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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold all your shares in Jinchuan Group International Resources Co. Ltd, you should at once hand this circular accompanying proxy form to the purchaser or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser.

This circular appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities of Jinchuan Group International Resources Co. Ltd.



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)

**(1) PROPOSED SUBSCRIPTION OF
NEW SHARES UNDER SPECIFIC MANDATE;
(2) PROPOSED APPOINTMENT OF NON-EXECUTIVE DIRECTOR;
(3) PROPOSED RE-ELECTION OF RETIRING DIRECTOR;
AND
(4) NOTICE OF EXTRAORDINARY GENERAL MEETING**

Capitalized terms used in this cover have the same meanings as those defined in this circular. A letter from the Board is set out on pages 3 to 11 of this circular.

A notice convening the EGM to be held at Unit 3101, 31/F, United Centre, 95 Queensway, Admiralty, Hong Kong at 10 a.m on Tuesday, 25 April 2017 is set out on pages 14 and 15 of this circular.

Whether or not you are able to attend the EGM in person, you are requested to complete the accompanying proxy form in accordance with the instructions printed thereon and return it to the branch share registrar of the Company in Hong Kong, Boardroom Share Registrars (HK) Limited at 31/F, 148 Electric Road, North Point, Hong Kong, as soon as possible but in any event not less than 48 hours before the time fixed for the holding of the EGM or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the EGM if you so wish.

6 April 2017

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DEFINITIONS

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

“Articles of Association”	the articles of association of the Company
“Board”	the board of Directors
“Company”	Jinchuan Group International Resources Co. Ltd (金川集團國際資源有限公司), 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)
“Completion”	completion of the Subscription in accordance with the terms of the Subscription Agreement
“Completion Date”	the third business day after the satisfaction of the Conditions of the Subscription Agreement, or any other day as mutually agreed by the Company and the Subscriber
“Conditions”	the conditions set out under the paragraph headed “Completion of the Subscription” in this circular
“Director(s)”	director(s) of the Company
“EGM”	an extraordinary general meeting of the Company to be convened on 25 April 2017 for the purpose of considering and, if deemed appropriate, approving the ordinary resolutions in respect of the Subscription Agreement and the transactions contemplated thereunder (including the proposed appointment of Mr. Zeng Weibing, who was nominated by the Subscriber for appointment as a non-executive Director pursuant to the terms of the Subscription Agreement, and the granting of the Specific Mandate) and the re-election of Retiring Director
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Last Trading Date”	17 March 2017, being the trading date immediately preceding the date of the Subscription Agreement
“Latest Practicable Date”	3 April 2017, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Musonoi Project”	a greenfield copper and cobalt exploration project located in the northern outskirts of Kolwezi, the North West of Lubumbashi city, which is the capital of Katanga Province of the Democratic Republic of the Congo
“PRC”	the People’s Republic of China
“Retiring Director”	Mr. Poon Chiu Kwok, the Director retiring at the EGM and, being eligible, is offering himself for re-election at the EGM, in accordance with the Articles of Association
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company listed on the Stock Exchange
“Shareholders”	holder(s) of the Share(s)
“Specific Mandate”	the specific mandate to be sought from the Shareholders at the EGM for the allotment and issue of the Subscription Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	SD Hi-Speed Investment HK Limited (山東高速環渤海投資(香港)有限公司), a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of SD Hi-Speed Huanbohai (Tianjin) Equity Investment Fund (Limited Partnership)* (山東高速環渤海(天津)股權投資基金合伙企業(有限合伙))
“Subscription”	the subscription of the Subscription Shares by the Subscriber pursuant to the Subscription Agreement
“Subscription Agreement”	the agreement entered into between the Company and the Subscriber on 20 March 2017, pursuant to which the Company conditionally agreed to allot and issue and the Subscriber conditionally agreed to subscribe for the Subscription Shares in accordance with the terms and conditions set out therein
“Subscription Price”	HK\$0.80 per Subscription Share
“Subscription Shares”	the total of 483,000,000 new Shares to be allotted and issued by the Company to the Subscriber at Completion
“%”	per cent

