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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 Cayman Islands with limited liability)*

**(Stock Code: 2362)**

**DISCLOSEABLE TRANSACTION  
DISPOSAL OF SHARE IN PERFORMING INVESTMENTS LIMITED  
AND ASSIGNMENT OF SHAREHOLDER LOAN**

The Board is pleased to announce that on 21 April 2011, the Company entered into the Sale and Purchase Agreement with Access Advance Holdings Limited (“**Access Advance**”), pursuant to which the Company agreed to dispose of the Sale Share, being the entire issued share capital of Performing Investments Limited (“**PIL**”), and assign the Shareholder Loan to Access Advance at the aggregate consideration of HK\$78,000,000.

As one of the relevant percentage ratios (as defined in Rule 14.07 of the Listing Rules) exceeds 5% but is less than 25%, the transactions contemplated under the Sale and Purchase Agreement will constitute a discloseable transaction under Chapter 14 of the Listing Rules and are therefore subject to the notification and announcement requirements as set out in Rules 14.34 to 14.38 of the Listing Rules.

**I. INTRODUCTION**

The Board is pleased to announce that on 21 April 2011, the Company entered into the Sale and Purchase Agreement with Access Advance, pursuant to which the Company agreed to dispose of the Sale Share, being the entire issued share capital of PIL, at a consideration of HK\$69,769,238 and assign the Shareholder Loan to Access Advance at the consideration of HK\$8,230,762, i.e. an aggregate consideration of HK\$78,000,000.

## **II. SALE AND PURCHASE AGREEMENT**

### **1. Signing date**

Signing date: 21 April 2011

### **2. Parties**

(i) the Company; and

(ii) Access Advance

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Access Advance and its ultimate beneficial owners are third parties independent of the Group and of connected persons of the Group.

### **3. Sale Share to be disposed**

The Company has agreed to dispose of the Sale Share, being the entire issued share capital of PIL, to Access Advance on the terms and subject to the conditions of the Sale and Purchase Agreement.

### **4. Shareholder Loan to be assigned**

The Company agreed to assign the Shareholder Loan to Access Advance on the terms and subject to the conditions of the Sale and Purchase Agreement and the Shareholder Loan Assignment.

Completion of the Sale and Purchase Agreement is unconditional and is expected to take place on any day after the date of the Sale and Purchase Agreement as agreed between the parties but no later than the tenth business day from the date of the Sale and Purchase Agreement. On the same day, the assignment of the Shareholder Loan will be effected.

### **5. Consideration**

The consideration of the disposal of the Sale Share and the assignment of the Shareholder Loan is HK\$69,769,238 and HK\$8,230,762 respectively. The consideration has been determined between the two parties after arm's length negotiations after considering the prospect and the asset value of PIL and the value of the Shareholder Loan.

## **III. INFORMATION ON PIL**

PIL is a wholly-owned subsidiary of the Company holding 16.49% of equity interest in PKV which is the registered concessionaire of the Macau Real Estate Project.

Set out below is the financial information of PIL for the years ended 31 December 2009 and 2010:

	<b>Year ended 31 December</b>	
	<b>2010</b>	<b>2009</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
Revenue	–	–
Net (loss) before taxation	(223,993)	(5)
Net (loss) after taxation	(223,993)	(5)

#### **IV. FINANCIAL EFFECT OF THE TRANSACTION**

According to the financial information of PIL, PIL has an unaudited net asset value of HK\$69,006,812 as at 31 March 2011. The Company will record an aggregate gain of approximately HK\$0.8 million from the Transaction. The gain is calculated based on the proceeds minus the net asset value of PIL of HK\$69,006,812 and the value of the Shareholder Loan of HK\$8,230,762. Upon completion of the Transaction, PIL will cease to be a subsidiary of the Company, and the financial results of PIL will no longer be consolidated into the Group's financial statements after completion.

#### **V. INFORMATION ON ACCESS ADVANCE AND THE GROUP**

##### **Access Advance**

Access Advance is incorporated in the British Virgin Islands and is primarily engaged in investment holding. It is an existing shareholder of PKV and indirectly holds approximately 4.33% in PKV.

