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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)

**ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2023**

RESULTS

The Board is pleased to announce the audited results of the Group for the year ended 31 December 2023 together with the comparative figures in 2022 as follows:

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**

For the year ended 31 December 2023

	<i>Notes</i>	2023 US\$'000	2022 US\$'000
Revenue	3	638,857	881,598
Cost of sales		(538,412)	(746,219)
Royalty payment		(29,699)	(66,894)
Gross profit		70,746	68,485
Other income, other gains and losses	5	4,245	46,123
Selling and distribution costs		(31,057)	(36,333)
Administrative expenses		(7,743)	(10,434)
Finance income		3,838	1,931
Finance costs	6	(13,005)	(8,642)
Profit before tax	7	27,024	61,130
Income tax expense	8	(37,694)	(54,266)
(Loss) profit for the year		(10,670)	6,864

	<i>Notes</i>	2023 US\$'000	2022 <i>US\$'000</i>
Other comprehensive (expense) income			
Item that may be reclassified subsequently to profit or loss:			
Fair value change on hedging instruments designated as cash flow hedges		<u>(1,182)</u>	<u>1,089</u>
Total comprehensive (expense) income for the year		<u>(11,852)</u>	<u>7,953</u>
(Loss) profit for the year attributable to:			
Owners of the Company		<u>(11,558)</u>	1,028
Non-controlling interests		<u>888</u>	<u>5,836</u>
		<u>(10,670)</u>	<u>6,864</u>
Total comprehensive (expense) income attributable to:			
Owners of the Company		<u>(12,740)</u>	2,117
Non-controlling interests		<u>888</u>	<u>5,836</u>
		<u>(11,852)</u>	<u>7,953</u>
(Loss) earnings per share			
Basic (<i>US cent</i>)	9	<u>(0.09)</u>	<u>0.01</u>
Diluted (<i>US cent</i>)		<u>(0.09)</u>	<u>0.01</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2023

	<i>Notes</i>	2023 US\$'000	2022 <i>US\$'000</i>
Non-current assets			
Property, plant and equipment		1,012,652	807,935
Right-of-use assets		903	1,649
Mineral rights		546,215	560,703
Exploration and evaluation assets		122,252	121,580
Inventories		102,996	102,481
Other non-current assets	11	114,753	123,037
		1,899,771	1,717,385
Current assets			
Inventories		115,146	120,637
Trade and other receivables	11	63,149	86,665
Financial assets at fair value through profit or loss ("FVTPL")		2,882	2,749
Derivative financial instruments		185	1,367
Tax recoverable		4,265	11,046
Bank deposits with original maturity over three months		23,603	10,000
Bank balances and cash		61,381	79,679
		270,611	312,143
Current liabilities			
Trade and other payables	12	177,325	176,947
Amount due to ultimate holding company		936	56
Amount due to an intermediate holding company		–	5,206
Amount due to a fellow subsidiary		–	5,440
Amount due to a non-controlling shareholder of a subsidiary		345	491
Bank borrowings		53,966	67,789
Lease liabilities		689	720
Short-term provisions		4,467	6,689
Bank overdrafts		15,540	3,002
		253,268	266,340
Net current assets		17,343	45,803
Total assets less current liabilities		1,917,114	1,763,188

	<i>Notes</i>	2023 US\$'000	2022 <i>US\$'000</i>
Non-current liabilities			
Deferred tax liabilities		356,182	342,874
Bank borrowings		209,000	127,000
Amount due to an intermediate holding company		171,698	100,941
Amount due to a fellow subsidiary		5,817	–
Lease liabilities		175	864
Long-term provisions		24,474	25,419
		767,346	597,098
Net assets		1,149,768	1,166,090
Capital and reserves			
Share capital	13	16,027	16,027
Perpetual subordinated convertible securities		88,462	88,462
Reserves		880,968	896,914
Equity attributable to owners of the Company		985,457	1,001,403
Non-controlling interests		164,311	164,687
Total equity		1,149,768	1,166,090

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

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 the 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.

* *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 following amendments to IFRSs issued by the International Accounting Standards Board (“**IASB**”) for the first time, which are mandatorily effective for the annual period beginning on 1 January 2023 for the preparation of the consolidated financial statements:

IFRS 17	Insurance Contracts
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to IAS 8	Definition of Accounting Estimates
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to IAS 12	International Tax Reform – Pillar Two Model Rules

The application of the new and amendments to IFRSs in the current year has had no material impact on the Group's financial positions and performance for the current or prior years.

3. REVENUE

Revenue represents revenue arising from sales of mineral and metal products. An analysis of the Group's revenue for the year is as follows:

	2023 <i>US\$'000</i>	2022 <i>US\$'000</i>
Sales of copper	575,842	696,224
Sales of cobalt	76,932	296,485
Revenue from contracts with customers from sales of mineral and metal products	652,774	992,709
Provisional pricing adjustments, net	(13,917)	(111,111)
	638,857	881,598

Revenue from the sale of mineral and metal products is recognised at the point in time when control of the products has been transferred to the customer, generally on delivery of the goods.

For some sales, revenue is recognised initially at a selling price that is determined on a provisional basis. The final selling price is subject to the acceptance of the weight and grade of minerals shipped and actual market price of the minerals on the date of acceptance, a process that could take up to 90 days after initial recognition. Adjustments between initial and final recognition is disclosed as provisional pricing adjustments.