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

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. Yang Zhiqiang (*Chairman of the Board*)
Mr. Zhang Sanlin (*Deputy Chairman of the Board*)
Mr. Chen Dexin (*Chief Executive Officer*)
Mr. Zhang Zhong

Registered office:

P.O. Box 309
Ugland House
Grand Cayman KY1-1104
Cayman Islands

Independent non-executive Directors:

Mr. Wu Chi Keung
Mr. Yen Yuen Ho, Tony
Mr. Poon Chiu Kwok

*Head office and principal place
of business in Hong Kong:*

Unit 3101, 31/F
United Centre
95 Queensway
Admiralty
Hong Kong

6 April 2017

To the Shareholders

Dear Sir or Madam,

**(1) PROPOSED SUBSCRIPTION OF
NEW SHARES UNDER SPECIFIC MANDATE;
(2) PROPOSED APPOINTMENT OF NON-EXECUTIVE DIRECTOR;
(3) PROPOSED RE-ELECTION OF RETIRING DIRECTOR;
AND
(4) NOTICE OF EXTRAORDINARY GENERAL MEETING**

INTRODUCTION

Reference is made to (i) the announcement of the Company dated 20 March 2017 in relation to, among other things, the Subscription under the Specific Mandate; and (ii) the announcement of the Company dated 21 March 2017 in relation to, among other things, the appointment of Mr. Poon Chiu Kwok, the Retiring Director, as an independent non-executive Director.

LETTER FROM THE BOARD

The purpose of this circular is to provide you with, among other things, (i) details of the Subscription Agreement and the transactions contemplated thereunder (including the proposed appointment of Mr. Zeng Weibing, who was nominated by the Subscriber for appointment as a non-executive Director pursuant to the terms of the Subscription Agreement, and the granting of the Specific Mandate); (ii) details of the proposed re-election of Retiring Director; and (iii) a notice of the EGM in respect of the resolutions to be proposed at the EGM for approving the Subscription of new Shares under the Specific Mandate, the appointment of Mr. Zeng Weibing as a non-executive Director and the re-election of the Retiring Director.

THE SUBSCRIPTION AGREEMENT

Date: 20 March 2017

Parties:

(i) Issuer	The Company
(ii) Subscriber	SD Hi-Speed Investment HK Limited (山東高速環渤海投資(香港)有限公司)

Subscription Shares

Pursuant to the terms and conditions of the Subscription Agreement, the Company has conditionally agreed to allot and issue, and the Subscriber has conditionally agreed to subscribe in cash in the amount of HK\$386,400,000 for, a total of 483,000,000 Subscription Shares at the Subscription Price of HK\$0.80 per Subscription Share.

The Subscription Shares represent:

- (i) approximately 11.10% of the existing issued share capital of the Company as at the date of the Subscription Agreement;
- (ii) approximately 11.10% of the existing issued share capital of the Company as at the Latest Practicable Date; and
- (iii) approximately 9.99% of the total enlarged issued share capital of the Company immediately following the Completion, assuming there are no other changes in the issued share capital of the Company between the Latest Practicable Date and the Completion Date of the Subscription.

The Subscription Shares, when allotted, issued and fully paid, will rank *pari passu* in all respects among themselves and with all of the Shares in issue as at the date of allotment and issue of the Subscription Shares.

