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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)**

## **CONTINUING CONNECTED TRANSACTIONS**

On 30 April 2025 (after trading hours), the Company and JCG entered into the 2025 CCT Agreement, a framework agreement in relation to the continuing connected transactions for the trading of Mineral and Metal Products between the Group and JCG Group. Subject to the fulfilment of the conditions precedent, the 2025 CCT Agreement shall commence from 1 June 2025 to 31 December 2027 (both days inclusive).

As at the date of this announcement, through its wholly-owned subsidiaries, JCG indirectly owns 7,593,009,857 Shares, representing approximately 57.82% of the issued share capital of the Company. Accordingly, JCG is a connected person of the Company under Chapter 14A of the Listing Rules and the Continuing Connected Transactions constitute continuing connected transactions of the Company.

Since one or more of the applicable percentage ratios of the Proposed Annual Caps as calculated in accordance with Rule 14.07 of the Listing Rules exceeds 5%, the 2025 CCT Agreement and the transactions contemplated thereunder including the Proposed Annual Caps are therefore subject to reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. The Board will seek the approval of the Independent Shareholders to approve the 2025 CCT Agreement and the transactions contemplated thereunder including the Proposed Annual Caps. JCG and its associates will abstain from voting on the relevant resolution to be passed at the EGM.

The Company has established an independent board committee, comprising all the independent non-executive Directors, to advise the Independent Shareholders in connection with the 2025 CCT Agreement and Proposed Annual Caps. The Company has appointed Altus as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the 2025 CCT Agreement and Proposed Annual Caps.

A circular of the EGM containing, among other things, (i) further details of the 2025 CCT Agreement and Proposed Annual Caps; (ii) the advice and recommendations from the Independent Board Committee in respect of the 2025 CCT Agreement and Proposed Annual Caps; (iii) a letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders in respect of the 2025 CCT Agreement and Proposed Annual Caps; and (iv) a notice of the EGM will be dispatched to the Shareholders on or before 13 May 2025.

## **1. RELATIONSHIP BETWEEN THE GROUP AND JCG GROUP**

The Company was acquired by JCG Group in November 2010 and since then has been serving as the flagship and listed international base metals platform of JCG Group for undertaking overseas operations in the exploration and exploitation of mining assets and related trading of raw materials and products of non-ferrous metal including, copper and cobalt, while it continues to leverage on the background and expertise of JCG Group to pursue mining investment opportunities.

As at the date of this announcement, through its wholly-owned subsidiaries, JCG indirectly owns 7,593,009,857 Shares, representing approximately 57.82% of the issued share capital of the Company. Accordingly, JCG is a connected person of the Company under Chapter 14A of the Listing Rules and the Continuing Connected Transactions constitute continuing connected transactions of the Company.

## **2. BACKGROUND**

The Company and JCG entered into the 2022 CCT Agreement for the purpose of governing the trading of Mineral and Metal Products between the Group and JCG Group. The 2022 CCT Agreement will expire on 31 May 2025.

To continue the trading of Mineral and Metal Products between the Group and JCG Group, on 30 April 2025 (after trading hours), the Company and JCG entered into the 2025 CCT Agreement. The 2025 CCT Agreement and the transactions contemplated thereunder including the Proposed Annual Caps are conditional upon the approval of the Independent Shareholders at the EGM.

## **3. 2025 CCT AGREEMENT**

On 30 April 2025 (after trading hours), the Company and JCG entered into the 2025 CCT Agreement, a framework agreement in relation to the continuing connected transactions for the trading of Mineral and Metal Products between the Group and JCG Group.

The principal terms of the 2025 CCT Agreement are as follows:

**Date**

30 April 2025

**Parties**

- (i) the Company (as seller); and
- (ii) JCG (as buyer)

**Term**

Subject to the fulfilment of the conditions precedent, the 2025 CCT Agreement shall commence from 1 June 2025 to 31 December 2027 (both days inclusive). Subject to compliance with the Listing Rules, the parties shall be entitled to re-negotiate the terms for the sale and purchase of the Mineral and Metal Products upon expiry of the 2025 CCT Agreement.