4. SEGMENT INFORMATION

IFRS 8 "Operating Segments" requires operating segments to be identified on the basis of internal reporting on the components of the Group that are regularly reviewed by the chief operating decision maker ("CODM") in order to allocate resources to the segments and assess their 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

Segment revenue 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 2023

	Mining operations <i>US\$'000</i>	Trading of mineral and metal products <i>US\$'000</i>	Total <i>US\$'000</i>
Segment revenue			
Revenue	479,047	173,727	652,774
Provisional pricing adjustments	(4,582)	(9,335)	(13,917)
	<u>474,465</u>	<u>164,392</u>	<u>638,857</u>
Segment results	<u>34,073</u>	<u>2,410</u>	36,483
Unallocated corporate income			1,052
Unallocated corporate expenses			<u>(10,511)</u>
Profit before tax			<u>27,024</u>

For the year ended 31 December 2022

	Mining operations <i>US\$'000</i>	Trading of mineral and metal products <i>US\$'000</i>	Total <i>US\$'000</i>
Segment revenue			
Revenue	724,980	267,729	992,709
Provisional pricing adjustments	(76,163)	(34,948)	(111,111)
	<u>648,817</u>	<u>232,781</u>	<u>881,598</u>
Segment results	<u>63,613</u>	<u>771</u>	64,384
Unallocated corporate income			887
Unallocated corporate expenses			<u>(4,141)</u>
Profit before tax			<u>61,130</u>

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, other gains and losses at corporate level and other central administration costs and finance costs), respectively.

5. OTHER INCOME, OTHER GAINS AND LOSSES

	2023 <i>US\$'000</i>	2022 <i>US\$'000</i>
Reversal of impairment loss recognised in respect of property, plant and equipment	37,400	42,166
Reversal of impairment loss recognised in respect of mineral rights	2,600	2,834
Impairment loss on value-added tax (“VAT”) recoverable	(29,000)	–
Exchange losses, net	(9,568)	(2,034)
Royalty income	2,308	2,713
Fair value gain (loss) on financial assets at FVTPL	133	(229)
Others	372	673
	4,245	46,123

Given the variability in the metal price, the Group performed an impairment assessment of the non-current assets including mineral rights based on a value in use calculation. The discounted cash flow method was calculated based on cash flow projection prepared from financial forecasts approved by the directors of the Company which incorporate the management’s best estimates of mining plan with reference to the most recent resource and reserve report prepared by independent external competent persons, production cost and long-term copper price of approximately US\$8,700 (2022: US\$8,300) per tonne. The pre-tax discount rate used of 25.2% (2022: 23.7%) 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.

At 31 December 2023, the Group recognised a reversal of impairment of property, plant and equipment of US\$37,400,000 (2022: US\$42,166,000) and mineral rights of US\$2,600,000 (2022: US\$2,834,000), respectively, for Kinsenda CGU as its estimated recoverable amount was higher than the carrying amount. The recoverable amount of the Kinsenda CGU amounted to approximately US\$370,102,000 as at 31 December 2023 (2022: US\$402,164,000). There are no impairment or reversal of impairment recognised for other CGUs for the year ended 31 December 2023.

6. FINANCE COSTS

	2023 <i>US\$'000</i>	2022 <i>US\$'000</i>
Interest on		
Convertible Securities	88	88
Bank borrowings	20,010	9,980
Loan from an intermediate holding company	9,774	4,208
Loan from a fellow subsidiary	377	206
Lease liabilities	60	81
	30,309	14,563
Less: Amount capitalised in cost of qualifying assets	(17,304)	(5,921)
	13,005	8,642

7. PROFIT BEFORE TAX

	2023 <i>US\$'000</i>	2022 <i>US\$'000</i>
Profit before tax has been arrived at after charging:		
Staff costs		
Directors' emoluments	623	642
Other staff costs		
– Salaries and other benefits	43,897	49,533
– Retirement benefits schemes contributions	4,183	3,910
	<u>48,703</u>	<u>54,085</u>
Auditors' remuneration	471	466
Depreciation of property, plant and equipment	68,887	63,342
Depreciation of right-of-use assets	746	751
Amortisation of mineral rights	17,088	24,842
Write-down of inventories (included in cost of sales)	4,351	6,675
	<u><u>48,703</u></u>	<u><u>54,085</u></u>

8. INCOME TAX EXPENSE

	2023 <i>US\$'000</i>	2022 <i>US\$'000</i>
Current taxation		
Hong Kong Profits Tax	–	–
Corporate income tax in the DRC	24,657	36,547
Corporate income tax (credit) in Zambia	(271)	543
	<u>24,386</u>	<u>37,090</u>
Deferred taxation	13,308	17,176
	<u><u>37,694</u></u>	<u><u>54,266</u></u>

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 DRC are calculated at 15%, 28%, 30% and 30% (2022: 15%, 28%, 35% and 30%) on the estimated assessable profits for the year, respectively. Assessable profits in the DRC may also be subject to Super Profits Tax, when and if applicable.

9. (LOSS) EARNINGS PER SHARE

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

	2023 <i>US\$'000</i>	2022 <i>US\$'000</i>
(Loss) earnings		
(Loss) earnings for the purpose of basic (loss) earnings per share	(11,558)	1,028
Add: Interest expense on Convertible Securities	—	88
	<u>(11,558)</u>	<u>1,116</u>
(Loss) earnings for the purpose of diluted (loss) earnings per share	<u>(11,558)</u>	<u>1,116</u>
	2023	2022
Number of shares		
Weighted average number of ordinary shares		
for the purpose of basic (loss) earnings per share	12,502,082,051	12,573,187,065
Effect of dilutive potential ordinary shares: Convertible Securities	—	690,000,000
	<u>12,502,082,051</u>	<u>13,263,187,065</u>
Weighted average number of ordinary shares for the purpose		
of diluted (loss) earnings per share	<u>12,502,082,051</u>	<u>13,263,187,065</u>

The computation of diluted loss per share for the year ended 31 December 2023 does not assume the conversion of the Convertible Securities since its assumed conversion would result in a decrease in loss per share.

