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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)**

**INSIDE INFORMATION  
FRAMEWORK AGREEMENT IN RESPECT OF  
PROPOSED STRATEGIC COOPERATION WITH JUNHE HOLDINGS LIMITED**

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

**STRATEGIC FRAMEWORK AGREEMENT**

The Board is pleased to announce that on 5 December 2016, the Company entered into a non-binding Strategic Framework Agreement with Junhe Holdings in relation to a strategic cooperation proposed to be implemented through a series of transactions. Subject to the terms and conditions set forth in the Strategic Framework Agreement, the key directions of the cooperation framework between the parties are set out below:

**(i) Proposed equity investment in the Company by Junhe Holdings**

Junhe Holdings intends to make a minority equity investment in the Company by either subscribing for new shares of the Company or by acquiring existing shares of the Company.

**(ii) Proposed Management of Golden Harbour by Junhe Holdings**

Leveraging on the trading platform of Golden Harbour, the wholly-owned subsidiary of the Company, the Company proposes to entrust Junhe Holdings to manage and operate the trading business of metals and minerals of Golden Harbour. The parties intend to negotiate and agree on arrangements concerning, among others, management fees, profit guarantee and profit sharing in relation to the operations and management of Golden Harbour.

**(iii) Proposed Joint Ventures between the Company and Junhe Holdings**

The Company proposes to establish several Joint Ventures in Shanghai with Junhe Holdings for different businesses, including primarily a trading joint venture for trading commodities including non-ferrous metals, precious metals and chemical raw materials, a factoring joint venture for factoring business and a financial leasing joint venture involving leasing of automobiles and other equipment.

It is intended the Company and Junhe Holdings will respectively contribute equity capital for the establishment of the Joint Ventures and the net profit of each respective joint venture entity will be distributed to the Company and Junhe Holdings in proportion to their shareholding in such joint venture entity. The Joint Ventures, if established, are intended to be established as subsidiaries of the Company. Junhe Holdings will hold a minority stake in the Joint Ventures and will participate in the management and operation of the business of the Joint Ventures.

The Company wishes to emphasise that the Strategic Framework Agreement is non-binding and only sets out the parties' intention on a framework of cooperation between the Company and Junhe Holdings. As such, the proposed transactions contemplated under the Strategic Framework Agreement may or may not proceed.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Junhe Holdings and its ultimate beneficial owner are third parties independent of the Company and its connected persons (as defined in the Listing Rules).

**REASONS FOR AND BENEFITS OF ENTERING INTO THE STRATEGIC FRAMEWORK AGREEMENT**

The Company is an investment holding company. The principal activities of the Group is trading of mineral and metal products and mining operations, primarily copper and cobalt production. Jinchuan Group is a large scale non-ferrous metals mining conglomerate, specialising in mining, concentrating, metallurgy, chemical engineering and further downstream processing.

Junhe Holdings is a subsidiary of the Junhe Group, which is an integrated conglomerate established in Shanghai and engages in various segments of business as supported by Shanghai's robust investment environment and capital flow, including (i) the global trading of non-ferrous metals, precious metals and energy products (such as petrochemicals, wood pulp, coal, mineral resources and other international and domestic trades); (ii) industry investment (such as manufacturing and sales of aviation equipment and heavy machinery); (iii) financial services (such as financial leasing, factoring, fund management, internet finance and supply chain finance). The Junhe Group has received the title of "Enterprise of Contractual Performance and Creditworthiness" from the State Administration for Industry and Commerce of the People's Republic of China on numerous occasions and ranked 2nd amongst the top 100 private enterprises in Shanghai in 2016. It also ranked 39th amongst the top 500 Chinese private enterprises and 23rd amongst the top 100 Shanghai enterprises in 2016.

With an intention to expand and diversify the business segments of the Company, the strategic partnership between the Company and Junhe Holdings through introducing Junhe Holdings's management and trading expertise, and the formation of commodity trading joint ventures with Junhe Holding will enable the Company to take comparative advantages of the brands, channels, capital and resources of the Junhe Group through organic integration, which is in line with the Company's strategies in further developing its trading business of mineral and metal products. The other two proposed joint ventures aim to expand the Group's operation towards the factoring and financial leasing businesses. The strategic partnership between the Company and Junhe Holdings will promote and achieve joint and mutual benefits founded upon a continuous and stable development and cooperation synergies of both parties.

**Please note that further announcement(s) in respect of the proposed cooperation under the Strategic Framework Agreement will be made by the Company as and when required in accordance with the Listing Rules. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.**

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following capitalised terms shall have the following meanings:

"Board"	the board of Directors"
"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 Main Board of the Stock Exchange

“Director(s)”	the director(s) of the Company
“Golden Harbour”	Golden Harbour International Trading Limited, a company incorporated in Hong Kong and indirectly wholly-owned by the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Jinchuan Group”	金川集團股份有限公司 (Jinchuan Group Co., Ltd.*), a stated-owned enterprise established in the PRC and the controlling shareholder of the Company
“Joint Ventures”	the trading, factoring and financial leasing joint ventures proposed to be established in the PRC pursuant to the Strategic Framework Agreement, collectively
“Junhe Group”	Shanghai Junhe Group Co., Ltd, a company established in the PRC and the holding company of Junhe Holdings
“Junhe Holdings”	Junhe Holdings Limited, a company established in the PRC, approximately 84.14% interest of which is held by Junhe Group
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China, for the purposes of this announcement, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Shareholder(s)”	the holder(s) of the share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Strategic Framework Agreement”	the non-binding strategic framework agreement dated 5 December 2016 entered into between the Company and Junhe Holdings in relation to a strategic cooperation proposed to be implemented through a series of transactions

“subsidiaries” has the meaning ascribed to it under the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)

“%” per cent

*Certain English translation of Chinese names or words in this announcement are included for information only, and are not official English translations of such Chinese names or words.*

By order of the Board  
**Jinchuan Group International Resources Co. Ltd**  
**Mr. Yang Zhiqiang**  
*Chairman*

Jinchang City, Gansu Province, the People’s Republic of China  
5 December 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.*

\* *For identification purpose only*