discontinued operations			
Basic *(US cent)*		**0.48**	(0.22)
Diluted *(US cent)*		**0.46**	(0.21)
From continuing operations			
Basic *(US cent)*		**0.48**	(0.22)
Diluted *(US cent)*		**0.46**	(0.21)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2021

	Notes	**30 June 2021 US$'000 (unaudited)**	31 December 2020 US$'000 (audited)
Non-current assets			
Property, plant and equipment		**704,831**	705,304
Right-of-use assets		**857**	1,325
Mineral rights		**494,065**	501,145
Exploration and evaluation assets		**121,123**	119,652
Finance lease receivables		**2,242**	–
Other non-current assets		**15,050**	13,104
		1,338,168	1,340,530
Current assets			
Inventories		**196,353**	191,417
Finance lease receivables		**1,020**	–
Trade and other receivables	*12*	**157,387**	128,066
Financial assets at fair value through profit or loss		**2,994**	–
Amount due from a related company		**–**	16
Bank deposits with original maturity over three months		**74,920**	34,476
Bank balances and cash		**175,966**	73,839
		608,640	427,814
Current liabilities			
Trade and other payables	*13*	**90,724**	95,449
Amount due to an intermediate holding company		**131,735**	131,257
Amount due to a fellow subsidiary		**5,173**	5,111
Amount due to a non-controlling shareholder of a subsidiary		**393**	441
Amount due to ultimate holding company		**277**	–
Bank borrowings		**30,806**	30,736
Other financial liabilities		**465**	–
Lease liabilities		**750**	952
Short-term provisions		**5,605**	7,173
Tax payable		**34,515**	7,633
		300,443	278,752
Net current assets		**308,197**	149,062
Total assets less current liabilities		**1,646,365**	1,489,592

	Notes	**30 June 2021 US$'000 (unaudited)**	31 December 2020 *US$'000* (audited)
Non-current liabilities			
Deferred tax liabilities		**258,489**	263,076
Bank borrowings		**264,000**	179,000
Lease liabilities		**100**	366
Long-term provisions		**30,714**	30,221
		553,303	472,663
Net assets		**1,093,062**	1,016,929
Capital and reserves			
Share capital	*14*	**16,166**	16,166
Perpetual subordinated convertible securities	*15*	**88,462**	88,462
Reserves		**848,432**	789,838
Equity attributable to owners of the Company		**953,060**	894,466
Non-controlling interests		**140,002**	122,463
Total equity		**1,093,062**	1,016,929

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021

1. GENERAL

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 PRC. The address 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 the trading of mineral and metal products.

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

* *for identification purposes only*

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 the application of certain accounting policies which become relevant to the Group, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2021 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2020.

Application of amendments to International Financial Reporting Standards ("IFRSs")

In the current interim period, the Group has applied the Amendments to References to the Conceptual Framework in IFRS Standards and the following amendments to IFRSs issued by the IASB, for the first time, which are mandatory effective for the annual period beginning on or after 1 January 2021 for the preparation of the Group's condensed consolidated financial statements:

Amendments to IFRS 16	Covid-19-Related Rent Concession
Amendments to IFRS 9, IAS 39, IFRS 4, IFRS 7 and IFRS 16	Interest Rate Benchmark Reform - Phase 2

The application of the new and amendments to IFRSs in the current period has had no material impact on the Group's financial performance and positions for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

Hedge accounting

At the inception of the hedging relationship the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

The effective portion of changes in the fair value of derivatives and other qualifying hedging instruments that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of hedging reserve, limited to the cumulative change in fair value of the hedged item from inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, and is included in the "other gains and losses" line item.

Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item.

4. REVENUE

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

	Six months ended 30 June	
	2021	2020
	US$'000	*US$'000*
	(unaudited)	(unaudited)
		(restated)
Sales of copper	**283,873**	156,691
Sales of cobalt	**67,275**	61,895
Revenue from sales of commodities	**351,148**	218,586
Provisional pricing adjustment	**9,296**	(4,105)
Revenue – reported measure	**360,444**	214,481

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 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 the 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.

Revenue from the sale of commodities is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods.

All the revenue is recognised at a point in time.

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.

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 ended 31 December 2020, the Group discontinued the trading of mineral and metal products 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 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 2021 (unaudited)

Continuing operations

	Mining operations *US$'000*	Trading of mineral and metal products *US$'000*	Total *US$'000*
Segment revenue			
Revenue	**315,412**	**35,736**	**351,148**
Provisional pricing adjustment	**8,262**	**1,034**	**9,296**
	323,674	**36,770**	**360,444**
Segment results	**110,094**	**560**	**110,654**
Unallocated corporate income			**268**
Unallocated corporate expenses			**(1,640)**
Profit before tax from continuing operations			**109,282**

For the six months ended 30 June 2020 (unaudited) (restated)

Continuing operations

	Mining operations *US$'000*	Trading of mineral and metal products *US$'000*	Total *US$'000*
Segment revenue			
Revenue	210,898	7,688	218,586
Provisional pricing adjustment	(4,105)	–	(4,105)
	206,793	7,688	214,481
Segment results	(16,383)	426	(15,957)
Unallocated corporate income			434
Unallocated corporate expenses			(1,746)
Loss before tax from continuing operations			(17,269)

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 (loss) before tax of each segment (excluding non-operating related finance income, other income, other gains and losses and other central administration costs and finance costs), respectively.