**Subject Matter**

Pursuant to the 2025 CCT Agreement, the Company has agreed to cause the Group to sell to JCG Group, and JCG has agreed to cause JCG Group (for the purpose of this announcement, excluding the Group) to purchase from the Group, the Mineral and Metal Products that the Group may source from third parties or produce by the mines of the Group during the term of the 2025 CCT Agreement.

The quantity of each type of Mineral and Metal Products to be sold to JCG Group is not fixed under the terms of the 2025 CCT Agreement but is to be determined and agreed between the relevant parties from time to time.

**Conditions Precedent**

The undertaking of the Continuing Connected Transactions is conditional upon the Company having obtained the Independent Shareholders' approval at the EGM for the 2025 CCT Agreement and the transactions contemplated thereunder including the Proposed Annual Caps.

## **General transaction principles**

The Continuing Connected Transactions should be conducted in accordance with the following general principles:

- (i) the Mineral and Metal Products provided by the Group should be of good quality and at fair and reasonable prices;
- (ii) the Group and JCG Group shall be entitled to enter into separate contracts for trading/sale and purchase of the Mineral and Metal Products contemplated under the 2025 CCT Agreement from time to time. Such contracts should comply with the relevant regulatory requirements in Hong Kong (including but not limited to the Listing Rules) and other applicable laws and regulations in the respective jurisdiction, and should set out, among other things, the parties of the transaction(s), the terms and conditions of the transaction(s), the relevant product(s) and the trading price(s) (as determined in accordance with the pricing mechanism under the 2025 CCT Agreement), the delivery time and the payment terms. The terms of such trading contracts should be on normal commercial terms and should be no less favourable than those available to Independent Third Parties; and
- (iii) the terms offered by the Group should be competitive in terms of the quality and trading price of the Mineral and Metal Products. Priority should only be given to the Group by JCG Group if the quality and trading price of the Mineral and Metal Products provided by the Group to JCG Group are no less favourable than those available from Independent Third Parties.

## **Basis of the selling prices of the Mineral and Metal Products**

The consideration of the Mineral and Metal Products sold will be determined with reference to the prevailing market price of the Mineral and Metal Products at the time of each specific agreement to be entered into pursuant to the 2025 CCT Agreement, subject to certain adjustments mainly involving the basis coefficient pricing, the moisture content, the percentage of metal content and the impurity element content in the metals. Market prices of copper, cobalt, nickel and other relevant metals refer to (i) the copper price quoted on the LME; or (ii) the cobalt price quoted on the MB; or (iii) the nickel price quoted on the LME; or (iv) when the market price of other Mineral and Metal Products could not be adequately reflected through (i), (ii) and (iii) at the place of sale or the receiving market, the price shall be reasonably determined by both parties after making reference to the price of Mineral and Metal Products at the place of sale or the receiving market. Such price will be determined by making reference to the selling price charged by other renowned mining companies at the place of sale or receiving market, and a recognized stock index that is comparable to the LME or the MB, such as SMM Information & Technology Co., Ltd, Shanghai Futures Exchange or Chicago Mercantile Exchange. This mechanism is intended to ensure that the selling prices for the Mineral and Metal Products provided by the Group to JCG Group will be determined on normal commercial terms.

## Payment terms

Payments of the transactions will be settled in arrears, or such other manners as agreed by the parties in accordance with the agreed timing and manners as specified in the separate contracts to be entered into between members of the Group and JCG Group from time to time.

#### 4. HISTORICAL ANNUAL CAPS AND THE HISTORICAL TRADING AMOUNTS

The following table sets out the historical annual caps for transactions and the historical trading amounts of Mineral and Metal Products between the Group and the JCG Group, respectively, for the periods indicated below:

	<b>Year ended 31 December 2022 (US\$)</b>	<b>Year ended 31 December 2023 (US\$)</b>	<b>Year ended 31 December 2024 (US\$)</b>	<b>One month ended 31 January 2025 (US\$)</b>
Historical annual caps under the 2022 CCT Agreement	464 million	450 million	450 million	187 million (for the five months ended 31 May 2025)
Historical trading amounts under the 2022 CCT Agreement	Approximately 34.88 million	Nil	Nil	Nil