##### **The Group**

The Group is engaged in beauty-related and property investment operations. In addition to these operations, it is a strategic intention of the Group to diversify its business into the mining and mineral resources sector.

#### **VI. REASONS FOR AND BENEFITS IN RELATION TO THE TRANSACTION**

The Directors consider that, as disclosed in the circular of the Company dated 29 October 2010, the Transaction is consistent with the Company's strategic intention to diversify its business into the mining and mineral resources sector and to focus on developing its business in this sector, and to seek opportunities to dispose of certain assets at fair consideration. The Transaction involves the disposal of the Company's indirect minority interest in the Macau Real Estate Project. Since there had been no significant development of the Macau Real Estate Project, government approvals have not been sought to progress the project on original planned schedule. In view of the uncertainty associated with the Macau property

market and the general stagnant market sentiment, the Directors consider that this is an appropriate opportunity to realise its interest in the project. The Company currently intends to apply the net proceeds to seek future possible acquisitions and business opportunities in the mining and mineral resources sector.

The Directors, including the independent non-executive Directors, consider that the Sale and Purchase Agreement and the transactions contemplated thereunder are on normal commercial terms, which are fair and reasonable and in the interests of the Company and its shareholders as a whole.

## VII. LISTING RULES IMPLICATIONS

As one of the relevant percentage ratios (as defined in Rule 14.07 of the Listing Rules) exceeds 5% but is less than 25%, the transactions contemplated under the Sale and Purchase Agreement will constitute a discloseable transaction under Chapter 14 of the Listing Rules and is therefore subject to the notification and announcement requirements as set out in Rules 14.34 to 14.38 of the Listing Rules.

### Definitions

In this announcement, unless the context otherwise requires, the following expressions have the following meanings:

“Access Advance”	Access Advance Holdings Limited, a company incorporated with limited liability in the British Virgin Islands
“Board”	the board of Directors of the Company
“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
“connected person(s)”	has the meaning ascribed to it in the Listing Rules
“Directors”	directors of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

“Macau”	Macau Special Administrative Region of the People’s Republic of China
“Macau Real Estate Project”	a real estate project located at Lot 9 in Zone A situated at Avenida Commercial de Macao, Baia de Praia Grande, Macau
“MOP”	Macanese pataca, the lawful currency of Macau
“PIL”	Performing Investments Limited, a company incorporated with limited liability in the British Virgin Islands and a wholly-owned subsidiary of the Company
“PKV”	Sociedade De Investimento Imobiliário Pun Keng Van, S.A., a company established in Macau
“Sale and Purchase Agreement”	the agreement dated 21 April 2011 in relation to the sale and purchase of the entire issued share capital of PIL by the Company to Access Advance
“Sale Share”	one share of US\$1.00 of PIL, representing the entire issued share capital of PIL
“Shareholder Loan”	the amount of MOP8,477,685 due and owing from PKV to the Company
“Shareholder Loan Assignment”	the assignment of the Shareholder Loan from the Company to Access Advance expected to be entered into among PKV, Access Advance and the Company at the completion of the Sale and Purchase Agreement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transaction”	the disposal of the entire issued share capital of PIL on the terms and subject to the conditions of the Sale and Purchase Agreement and the assignment of the Shareholder Loan on the terms and subject to the conditions of the Sale and Purchase Agreement and the Shareholder Loan Assignment
“%”	per cent.

By Order of the Board  
**JINCHUAN GROUP INTERNATIONAL RESOURCES CO. LTD**  
**Wong Tak Chuen**  
*Company Secretary*

Hong Kong, 21 April 2011

*As at the date of this announcement, the Board consists of five executive Directors, namely Mr. Yang Zhiqiang, Mr. Zhang Sanlin, Mr. Zhang Zhong, Ms. Deng Wen and Ms. Maria Majoire Lo, three non-executive Directors, namely, Mr. Gao Tianpeng, Mr. Qiao Fugui and Ms. Zhou Xiaoyin, and three independent non-executive Directors, namely Mr. Gao Dezhu, Mr. Wu Chi Keung and Mr. Yen Yuen Ho, Tony.*