6. OTHER INCOME, OTHER GAINS AND LOSSES

	Six months ended 30 June	
	2021	2020
	US$'000	*US$'000*
	(unaudited)	(unaudited)
		(restated)
Continuing operations		
Exchange losses, net	**(598)**	(1,116)
Royalty income	**877**	–
Gain on disposal of property, plant and equipment and mining rights	**1,790**	–
Others	**452**	271
	2,521	(845)

7. IMPAIRMENT LOSS

	Six months ended 30 June	
	2021	2020
	US$'000	*US$'000*
	(unaudited)	(unaudited)
Continuing operations		
Impairment loss recognised in respect of property, plant and equipment	**–**	8,590

As a result of persistent operational challenges and further deterioration of grade and sulphide ore availability, the Group has carried out further technical analysis and a decision was made on 30 June 2020 to place the copper operation in Zambia under care and maintenance. The Group has provided an impairment of US$8,590,000 which represents the remaining property, plant and equipment value of the Zambia operation in the six months ended 30 June 2020. With copper price subsequently improved, the impairment was subsequently reversed in the six months ended 31 December 2020.

8. PROFIT (LOSS) BEFORE TAX

	Six months ended 30 June	
	2021	2020
	US$'000	*US$'000*
	(unaudited)	(unaudited)
		(restated)
Profit (loss) before tax from continuing operations has been arrived at after charging:		
Depreciation of property, plant and equipment	**33,911**	36,985
Depreciation of right-of-use assets	**468**	462
Amortisation of mineral rights	**7,080**	4,086
Impairment loss on inventories (included in cost of sales)	**–**	1,017

9. INCOME TAX EXPENSE

	Six months ended 30 June	
	2021	2020
	US$'000	*US$'000*
	(unaudited)	(unaudited)
		(restated)
Continuing operations		
The tax expense comprises:		
Current taxation		
Hong Kong profits tax	**–**	–
Corporate income tax in the DRC	**35,183**	4,585
Corporate income tax in Zambia	**33**	110
Corporate income tax in South Africa	**–**	–
	35,216	4,695
Deferred taxation	**(4,587)**	3,286
	30,629	7,981

No provision for Hong Kong profits tax has been made for the six months period ended 30 June 2021 as the Group has sufficient tax losses brought forward to set off against assessable profits arising in Hong Kong.

No provision for Hong Kong profits tax has been made for the six months period ended 30 June 2020 as the Group does not have assessable profits arising in Hong Kong.

Corporate income tax in Mauritius, South Africa, Zambia and the DRC are calculated at 15%, 28%, 30% and 30% (six months ended 30 June 2020: 15%, 28%, 30% and 30%) on the estimated assessable profits for the period, respectively.

10. DIVIDEND

During the current interim period, a final dividend in respect of the year ended 31 December 2020 of HK0.1 cent (six months ended 30 June 2020: final dividend in respect of the year ended 31 December 2019 of HK0.1 cent) per ordinary share, in an aggregate amount of approximately HK$12,610,000, equivalent to approximately US$1,617,000 (six months ended 30 June 2020: US$1,617,000), has been approved by the shareholders at the annual general meeting of the Company held on 18 June 2021.

No dividend was paid or declared by the Company in respect of the six months period ended 30 June 2021 (six months ended 30 June 2020: Nil).

11. EARNINGS (LOSS) PER SHARE

From continuing operations

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

	Six months ended 30 June	
	2021	2020
	US$'000	*US$'000*
Earnings (loss)		
Earnings (loss) for the purpose of basic earnings (loss) per share	**61,114**	(28,080)
Add: Interest expense on Convertible Securities	**44**	44
Earnings (loss) for the purpose of diluted earnings (loss) per share	**61,158**	(28,036)

	Six months ended 30 June	
	2021	2020
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings (loss) 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 (loss) per share	**13,299,873,051**	13,299,873,051

From continuing and discontinued operations

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

	Six months ended 30 June	
	2021	2020
	US$'000	*US$'000*
Earnings (loss)		
Earnings (loss) for the purpose of basic earnings (loss) per share	**61,114**	(28,315)
Add: Interest expense on Convertible Securities	**44**	44
Earnings (loss) for the purpose of diluted earnings (loss) per share	**61,158**	(28,271)

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

From discontinued operations

The loss per share for discontinued operations is as follows:

	Six months ended 30 June	
	2021	2020
	US cent	*US cent*
Basic	**N/A**	(0.00)
Diluted	**N/A**	(0.00)

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

	Six months ended 30 June	
	2021	2020
	US$'000	*US$'000*
Loss		
Loss for the purpose of basic and diluted loss per share	**N/A**	(235)

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

12. TRADE AND OTHER RECEIVABLES

	30 June 2021	31 December 2020
	US$'000	*US$'000*
	(unaudited)	(audited)
Financial assets at fair value through profit or loss		
Trade receivables under provisional pricing arrangements	**60,725**	55,245
Financial assets at amortised cost		
Other receivables	**9,122**	8,354
Non-financial assets		
Other receivables	**2,800**	2,773
Prepayments	**15,418**	6,712
Value-added tax recoverable	**69,322**	54,982
	87,540	64,467
	157,387	128,066

The Group provided customers with a credit period ranging from 5 days to 30 days (31 December 2020: 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.