The historical trading amount in the year ended 31 December 2022 was approximately US\$34.9 million, representing approximately 7.5% of the historical annual cap under the 2022 CCT Agreement. There were no transactions recorded between the Group and JCG Group under the 2022 CCT Agreement for the years ended 31 December 2023 and 2024. The low trading activities between the Group and JCG Group under the 2022 CCT Agreement were mainly due to the production capacity of the Group's existing mines being sold to Independent Third Party buyers under various contracts. In respect of Ruashi Mine, the production capacity had been sold to Independent Third Party buyers since September 2022; while for Kinsenda Mine, its production capacity had been sold to Independent Third Party buyers since July 2022. Given the above, the Group was unable to allocate any of its copper and cobalt products to JCG Group, resulting in the low utilisation of the historical annual caps during the term of the 2022 CCT Agreement. As mentioned in the paragraph headed "9. INTERNAL CONTROLS" below, the Group has in place internal control measures for choosing between JCG Group and other independent third party buyers for the Group's Mineral and Metal Products and will only select the successful buyer by way of tender.

Going forward, as the Musonoi Mine is expected to commence operation in the second half of 2025, its products are expected to be available for sale to, amongst others, the JCG Group during the term of the 2025 CCT Agreement.

## 5. PROPOSED ANNUAL CAPS AND THE DETERMINATION BASIS

The following table sets out the Proposed Annual Caps:

	<b>Seven months ending 31 December 2025 (US\$)</b>	<b>Year ending 31 December 2026 (US\$)</b>	<b>Year ending 31 December 2027 (US\$)</b>
Proposed Annual Caps	149 million	496 million	616 million

In arriving at the Proposed Annual Caps, the Directors have taken account of the following for consideration:

- 1) The acute fluctuation of the price and demand for copper and cobalt. In 2024, the average benchmark LME copper price was approximately US\$9,145 per tonne, representing an increase of approximately 7.8% from approximately US\$8,483 per tonne in 2023. In contrast, cobalt price decreased drastically from a high of US\$35 per pound in June 2022 to US\$10 per pound by the end of 2024 and early 2025. The average benchmark MB cobalt prices in 2023 and 2024 were approximately US\$15 per pound and US\$11 per pound respectively. By taking reference to the average monthly prices of copper and cobalt between January 2024 and December 2024, the Group adopted US\$9,000 per tonne and US\$11 per pound for copper and cobalt respectively.
- 2) The possible sale of around 50% of copper cathode and/or cobalt hydroxide produced by Ruashi Mine in the DRC and the possible sale of around 50% of copper concentrate produced by Kinsenda Mine in the DRC, subject to tendering and bidding exercise outcome.
- 3) The proposed annual caps for 2026 and 2027 are larger than that of 2025, due to the expansion of production capacities and sales volume of the following three major mines. Musonoi Mine is expected to commence production in the second half of 2025 and a significant portion of the production capacity of the existing contracts for Ruashi Mine and Kinsenda Mine have already been utilized, thereby constraining the availability of additional capacity for the sales to JCG. However, with Musonoi Mine expecting to operate at full capacity in 2026 and 2027, with the assumption of potential sales to JCG of up to 50% of its production, this will result in a substantial increase in the annual caps of 2026 and 2027. Furthermore, the expiry dates of third-party contracts for Ruashi Mine in 2025 and Kinsenda Mine in 2026 are expected to unlock additional sales volume, with up to 50% of their production capacities potentially being sold in 2026 and 2027, respectively. As a direct result of these factors, the proposed annual caps for 2026 and 2027 are larger than the annual cap set for 2025, reflecting the anticipated growth in production and sales across the three mines.

- 4) The inclusion of a 25% buffer representing approximately three months of the sales value of the Mineral and Metal Products for the Proposed Annual Caps. Given the volatility of the prices of Mineral and Metal Products, the transaction amount under the Continuing Connected Transactions could increase significantly even when there is no significant increase in the volume of Mineral and Metal Products sold and purchased under the Continuing Connected Transactions. As such, the Company believes that it would be prudent to leave three months of the sales value of the Mineral and Metal Products as a buffer. One reason is that the Company would need approximately three months to finalize the process of obtaining the Independent Shareholders' approval to revise the annual caps for the Continuing Connected Transactions, the other reason is that normally it would need one month to one and a half months to arrange transportation before making actual delivery of products and realising sales value, it would also need 20-25 days for its management team to access actual sales value after delivery of products and realising of sales revenue.

