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JINCHUAN 金川

JINCHUAN GROUP INTERNATIONAL RESOURCES CO. LTD

金川集團國際資源有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2362)

POSITIVE PROFIT ALERT

This announcement is made by Jinchuan Group International Resources Co. Ltd (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

POSITIVE PROFIT ALERT

The board (“**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders of the Company and potential investors that, based on the preliminary review of the latest unaudited consolidated management accounts of the Group and the current information available to the Board, the Group has recorded a profit attributable to the shareholders of the Company of approximately US\$44.8 million (unaudited) for the four months ended 30 April 2021. In the absence of any significant downward adjustment to commodity prices, the Group is expected to record a profit attributable to the shareholders of the Company for the six months ended 30 June 2021 (“**2021 1H**”) as compared to the unaudited loss attributable to shareholders of the Company of approximately US\$28.3 million for the six months ended 30 June 2020 (“**2020 1H**”). The expected increase in profit in 2021 1H as compared to 2020 1H is mainly attributable to the following factors:

1. The significant increase in market copper price in 2021 1H

Higher prices for copper in the first four months of 2021 1H as compared to 2020 1H with market average copper prices risen by approximately 58.3%, leading to a significant increase in revenue. Also, as a result of higher commodity price as compared to the final quarter of 2020, there has been an upward adjustment to the provisional sales price previously recognised.

2. Delay in the sales of copper products by Kinsenda Mine in 2020 1H

As mentioned in the Company's announcement dated 8 May 2020, the Group has sent copper concentrate produced by our Kinsenda Mine to a local smelter for processing into copper blister starting from March 2020. Although the refinery process initially caused a temporary disruption in the sales of copper products by Kinsenda in the months of March and April 2020 and caused an increase in the processing fees and transportation cost, it would in the long run enhance the copper products of Kinsenda and the Group would benefit from the increased sales prices. The Group has started selling copper blister to international market in May 2020.

3. Impact of the novel coronavirus pneumonia epidemic ("COVID-19") on the export of the Group's finished products in 2020 1H

As a measure to curb the spread of the COVID-19, the government of the Republic of South Africa ("**South Africa**") imposed a nation-wide lockdown and the export of some of the Group's finished products out of the Democratic Republic of the Congo (the "**DRC**") via South Africa was temporarily suspended in April 2020 and the storage of the Group's finished products increased. With the implementation of the phased relaxation of the lockdown measures and the gradual re-opening of port berth in South Africa, the Group has gradually resumed the export of its finished products out of the DRC via South Africa back to its normal level in May 2020.

4. Cancellation of GHJ's Investment Return amounted to approximately US\$817,000 in 2020 1H

For details of the Cancellation of GHJ's Investment Return, please refer to the Company's announcement dated 30 June 2020 entitled "Discloseable and Connected Transaction regarding Cancellation of GHJ's Investment Return".

5. Provision made for the taxable foreign exchange gain in 2020 1H

The reporting currency of the Group is US\$ and the functional currencies of subsidiaries of the Group are mainly US\$ and RMB, while the Group's significant assets are located in areas including the DRC, the Republic of Zambia and South Africa. Due to the significant drop in the foreign exchange rate of ZAR (South African Rand, the lawful currency of South Africa) to US\$ in 2020 1H, the Group's subsidiaries in South Africa recorded a significant foreign exchange gain for tax computing purposes which, if realised, would be subject to taxation.

6. Recognition of impairment loss in 2020 1H

With the Group's assets located in the Republic of Zambia approaching end of mine life and the decrease in copper price in 2020 1H, the Group has revisited the operation in Zambia and the Group has decided to gradually scale down its operation in Zambia in June 2020. The Group has recorded a provision of impairment loss of US\$8.6 million in 2020 1H. No such provision is expected in 2021 1H.

GENERAL

The information contained in this announcement is based only on the preliminary assessment by the Board upon its review of the unaudited consolidated management accounts of the Group for the four months period ended 30 April 2021 and the current information available to the Board which have not been audited nor reviewed by the Company's independent auditor.

The overall unaudited financial results of the Group for the six months period ending 30 June 2021 will only be ascertained when all the relevant results and accounting treatments are finalized. Since the Group's financial performance will also be affected by other factors such as final confirmation of commodities delivered, final assay outcome available upon laboratory confirmation, final valuation on the Group's assets and liabilities which possibly will result in additional impairment loss (or gain) and/or provision to be recorded, the Company will make further announcement if further information in relation to the finalization of financial results which are material is available. Shareholders of the Company and potential investors are also advised to refer to the details of the Company's interim results announcement for the six months period ending 30 June 2021 which will be announced before the end of August 2021.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company, and should note that undue reliance on or use of the above information may cause investment risks.

By order of the Board
Jinchuan Group International Resources Co. Ltd
Wong Hok Bun Mario
Company Secretary

Hong Kong, 4 June 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.