As at 30 June 2021, the amounts of trade receivables under provisional pricing arrangements had been adjusted for US$3,278,000 (31 December 2020: US$5,768,000), being the difference between the average LME commodity prices for the duration up to the date of final pricing and the quoted price on the date of recognition of revenue.

The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by senior management.

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

	30 June 2021	31 December 2020
	US$'000	*US$'000*
	(unaudited)	(audited)
Within 3 months	**54,859**	40,790
4 to 6 months	**2,212**	6,668
7 to 12 months	**–**	4,112
Over 1 year	**3,654**	3,675
	60,725	55,245

As at 30 June 2021, none of the trade receivables under provisional pricing arrangement (31 December 2020: US$1,683,000) which was past due and included in financial assets at fair value through profit or loss.

13. TRADE AND OTHER PAYABLES

	30 June 2021 *US$'000* **(unaudited)**	31 December 2020 *US$'000* (audited)
Financial liabilities at fair value through profit or loss		
Trade payables under provisional pricing arrangements	**25,307**	28,864
Financial liabilities at amortised cost		
Other payables	**939**	637
Dividend payable	**1,617**	–
	2,556	637
Non-financial liabilities		
Accrued royalty payment and other tax payable	**14,140**	32,369
Provision for import duties and export clearing charges	**7,770**	6,390
Accrued mining expenses	**11,799**	9,312
Accrued construction cost	**21,020**	8,519
Others *(Note)*	**8,132**	9,358
	62,861	65,948
	90,724	95,449

Note: Included accrual for freight charges, provision for unpaid related surcharge in the DRC and other general operation related payables.

Certain purchase contracts of commodity contain a clause of provisional pricing arrangements, where the quoted price on the date of recognition of purchase will be adjusted for the difference between the average LME future commodity prices for the duration up to the date of final pricing. As at 30 June 2021, the adjustment on the amounts of trade payables under provisional pricing arrangements was minimal (31 December 2020: US$330,000), which is the difference between the average LME commodity prices for the duration up to the date of final pricing and the quoted price on the date of recognition of inventories.

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

	30 June 2021	31 December 2020
	US$'000	*US$'000*
	(unaudited)	(audited)
Within 3 months	**23,149**	26,843
4 to 6 months	**624**	287
7 to 12 months	**266**	628
Over 1 year	**1,268**	1,106
	25,307	28,864

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 2020, 31 December 2020, 1 January 2021 and 30 June 2021	20,000,000,000	200,000
Issued and fully paid:		
At 31 December 2020 (audited) and 30 June 2021 (unaudited)	12,609,873,051	126,099

Shown in the condensed consolidated financial statements as:

	Amount
	US$'000
At 31 December 2020 (audited) and 30 June 2021 (unaudited)	16,166

15. PERPETUAL SUBORDINATED CONVERTIBLE SECURITIES

On 14 November 2013, the Company issued the Convertible Securities with an aggregate principal amount of US$1,085,400,000, being part of consideration for the Combination. The fair value of the Convertible Securities, which was determined based on a valuation carried out by Asset Appraisal Limited, an independent valuer not connected with the Group, on the date of completion of the Combination amounted to US$1,089,084,000.

The Convertible Securities are convertible into a maximum of 8,466,120,000 ordinary shares of the Company at an initial conversion price of HK$1 per share, subject to anti-dilutive adjustments. On or at any time after three years after the date of issue of the Convertible Securities, the Company may, at its sole discretion, elect to convert the Convertible Securities in whole or in part into ordinary shares of the Company. At any time when a holder of the Convertible Securities is not a connected person of the Company, a principal amount of the Convertible Securities which upon conversion will result in the holder holding in aggregate under 10% of the issued share capital of the Company shall be automatically converted into ordinary shares of the Company.

The Convertible Securities shall not bear any distribution for the first three years from the issue date but shall bear distribution at 0.1% of the principal amount per annum thereafter payable annually in arrears on 31 December each year and can be deferred indefinitely at the discretion of the Company. The Convertible Securities have no fixed maturity and are redeemable at the Company's option at their principal amounts together with any accrued, unpaid or deferred distributions. While any distributions are unpaid or deferred, the Company may not, inter alia, declare or pay any dividends or distribution on any ordinary shares of the Company or redeem or buy-back any ordinary shares of the Company, for so long as any distributions which are due and payable have not yet been paid in full.