Shareholders should note that the Proposed Annual Caps represent an estimate based on information currently available and that the actual utilisation and sufficiency of the Proposed Annual Caps would depend on a number of factors, including but not limited to, the tendering and bidding exercise outcome, the price of the Mineral and Metal Products and the demand of JCG Group. The Proposed Annual Caps have no direct relationship to, nor should be taken to have any bearing on, the Group's financial or potential financial performance or percentage of contributions of sales revenue to JCG Group to the overall revenue of the Group over the term of the 2025 CCT Agreement in the coming years.

## **6. REASONS FOR THE BENEFIT OF THE 2025 CCT AGREEMENT**

### **Reasons for selling copper, cobalt and nickel of the Group to JCG Group**

JCG Group is one of the major players of copper, cobalt and nickel refinery in the PRC and is the third largest copper producer in the PRC, the third largest nickel producer in the world and the fourth largest cobalt producer in the world. Copper, cobalt and nickel are strategic and critical metals used in many industrial applications. It is expected that the potential sale of copper, cobalt and nickel of the Group to JCG Group will expand the Group's potentials to realise its Mineral and Metal Products.

The Group's Africa subsidiaries are copper focused mining companies with significant copper and cobalt reserves and resources. The Group's mining projects are located in the DRC and Zambia in the Central African copperbelt, which hosts some of the world's largest copper and cobalt deposits, containing over a third of the world's cobalt mineral reserves and a tenth of the world's copper mineral reserves.

The Directors consider that it is beneficial for the Company and its Shareholders as a whole to continue selling copper, cobalt and nickel to JCG Group on the following grounds:

- (a) JCG Group has been one of the top copper, cobalt and nickel processing companies in the PRC for years. Historically, JCG Group has been the key processing player with whom global copper, cobalt and nickel miners would like to do business. JCG Group is tier one company in Gansu Province and Gansu Government has strong expectation for JCG Group to continue to grow and keep the industry leading position.
- (b) JCG Group is one of the market leaders in copper, cobalt and nickel processing production in the PRC. It has processing capacity to take a significant portion of production of the Group's operation.
- (c) The copper, cobalt and nickel prices payable by JCG Group are consistent with market practice and the commercial terms by reference to an independent benchmark price that reflects prevailing rates plus an adjustment mechanism is fair and reasonable.

With that said, as demonstrated in the paragraph headed "8. PRICING MECHANISM OF THE CONTINUING CONNECTED TRANSACTIONS" below, the Company will continue to implement its comprehensive internal control system to ensure that its continuing connected transactions are conducted on normal commercial terms or better and in the ordinary course of business of the Group, and in the interests of the Company and the Shareholders as a whole. Therefore, despite the fact that JCG Group is the controlling Shareholder of the Group, the Directors consider that the overall pricing basis under the 2025 CCT Agreement is fair and reasonable, and the transactions thereunder are conducted on normal commercial terms or better and in the ordinary course of business of the Group. Accordingly, the 2025 CCT Agreement and transactions contemplated thereunder are in the interests of the Company and the Shareholders as a whole.

Based on the above, the Directors believe that the strategic partnership in the supply of Mineral and Metal Products between the Group and JCG Group is mutually beneficial to both parties.

## **7. REASONABLENESS AND FAIRNESS OF THE 2025 CCT AGREEMENT AND THE PROPOSED ANNUAL CAPS**

The terms of the 2025 CCT Agreement have been agreed upon arm's length negotiation between the Company and JCG and the pricing mechanism contemplated under the 2025 CCT Agreement are fair and reasonable and are beneficial to the Company and Shareholders as a whole. The arrangement between the Group and JCG Group under the 2025 CCT Agreement is non-exclusive and there should be no bias or preference for the Group to deal with JCG Group. In addition, the strategic partnership in the trading of the Mineral and Metal Products between the Group and JCG Group is mutually beneficial to both parties.

