



JINCHUAN 金川

Jinchuan Group International Resources Co. Ltd

金川集團國際資源有限公司

(2362.HK)

**Jinchuan International Announces**

**Annual Results for the Year Ended 31 December 2018**

**Profit for the Year Attributable to Owners of the Company Up 60.8% to US\$66.9 Million**

**Financial Highlights**

	For the Year ended 31 December		
	2018	2017	Changes
(US\$'000)			
Revenue	1,399,970	549,188	154.9%
Gross Profit	198,821	116,163	71.2%
Profit Attributable to Owners of the Company	66,931	41,624	60.8%
Basic Earnings per Share (US cents)	0.72	0.89	-19.1%
Diluted Earnings per Share (US cents)	0.51	0.32	59.4%
	<b>At 31/12/2018</b>	<b>At 31/12/2017</b>	<b>Changes</b>
Total Equity	978,795	870,482	12.4%
Gearing Ratio	34.9%	47.8%	-12.9 pt

(19 March 2018, Hong Kong) ----- **Jinchuan Group International Resources Co. Ltd** (the “Company”, together with its subsidiaries, collectively referred to “the Group” or “Jinchuan International”, Stock Code: 2362.HK) today announced its annual results for the year ended 31 December 2018 (“Year Under Review”). The revenue for the year ended 31 December 2018 was US\$1,399,970,000 (2017: 549,188,000), representing an increase of 154.9%. Profit attributable to the owners of the company increased by 60.8% to US\$66,931,000 (2017: US\$41,624,000). Basic earnings per share was 0.72 US cents (2017: 0.89 US cents) while diluted earnings per share was 0.51 US cents (2017: 0.32 US cents). The Directors declare final dividend of HK 0.1 cent for the year ended 31 December 2018 (2017: Nil).

The Group’s Mineral Resources as at 31 December 2018 are estimated to contain 4,657kt copper and 374kt cobalt. Ruashi Mine contains 623kt copper and 92kt cobalt; Chibuluma South Mine (including Chifupu deposit) contains 83kt copper; Kinsenda Mine contains 1,210kt copper; Musonoi Project contains 1,023kt copper and 282kt cobalt; and Lubembe Project contains 1,718kt copper.

The Group’s Mineral Reserves as at 31 December 2018 are estimated to contain 1,162kt copper and 192kt cobalt. Ruashi Mine contains 190kt copper and 26kt cobalt; Musonoi Project contains 590kt copper and 165kt cobalt; Chibuluma South Mine (including Chifupu deposit) contains 12kt copper; and Kinsenda Mine contains 370kt copper.

Commodities prices made a strong recovery in 2017 and continued to do so in the first half of 2018. As a result, cobalt prices reached a 10 year high in mid-2018. Cobalt prices however experienced a sharp decline from July 2018 owing to 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 electric vehicles in China.

The Group is confident that the demand and supply of cobalt will remain strong and cobalt prices will bounce back. Analysts predict that the demand for cobalt will grow from 125,000 tonnes in 2018, of which the electric vehicle battery sector accounts for 20%, to 185,000 tonnes and 35% respectively in 2023. It also anticipates that as manufacturers and traders drain their stock, the year long downward trend of cobalt prices will come to an end, and healthier and more sustainable demand for it will lead the gradual recovery of cobalt prices.

Copper demand from the PRC will also remain strong. PRC Custom figures show that the annual copper concentrate import rose to an all-time high of 19.72 million tonnes in 2018, representing a 13.7% increase compared to 2017. Copper price is expected to remain stable in 2019.

With the Kinsenda Mine already 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. Early stage construction work was started at Musonoi Project in late 2018. Exploration work will continue in Ruashi sulphide zone below oxide, 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 and the recent set-up trading arm in Shanghai, 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 regulation in order to give investors and Shareholders confidence in supporting the Group.

Also, with the continuous support of its controlling shareholder Jinchuan Group Co., Ltd 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.

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#### **About Jinchuan Group International Resources Co. Ltd**

Jinchuan International is a Hong Kong listed company established by the Jinchuan Group Co., Ltd for the purposes of accelerating the establishment of the mining group's multinational operational strategy and elevating Jinchuan Group's global investing, financing and operating capabilities. By virtue of Hong Kong's advantages as an international financial and trade center, and through the Company's focus on an internationalized operating strategy, the Company has established itself as the flagship platform for the Jinchuan Group to develop its overseas non-ferrous metal mining business. The Company is primarily engaged in the development of overseas mining resources projects, capital operation and assets management of overseas mining resources projects, as well as trading of raw materials and products of nickel, copper, cobalt and precious metals.

**About Jinchuan Group Co., Ltd**

Jinchuan Group Co., Ltd, founded in 1958, is a state-owned enterprise with its majority interest held by the People's Government of Gansu Province. Jinchuan Group specializes in mining, concentrating, metallurgy, chemical engineering and further downstream processing. Jinchuan Group is widely recognized as a renowned mining corporation and is the fourth largest nickel producer and second largest cobalt producer in the world and the third largest copper producer in the PRC.

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