During 2018, various investors including Jinchuan (BVI) Limited ("**Jinchuan BVI**"), an indirect wholly-owned subsidiary of JCG, which in turn is the controlling shareholder of the Company, exercised the conversion of the Convertible Securities in an aggregate principal amount of US$996,938,000 into ordinary shares at the conversion price of HK$1 per share ("**Conversion**").

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 ranked 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$88,462,000 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.

Movement of Convertible Securities:

	Convertible Securities	
	Number	*US$'000*
As at 31 December 2020 (audited) and 30 June 2021 (unaudited)	690,000,000	88,462

16. CAPITAL COMMITMENTS

	30 June 2021	31 December 2020
	US$'000	*US$'000*
	(unaudited)	(audited)
Capital expenditure in respect of property, plant and equipment, mining rights and exploration and evaluation assets contracted for but not provided in the condensed consolidated financial statements	**177,549**	89,288

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 Hong Kong.

The financial results of the Group show a significant improvement in the six months ended 30 June 2021 ("**2021 1H**") which were primarily driven by the higher commodity prices. LME copper price reached an all time high of US$10,720 per tonne in May 2021 and closed at US$9,385 per tonne at the end of June 2021. The Group's results were positively impacted by the higher prices which offset the impact of lower sales volumes. Compared to the six months ended 30 June 2020 ("**2020 1H**"), the average LME copper price increased by 66% from US$5,490 per tonne to US$9,095 per tonne.

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 a copper mine located in Zambia which has been leased out under finance lease arrangement (Chibuluma South Mine including Chifupu Deposit).

In 2021 1H, the Group produced 28,503 tonnes of copper (2020 1H: 39,006 tonnes) and 1,447 tonnes of cobalt (2020 1H: 2,635 tonnes) and sold 29,385 tonnes of copper (2020 1H: 34,000 tonnes) and 1,187 tonnes of cobalt (2020 1H: 2,970 tonnes) which generated revenue of US$272.7 million and US$51.0 million respectively (2020 1H: US$149.0 million and US$57.8 million respectively).

Copper production was 27% lower in 2021 1H as compared to 2020 1H. Ruashi Mine's copper production in 2021 1H of 15,637 tonnes which was 7% lower as compared to 2020 1H of 16,823 tonnes due to the lower ore feed grade and the lower copper recovery rate. Kinsenda Mine reported lower copper production of 12,866 tonnes which was 10% lower than 2020 1H at 14,219 tonnes, as the ore and feed grade were lower in 2021 1H.

The Group's cobalt production was 45% lower in 2021 1H as compared to 2020 1H. The lower production was due to lower grade of cobalt ore mined and lower cobalt 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

In 2021 1H, the trading divisions of the Group have recorded a turnover of US$36.8 million (2020 1H: US$140.7 million) via the trading of commodities, including copper cathode, copper matte and cobalt hydroxide.

FINANCIAL REVIEW

The Group's operating results for 2021 1H 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. The analysis below comprised of both continuing operations and discontinued operations of the Group.

Revenue

The revenue for the Group's operations in 2021 1H was US$360.4 million, representing an increase of 4% compared to US$347.5 million for 2020 1H. Reasons for the increase in revenue during the period are discussed below.

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

For the six months ended 30 June

	2021	2020
Mining operations:		
Volume of copper sold (tonnes)	**29,385**	34,000
Volume of cobalt sold (tonnes)	**1,187**	2,970
Average price realised per tonne of copper (US$)	**9,281**	4,381
Average price realised per tonne of cobalt (US$)	**42,930**	19,472
Revenue from sales of copper (US$'000)	**272,716**	148,961
Revenue from sales of cobalt (US$'000)	**50,958**	57,832
Total revenue from mining operations – including provisional pricing adjustment (US$'000)	**323,674**	206,793
Trading of mineral and metal products:		
Revenue – trading of externally sourced mineral and metal products – including provisional pricing adjustment (US$'000)	**36,770**	140,748
Total Revenue (US$'000)	**360,444**	347,541

Note: Pricing coefficients were considered in actual sales revenue

The average LME copper and MB cobalt prices for 2021 1H were US$9,095 per tonne (2020 1H: US$5,490 per tonne) and US$44,313 per tonne (2020 1H: US$34,605 per tonne) respectively, representing an increase of 66% and 28% respectively. The increase in benchmark copper and cobalt price in 2021 1H impacted positively on revenue.

Copper revenue from mining operations in 2021 1H increased by 83% as compared to 2020 1H. This was due to 112% increase in the average realised copper price in 2021 1H as compared to 2020 1H offset by a 14% decrease in volume of copper sold in 2021 1H as compared to 2020 1H.

In 2021 1H, the Group sold 29,385 tonnes of copper content contained in copper cathode, copper concentrate and copper blister (2020 1H: 34,000 tonnes), in which Ruashi Mine's copper sales volume in 2021 1H of 15,403 tonnes was 8% lower than 2020 1H of 16,715 tonnes and Kinsenda Mine's copper sales volume in 2021 1H of 13,982 tonnes was 52% higher than 2020 1H of 9,215 tonnes. Ruashi Mine's copper sales volume decreased in line with its production volume.