Given that the transactions will be carried out in the ordinary course of business of each party, the parties consider that it will be beneficial to enter into the 2025 CCT Agreement in order to allow more room for the Group to negotiate the terms of the sale of the Mineral and Metal Products with members of JCG Group. The Directors consider that the 2025 CCT Agreement was entered into in the ordinary and usual course of business of the Group and on normal commercial terms (on arm's length basis) or better or on terms no less favourable than those terms offered by Independent Third Parties to the Group for similar products, and that the terms of the 2025 CCT Agreement (including the Proposed Annual Caps) are fair and reasonable, and in the interests of the Company and the Shareholders as a whole.

## **8. PRICING MECHANISM OF THE CONTINUING CONNECTED TRANSACTIONS**

The selling prices of the Mineral and Metal Products will be determined by reference to the prices of copper, nickel, cobalt and other relevant metals as announced by the LME and/or the MB, subject to certain adjustments to be made in accordance with the relevant market practices. Generally, such adjustments mainly involve the moisture content, the percentage of metal content and the impurity element content in the metals. The mechanism is intended to ensure that the selling prices for the Mineral and Metal Products provided by the Group to JCG Group will be determined on normal commercial terms.

In particular, the selling price of the cobalt contained in cobalt hydroxide will be determined on basis of the MB cobalt price with a basis coefficient (subject to an adjustment based on the cobalt content and impurity element content in the metals). It is a market practice for metal traders to adopt pricing mechanism that use, in line with market practice with respect to the relevant metal, a certain percentage of the prices quoted by a recognised publisher or on a recognised exchange, subject to certain adjustments according to the metal content and quality. The setting of a benchmark by reference to the MB is considered to be appropriate as it is the premium intelligence service for metal professionals and is a recognised publisher of reference prices for short-and long-term cobalt trading contracts. Prior to entering into each separate agreement relating to the sale of cobalt, member(s) of the Group will conduct an international tendering so as to obtain the best of the then cobalt price and basis coefficient. The mechanism is intended to ensure that the selling prices for cobalt offered by JCG Group will be competitive and no less favourable than the prices offered by Independent Third Parties to the Group.

The selling price of the copper (including copper cathode and copper concentrate) will be determined on basis of the LME copper price with or without a basis coefficient (subject to an adjustment based on the copper content and impurity element content in the metals). It is a market practice for metal traders to adopt pricing mechanism that use, in line with market practice with respect to the relevant metal, a certain percentage of the prices quoted by a recognised publisher or on a recognised exchange, subject to certain adjustments according to the metal content and quality. The setting of a benchmark by reference to the LME is considered to be appropriate as it is the premium intelligence service for metal professionals and is a recognised publisher of reference prices for short-and long-term copper trading contracts. Prior to entering into each separate agreement relating to the sale of copper (including copper cathode and

copper concentrate), member(s) of the Group will conduct an international tendering so as to obtain the best of the then copper price and basis coefficient. The mechanism is intended to ensure that the selling prices for copper (including copper concentrate) offered by JCG Group will be competitive and no less favourable than the prices offered by Independent Third Parties to the Group.

## 9. INTERNAL CONTROLS

The Group has in place internal control measures for choosing between JCG Group and other independent third party buyers for the Group's Mineral and Metal Products. Under such measures, the Group will select the successful buyer of the Group's Mineral and Metal Products by way of tender. In particular, before entering into specific purchase and sales contract with the potential buyers, at least 3 quotations from different parties (including JCG Group) will be obtained by the Group and the Group will assess each potential buyer based on the following criteria:

- (a) Pricing terms
- (b) Payment terms
- (c) Payment ability (with the assessment on historical payment record of potential buyers)
- (d) Volume of intended transactions (buyers with the ability to take up a large volume of the Group's products will be preferred)

The screening process, rationale and result on the potential buyers will be documented and submitted to the senior management of the Group for review and final approval before entering into specific purchase and sales contract with the successful buyers.