There were no other potential ordinary shares outstanding as at the end of both reporting period.

10. DIVIDENDS

	2023 <i>US\$'000</i>	2022 <i>US\$'000</i>
Dividends for ordinary shareholders of the Company recognised		
as distributions during the year 2022		
Final – HK0.2 cent per share (2022: 2021 Final – HK0.2 cent per		
share)	<u>3,206</u>	<u>3,233</u>

Subsequent to the end of the reporting period, a final dividend in respect of the year ended 31 December 2023 of HK0.2 cent (2022: HK0.2 cent) per ordinary share, in an aggregate amount of approximately HK\$25,004,000 (2022: HK\$25,004,000), equivalent to approximately US\$3,206,000 (2022: US\$3,206,000), has been proposed by the directors of the Company and is subject to approval by the shareholders in the forthcoming annual general meeting.

11. TRADE AND OTHER RECEIVABLES

	2023 <i>US\$'000</i>	2022 <i>US\$'000</i>
Non-current assets		
Deposit for acquisition of property, plant and equipment	8,997	16,502
Royalty prepayment to non-controlling shareholders of subsidiaries	9,538	10,674
Rehabilitation trust fund	81	83
VAT recoverable, net of impairment loss	96,137	95,778
	<u>114,753</u>	<u>123,037</u>
Current assets		
Financial assets at FVTPL		
Trade receivables under provisional pricing arrangements	43,599	65,829
Financial assets at amortised cost		
Other receivables	4,783	8,648
Loan to a DRC state-owned power company	547	547
	<u>5,330</u>	<u>9,195</u>
Non-financial assets		
Other receivables	2,045	2,063
Prepayments	12,175	9,578
	<u>14,220</u>	<u>11,641</u>
	<u>63,149</u>	<u>86,665</u>

The Group provides customers with a credit period ranging from 5 days to 30 days (2022: 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 1 January 2022, the trade receivables under provisional pricing adjustments amounted to US\$49,268,000.

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.

	2023 <i>US\$'000</i>	2022 <i>US\$'000</i>
Within 3 months	43,599	65,766
Over 1 year	–	63
	<u>43,599</u>	<u>65,829</u>

As at 31 December 2023, trade receivables under provisional pricing arrangement amounting to US\$1,792,000 (2022: US\$6,548,000) which was past due and was included in financial assets at FVTPL.

12. TRADE AND OTHER PAYABLES

	2023 <i>US\$'000</i>	2022 <i>US\$'000</i>
Financial liabilities at FVTPL		
Trade payables under provisional pricing arrangements	<u>55,590</u>	<u>102,810</u>
Financial liabilities at amortised cost		
Mining expenses payables	12,921	17,111
Construction cost payables	60,373	13,572
Other payables	<u>4,354</u>	<u>1,637</u>
	<u>77,648</u>	<u>32,320</u>
Non-financial liabilities		
Accrued royalty payment and other tax payable	11,047	15,846
Provision for import duties and export clearing charges	8,528	7,867
Others (<i>Note</i>)	<u>24,512</u>	<u>18,104</u>
	<u>44,087</u>	<u>41,817</u>
	<u><u>177,325</u></u>	<u><u>176,947</u></u>

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

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

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

	2023 <i>US\$'000</i>	2022 <i>US\$'000</i>
Within 3 months	54,950	102,478
4 to 6 months	<u>640</u>	<u>332</u>
	<u><u>55,590</u></u>	<u><u>102,810</u></u>

13. SHARE CAPITAL

	Number of shares	Amount HK\$'000
Ordinary shares of HK\$0.01 each		
Authorised:		
At 1 January 2022, 31 December 2022 and 31 December 2023	<u>20,000,000,000</u>	<u>200,000</u>
Issued and fully paid:		
At 1 January 2022	12,609,873,051	126,099
Repurchase and cancellation of shares	<u>(107,791,000)</u>	<u>(1,078)</u>
At 31 December 2022 and 31 December 2023	<u>12,502,082,051</u>	<u>125,021</u>
	2023	2022
	US\$'000	US\$'000
Shown in the consolidated financial statements as	<u>16,027</u>	<u>16,027</u>

Note: During the year ended 31 December 2022, the Group repurchased an aggregate of 107,791,000 of its own shares on the Stock Exchange at total consideration of approximately HK\$83,437,000 (equivalent to approximately US\$10,697,000), including transaction cost. All of the repurchased shares were cancelled during the year ended 31 December 2022.

14. CAPITAL COMMITMENTS

	2023	2022
	US\$'000	US\$'000
Capital expenditure in respect of construction of property, plant and equipment, mineral rights and exploration and evaluation assets contracted for but not provided in the consolidated financial statements	<u>219,702</u>	<u>77,955</u>

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

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

The financial performance of the Group in 2023 receded as comparable to 2022. The results were primarily due to the continuous drop in commodity prices for copper and cobalt, higher production costs, delay in the sales of cobalt products, impairment loss of cobalt inventories and VAT recoverable, foreign exchange losses due to the depreciation of CDF, and offset by the reversal of impairment loss of property, plant and equipment and mineral rights.

The average benchmark LME copper price for 2023 was US\$8,483 per tonne, representing a 4% decrease as compared to that for 2022 of US\$8,815 per tonne. LME copper price began the year at US\$8,390 per tonne, rose to the highest of US\$9,436 per tonne in January 2023, then fell to the lowest at US\$7,910 per tonne in May 2023 and closed at US\$8,476 per tonne as at 31 December 2023.

