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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)

**SUPPLEMENTAL AGREEMENT FOR
CONTINUING CONNECTED TRANSACTIONS**

Reference is made to the Announcement in relation to the Continuing Connected Transactions entered into between GGL (as licensor) and GWL (as licensee) contemplated under the Licence Agreement.

On 1 November 2017 (after trading hours), GGL and GWL entered into the Supplemental Agreement to amend certain terms of the Licence Agreement.

As at the date of this announcement, GWL is an indirect wholly-owned subsidiary of Jinchuan Group, the ultimate shareholder of Jinchuan HK which indirectly owns 2,975,152,857 Shares, representing approximately 61.5% of the issued share capital of the Company. Since Jinchuan Group is the ultimate controlling Shareholder, GWL, an associate of Jinchuan Group, is therefore a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the Licence Agreement and the transaction contemplated thereunder constitute continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.54 of the Listing Rules, since the Company proposes to amend certain terms of the Licence Agreement which constitutes a material change to its terms by way of a Supplemental Agreement, the Company is required to re-comply with the relevant requirements of Chapter 14A of the Listing Rules. Accordingly, proposed amendments to the terms of the Continuing Connected Transactions under the Supplemental Agreement are subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules.

Reference is made to the Announcement in relation to the Continuing Connected Transactions entered into between GGL (as licensor) and GWL (as licensee) contemplated under the Licence Agreement.

THE SUPPLEMENTAL AGREEMENT

In the Announcement, it was announced that, amongst others, on 16 May 2016, GGL (as licensor) entered into the Licence Agreement with GWL (as licensee), pursuant to which GGL has agreed to license to GWL the non-exclusive right to use and occupy the office premises located at Unit 3101, 31/F, United Centre, 95 Queensway, Admiralty, Hong Kong for a term from 16 May 2016 to 31 March 2019.

On 1 November 2017 (after trading hours), GGL and GWL entered into the Supplemental Agreement to amend certain terms of the Licence Agreement.

As at the date of this announcement, GWL is an indirect wholly-owned subsidiary of Jinchuan Group, the ultimate shareholder of Jinchuan HK which indirectly owns 2,975,152,857 Shares, representing approximately 61.5% of the issued share capital of the Company. Since Jinchuan Group is the ultimate controlling Shareholder, GWL, an associate of Jinchuan Group, is therefore a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the Licence Agreement and the transaction contemplated thereunder constitute continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.54 of the Listing Rules, since the Company proposes to amend certain terms of the Licence Agreement which constitutes a material change to its terms by way of a Supplemental Agreement, the Company is required to re-comply with the relevant requirements of Chapter 14A of the Listing Rules. Accordingly, proposed amendments to the terms of the Continuing Connected Transactions under the Supplemental Agreement are subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules.

The Board (including the independent non-executive Directors) is of the view that terms of the Supplemental Agreement (including the revised annual caps) are fair and reasonable, on normal commercial terms and in the interests of the Company and its Shareholders as a whole. The Company confirms that none of the Directors have any material interest in the Supplemental Agreement for which they shall be required to abstain from voting on the board resolutions approving the terms of the Supplemental Agreement. However, for good corporate governance, Mr. Gao Tianpeng, Mr. Chen Dexin, Mr. Qiao Fugui and Mr. Zhang Youda voluntarily abstained from voting in the Board meeting which the Supplemental Agreement and the revised annual caps were approved.

PROPOSED AMENDMENTS PROVIDED IN THE SUPPLEMENTAL AGREEMENT

The principal amendments contemplated under the Supplemental Agreement are summarized below:

Licensed Area

Pursuant to the Licence Agreement, the licensed area was approximately 2,823 square feet. Pursuant to the Supplementary Agreement, the licensed area will be reduced to approximately 1,976 square feet from 1 November 2017.

Licensed Fee

Pursuant to the Licence Agreement, the licensed fee was approximately HK\$193,889 per month (exclusive of government rates and other outgoings and expenses). After entering into the Supplementary Agreement, the licensed fee will be decreased to approximately HK\$135,722 per month from 1 December 2017.

