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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).

References are made to (i) the announcements of the Company dated 30 April 2021, 30 July 2021, 5 November 2021, and 28 January 2022 (collectively, the “**Quarterly Update Announcements**”) in relation to the operational update for the periods/year ended 31 March 2021, 30 June 2021, 30 September 2021, and 31 December 2021, respectively; and (ii) the announcement of the Company dated 4 June 2021 in relation to the positive profit alert for the six months ended 30 June 2021.

## **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 is expected to record a profit attributable to the shareholders of the Company in the region of approximately US\$115 million to US\$125 million for the year ended 31 December 2021 as compared to the profit attributable to shareholders of the Company of approximately US\$29.9 million for the year ended 31 December 2020. The expected increase in profit in 2021 as compared to 2020 is mainly attributable to the following factors:

## **1. The significant increase in market commodity prices in 2021**

As disclosed in the Quarterly Update Announcements, benchmark copper and cobalt prices in 2021 have risen by approximately 51% and 55% respectively as compared to 2020, leading to a significant increase in revenue. Also, as a result of higher copper price in the first quarter of 2021 as compared to the final quarter of 2020, there has been an upward adjustment to the provisional sales price previously recognised.

## **2. Increase in reversal of impairment loss**

With the significant increase in commodities prices in 2021, the Group has revisited the operations in the Democratic Republic of the Congo (“**DRC**”) and as a result, the Group has in 2021 reversed part of impairment loss provision recorded in previous years.

## **3. Provision made for value-added tax (“VAT”) recoverable, DRC Super Profits Tax and deferred tax expenses**

The increase in profit as mentioned above was partially offset by additional provision for several tax items made by the Group.

In 2021, the Group has recognised an impairment provision of approximately US\$25.9 million in relation to certain long outstanding VAT recoverable. In addition, provision for the DRC Super Profits Tax was also made in 2021. The Group did not make provision for VAT recoverable and the DRC Super Profits Tax in 2020.

The Group recognised deferred tax expenses in 2021 in relation to taxable temporary difference arising from net investment loan.

## **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 year ended 31 December 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 year ended 31 December 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 annual results announcement for the year ended 31 December 2021 which will be announced before the end of March 2022.

**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, 21 March 2022

*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 Ms. Cai Juan, Mr. Liu Jian and Mr. Wang Qiangzhong; and three independent non-executive directors, namely Mr. Yen Yuen Ho, Tony, Mr. Poon Chiu Kwok and Mr. Yu Chi Kit.*