The above pricing mechanisms are intended to ensure that the selling prices for the Mineral and Metal Products to be provided by the Group to JCG Group will be determined on normal commercial terms. The Company has established internal control measures to standardise and stipulate the pricing policies and mechanism, the assignment of responsibility and decision-making authority to ensure the Continuing Connected Transactions will be conducted in accordance with the terms of the 2025 CCT Agreement, and that the pricing policies will be strictly complied with. The marketing and trading department of Metorex (the "**Department**") is responsible for issuing tenders, such tenders may be done on-site or via email. As part of the tender process, the Department will conduct a price comparison exercise, wherein it will solicit and consider at least three quotations from potential bidders. In evaluating these quotations, the Department will consider various factors, including sales strategy, the target market, long-term cooperation, market conditions, and price advantages (collectively, the "**Relevant Factors**"). Following the initial evaluation, the Department will shortlist potential bidders and make recommendations to the Sales Tender Committee (the "**Committee**") of Metorex. The Committee, which comprises the Chief Executive Officer, Chief Financial Officer, Deputy Chief Financial Officer, and Marketing and Trading Department Manager of Metorex, as well as the General Manager, Chief Financial Officer, and senior management of the mines, will further assess and evaluate

the tenders by considering the Relevant Factors. The Committee's evaluation will conclude with the selection of a final bidder, whose recommendation will be submitted to the Executive Committee (the "ExCo") of Metorex for final approval. The ExCo, which consists of the Chief Executive Officer, Chief Financial Officer, Deputy Chief Financial Officer of Metorex, and the General Manager of each mine, will review and approve the recommended and final bidder.

As part of the Company's internal control measures, the implementation of the 2025 CCT Agreement and the relevant pricing terms in accordance with the general transaction principles therein, including the relevant adjustments to metal product prices, the relevant costs and expenses as well as the actual quantity and amount of the Mineral and Metal Products, will be monitored and reviewed by the Board and the senior management on a regular basis, with reference to terms of similar transactions which apply the relevant pricing principles. The pricing terms will be reviewed by the senior management prior to the execution of any transaction document(s) under the 2025 CCT Agreement to ensure the relevant general transaction principles are being complied with on arm's length basis and the trading terms are no less favourable than those with Independent Third Parties. The Company will evaluate the Continuing Connected Transactions on a yearly basis.

The independent non-executive Directors shall conduct an annual review on whether the terms on which the Continuing Connected Transactions undertaken during the relevant year have been conducted on normal commercial terms by assessing whether the trading prices for the Mineral and Metal Products have been determined by following the above pricing mechanism, selected on a random basis, with Independent Third Parties and by comparing the terms with those conducted with Independent Third Parties and after taking into account the factors that have been identified above (as and if appropriate).

The Group has also taken necessary and additional measures in the reporting and documentation system of the Company and its subsidiaries to ensure that the Proposed Annual Caps would not be exceeded, including:

- (a) updating the trend of trading prices of the Mineral and Metal Products regularly by taking into account the development of the Group and market conditions;
- (b) conducting more frequent reviews on the aggregate transaction amounts of the Continuing Connected Transactions and checking with the trading department on the forecast over the transaction amounts of the Continuing Connected Transactions to avoid the approved annual cap regarding the Continuing Connected Transactions from being exceeded;
- (c) expediting the data collection process within the Group including the connected relationship between members within JCG Group and the Group so as to assure all necessary requirements of the Listing Rules are complied with; and

- (d) enhancing the supervision of the Continuing Connected Transactions of the Group by providing trading data, on a monthly basis, for review by the management and members of the Risk Management Committee and the Audit Committee of the Company.

In addition, the Company will also make timely announcement(s) and seek Independent Shareholders' approval, initiated by the Board, in the event that any adjustment to an annual cap becomes foreseeable, based on the review and reasonable assessment of the monthly reports submitted.

## **10. PRINCIPAL ACTIVITIES OF THE PARTIES**

The Company is an investment holding company. The Group is principally engaged in (i) the mining of metals, primarily copper and cobalt, in the DRC and in Zambia; and (ii) the trading of Mineral and Metal Products in Hong Kong.