Subscription Price

The Subscription Price of HK\$0.80 per Subscription Share represents:

- (i) a discount of approximately 15.79% to the closing price of HK\$0.95 per Share as quoted on the Stock Exchange on the Latest Practicable Date;

LETTER FROM THE BOARD

- (ii) a discount of approximately 31.62% to the closing price of HK\$1.17 per Share as quoted on the Stock Exchange on the Last Trading Date;
- (iii) a discount of approximately 27.27% to the average closing price of HK\$1.10 per Share as quoted on the Stock Exchange for the last 5 consecutive trading days up to and including the Last Trading Date;
- (iv) a discount of approximately 20.79% to the average closing price of HK\$1.01 per Share as quoted on the Stock Exchange for the last 10 consecutive trading days up to and including the Last Trading Date;
- (v) a discount of approximately 5.88% to the average closing price of HK\$0.85 per Share as quoted on the Stock Exchange for the last 30 consecutive trading days up to and including the Last Trading Date; and
- (vi) a premium of approximately 6.67% to the average closing price of HK\$0.75 per Share as quoted on the Stock Exchange for the last 60 consecutive trading days up to and including the Last Trading Date.

The Subscription Price was arrived at after arm's length negotiations between the Company and the Subscriber with reference to, among others, (i) the market price of the Shares in recent months; (ii) the trading volume of the Shares in recent months; and (iii) the benefits to the Group of any possible cooperation in business or otherwise between the Group and the Subscriber. In particular, having considered that the Subscription Price only represents a small discount to the average closing price for the past 30 consecutive trading days and represents a premium over the average closing price for the past 60 consecutive trading days, and that there have not been any material changes to the underlying business and operations of the Group over the recent months, the Board considered that the Subscription Price is fair and reasonable. The Board also considered that the terms and conditions of the Subscription Agreement are fair and reasonable and that the Subscription is in the interests of the Company and the Shareholders as a whole. The aggregate Subscription Price will be payable by the Subscriber in cash upon the Completion.

Completion of the Subscription

Completion should take place on the Completion Date following the satisfaction of the Conditions pursuant to the terms of the Subscription Agreement. Such Completion is conditional upon (i) the Shareholders having approved the Subscription Agreement and the transactions contemplated thereunder and the granting of the Specific Mandate at the EGM; and (ii) the listing committee of the Stock Exchange granting the listing of, and permission to deal in, the Subscription Shares on the Stock Exchange. None of the above conditions can be waived.

As at the Latest Practicable Date, none of the Conditions have been fulfilled. The Company will apply to the listing committee of the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares. In the event that any of the Conditions is not satisfied, the Subscription Agreement and all rights and obligations thereunder will cease and terminate.

LETTER FROM THE BOARD

Lock-up undertaking

Pursuant to the Subscription Agreement, the Subscriber has undertaken to the Company that it will not at any time during the period of 12 months commencing from the Completion Date, directly or indirectly, sell, dispose of or pledge any of the Subscription Shares or any shares or interests in any company or entity holding any of the Subscription Shares, or enter into any transactions to the similar effect as that of the aforesaid disposal, or make public announcement of the intention of such disposal. Such restriction should not be applicable if the Subscriber transfers all or part of the Subscription Shares to its subsidiaries or in the event that it disposes of the Subscription Shares by way of top-up placing to facilitate the undertaking of equity financing by the Company.

Appointment of director

To tap the skills, experience and network of the Subscriber, as a term of the Subscription Agreement, the Company has agreed to appoint a person nominated by the Subscriber as a non-executive Director of the Company within 30 business days after the Completion Date. In exercising its right, the Subscriber has nominated Mr. Zeng Weibing for appointment as a non-executive Director pursuant to the terms of the Subscription Agreement. The biographical details of Mr. Zeng Weibing is set out in Appendix I to this circular.

Such nomination and appointment right granted to the Subscriber is a one-off right and the nomination and appointment process is subject to compliance with the Company's Articles of Association as well as applicable Listing Rules. In particular, it is required to be conducted in accordance with the terms of reference of the Remuneration and Nomination Committee of the Company, pursuant to which the name of the nominated candidate (together with information on his background, qualification and experience) has been submitted to the committee for review and consideration, taking into account matters that the committee considered appropriate (including, but not limited to, the suitability of the candidate to act as a Director pursuant to the requirements under Listing Rules 3.08 and 3.09). In exercising its independent discretion, the Board has considered the suitability of such nominee as a non-executive Director prior to recommending the appointment of such candidate for consideration at the EGM pursuant to Article 16.4 of the Articles of Association. Having considered the biography and background of Mr. Zeng Weibing and assessed his suitability as a director of a listed company in accordance with the requirements under the Listing Rules, the Board and the Remuneration and Nomination Committee of the Company are of the view that Mr. Zeng Weibing is an appropriate candidate to act as a non-executive Director, given that his extensive experience in project management and merger and acquisitions would provide valuable insights on the strategic planning and investment decisions of the Group.