The average MB cobalt price for 2023 was US\$15.10 per pound (US\$33,290 per tonne*), representing a 50% decrease as compared to that for 2022 of US\$30.36 per pound (US\$66,932 per tonne*). The MB cobalt price fell continuously from its highest of US\$39.75 per pound (US\$87,634 per tonne*) in April 2022 to its lowest of US\$12.90 per pound (US\$28,440 per tonne*) in June 2023 and closed at US\$13 per pound (US\$28,660 per tonne*) as at 31 December 2023.

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. The Group also has interest over a copper mine located in Zambia which has been leased out under finance lease agreement (Chibuluma South Mine (including Chifupu Deposit)).

In 2023, the Group produced approximately 62,006 tonnes of copper (2022: approximately 59,440 tonnes) and approximately 2,207 tonnes of cobalt (2022: approximately 3,961 tonnes) and sold approximately 59,516 tonnes of copper (2022: approximately 64,739 tonnes) and approximately 2,114 tonnes of cobalt (2022: approximately 4,496 tonnes) which generated revenue of US\$435.3 million and US\$39.1 million respectively (2022: US\$487.9 million and US\$160.9 million respectively).

* 1 tonne equivalent to 2,204.62 pounds

Copper production was 4% higher in 2023 at approximately 62,006 tonnes as compared to 2022 at approximately 59,440 tonnes. Ruashi Mine's copper production in 2023 at approximately 31,787 tonnes was 5% higher as compared to 2022 at approximately 30,353 tonnes. 31,787 tonnes of copper contained 4,951 tonnes of copper content in sulphide copper concentrate and 26,836 tonnes of copper cathode. Copper cathode production at 26,836 tonnes was 12% lower than that of 30,353 tonnes as compared to 2022, due to the unstable power supply from the national grid and lower ore feed grade. Kinsenda Mine reported 4% higher copper production at approximately 30,219 tonnes in 2023 as compared to approximately 29,087 tonnes in 2022. This was mainly due to the higher feed grade ore at 4.44% in 2023, which was 5% higher as compared to 2022 at 4.25%, leading to an improved copper recovery rate.

Cobalt production decreased by 44% from approximately 3,961 tonnes in 2022 to approximately 2,207 tonnes in 2023 as no foreign ore with high cobalt content were purchased during 2023 for ore blending purpose, resulted in a decline in ore grade and cobalt recovery rates. Besides, due to the continuous decline in cobalt market prices, Ruashi Mine had adjusted its production plan to reduce the cobalt output accordingly.

The Group also has control over Musonoi Project, a copper and cobalt project at advanced 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 2023, the trading division of the Group recorded a turnover of US\$164.4 million (2022: US\$232.8 million) via the trading of commodities, including copper cathode and cobalt hydroxide.

FINANCIAL REVIEW

The Group's operating results for 2023 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.

Revenue

The revenue for the Group's operations for 2023 was US\$638.9 million, representing a decrease of 28% compared to US\$881.6 million for 2022. Reasons for the decrease in revenue for 2023 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

	2023	2022
Mining operations:		
Volume of copper sold (<i>tonnes</i>)	59,516	64,739
Volume of cobalt sold (<i>tonnes</i>)	2,114	4,496
Average price realised per tonne of copper (<i>US\$</i>)	7,315	7,537
Average price realised per tonne of cobalt (<i>US\$</i>)	18,510	35,790
Revenue from sales of copper (<i>US\$'000</i>)	435,335	487,907
Revenue from sales of cobalt (<i>US\$'000</i>)	39,130	160,910
Total revenue from mining operations – including provisional pricing adjustments (<i>US\$'000</i>)	474,465	648,817
Trading of mineral and metal products:		
Revenue – trading of externally sourced mineral and metal products – including provisional pricing adjustments (<i>US\$'000</i>)	164,392	232,781
Total Revenue (<i>US\$'000</i>)	638,857	881,598

Note: Pricing coefficients were considered in actual sales revenue.

The Group sold approximately 59,516 tonnes of copper content contained in copper cathode and copper concentrate for 2023 (2022: approximately 64,739 tonnes), of which the copper sales volume of Ruashi Mine for 2023 was approximately 27,218 tonnes, a decrease of 23% from approximately 35,150 tonnes for 2022 which were mainly driven by the decrease in production volume of copper cathode and the temporary suspension of the export license on certain occasions in 2023 (subsequently resumed to normal by the end of 2023) and the stretch on logistics limiting truck for mine products delivery in the DRC. Copper sales volume of Kinsenda Mine for 2023 was approximately 32,298 tonnes, an increase of 9% from approximately 29,589 tonnes for 2022 due to the effective destocking of its inventory level in 2023. The Group sold approximately 2,114 tonnes of cobalt content contained in cobalt hydroxide for 2023, representing a decrease of 53% compared with approximately 4,496 tonnes for 2022.

Copper revenue from mining operations for 2023 was US\$435.3 million, representing a decrease of 11% as compared to 2022 of US\$487.9 million. The average benchmark LME copper price for 2023 was US\$8,483 per tonne, representing a 4% decrease as compared to that for 2022 of US\$8,815 per tonne, resulting in a 3% decrease of the average copper price realised from US\$7,537 per tonne for 2022 to US\$7,315 per tonne for 2023.

Cobalt revenue from mining operations for 2023 was US\$39.1 million, representing a decrease of 76% as compared to 2022 of US\$160.9 million. The average MB cobalt price for 2023 was US\$15.10 per pound (US\$33,290 per tonne*), representing a 50% decrease as compared to that for 2022 of US\$30.36 per pound (US\$66,932 per tonne*). The benchmark MB cobalt hydroxide coefficient has decreased from 88% at the end of March 2022 to a range of 51% to 63% in 2023, leading to the further decrease in effective cobalt price of the Group.