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 were recorded by Kinsenda in March and April 2020. Kinsenda started selling copper blister to international market in May 2020. There was no disruption to Kinsenda Mine's sales recorded in 2021 1H, leading to an increase in sales volume in 2021 1H.

Chibuluma South Mine (including Chifupu Deposit) sold 8,070 tonnes of copper in 2020 1H. The operation was leased out under a finance lease agreement in 2021 1H and the Group is entitled to fixed lease income and variable royalty income under the finance lease agreement.

Cobalt revenue from mining operations for 2021 1H decreased by 12% when compared to 2020 1H due to the decrease in volume of cobalt sold offset by higher average realised cobalt price. The volume of cobalt sold in 2021 1H was 1,187 tonnes which was 60% lower as compared to 2020 1H, this was due to lower production level and as a result of transport delays caused by additional testing under COVID-19. The average realised cobalt price for 2021 1H was US$42,930 per tonne which was 120% higher when compared to 2020 1H.

With the voluntary liquidation of Shanghai Jinchuan Junhe, the Group started another trading business line. The trading of mineral and metal products segment recorded a revenue on trading of externally sourced commodities of US$36.8 million in 2021 1H (2020 1H: US$140.7 million). For details of the voluntary liquidation of Shanghai Jinchuan Junhe, please refer to the "Significant Events" section in the Company's annual report 2020. The Group is also 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 six months ended 30 June

	2021	2020
	US$'000	*US$'000*
Mining operations:		
Realisation costs	**8,465**	5,448
Mining costs	**28,538**	32,303
Ore purchase	**1,776**	4,835
Salaries and wages	**25,051**	24,916
Processing costs	**44,561**	41,712
Engineering and technical costs	**6,622**	7,168
Safety, health, environment and community costs	**2,338**	2,307
Mine administrative expenses	**14,803**	12,481
Depreciation of property, plant and equipment	**33,832**	36,976
Depreciation of right-of-use assets	**54**	48
Amortisation of mineral rights	**7,080**	4,086
Movement in inventories	**(5,504)**	3,591
Sub-total	**167,616**	175,871
Trading of mineral and metal products:		
Purchase of commodities	**36,730**	139,970
Total Cost of Sales	**204,346**	315,841

Cost of sales for the Group's mining operations has decreased to US$167.6 million in 2021 1H, representing a decrease of 5% as compared to US$175.9 million in 2020 1H. The decrease was a result of the commencement of finance lease arrangement of Chibuluma South Mine (including Chifupu Deposit) and the decrease in third party ores purchased in 2021 1H. Decrease in foreign ore purchases was due to the unavailability of high grade third party ore in the market. Ruashi Mine increased mining activities to compensate for lower foreign ore purchases. Processing costs were 7% higher in 2021 1H due to the higher reagent consumption due to acid solubility of the ore. Overall, the Group maintained tight cost control and as part of the mining resulted from in ore development mined in 2021 1H.

Cost of trading of mineral and metal products of US$36.7 million (2020 1H: US$140.0 million) represented the cost of commodities purchased by our trading subsidiaries in 2021 1H. The decrease was in line with the decrease of trading segment's revenue.

Royalty Payment

Royalty payment increased from US$16.3 million in 2020 1H to US$22.4 million in 2021 1H which was in line with the increase in commodity prices offset by lower sales volume.

Gross Profit

Gross profit of the Group's operations for 2021 1H has increased by 814% from US$14.6 million in 2020 1H to US$133.7 million in 2021 1H. With copper and cobalt prices surged in 2021 1H, the Group recorded a much improved gross profit ratio of 37% in 2021 1H as compared to 7% in 2020 1H. Cost in 2021 1H was under control and maintained at similar level while revenue increased, leading to a much improved gross profit.

Net Finance Costs

Finance costs has decreased by 46% from US$8.4 million in 2020 1H to US$4.5 million in 2021 1H. The Group has entered into interest rate swap agreements for bank loans with principal amount of US$194.0 million in December 2020, to swap the remaining interest payments from floating interest payments to fixed interest payments aiming to lock down the future interest payment amount. The decrease in finance cost was due to the effective interest rate for 2021 1H was lower than that in 2020 1H. Also, the Group has gradually repaid its bank loan using cashflow from Kinsenda Mine, leading to a decrease in principal outstanding.

For the six months ended 30 June

	2021	2020
	US$'000	*US$'000*
Finance income	**421**	665
Finance costs	**(4,517)**	(8,416)
	(4,096)	(7,751)

Other Income, Other Gains and Losses

Increase in other income in 2021 1H was due to the new royalty income of US$0.9 million in respect of the lessee's sales of copper under the lease arrangement of Chibuluma South Mine (including Chifupu Deposit). The Group also recorded a gain on disposal of Chibuluma's mining assets under finance lease amounted to US$1.8 million and there was a decrease in unrealised exchange losses from US$1.2 million in 2020 1H to US$0.6 million in 2021 1H.