The appointment of Mr. Zeng Weibing as a non-executive Director will be conditional upon Completion having taken place. An ordinary resolution will be proposed at the EGM for the Shareholders to consider and, if deemed appropriate, approve the appointment of Mr. Zeng Weibing as a non-executive Director, which if approved will be conditional upon the Subscription Agreement and the transactions contemplated thereunder being approved by the Shareholders at the EGM and Completion having taken place. Completion of the Subscription Agreement is conditional to the appointment of Mr. Zeng Weibing as a non-executive Director being approved by Shareholders at the EGM.

In view of the aforesaid nomination and appointment procedures, the Directors consider that the grant of such one-off right does not contravene the requirement under Listing Rule 2.03(4).

LETTER FROM THE BOARD

EFFECT OF THE SUBSCRIPTION ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structure of the Company (i) as at the Latest Practicable Date; and (ii) immediately upon the issue of all of the Subscription Shares (assuming that there are no changes in the issued share capital of the Company from the Latest Practicable Date and up to the Completion Date (other than as a result of the allotment and issue of the Subscription Shares upon Completion)) are summarised as follows:

	As at the Latest Practicable Date		Immediately upon the issue of the Subscription Shares upon Completion	
	<i>Number of Shares</i>	<i>Approximate percentage of total issued Shares (%) (Note 1)</i>	<i>Number of Shares</i>	<i>Approximate percentage of total issued Shares (%) (Note 1)</i>
Substantial Shareholders				
Jinchuan (BVI) 1 Limited ^(Note 2)	1,872,226,377	43.03	1,872,226,377	38.73
Jinchuan (BVI) 2 Limited ^(Note 2)	855,874,372	19.67	855,874,372	17.71
Jinchuan (BVI) 3 Limited ^(Note 2)	534,922,108	12.29	534,922,108	11.07
Subtotal	3,263,022,857	75.00^(Note 1)	3,263,022,857	67.50^(Note 1)
The Subscriber	–	–	483,000,000	9.99
Other Public Shareholders	1,087,730,194	25.00	1,087,730,194	22.50
Subtotal	1,087,730,194	25.00^(Note 1)	1,570,730,194	32.50^(Note 1)
Total	4,350,753,051	100.00	4,833,753,051	100.00

Note: 1. Rounded up to two decimal places for disclosure purpose only. Any discrepancies in the table or chart between totals and sums of numbers listed therein are due to rounding effect.

2. As at the Latest Practicable Date, 金川集團股份有限公司 (Jinchuan Group Co., Ltd) directly owns 100% of the issued share capital of Jinchuan Group (Hongkong) Resources Holdings Limited which in turn owns 100% of the issued share capital of Jinchuan (BVI) Limited which owns 100% of the issued share capital of Jinchuan (BVI) 1 Limited, Jinchuan (BVI) 2 Limited and Jinchuan (BVI) 3 Limited. Therefore, Jinchuan Group Co., Ltd, Jinchuan Group (Hongkong) Resources Holdings Limited and Jinchuan (BVI) Limited are deemed to have an interest in the Company.