MB cobalt prices were traded at a low range during 2023 and the Group has adopted a sales strategy to slow down cobalt sales and to accumulate more cobalt inventory on hand in view to destock when cobalt price recovers. Therefore, approximately 2,114 tonnes of cobalt were sold in 2023 and a revenue of approximately US\$39.1 million was recorded.

The trading of mineral and metal products segment recorded a decrease in revenue on trading of externally sourced commodities of 29% from US\$232.8 million for 2022 to US\$164.4 million for 2023. The decrease was due to the decrease in both trading volume and the commodities prices in 2023.

* 1 tonne equivalent to 2,204.62 pounds

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

	2023 <i>US\$'000</i>	2022 <i>US\$'000</i> <i>(Note)</i>
Mining operations:		
Realisation costs	749	1,125
Mining costs	77,969	101,367
Ore purchase	1,806	92,224
Salaries and wages	47,328	52,093
Processing costs	115,240	118,288
Engineering and technical costs	2,900	2,646
Safety, health, environment and community costs	5,475	5,217
Mine administrative expenses	30,049	33,307
Depreciation of property, plant and equipment	68,865	63,294
Depreciation of right-of-use assets	64	68
Amortisation of mineral rights	17,088	24,842
Movement in inventories	6,524	18,967
Sub-total	374,057	513,438
Trading of mineral and metal products:		
Purchase of commodities	164,355	232,781
Total Cost of Sales	538,412	746,219

Note: Certain comparative figures have been restated.

Cost of sales for the Group's mining operations was US\$374.1 million for 2023, representing a decrease of 27% as compared to US\$513.4 million for 2022. Ore purchase expenses decreased from US\$92.2 million for 2022 to US\$1.8 million for 2023 as less foreign ores were purchased in 2023. Processing costs remain at a high level in 2023 were mainly due to higher electricity cost and due to unstable power supply from the national grid, more diesel power with higher cost were used, also higher reagent consumption due to acid solubility of the ores and the increase in the reagent price. As cobalt market price remained at a low level as at 31 December 2023, the Group has recognised an impairment loss on cobalt finished goods inventory amounted to US\$4.3 million (included in movement in inventories above) in 2023.

Cost of trading of mineral and metal products of US\$164.4 million (2022: US\$232.8 million) represented the cost of commodities purchased by our trading subsidiaries in 2023. The decrease in cost of sales was in line with the decrease of trading segment's revenue.

Royalty Payment

Royalty payment decreased from US\$66.9 million in 2022 to US\$29.7 million in 2023 which was mainly due to the significant decrease in sales volume of cobalt in 2023.

Gross Profit

Gross profit of the Group's operations has increased by 3% from US\$68.5 million in 2022 to US\$70.7 million in 2023. The increase of gross profit was mainly due to the significant reduction of the foreign ore purchase cost, offset by the drop in copper and cobalt prices and the delay in the sales of cobalt products in 2023.

Net Finance Costs

Finance costs increased by 37% from US\$8.6 million for 2022 to US\$13.0 million for 2023 was due to the increase in market interest rates and increase in bank borrowings and loan from intermediate holding company. Interest expenses on project loans raised for the construction of Musonoi Project were capitalised to construction in progress as the project was still in construction phase.

Gross interest expenses (before capitalisation) increased by 108% from US\$14.6 million for 2022 to US\$30.3 million for 2023 due to the increase in bank borrowings and loan from intermediate holding company together with the increase in market interest rates since 2022. The principal of Musonoi Project loans, bank loans and loan from intermediate holding company increased by a total of US\$169 million, and offset by the gradual repayment of bank loans using cashflow from Kinsenda Mine, leading to a net increase in principal outstanding.

For the year ended 31 December

	2023 <i>US\$'000</i>	2022 <i>US\$'000</i>
Finance income	<u>3,838</u>	<u>1,931</u>
Finance costs		
– Interest expenses	(30,309)	(14,563)
– Less: Amount capitalised in cost of qualifying assets	<u>17,304</u>	<u>5,921</u>
	<u>(13,005)</u>	<u>(8,642)</u>
Net Finance Costs	<u>(9,167)</u>	<u>(6,711)</u>

Other Income, Other Gains and Losses

The major components of other income, other gains and losses are as follows:

For the year ended 31 December

	2023 <i>US\$'000</i>	2022 <i>US\$'000</i>
Reversal of impairment loss recognised in respect of property, plant and equipment	37,400	42,166
Reversal of impairment loss recognised in respect of mineral rights	2,600	2,834
Impairment loss on VAT recoverable	(29,000)	–
Royalty income under finance lease agreement	2,308	2,713
Exchange losses, net	(9,568)	(2,034)
Others	505	444
	<u>4,245</u>	<u>46,123</u>

Reversal of impairment loss

The Group recognised a reversal of impairment loss of property, plant and equipment of US\$37,400,000 and mineral rights of US\$2,600,000 for Kinsenda CGU (2022: reversal of impairment loss of property, plant and equipment of US\$42,166,000 and mineral rights of US\$2,384,000 for Kinsenda CGU) for the year ended 31 December 2023. The Group has reviewed the updated life of mine model of Kinsenda Mine incorporating revised minable reserves and new commodities prices assumption, and has reversed Kinsenda Mine's impairment loss recognised in prior years to reflect the changes in assumptions and mineable reserves for the years ended 31 December 2023 and 2022 respectively.