REVISED ANNUAL CAPS

The revised annual caps for the Continuing Connected Transaction are primarily based on the amended terms of the Supplemental Agreement. Details of the revised annual caps for the licence period of the Supplemental Agreement are set out as follows:

	Period from 1 November 2017 to 31 December 2017 (note 1)	Year ending 31 December 2018 (note 2)	3 months ending 31 March 2019
Annual cap	HK\$428,000 (equivalent to approximately USD54,872)	HK\$1,941,000 (equivalent to approximately USD248,846)	HK\$529,000 (equivalent to approximately USD67,821)

note 1: the licence fee will be changed from HK\$193,889 per month to HK\$135,722 per month from 1 December 2017

note 2: there is a rent-free period for the month ended 30 April 2018

REASONS FOR AND BENEFITS OF THE SUPPLEMENTAL AGREEMENT

It is beneficial to the Company to reduce the financial burden on rental expenses by surrendering some of the office spaces. As the result, the Company could allocate more resources to its core business.

INFORMATION ABOUT THE PARTIES

Information on the Group

The current holding company of the Company, Jinchuan HK, became the controlling shareholder of the Company since 30 November 2010 pursuant to a subscription of new shares of the Company which was announced by the Company on 24 August 2010. Jinchuan Group is the ultimate holding company of both Jinchuan HK and the Company. The current principal activities of the Group are base metals mining and trading of mineral and metal products.

Information on Jinchuan Group

Jinchuan Group, founded in 1958, is a state-owned enterprise with its majority interest held by the People's Government of Gansu Province. Jinchuan Group is a large-scale non-ferrous mining conglomerate with an international presence, specializing in mining, concentrating, metallurgy, chemical engineering and further downstream processing.

DEFINITIONS

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

“associate”	has the meaning as ascribed thereto in the Listing Rules
“Announcement”	an announcement published by the Company on 16 May 2016
“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
“connected person”	has the meaning ascribed to such term under the Listing Rules
“Continuing Connected Transaction”	the transaction contemplated under the Licence Agreement and the Supplemental Agreement
“Director(s)”	the director(s) of the Company

“GGL”	Golden Grand Investment Limited (金昌盛投資有限公司), a direct wholly-owned subsidiary of the Company and the licensor of the Licence Agreement
“Group”	the Company and its subsidiaries
“GWL”	Golden Wealth International Trading Limited (金鴻源國際貿易有限公司), an indirect wholly-owned subsidiary of Jinchuan Group and the licensee of the Licence Agreement
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“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 state-owned enterprise established in the PRC and the controlling shareholder 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 2,975,152,857 Shares, representing approximately 61.5% of the issued share capital of the Company as at the date of this announcement
“Licence Agreement”	the licence agreement entered into between GWL and GGL on 16 May 2016 in respect of the licensing of the premises located at Unit 3101, 31/F, United Centre, 95 Queensway, Admiralty, Hong Kong for a licence period from 16 May 2016 to 31 March 2019 (as supplemented by the amended terms of the Supplemental Agreement)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“percentage ratio(s)”	has the meaning ascribed to such term under the Listing Rules
“PRC”	the People’s Republic of China
“Share(s)”	ordinary shares of HK\$0.01 each in the issued share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiaries”	has the meaning ascribed to it under the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
“Supplemental Agreement”	the supplemental agreement of the License Agreement, which was signed on 1 November 2017 between GGL and GWL for a license period from 1 November 2017 to 31 March 2019
“USD”	US dollars, the lawful currency of the United States
“%”	per cent.

* *For identification purpose only*

For the purpose of this announcement, unless otherwise indicated, the exchange rate of USD1.00 = HK\$7.8 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 HK\$ or USD have been, could have been or may be converted at such or any other rates or at all.

By Order of the Board
Jinchuan Group International Resources Co. Ltd
Chen Dexin
Chairman

Hong Kong, 1 November 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.