LETTER FROM THE BOARD

REASONS FOR THE SUBSCRIPTION AND USE OF PROCEEDS

Shandong Hi-Speed Group Co., Ltd (山東高速集團有限公司), a state-owned company established in Shandong Province, the PRC, is the indirect single largest shareholder holding 45% equity interest in SD Hi-Speed Huanbohai (Tianjin) Equity Investment Fund Management Limited* (山東高速環渤海(天津)股權投資基金管理有限公司), which in turn manages SD Hi-Speed Huanbohai (Tianjin) Equity Investment Fund (Limited Partnership)* (山東高速環渤海(天津)股權投資基金合夥企業(有限合夥)), the holding company of the Subscriber. Shandong Hi-Speed Group Co., Ltd not only has a proven track record in the investment, construction, operation and management of highways, expressways, railways, bridges, port and airports, it also has rich experience in the business of financing, leasing, factoring, insurance, overseas investment and logistics. Accordingly, the Subscription is intended to serve as a strategic cooperative partnership between the Company and the Subscriber which could enable the Group to utilise the resources and expertise of Shandong Hi-Speed Group Co., Ltd in the infrastructure industry to support its mining and metal operations in Africa. Particularly, the Directors considered that the existing infrastructure networks and construction capabilities of Shandong Hi-Speed Group Co., Ltd could supplement and provide local logistic supports to facilitate the distribution of the Group's mineral and metal products, for example through the potential cooperation between the Group and Shandong Hi-Speed Group Co., Ltd. in the building of ports and pipelines to supplement the Group's distribution channels. The cooperative partnership would therefore enable the Group to take comparative advantages of the distribution channels of Shandong Hi-Speed Group Co., Ltd for further development and expansion of the Group's trading business.

In addition, the Company will leverage on the additional funding raised from the Subscription to strengthen its financial position and enhance its funding liquidity for internal operations, while further broaden the shareholder base and capital base of the Company. If the Subscription is approved by the Shareholders at the EGM and proceeds to Completion, Shandong Hi-Speed Group Co., Ltd will become the second largest shareholder of the Company. The Board is of the view that the Subscription is an excellent opportunity to improve the profile of the Shareholders as a whole.

The gross proceeds from the Subscription are estimated to be approximately HK\$386,400,000 and the net proceeds from the Subscription, after deduction of the related expenses, are estimated to be approximately HK\$384,400,000, representing a net issue price of approximately HK\$0.796 per Subscription Share. The Company intends to utilise the net proceeds from the Subscription for general capital purposes including, amongst others, (i) financing the initial development of the Musonoi Project which is at the exploration stage and is part of the Group's mining operations; (ii) financing new lines of trading of mineral and metal products operations; and (iii) other general capital purposes.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company has not conducted any equity fund raising activities during the 12 months immediately preceding the Latest Practicable Date.

LETTER FROM THE BOARD

GENERAL INFORMATION

Information on Parties to the Subscription Agreement

The Company is an investment holding company and its Shares are listed on the Main Board of the Stock Exchange. The principal business of the Group is in mining operations, primarily copper and cobalt production, and the trading of mineral and metal products.

The Subscriber is an investment holding company incorporated in Hong Kong and a wholly-owned subsidiary of SD Hi-Speed Huanbohai (Tianjin) Equity Investment Fund (Limited Partnership)* (山東高速環渤海(天津)股權投資基金合夥企業(有限合夥)), which is managed by SD Hi-Speed Huanbohai (Tianjin) Equity Investment Fund Management Limited* (山東高速環渤海(天津)股權投資基金管理有限公司). As Shandong Hi-Speed Group Co., Ltd (山東高速集團有限公司) indirectly holds 45% equity interest in SD Hi-Speed Huanbohai (Tianjin) Equity Investment Fund Management Limited, it is the indirect single largest shareholder of the aforesaid management company. Shandong Hi-Speed Group Co., Ltd is a state-owned company established in Shandong Province, the PRC which engages in various segments of business including the investment, construction, operation and management of highways, expressways, railways, bridges, ports and airports. It also has rich experience in the business of financing, leasing, factoring, insurance, overseas investment and logistics. It ranked among “China Top 500 Companies” for 9 consecutive years from 2008 to 2016 and has continuously fulfilled the requirements under the appraisal indicators for Grade-A performance issued by the State-owned Assets Supervision and Administration Committee of Shandong Province.