JCG is the ultimate holding company of the Company. JCG was founded in 1958 and is a state-owned enterprise with its majority interest held by the People's Government of Gansu Province. JCG Group is one of the world's largest mining enterprises and being the third largest producer of nickel in the world, fourth largest cobalt producer in the world and the third largest copper producer in the PRC. The principal business of JCG Group includes the production of nickel, copper, cobalt, platinum group metals, non-ferrous metal plates, chemical products and chemicals of non-ferrous metals.

## **11. LISTING RULES IMPLICATIONS**

As at the date of this announcement, through its wholly-owned subsidiaries, JCG indirectly owns 7,593,009,857 Shares, representing approximately 57.82% of the issued share capital of the Company. Accordingly, JCG is a connected person of the Company under Chapter 14A of the Listing Rules and the Continuing Connected Transactions constitute continuing connected transactions of the Company.

Since one or more of the applicable percentage ratios of the Proposed Annual Caps as calculated in accordance with Rule 14.07 of the Listing Rules exceeds 5%, the 2025 CCT Agreement and the transactions contemplated thereunder including the Proposed Annual Caps are therefore subject to reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. The Board will seek the approval of the Independent Shareholders to approve the 2025 CCT Agreement and the transactions contemplated thereunder including the Proposed Annual Caps. JCG and its associates will abstain from voting on the relevant resolution(s) to be passed at the EGM.

## **12. CONFIRMATION OF THE BOARD**

The Directors (including the independent non-executive Directors) are of the view that (1) the terms and conditions of the 2025 CCT Agreement were negotiated between the parties on an arm's length basis and are on normal commercial terms that are fair and reasonable; (2) the Proposed Annual Caps are fair and reasonable; and (3) the 2025 CCT Agreement will be conducted in the ordinary and usual course of business of the Company and its subsidiaries and are in the interests of the Company and the Shareholders as a whole.

None of the Directors have any material interest in the 2025 CCT Agreement and Proposed Annual Caps for which they would be required to abstain from voting on the relevant board resolution approving the 2025 CCT Agreement and the Proposed Annual Caps pursuant to the Articles of Association of the Company. However, for good corporate governance, Mr. Cheng Yonghong and Mr. Gao Tianpeng voluntarily abstained from voting on the relevant board resolution in connection with the 2025 CCT Agreement and Proposed Annual Caps, as they also serve as directors of JCG and/or JCHK.

The Company has established an independent board committee, comprising all the independent non-executive Directors, to advise the Independent Shareholders in connection with the 2025 CCT Agreement and Proposed Annual Caps. The Company has appointed Altus as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the 2025 CCT Agreement and Proposed Annual Caps.

A circular of the EGM containing, among other things, (i) further details of the 2025 CCT Agreement and Proposed Annual Caps; (ii) the advice and recommendations from the Independent Board Committee in respect of the 2025 CCT Agreement and Proposed Annual Caps; (iii) a letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders in respect of the 2025 CCT Agreement and Proposed Annual Caps; and (iv) a notice of the EGM will be dispatched to the Shareholders on or before 13 May 2025.

## **13. SUSPENSION OF TRADING**

Reference is made to the announcements of the Company dated 28 March 2025 and 16 April 2025 in relation to, among other things, the delay in publication of annual results for the year ended 31 December 2024, postponement of the Board meeting and suspension of trading.

Trading in the shares of the Company on the Stock Exchange has been suspended with effect from 9:00 a.m. on Friday, 28 March 2025 and will remain suspended until further notice.