Impairment loss on VAT recoverable

The Group recognised an impairment loss on VAT recoverable of US\$29 million. The impairment loss arrived at after critical assessment on various aspects regarding the likelihood of recovering the historical long outstanding VAT owed by the DRC government to most mining companies. It takes reference to the high probability for the Group's receiving a substantially low portion out of the full amounts in future.

Exchange losses, net

Due to the significant drop in the foreign exchange rate of CDF to US\$ in 2023, the Group's subsidiaries in the DRC recorded US\$11.4 million exchange losses for those assets denominated in CDF, mainly on their respective value added tax recoverable.

Royalty income under finance lease agreement

Starting from 2021, Chibuluma South Mine (including Chifupu Deposit) was leased out under a finance lease agreement. The Group is entitled to fixed lease income and variable royalty income under the finance lease agreement. The lessee produced and sold approximately 3,795 tonnes (2022: 3,737 tonnes) of copper for 2023 and the Group has recorded a royalty income of US\$2.3 million (2022: US\$2.7 million) under the finance lease agreement.

Selling and Distribution Costs

The costs mainly represented the off-mine costs incurred when the Group sold its copper and cobalt products under the mining operations, and they primarily comprised transportation expenses and custom clearing expenses. The breakdown of selling and distribution costs is as follows:

For the year ended 31 December

	2023 <i>US\$'000</i>	2022 <i>US\$'000</i>
Off-mine costs:		
Clearing costs of export	25,169	27,329
Transportation	3,353	6,822
Others	2,535	2,182
	<hr/>	<hr/>
Total Selling and Distribution Costs	<u>31,057</u>	<u>36,333</u>

Selling and distribution costs decreased by 15% from US\$36.3 million for 2022 to US\$31.1 million for 2023. This was due to lower cobalt sales volume at Ruashi Mine offset by higher copper sales volume at Kinsenda Mine.

Administrative Expenses

Administrative expenses decreased by 26% from US\$10.4 million for 2022 to US\$7.7 million for 2023 due to the effective cost control implemented in 2023.

Income Tax Expense

The Group is subject to taxes in Hong Kong, the DRC, Zambia and South Africa due to its business operations in these jurisdictions. An income tax expense of US\$37.7 million was derived in 2023 as compared to US\$54.3 million in 2022. The high income tax expense in 2023 was mainly due to the permanent difference in respect of revenue recognition and certain non-deductible expenses in the DRC in 2023.

Loss for the Year

As a result of the above, the Group recorded a consolidated loss after income tax of US\$10.7 million for 2023 as compared to that of consolidated profit after income tax of US\$6.9 million for 2022.

Loss Attributable to Shareholders

The Group recorded a loss attributable to the Shareholders amounted to US\$11.6 million for 2023, as compared to that of profit attributable of Shareholders of US\$1.0 million for 2022. The turnaround to loss attributable to Shareholders for the 2023 was a result of predominately impairment loss of VAT recoverable of US\$29.0 million during the year; whereas other factors were the continuous drop in commodity prices for copper and cobalt, high production costs, delay in the sales of cobalt products, impairment loss of cobalt inventories, foreign exchange loss due to the depreciation of CDF, offset by the reversal of impairment loss of the property, plant and equipment and mineral rights.

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 standardised 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

	2023 <i>US\$'000</i>	2022 <i>US\$'000</i>
Cash costs as reported in the income statement:		
Direct and indirect mining cost	312,635	441,967
Adjustment for change in inventory	6,524	18,967
Adjustment for cobalt (by-product) revenue	(39,130)	(160,910)
C1 cash costs	280,029	300,024
Copper sold (<i>tonnes</i>)	59,516	64,739
C1 cash cost per tonne of copper (<i>US\$/tonne</i>)	4,705	4,634

The C1 cash cost increased 2% from US\$4,634 per tonne in 2022 to US\$4,705 per tonne in 2023. As mentioned in the first paragraph of this “C1 cash cost” section, the C1 cash cost is a common performance measure for copper products. Thus, the cobalt revenue is customarily deducted from the total cash costs in deriving those relevant to copper production. The increase in C1 cash cost was due to the lower cobalt revenue between the periods of 2023 and 2022 as the cobalt sales volume and price decrease significantly in 2023 offset by lower foreign ore purchases in 2023. Other production cost increases like higher electricity costs and due to unstable power supply, more diesel power with higher cost were used and higher reagent cost amounted to the rest of the increase.

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 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

	2023 US\$’000	2022 US\$’000
(Loss) profit for the year	(10,670)	6,864
Add: Net finance costs	9,167	6,711
Add: Income tax expense	37,694	54,266
Add: Depreciation of property, plant and equipment	68,887	63,342
Add: Depreciation of right-of-use assets	746	751
Add: Amortization of mineral rights	17,088	24,842
Add: Impairment loss on VAT recoverable	29,000	–
Less: Reversal of impairment loss recognized in respect of mineral rights	(2,600)	(2,834)
Less: Reversal of impairment loss recognized in respect of property, plant and equipment	(37,400)	(42,166)
EBITDA	<u>111,912</u>	<u>111,776</u>

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 year ended 31 December 2023 and 31 December 2022, no new Shares have been issued by the Company.

Capital Structure

The capital of the Company comprises ordinary shares and perpetual subordinated convertible securities. For the movement of share capital, please refer to note 13 of this announcement. During the period from June to December 2022, a wholly-owned subsidiary of the Company, GHL purchased and cancelled a total of 107,791,000 ordinary shares of the Company on-market. The buyback payment was paid wholly out of the Company's share premium. Consequently, US\$139,000 share capital and US\$10,558,000 share premium was deducted for the ordinary shares bought back and cancelled. The number of ordinary shares outstanding decreased from 12,609,873,051 Shares to 12,502,082,051 Shares upon cancellation of Shares repurchased at end of 2022. The Shares were acquired during 2022 at an average price of HK\$0.77 per Share, with prices ranging from HK\$0.53 to HK\$0.94. The total amount of approximately HK\$83,437,000 (equivalent to approximately US\$10,697,000) paid to acquire the Shares has been deducted from shareholders' equity.