To the best of the Directors’ knowledge, information and belief as of the Latest Practicable Date, and having made all reasonable enquiries, the Subscriber and its ultimate beneficial owner are independent third parties, which are not connected with the Company and its connected persons (as defined under the Listing Rules).

Specific Mandate

The Subscription Shares will be allotted and issued under the Specific Mandate to be sought from the Shareholders at the EGM.

The general mandate of the Company, which was granted to the Directors by an ordinary resolution of the Shareholders passed at the annual general meeting of the Company held on 15 June 2016, will not be used for the issue of the Subscription Shares.

RE-ELECTION OF THE RETIRING DIRECTOR

Pursuant to Article 16.2 of the Articles of Association, any Director appointed by the Board to fill a casual vacancy shall hold office only until the next following general meeting of the Company and be subject to re-election at such meeting. Accordingly, Mr. Poon Chiu Kwok, who was appointed by the Board to be an independent non-executive Director with effect from 21 March 2017, shall retire as independent non-executive Director at the EGM.

LETTER FROM THE BOARD

The Retiring Director, being eligible, has offered himself for re-election. The biographical details of the Retiring Director proposed to be re-elected is set out set out in Appendix II to this circular.

EGM

The EGM will be convened for the purpose of considering and, if deemed appropriate, approving the ordinary resolutions in respect of Subscription Agreement and the transactions contemplated thereunder (including the proposed appointment of Mr. Zeng Weibing, who was nominated by the Subscriber for appointment as a non-executive Director pursuant to the terms of the Subscription Agreement, and the granting of the Specific Mandate), and the proposed re-election of the Retiring Director.

In accordance with the Listing Rules, any Shareholder who has a material interest in the Subscription (including the proposed appointment of Mr. Zeng Weibing, who was nominated by the Subscriber for appointment as a non-executive Director pursuant to the terms of the Subscription Agreement, and the granting of the Specific Mandate), and the proposed re-election of the Retiring Director should abstain from voting on the relevant resolutions to be proposed at the EGM. To the best of knowledge, information and belief of the Directors as of the Latest Practicable Date, none of the Shareholder has a material interest in the transactions contemplated under the Subscription Agreement (including the proposed appointment of Mr. Zeng Weibing, who was nominated by the Subscriber for appointment as a non-executive Director pursuant to the terms of the Subscription Agreement, and the granting of the Specific Mandate), and the proposed re-election of the Retiring Director nor will be otherwise required to abstain from voting on the relevant resolutions to be proposed at the EGM.

A proxy form for the EGM is enclosed with this circular. Whether or not you are able to attend the EGM in person, you are requested to complete the proxy form and return it to the Company's branch share registrar in Hong Kong, Boardroom Share Registrars (HK) Limited at 31/F, 148 Electric Road, North Point, Hong Kong, in accordance with the instructions printed thereon not less than 48 hours before the time fixed for the EGM or any adjournment thereof. The completion and delivery of a proxy form will not preclude you from attending and voting at the EGM in person.

Set out on pages 14 to 15 is a notice to convene the EGM to be held at Unit 3101, 31/F United Centre, 95 Queensway, Admiralty, Hong Kong at 10 a.m. on Tuesday, 25 April 2017.

Pursuant to Rule 13.39(4) of the Listing Rules, all votes at the EGM will be taken by poll and the Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.

Since Completion of the Subscription is subject to the satisfaction of the Conditions set out in the Subscription Agreement and the proposed appointment of Mr. Zeng Weibing as a non-executive Director being approved by the Shareholders at the EGM, the Subscription may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

LETTER FROM THE BOARD

RECOMMENDATION

Having considered the reasons set out herein, the Directors consider that the terms of the Subscription Agreement and the transactions contemplated thereunder (including the proposed appointment of Mr. Zeng Weibing, who was nominated by the Subscriber for appointment as a non-executive Director pursuant to the terms of the Subscription Agreement, and the granting of the Specific Mandate) and the proposed re-election of the Retiring Director are fair and reasonable and in the interests of the Company and the Shareholders as a whole, and therefore recommend the Shareholders to vote in favour of the resolutions proposed at the EGM.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement in this circular misleading.