## 14. DEFINITIONS

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

“2022 CCT Agreement”	the framework agreement dated 14 April 2022 entered into between the Company and JCG for trading of Mineral and Metal Products between the Group and JCG Group for the three years commencing retrospectively from 1 June 2022 and expiring on 31 May 2025
“2025 CCT Agreement”	the framework agreement dated 30 April 2025 entered into between the Company and JCG for trading of the Mineral and Metal Products between the Group and JCG Group for two years and seven months commencing from 1 June 2025 and expiring on 31 December 2027
“Altus” or “Independent Financial Adviser”	Altus Capital Limited, a corporation licensed to carry on Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong), the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders in connection with the 2025 CCT Agreement and the Proposed Annual Caps
“Articles of Association”	the articles of association of the Company
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Company”	Jinchuan Group International Resources Co. Ltd, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 2362)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Continuing Connected Transactions”	collectively, the continuing connected transactions for the trading of Mineral and Metal Products between the Group and JCG Group contemplated under the 2025 CCT Agreement
“Director(s)”	the director(s) of the Company

“DRC”	the Democratic Republic of Congo
“EGM” or “Extraordinary General Meeting”	the extraordinary general meeting to be convened by the Company at United Conference Centre, 10/F United Centre, 95 Queensway, Hong Kong at 3:30 p.m. (or immediately after the conclusion of the annual general meeting of the Company which is scheduled to be held on the same day at 3:00 p.m.) on Wednesday, 28 May 2025 for, among other matters, approving the 2025 CCT Agreement and the transactions contemplated thereunder including the Proposed Annual Caps
“Group”	collectively, the Company and its subsidiaries and associates controlled by the Company from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent committee of the Board, consisting of the four independent non-executive Directors, established to advise the Independent Shareholders in connection with the 2025 CCT Agreement and the transactions contemplated thereunder including the Proposed Annual Caps
“Independent Third Party(ies)”	person(s) who or company(ies) together with its/their ultimate beneficial owner(s) which is/are third party(ies) independent of the Company and its connected person(s) (as defined under the Listing Rules)
“Independent Shareholders”	Shareholders other than JCG Group and its associates
“JCG”	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
“JCG Group”	collectively, JCG and its subsidiaries and associates controlled by it from time to time, for the purpose of this announcement, excluding the Group
“JCHK”	Jinchuan Group (Hongkong) Resources Holdings Limited, an investment holding company incorporated in Hong Kong and a wholly-owned subsidiary of JCG

“Kinsenda Mine”	an underground copper mine owned by the Group and situated in Katanga Province in the DRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“LME”	London Metal Exchange, a recognized investment exchange regulated by the Financial Conduct Authority of the United Kingdom and a recognised publisher of reference prices for various metals which are timely published on its designated website ( <a href="https://www.lme.com/">https://www.lme.com/</a> ) on a daily basis for metal and investment communities
“MB”	Metal Bulletin, a premium intelligence service for metal and steel professionals, being part of the Euromoney Institutional Investor Plc Group of companies and a recognised publisher of reference prices for long-term cobalt trading contracts which are timely published on its designated website ( <a href="http://www.metalbulletin.com">www.metalbulletin.com</a> ) on a daily basis for subscribed members and publications
“Metorex”	Metorex (Proprietary) Limited, a company incorporated in South Africa and an indirect wholly-owned subsidiary of the Company
“Mineral and Metal Products”	mineral products, metal products and other raw materials, including but not limited to copper or nickel ores and concentrates, copper or nickel cathodes and other forms of copper, nickel or other metals bearing raw materials, cobalt and its related products
“PRC”	the People’s Republic of China, for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Proposed Annual Caps”	the proposed annual caps of the Continuing Connected Transactions for the seven-month period ending 31 December 2025 and two financial years ending 31 December 2026 and 2027, details of which are set out in the paragraph headed 5. PROPOSED ANNUAL CAPS AND THE DETERMINATION BASIS
“Ruashi Mine”	an opencast oxide copper and cobalt mine owned by the Group and situated in the DRC on the outskirts of Lubumbashi, the capital of Katanga Province

“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company listed on the Stock Exchange
“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)
“Zambia”	the Republic of Zambia
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	percentage

\* *For identification purposes only*

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**  
**Wong Tak Chuen**  
*Company Secretary*

Hong Kong, 30 April 2025

*As at the date of this announcement, the Board comprises two executive directors, namely Mr. Cheng Yonghong and Mr. Gao Tianpeng; one non-executive director, namely Mr. Wang Qiangzhong; and four independent non-executive directors, namely Mr. Yen Yuen Ho, Tony, Mr. Poon Chiu Kwok, Mr. Yu Chi Kit and Ms. Han Ruixia.*