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 26% from US$11.9 million for 2020 1H to US$8.8 million for 2021 1H. The decrease in selling and distribution costs was primarily due to the decrease in sales volume of copper and cobalt products compared to 2020 1H.

Decrease was also due to the change on operating model of Kinsenda Mine from selling copper concentrate to selling copper blister since May 2020. This resulted on the cancellation of some logistics costs and taxes relating to the export of copper concentrate. The decrease was slightly set off by the change in some cobalt contracts in 2020 from FCA incoterms to CIF incoterms.

Administrative Expenses

Administrative expenses increased by 17% from US$3.1 million for 2020 1H to US$3.7 million for 2021 1H. The increase in administrative expenses was mainly due to the increase in rehabilitation expenses and the additional tax audit expenses incurred during the period.

Income Tax Expense

The Group is subject to taxes in the Hong Kong, the DRC, Zambia and South Africa due to its business operations in these jurisdictions. An income tax expense of US$30.6 million was derived for 2021 1H as compared to US$8.1 million for 2020 1H. The increase of tax expenses in the period was in line with the increase in profit before tax in 2021 1H.

Impairment Loss

With the Group's assets located in Zambia approaching end of mine life, the further decline in ore grade and plant recovery rate in 2020 1H, which has led to the Group to revisit the mine's operation and the Group's decision to put the operation in Zambia under care and maintenance. Management has made a full provision of impairment losses of US$8.6 million to the remaining balance of the property, plant and equipment of the Zambia operation in 2020 1H. With copper price subsequently improved, the impairment was subsequently reversed in the six months ended 31 December 2020.

Written off of Property, Plant and Equipment

Part of the Group's existing property, plant and equipment were replaced by new facilities, therefore the Group has written off property, plant and equipment amounted to US$10,369,000 during the six months ended 30 June 2021.

Profit for the Period

As a result of the above, the Group recorded a consolidated profit of US$78.7 million for the six months ended 30 June 2021 as compared to loss of US$24.8 million for the six months ended 30 June 2020.

Profit Attributable to Shareholders

The Group recorded a profit attributable to the shareholders of the Company amounted to US$61.1 million in 2021 1H, as compared to a loss attributable to shareholders of the Company of US$28.3 million in 2020 1H. The turnaround of the Group's result attributable to shareholders of the Company in 2021 1H as compared to 2020 1H was mainly due to the significant rebound of copper and cobalt prices in 2021 1H.

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 six months ended 30 June

	2021	2020
	US$'000	*US$'000*
Cash costs as reported in the income statement:		
Direct and indirect mining cost	**141,018**	143,103
Adjustment for change in copper inventory	**81**	(2,530)
C1 cash costs (excluding by-product credit)	**141,099**	140,573
Less: cobalt (by-product) revenue	**(50,958)**	(57,832)
Adjustment for change in cobalt inventory	**(5,585)**	6,121
C1 cash costs (including by-product credit)	**84,556**	88,862
Copper sold (tonne)	**29,385**	34,000
C1 cash cost per tonne of copper (excluding by-product credit) (US$/tonne)	**4,802**	4,134
C1 cash cost per tonne of copper (including by-product credit) (US$/tonne)	**2,878**	2,614

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 six months ended 30 June

	2021	2020
	US$'000	*US$'000*
Profit (loss) for the period	**78,653**	(24,832)
Add: Net finance costs	**4,096**	7,751
Add: Income tax expense	**30,629**	8,106
Add: Depreciation of property, plant and equipment	**33,911**	36,985
Add: Depreciation of right-of-use assets	**468**	600
Add: Amortisation of mineral rights	**7,080**	4,086
Add: Written off of property, plant and equipment	**10,369**	–
Less: Gain on disposal of property, plant and equipment and mining rights	**(1,790)**	–
Add: Impairment loss recognised in respect of mineral rights and property, plant and equipment	**–**	8,590
EBITDA	**163,416**	41,286

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 six months ended 30 June 2021 and 30 June 2020, no new shares have been issued by the Company.

Liquidity, Financial Resources and Capital Structure

As at 30 June 2021, the Group had bank balances and cash (including bank deposits) of US$250.9 million as compared to US$108.3 million as at 31 December 2020.

As at 30 June 2021, the Group had total bank borrowings of US$294.8 million (31 December 2020: US$209.7 million) in which the bank borrowings of US$30.8 million (31 December 2020: US$30.7 million) are due within one year, bank borrowings of US$191.0 million (31 December 2020: US$179.0 million) are due within 2 to 5 years and bank borrowings of US$73.0 million due over 5 years (31 December 2020: Nil).

In December 2020, the Group entered into interest rate swap agreements with an independent commercial bank to swap the Group's LIBOR denominated bank loans with principal amount of US$194.0 million to fixed interest rate for the remaining loan term. As at 30 June 2021, bank loans with principal amount of US$194.0 million are carrying effective fixed interest rate for the remaining loan term ranging from 2.5% to 3.9%.

