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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)**

**CONNECTED TRANSACTION  
PURCHASE OF CORPORATE BOND**

Golden Harbour purchased a Corporate Bond in a series of on-market transactions conducted between 30 June 2016 and 7 July 2016 with a total nominal value of RMB27,000,000 (equivalent to approximately US\$4,049,008) at an aggregate consideration of RMB25,661,250 (equivalent to approximately US\$3,848,245).

As at the date of this announcement, Jinchuan Group indirectly owns 3,263,022,857 shares of the Company, representing approximately 75.00% of the issued share capital of the Company. Accordingly, Jinchuan Group is a connected person (as defined under the Listing Rules) of the Company under Chapter 14A of the Listing Rules. As one or more of the applicable percentage ratios calculated under applicable requirements of the Listing Rules with respect to the Bond Acquisition are more than 0.1% but below 5%, the Bond Acquisition constitutes a connected transaction of the Company which requires to comply with the announcement and reporting requirements under Chapter 14A of the Listing Rules but exempt from the independent Shareholders' approval requirement.

**BOND ACQUISITION**

Date	:	Between 30 June and 7 July 2016
Purchaser	:	Golden Harbour, an indirect wholly-owned subsidiary of the Company
Issuer	:	Jinchuan Group
Nominal Value and Consideration of the Corporate Bond	:	The total nominal value is RMB27,000,000 (equivalent to approximately US\$4,049,008). The total consideration is RMB25,661,250 (equivalent to US\$3,848,245). The acquisitions were made by cash.
Maturity	:	17 July 2017
Coupon rate	:	4.75% per annum payable at semi-annually

The Bond Acquisition was funded by internal resources of the Company. The Corporate Bond was purchased by on-market transactions conducted through a securities broker from the secondary market at market price.

**REASON FOR THE BOND ACQUISITION**

The Group has been exploring options with reasonable yields to utilise its cash resource which is not immediately needed. The Corporate Bond purchased by the Golden Harbour offers a stable return on cash for the Group, and the Directors (including the independent non-executive Directors) consider that the terms of the Bond Acquisition are fair and reasonable, on normal commercial terms and is in the interests of the Company and the Shareholders as a whole.

None of the Directors have any material interest in the Bond Acquisition for which they shall be required to abstain from voting on the board resolution approving the transaction pursuant to the articles of association of the Company. However, for good corporate governance, Mr. Yang Zhiqiang, Mr. Zhang Sanlin, Mr. Chen Dexin and Mr. Zhang Zhong voluntarily abstained from voting on the Board resolution approving the transaction as they also serve as directors and/or senior management of Jinchuan Group and/or Jinchuan HK.

**GENERAL**

As at the date of this announcement, Jinchuan Group indirectly owns 3,263,022,857 shares of the Company, representing approximately 75.00% of the issued share capital of the Company. Accordingly, Jinchuan Group is a connected person (as defined under the Listing Rules) of the Company under Chapter 14A of the Listing Rules. As one or more of the applicable percentage ratios calculated under the applicable requirements of the Listing Rules with respect to the Bond Acquisition are more than 0.1% but below 5%, the Bond Acquisition constitutes a connected transaction of the Company which requires to comply with the announcement and reporting requirements under Chapter 14A of the Listing Rules but exempt from the independent Shareholders’ approval requirement.

The Group is principally engaged in the mining operation and the trading of mineral and metal products. Jinchuan Group is a large scale non-ferrous metals mining conglomerate, specialising in mining, concentrating, metallurgy, chemical engineering and further downstream processing.

**DEFINITIONS**

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

- “Board” the board of Directors
  
- “Bond Acquisition” the purchase of Corporate Bond by Golden Harbour with a total nominal value of RMB27,000,000
  
- “Company” Jinchuan Group International Resources Co. Ltd, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on The Stock Exchange of Hong Kong Limited

“Corporate Bond”	interest bearing instruments of indebtedness issued by Jinchuan Group as the issuer and are listed on The Stock Exchange of Hong Kong Limited
“Director(s)”	the director(s) of the Company
“Golden Harbour”	Golden Harbour International Trading Limited, a company incorporated in Hong Kong and an indirect wholly-owned subsidiary of the Company
“Group”	the Company and its subsidiaries
“Jinchuan Group”	金川集團股份有限公司 (Jinchuan Group Co., Ltd.*), a state-owned enterprise established in the People’s Republic of China and the controlling shareholder (as defined in the Listing Rules) of the Company
“Jinchuan HK”	Jinchuan Group (Hongkong) Resources Holdings Limited (金川集團(香港)資源控股有限公司), an investment holding company incorporated in Hong Kong and a wholly-owned subsidiary of Jinchuan Group. It indirectly owns 3,263,022,857 Shares, representing approximately 75.00% of the issued share capital of the Company as at the date of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“RMB”	Renminbi, the lawful currency of the People’s Republic of China
“Shareholder(s)”	person(s) whose name(s) appear in the register of members of the Company as the holder(s) of the share(s) of the Company
“US\$”	United States Dollar, the lawful currency of United States of America
“%”	per cent

By Order of the Board  
**Jinchuan Group International Resources Co. Ltd**  
**Wong Tak Chuen**  
*Company Secretary*

\* For identification purpose only

*For the purpose of this announcement, unless otherwise indicated, the exchange rate of USD1.00 = RMB6.6683 has been used for currency translation, where applicable. Such exchange rate is for illustration purpose only and does not constitute a representation that any amount in RMB or USD have been, could have been or may be converted at such or any other rates or at all.*

Hong Kong, 8 July 2016

*As at the date of this announcement, the Board comprises four executive directors, namely Mr. Yang Zhiqiang, Mr. Zhang Sanlin, Mr. Chen Dexin and Mr. Zhang Zhong; and three independent non-executive directors, namely Mr. Wu Chi Keung, Mr. Yen Yuen Ho, Tony and Mr. Neil Thacker Maclachlan.*