Yours faithfully,

For and on behalf of the Board

Jinchuan Group International Resources Co. Ltd

Mr. Yang Zhiqiang

Chairman

The following are the particulars of the proposed non-executive Director nominated by the Subscriber pursuant to the terms of the Subscription Agreement for appointment at the EGM:

NON-EXECUTIVE DIRECTOR**Zeng Weibing**

Mr. Zeng Weibing (曾衛兵), aged 48, holds a PhD and is a researcher of engineering application technology. He is currently the legal representative and general manager of Shandong High-Speed Investment Holding Co., Ltd.* (山東高速投資控股有限公司), a wholly-owned subsidiary of Shandong Hi-Speed Group Co., Ltd. (山東高速集團有限公司), which is an international conglomerate specialising in the investment, construction, operation and management of highways, expressways, railways, bridges ports and airports. Mr. Zeng joined Shandong High-Speed Group Co., Ltd. in 1997 and since then he has held several key positions in a number of important projects. He has extensive experience in merger and acquisitions, investment, asset management, project management and development, market development and operation management. Mr. Zeng currently serves as a member of the supervisory board and the chairman of the Remuneration, Nomination and Governance Committee of the Toulouse-Blagnac Airport in France.

General

Save as disclosed above and as at the Latest Practicable Date, Mr. Zeng does not (i) hold any interests in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong); (ii) have any relationship with any other directors, senior management, substantial shareholder or controlling shareholder of the Company; (iii) hold any other position with the Company or its subsidiaries; and (iv) hold any other directorships in public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years.

Save as disclosed above, the Board is not aware of any matter in relation to the proposed appointment of Mr. Zeng Weibing that is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules and any other matter that needs to be brought to the attention of the Shareholders.

The following are the particulars of the Retiring Director proposed for re-election at the EGM:

INDEPENDENT NON-EXECUTIVE DIRECTOR

Poon Chiu Kwok

Mr. Poon Chiu Kwok (潘昭國), aged 54, holds a master's degree in international accounting, a post-graduate diploma in laws, a bachelor's degree in laws and a bachelor's degree in business studies. He has over 25 years of experience in regulatory affairs, corporate finance, listed companies governance and management. He is an executive director, vice president and company secretary of Huabao International Holdings Limited, whose shares are listed on the Stock Exchange. He currently serves as an independent non-executive director of the following companies listed on the Stock Exchange: AUX International Holdings Limited, Changan Minsheng APLL Logistics Co., Ltd., Greentown Service Group Co. Ltd., Sany Heavy Equipment International Holdings Company Limited, Sunac China Holdings Limited, Tonly Electronics Holdings Limited, TUS International Limited and Yuanda China Holdings Limited. He was also an independent non-executive director of CSSC Offshore & Marine Engineering (Group) Company Limited (shares of which are listed on the Stock Exchange and the Shanghai Stock Exchange) from 31 May 2011 to 8 May 2014 and Ningbo Port Company Limited (shares of which are listed on the Shanghai Stock Exchange) from 1 April 2008 to 26 May 2014. Mr. Poon is a fellow member of The Institute of Chartered Secretaries and Administrators and The Hong Kong Institute of Chartered Secretaries and a member of its Technical Consultation Panel and Professional Development Committee. He is also a fellow member and Associate Instructor of Hong Kong Securities and Investment Institute.

General

Mr. Poon has entered into a letter of appointment dated 21 March 2017 with the Company for an initial term commencing from 21 March 2017 to 31 December 2019, subject to retirement by rotation and re-election at the general meeting of the Company in accordance with the Articles of Association. He is entitled to a director's fee in the amount of HK\$216,000 per annum. The aforesaid fee was determined on the same basis as that paid by the Company to other independent non-executive Directors.

