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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)

VOLUNTARY ANNOUNCEMENT FORMATION OF A JOINT VENTURE COMPANY

INTRODUCTION

This is a voluntary announcement made by the Company.

The Board is pleased to announce that on 12 December 2017, GHJ, a wholly-owned subsidiary of the Company, entered into a JV Agreement with the JV Partner in relation to the proposed formation of the JV Company. The JV Company is a limited liability company to be established under the laws of the PRC.

THE PROPOSED FORMATION OF THE JV COMPANY

Capital contributions

Pursuant to the JV Agreement, it is intended that the shareholding of the JV Company would be, after its formation, held as to 60% by GHJ and 40% by the JV Partner.¹ The proposed total registered capital (which shall be equal to the proposed total investment to be made by GHJ and the JV Partner) of the JV Company shall be RMB100 million (equivalent to approximately HK\$118 million). The parties intend to make capital contributions in cash into the JV Company in proportion to their respective equity interests in the JV Company. Such capital contributions will be payable in two equal tranches by GHJ and the JV Partner

¹ *Alternatively, the full disclosure would involve “the total registered capital of the JV Company shall be, after its formation, RMB100,000,000 (equivalent to approximately HK\$118,000,000), which shall be contributed by (i) GHJ as to RMB60,000,000 in cash (representing 60% of the total registered capital and equivalent to approximately HK\$70,800,000) and (ii) the JV Partner as to RMB40,000,000 in cash (representing 40% of the total registered capital and equivalent to approximately HK\$47,200,000).”*

according to their respective contributions: (i) the first tranche will be payable on or before 31 December 2017 (subject to the fulfilment of certain conditions under the JV Agreement, including the obtaining of all approvals from the PRC authorities by the JV Company); and (ii) the second tranche will be payable on or before 30 June 2018. The capital contribution to be made by GHL will be funded by the internal resources of the Group.

The amount of registered capital of the JV Company and the capital contributions to be made by GHL and the JV Partner was determined after arm's length negotiations between GHL and the JV Partner with reference to the initial capital requirement for business development of the JV Company.

Term of the JV Company

The initial term of the JV Company is 10 years, which is renewable by mutual agreement of GHL and the JV Partner.

Board composition of the JV Company

The board of directors of the JV Company shall comprise of three directors, two of whom will be appointed by GHL and the remaining director will be appointed by the JV Partner. The chairman of the board of director of the JV Company will be elected by GHL.

REASONS FOR AND BENEFITS OF THE FORMATION OF THE JV COMPANY

Reference is made to the announcement made by the Company on 5 December 2016, pursuant to which the Company announced a proposed strategic cooperation with the JV Partner which involved, amongst other things, the potential formation of a joint venture for trading commodities including non-ferrous metals, precious metals and chemical raw materials.

With an intention to expand and diversify the business segments of the Company, the formation of a commodity trading joint venture with the JV Partner will enable the Company to take comparative advantages of channels, capital and resources of the Junhe Group through integration, which is in line with the Company's strategies in further developing its trading business of mineral and metal products. The strategic partnership between the Company and the Junhe Group will promote and achieve joint and mutual benefits founded upon a continuous and stable development and cooperation synergies of both parties.

LISTING RULES IMPLICATIONS

As all the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the total registered capital of the JV Company are below 5%, the formation of the JV Company does not constitute a notifiable transaction for the Company under Chapter 14 of the Listing Rules and this announcement is made by the Company on a voluntary basis for the information of the shareholders and potential investors of the Company.

GENERAL INFORMATION OF THE PARTIES

The Company is a non-ferrous metal and mining corporation headquartered and listed in Hong Kong. The Company is primarily engaged in the development and operation of overseas mining resources project, as well as the trading of raw materials and products of copper, cobalt, nickel and other nonferrous metal.

The JV Partner 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 mineral products; and (ii) industry investment (such as heavy machinery).

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions 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 (stock code: 2362)
“Director(s)”	the director(s) of the Company
“GHL”	Golden Harbour International Trading Limited (金港源國際貿易有限公司), a company incorporated in Hong Kong and an indirect wholly-owned subsidiary of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Junhe Group”	Shanghai Junhe Group Co., Ltd, a company established in the PRC and the holding company of the JV Partner

“JV Agreement”	the joint venture agreement dated 12 December 2017 entered into between GHJ and the JV Partner in relation to the formation of the JV Company
“JV Company”	上海金川均和经济发展有限公司 (Shanghai Jinchuan Junhe Economic Development Co., Ltd*), a limited liability company to be established under the laws of the PRC and in accordance with the terms of the JV Agreement
“JV Partner”	Junhe Holdings Limited, a company established in the PRC and a subsidiary of Juhe Group
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange
“PRC”	The People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

* For identification purpose only

For the purpose of this announcement, unless otherwise indicated, amounts denominated in RMB have been converted, for the purpose of illustration only, into Hong Kong dollars at the exchange rate of RMB1.00 = HK\$1.18. The exchange rate does not constitute a representation that any amount has been, could have been or may be exchanged at such a rate or at any other rates.

By order of the Board
Jinchuan Group International Resources Co. Ltd
Gao Tianpeng
Executive Director

Hong Kong, 12 December 2017

As at the date of this announcement, the Board comprises two executive Directors, namely Mr. Gao Tianpeng and Mr. Qiao Fugui; three non-executive Directors, namely Mr. Chen Dexin, Mr. Zhang Youda and Mr. Zeng Weibing; and three independent non-executive Directors, namely Mr. Wu Chi Keung, Mr. Yen Yuen Ho, Tony and Mr. Poon Chiu Kwok.