Liquidity and Financial Resources

As at 31 December 2023, the Group had bank balances and cash (including bank deposits) of US\$85.0 million as compared to US\$89.7 million as at 31 December 2022.

As at 31 December 2023, the Group had total bank borrowings and overdrafts of US\$278.5 million (31 December 2022: US\$197.8 million) in which the bank borrowings and overdrafts of US\$69.5 million (31 December 2022: US\$70.8 million) are due within one year, bank borrowings of US\$187.0 million (31 December 2022: US\$127.0 million) are due within two to five years and bank borrowings of US\$22.0 million are due over five years (31 December 2022: 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 31 December 2023, bank loans with principal amount of US\$7.0 million are carrying effective fixed interest rate for the remaining loan term of 3.9% per annum expiring in May 2024.

As at 31 December 2023, the Group had loans from related companies of US\$178.8 million (31 December 2022: US\$112.1 million), of which US\$1.3 million (31 December 2022: US\$11.2 million) are due within one year and US\$177.5 million (31 December 2022: US\$100.9 million) are due within two to five years.

The gearing ratio of the Group as at 31 December 2023 was 32.4% compared to 18.9% as at 31 December 2022. Gearing ratio is defined as net debt over total equity, and net debt is derived from total borrowings (including amount due to related companies and bank overdrafts) less bank balances and cash (including bank deposits). The increase in the gearing ratio was due to the increase of loans from related companies and bank borrowings.

For the year ended 31 December 2023, 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 2023, there was no material acquisition or disposal of subsidiaries, associates and joint ventures.

Significant Events

Musonoi Project Procurement Contract

Ruashi and (Gausu Jinchuan International Corporation Co., Ltd.*) 甘肅金川國際經濟技術合作有限公司 entered into a procurement contract on 2 December 2022 in relation to the material and equipment procurement, export and logistics transportation required for mineral dressing, tailings pond and filling station of Musonoi Project. The aforesaid procurement contract was approved at the Company's extraordinary general meeting held on 7 March 2023. For details, please refer to the Company's circular dated 14 February 2023 and the Company's announcement dated 7 March 2023.

Significant Capital Expenditures

During the year ended 31 December 2023, the Group acquired property, plant and equipment amounting to US\$236.2 million (2022: US\$99.1 million) and incurred expenditures on exploration and evaluation assets amounting to US\$672,000 (2022: US\$260,000) for the Group's mining operations. During the years ended 31 December 2023 and 31 December 2022, the Group did not recognize any additional right-of-use assets. US\$211.2 million (2022: US\$75.5 million) of the capital expenditure incurred in the year ended 31 December 2023 related to the construction cost of Musonoi Project.

Details of Charges on the Group's Assets

As at 31 December 2023, 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 2023, 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\$. 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 and South Africa and the Group is exposed to fluctuation in CDF, ZMW and ZAR. The Group monitors its exposure to foreign currency exchange risk on an on-going basis.

PROSPECT

Copper price is resilient amid macroeconomic headwind and unrest geopolitical stability in 2023.

The LME copper price opened at US\$8,530 per tonne and rose rapidly up to US\$9,340 per tonne in early 2023 due to the improved demand outlook from the PRC following the relaxation of COVID-19 restrictions in late 2022. Followed by banking failures in the US and Europe, the continuous interest rate hike of the US Federal Reserve, and the modest economic growth of the PRC, the LME copper price dropped to US\$8,210 per tonne at the end of June 2023. Due to the closure of a world class copper mine in Panama and the supply shortage of copper concentrate in the fourth quarter of 2023, the LME copper price rise to the four-month high of US\$8,530 per tonne in late December 2023 and closed at US\$8,479 per tonne as at year end.

LME COPPER PRICE (JAN 2023 TO FEB 2024)
倫金所銅價 (二零二三年一月至二零二四年二月)

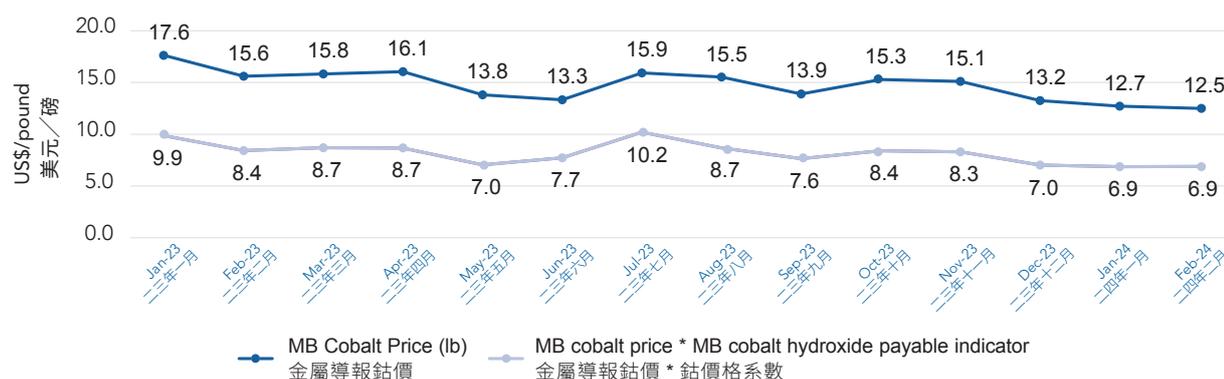


In short term, copper price is supported by a tightly balanced market, under an easing monetary policy from the US Federal Reserve, a weaker US dollar is expected in mid 2024, together with tighter mine supply, low inventory level and increase in demand from the Chinese smelter, all these would provide support to the copper prices in near term.