Save as disclosed above and as at the Latest Practicable Date, Mr. Poon does not (i) hold any interests in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong); (ii) have any relationship with any other directors, senior management, substantial shareholder or controlling shareholder of the Company; (iii) hold any other position with the Company or its subsidiaries; and (iv) hold any other directorships in public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years.

Save as disclosed above, the Board is not aware of any matter in relation to the proposed appointment of the Retiring Director that is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules and any other matter that needs to be brought to the attention of the Shareholders.

NOTICE OF EXTRAORDINARY GENERAL MEETING



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)

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “EGM”) of the shareholders of Jinchuan Group International Resources Co. Ltd (the “**Company**”) will be held at Unit 3101, 31/F United Centre, 95 Queensway, Admiralty, Hong Kong at 10 a.m. on Tuesday, 25 April 2017 for the purpose of considering, and if thought fit, passing the following resolutions as ordinary resolutions of the Company:

ORDINARY RESOLUTIONS

Words and expressions that are not expressly defined in this notice shall bear the same meaning as those defined in the circular dated 6 April 2017 issued by the Company.

“THAT:

1. (a) the entering into of the Subscription Agreement, a copy of which is produced to the meeting marked “A” and initialled by the chairman of the EGM for the purpose of identification, be and is hereby approved, confirmed and ratified, and subject to the passing of the second resolution set out in this notice, the transactions contemplated thereunder, be and is hereby approved, confirmed and ratified;
- (b) subject to the listing committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the Subscription Shares, the Board be and is hereby granted a Specific Mandate for the allotment and issue of 483,000,000 Shares upon Completion; and
- (c) any one director of the Company be and is hereby generally and unconditionally authorised to do all such further acts and things and to sign and execute all such other or further documents (if any) and to take all such steps which in his opinion may be necessary, appropriate, desirable or expedient to implement and/or give effects to the transactions contemplated under the Subscription Agreement, including but not limited to the execution of any deeds or the affixation of any seal or the issue of any certificate.

NOTICE OF EXTRAORDINARY GENERAL MEETING

2. Subject to the passing of the first resolution set out in this notice and Completion having taken place, Mr. Zeng Weibing be and is hereby appointed as a non-executive director of the Company with effect from the Completion Date of the Subscription under the Subscription Agreement and the Board be and is hereby authorised to fix his remuneration.
3. Mr. Poon Chiu Kwok be and is hereby re-elected as an independent non-executive Director of the Company.

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

Hong Kong, 6 April 2017

Notes:

1. A member entitled to attend and vote at the EGM is entitled to appoint more than one proxy to attend and, on poll, vote on his behalf. A proxy need not be a member of the Company.
2. A form of proxy for use at the EGM is enclosed. Whether or not you intend to attend the EGM in person, you are urged to complete and return the form of proxy in accordance with the instructions printed thereon as soon as possible. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjourned EGM thereof if you so wish. In the event that you attend the EGM after having returned the completed form of proxy, your form of proxy will be deemed to have been revoked.
3. To be valid, the form of proxy, together with any power of attorney or other authority (if any) under which it is signed or a notorially certified copy of such power of attorney, must be deposited at Boardroom Share Registrars (HK) Limited at 31/F., 148 Electric Road, North Point, Hong Kong, not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof.
4. In the case of joint registered holders of any shares of the Company, any one of such joint registered holders may vote at the EGM, either in person or by proxy, in respect of such shares as if he/she/it were solely entitled thereto; but if more than one of such joint registered holders are present at the EGM, either in person or by proxy, the vote of that one of them so present, either in person or by proxy, whose name stands first on the register of members in respect of such shares shall be accepted to the exclusion of the votes of the other joint registered holder(s).

As at the date of this circular, 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. Poon Chiu Kwok.