As at 30 June 2021, the Group had loans from related companies of US$137.6 million (31 December 2020: US$136.8 million) which are due within one year.

The gearing ratio of the Group as at 30 June 2021 was 16.6% compared to 23.4% as at 31 December 2020. Gearing ratio is defined as net debt over total equity, and net debt is derived from total borrowings (including amount due to related companies) less bank balances and cash (including bank deposits). The decrease in the gearing ratio was due to the increase of bank balance and cash (including bank deposits) as at 30 June 2021.

For the six months ended 30 June 2021, 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 six months ended 30 June 2021, there was no material acquisition or disposal of subsidiaries, associates and joint ventures.

Significant Capital Expenditures
During the six months ended 30 June 2021, the Group acquired property, plant and equipment amounting to US$48.8 million (2020 1H: US$20.0 million), and incurred expenditures on exploration and evaluation assets amounting to US$1.5 million (2020 1H: US$2.3 million) for the Group's mining operations. During the six months ended 30 June 2021, the Group did not recognise additional right-of-use assets (2020 1H: derecognised US$0.3 million). US$27.8 million of the capital expenditure incurred in the six months ended 30 June 2021 relates to the construction cost of Musonoi Project.

Details of Charges on the Group's Assets
As at 30 June 2021, 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 30 June 2021, 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.

Significant Events

Voluntary Liquidation of Shanghai Jinchuan Junhe

On 24 March 2020, written resolutions were passed by all shareholders of Shanghai Jinchuan Junhe to voluntarily liquidate Shanghai Jinchuan Junhe. All the liquidation procedures were completed and Shanghai Jinchuan Junhe was deregistered in 2021 1H.

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 section "Disclosures Pursuant to Rule 13.21 of the Listing Rules" under "Report of the Directors" of the Company's 2020 annual report and the Company's announcement dated 18 December 2020. The first tranche of the Ruashi Facility Agreement of US$100 million was drawn in June 2021.

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 section "Chibuluma South Mine (including Chifupu Deposit)" under "Mining Operational Review" of the Company's 2020 annual report and the Company's announcement dated 28 December 2020. On 1 April 2021, the operating rights of the related mining assets were handed over to the lessee and the Group has recognized a gain on disposal of Chibuluma's mining assets of US$1,790,000 in 2021 1H.

PROSPECT

Global mining industry underwent severe challenges in the past eighteen months which were caused mainly by the disruption of COVID-19. Commodities price has been in a roller coaster since the beginning of 2020 and likely to remain volatile in the short term future.

Copper price is highly susceptible to swings in global policy and economic uncertainty. With the disruption caused by COVID-19 to the commodity industry, LME copper price reached a bottom of as low as US$4,617.5 per tonne in March 2020 and have since rebounded to a historical high of US$10,720 per tonne in May 2021. LME copper price closed 2021 1H at US$9,385 per tonne by the end of June 2021, representing a gain of 21% compared to 31 December 2020 and a gain of 103.2% compared to the lowest point in 2020.

The average LME copper price for the quarters ended 31 March 2020, 30 June 2020, 30 September 2020, 31 December 2020, 31 March 2021 and 30 June 2021 were (US$ per tonne) 5,638, 5,341, 6,521, 7,713, 8,479 and 9,711 respectively, showing a gradual upward trend in global copper market.

Since the start of the year, there have been a series of disruptions caused by ongoing labour issues and the outspread of COVID-19 leading to delays of shipments of copper concentrates out of key South American loading ports. LME copper inventory has recorded multi years low in 2021 1H and inventory dropped to level below 100,000 tonnes in a prolonged period. Treatment and refining charges (TC/RC) paid to smelters for processing ores/concentrates into metal, are at decade-low levels last seen in 2010-11, where demand for copper from China was rapidly outpacing supply.

Following the release of copper reserves by the PRC Government and the resumption of South American mines operation, LME inventory level returned to level above 200,000 tonnes in July 2021 and copper price has been trading in a range between US$9,200 per tonne to US$9,800 per tonne since then.

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 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.

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, cobalt price has stayed relatively stable in 2020 and 2021 under a continuous slow pace growth. Cobalt price has transacted within the range of US$13.75 per pound to US$17.0 per pound in 2020. Cobalt price rose above US$20.0 per pound in February 2021 and has been transacted within the range of US$19.8 per pound to US$25.3 per pound since then.

On supply side of cobalt, one of the largest cobalt mine in the DRC has suspended operation since August 2019, the mine has announced that they will be restarting operation from 2022, providing extra supply in cobalt market. Meanwhile, Gécamines SA has established a new subsidiary to purchase, process and sell cobalt produced by artisanal miners and small scale miners in the DRC as part of DRC Government's measures to implement stricter control to regulate artisanal and illegal cobalt mining in the DRC. In terms of overall supply, research institute CRU does not foreseen any major changes for the rest of 2021.

On the demand side, 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 will 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.

Copper and cobalt market will continue to be difficult to operate in the near future. 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.