In long term, copper fundamental factors are strong. Copper, as a critical commodity used in construction and infrastructure, will definitely benefit from the economic recovery. Nations around the globe have initiated the strategic target of carbon neutral under the prevailing Environment, Social and Governance (“ESG”) concerns. Growth in long-term copper demand will be driven by the growth in fast expanding green technologies, where copper is used in energy storage, electric vehicles, EV charging infrastructure, wind power generation and solar photovoltaic panels.

In the case of cobalt, benchmark MB cobalt price has retreated by approximately 67% from US\$39.75 per pound (US\$87,634 per tonne*) at the end of April 2022 to US\$13 per pound (US\$28,660 per tonne*) at the end of December 2023. Coupling with the decrease in cobalt hydroxide coefficient in deriving our cobalt sales where benchmark MB cobalt hydroxide coefficient has decreased from 88% at the end of April 2022 to 53% at the end of December 2023, leading to the further decrease in our realised cobalt price of the Group.

MB COBALT PRICE (JAN 2023 TO FEB 2024)
金屬導報鈷價 (二零二三年一月至二零二四年二月)



The drop in cobalt price was due to growing supplies from the DRC and Indonesia and weak global demand. An unprecedented ramp up of a major mine in the DRC provide an additional supply growth in 2023. In short run, the cobalt price recovery will likely be moderate as demand shows no significant uplifts amid an oversupplied market.

In long run, cobalt demand fundamentals remain strong, EV industry remained the largest demand segment of cobalt, although the growth rate of the EV market has slowed over 2023 due to the regulatory changes, especially the rolling back of subsidies and incentives, but this has now largely been accepted by the market. The long-term growth prospects for EV remain strong, EV exports from the PRC continue to rise, Chinese brands are aggressively expanding overseas, especially in Europe. Cobalt is expected to remain a vital raw material for the entire battery supply chain in the near future, and a modest continuation of growth is therefore expected.

Copper and cobalt markets are easily affected by global economy uncertainties and 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 timely manner.

Since the Group's business spans over 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.

* 1 tonne equivalent to 2,204.62 pounds

To be a world-class mineral corporation is the ultimate goal of the Group. The Group's focus in the near future is the construction of our advanced development project, the Musonoi copper-cobalt mine in Kolwezi city, the DRC. Construction work at Musonoi Project has progressed well in 2023.

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. We will continue to improve quality and efficiency; strives to continuously reducing production costs, and thus achieving a better profitability.

EMPLOYEES

As at 31 December 2023, the Group had 1,744 (31 December 2022: 1,598) permanent workers and 3,738 (31 December 2022: 4,050) 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 2023 final dividend of HK0.2 cent per Share (2022: HK0.2 cent per Share), totaling approximately HK\$25,004,000 (2022: approximately HK\$25,004,000), subject to the approval to be obtained at the forthcoming annual general meeting. Details regarding declaration and payment of dividends will be announced in due course.

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 2023. The audited annual results of the Group for the year ended 31 December 2023 have been reviewed by the Audit Committee.

Scope of Work of Messrs. Deloitte Touche Tohmatsu

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2023 as set out in the preliminary announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year as approved by the Board of directors on 22 March 2024. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement and consequently no assurance has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

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 C3 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 2023.

Corporate Governance Code

During the year ended 31 December 2023, 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 C1 to the Listing Rules in force during the year, except for below deviation from code provision F.2.2 of the CG Code. Code provision F.2.2 stipulates that the chairman of the Board should attend the annual general meeting (“**AGM**”). Mr. Cheng Yonghong, the chairman of the Board, could not attend the AGM held on 24 May 2023 due to other business engagement.

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 2023.

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 2023 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
“associate(s)”	has the meaning ascribed to it under Listing Rules
“Board”	the board of Directors

“CDF”	Congolese Franc, the lawful currency of the DRC
“CGU”	Cash-generating unit
“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
“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)
“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
“EV”	electric vehicle
“GHL”	Golden Harbour International Trading Limited, a company incorporated in Hong Kong and an indirectly wholly-owned subsidiary of the Company
“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 controlling shareholder of the 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

“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 Haut 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 Haut Katanga Province in the DRC
“MB”	Metal Bulletin, a premium intelligence service for metal and 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
“Mineral and Metal Products”	mineral products, metal products and other raw materials, including but not limited to copper or nickel ores and concentrates, copper or nickel cathodes and other forms of copper, nickel or other metals bearing raw materials, cobalt and its related products
“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
“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 Haut Katanga Province
“Share(s)”	ordinary share(s) with nominal value 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
“VAT”	value-added tax
“Zambia”	the Republic of Zambia
“ZAR”	South African Rand, the lawful currency of South Africa
“ZMW”	Zambian Kwacha, the lawful currency of Zambia
“%”	percentage

By order of the Board
Jinchuan Group International Resources Co. Ltd
Wong Tak Chuan
Company Secretary

Hong Kong, 22 March 2024

As at the date of this announcement, the Board comprises two executive Directors, namely Mr. Gao Tianpeng and Mr. Cheng Yonghong; two non-executive Directors, namely, Mr. Liu Jian and Mr. Wang Qiangzhong; and four independent non-executive Directors, namely Mr. Yen Yuen Ho, Tony, Mr. Poon Chiu Kwok, Mr. Yu Chi Kit and Ms. Han Ruixia.

* For identification purposes only