The Group's focus in the near future is the construction of the Musonoi copper-cobalt mine in Kolwezi, the DRC. Construction work at Musonoi Project has progressed well in 2021 1H.

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 Mine'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 30 June 2021, the Group had 1,551 (31 December 2020: 1,564) permanent workers and 2,676 (31 December 2020: 2,758) 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 Board has resolved not to declare any interim dividend for the six months ended 30 June 2021 (six months ended 30 June 2020: Nil).

AUDIT COMMITTEE

The Company has established an audit committee (the "**Audit Committee**") with written specific terms of reference in compliance with the Listing Rules/CG Code provisions. As at the date of this announcement, the Audit Committee comprised one non-executive Director, namely, Mr. Zhang Youda, and three independent non-executive Directors, namely Mr. Wu Chi Keung (Chairman of Audit Committee), Mr. Yen Yuen Ho, Tony and Mr. Poon Chiu Kwok who together have the relevant accounting and financial management expertise, industrial knowledge, legal and business experience to discharge their duties. The Audit Committee's primary duties include review of the effectiveness of the Group's financial reporting process, internal control and risk management systems, overseeing the audit process and performing other duties as may be assigned by the Board from time to time. The Group's unaudited interim financial statements and the interim report for the six months ended 30 June 2021 have been reviewed by the Audit Committee.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Board is committed to establishing and maintaining high standards of corporate governance to enhance shareholders' interest and promote sustainable development. The Company has applied the principles and complied with all applicable code provisions of the CG Code as set out in Appendix 14 of the Listing Rules during the six months ended 30 June 2021.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code, as set out in Appendix 10 to the Listing Rules, as its own code of conduct regarding Director's 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 2021.

PURCHASE, SALES OR REDEMPTION OF LISTED SECURITIES

During the six months ended 30 June 2021, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

APPRECIATION

The Board would like to thank all our shareholders, community and business partners for their tremendous support, and extend our heartfelt gratitude to all employees for their dedicated hard works, especially in this difficult time under COVID-19 pandemic.

The Board would like to thank the People's Government of Gansu Province for their special support to JCG and the Company.

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 interim announcement of the Company for the six months ended 30 June 2021 will be dispatched to Shareholders and published on the Stock Exchange and the Company's websites respectively in due course.

GLOSSARY

"%"	percentage
"Acquisition" or "Combination"	the acquisition by the Company of the entire equity interest in Jin Rui (along with the Metorex Group) in November 2013 pursuant to the sale 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
"associate"	has the meaning ascribed to it under the Listing Rules
"Board"	the board of Directors
"BVI"	the British Virgin Islands
"CDBC"	China Development Bank
"CDF"	Congolese Franc, the lawful currency of the DRC
"CG Code"	Corporate Governance Code as set out in Appendix 14 to the Listing Rules
"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 mine owned by Chibuluma which is located approximately 1.7km southwest of Chibuluma South Mine
"connected person"	has the meaning ascribed to it under the Listing Rules

"controlling shareholder"	has the meaning ascribed to it under the Listing Rules
"Conversion"	the conversion exercised by various investors including Jinchuan (BVI) Limited, an indirect wholly-owned subsidiary of JCG, 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$1.00 per Share
"COVID-19"	Novel coronavirus pneumonia epidemic
"Director(s)"	the director(s) of the Company
"DRC"	the Democratic Republic of Congo
"EBITDA"	earnings before interest (net finance cost), income tax, depreciation and amortisation and impairment loss
"Gécamines SA"	La Générale des Carrières et des Mines, a state-owned mining company in the DRC
"Group"	the Company and its subsidiaries and associates controlled by the Company from time to time
"HK$"	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 ultimate controlling shareholder of the Company
"JCI" or "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 (Stock Code: 2362)
"Jin Rui"	Jin Rui Mining Investment Limited, a company incorporated in the Republic of Mauritius and a direct wholly-owned subsidiary of the Company
"Jinchuan BVI"	Jinchuan (BVI) Limited, an indirect wholly-owned subsidiary of JCG

"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
"LIBOR"	the London Interbank Offering 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 metal and steel professionals, being part of group of companies of the Euromoney Institutional Investor Plc and a recognised publisher of reference prices for long-term cobalt trading contracts which are timely published on its designated website (www.metalbulletin.com) on a 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
"Model Code"	Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules
"Musonoi Project"	a brownfield copper and cobalt project owned by Ruashi and situated in Katanga Province in 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 Mine"	an open-cast 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 subsidiary of the Company
"Share(s)"	ordinary share(s) with nominal value of HK$0.01 each in the share capital of the Company and listed on the Stock Exchange
"Shareholder(s)"	the holder(s) of the Share(s)
"South Africa"	the Republic of South Africa
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary(ies)"	has the meaning ascribed to it under the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
"t"	tonne(s)
"US$"	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

* *for identification purposes only*

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

Hong Kong, 20 August 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 nonexecutive directors, namely Mr. Wu Chi Keung, Mr. Yen Yuen Ho, Tony and Mr. Poon Chiu Kwok.