THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in **Jinchuan Group International Resources Co. Ltd**, you should at once hand this Response Document together with the accompanying form of proxy to the purchaser(s) or transferee(s) or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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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)

RESPONSE DOCUMENT
RELATING TO THE UNCONDITIONAL VOLUNTARY CASH PARTIAL OFFER BY SOMERLEY CAPITAL LIMITED FOR AND ON BEHALF OF ALTERNATIVE LIQUIDITY INDEX, LP TO ACQUIRE UP TO 700,000,000 SHARES IN JINCHUAN GROUP INTERNATIONAL RESOURCES CO. LTD

Financial Adviser to the Company

ALTUS CAPITAL LIMITED

Independent Financial Adviser to the Independent Board Committee

红日资本有限公司
RED SUN CAPITAL LIMITED

Capitalised terms used in this cover shall have the same meanings as those defined in this Response Document, unless the context requires otherwise.

A letter from the Board is set out on pages 6 to 17 of this Response Document. A letter from the Independent Board Committee containing its recommendation in respect of the Partial Offer is set out on pages 18 to 19 of this Response Document. A letter from the Independent Financial Adviser containing its recommendation to the Independent Board Committee in respect of the Partial Offer and the principal factors considered by it in arriving at its recommendation is set out on pages 20 to 46 of this Response Document.

9 April 2026

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The expected timetable reproduced below is extracted from the Offer Document and for reference only. The timetable set out below is indicative and may be subject to change. Any changes to the timetable will be announced by the Offeror. All time and date references in the timetable below refer to Hong Kong time and dates.

Despatch date of the Offer Document and the accompanying Form of Acceptance and commencement date of the Partial Offer *(Note 1)*	Thursday, 26 March 2026
Good Friday (public holiday in Hong Kong)	Friday, 3 April 2026
Day after Good Friday (public holiday in Hong Kong)	Saturday, 4 April 2026
Day after Ching Ming Festival (public holiday in Hong Kong)	Monday, 6 April 2026
Day after Easter Monday (public holiday in Hong Kong)	Tuesday, 7 April 2026
Latest time for posting of the Response Document *(Note 2)*	Thursday, 9 April 2026
Latest time and date for acceptance of the Partial Offer on the Closing Date *(Notes 2 and 3)*	4:00 p.m. on Thursday, 23 April 2026
Announcement of the results of the Partial Offer as at the Closing Date (or its extension or revision, if any) to be posted on the website of the Stock Exchange *(Notes 3 and 4)*	no later than 7:00 p.m. on Thursday, 23 April 2026
Designated agent starts to stand in the market to provide matching services for sale and purchase of odd lots holdings of Shares	by 9:00 a.m. on Friday, 24 April 2026
Labour Day (public holiday in Hong Kong)	Friday, 1 May 2026
Latest date for posting of remittances for the amount due in respect of valid acceptances received under the Partial Offer on the Closing Date *(Note 5)*	Tuesday, 5 May 2026
Latest date for despatch of share certificate(s) and/or any transfer receipt(s) and other document(s) of title for Shares tendered but not taken up or share certificate(s) in respect of the balance of such Shares	Tuesday, 5 May 2026
Designated agent ceases to stand in the market to provide matching services for sale and purchase of odd lots holdings of Shares	no later than 4:00 p.m. on Friday, 5 June 2026

Notes:

1. The Partial Offer, which is unconditional in all respects, is made on the date of despatch of the Offer Document, and is open for acceptance on and from Thursday, 26 March 2026, being the date of posting of the Offer Document, until 4:00 p.m. on the Closing Date, i.e. Thursday, 23 April 2026, or such later time and/or date as permitted by the Executive in accordance with the Takeovers Code.

2. In accordance with the Takeovers Code, the Company is required to post the Response Document to the Shareholders no later than 14 days after the date of the Offer Document, unless the Executive consents to a later date and the Offeror agrees to extend the Closing Date by the number of days, if appropriate, in respect of which the delay in the posting of the Response Document is agreed.

3. In accordance with the Takeovers Code, where the Response Document is posted after the date of the Offer Document, the Partial Offer must be open for acceptance for at least 28 days after the date of the Offer Document. Any revision or extension of the Partial Offer will be subject to the permission of the Executive in accordance with the Takeovers Code. The Offeror will issue an announcement in relation to any revision or extension of the Partial Offer, which will state the next Closing Date.

4. The announcement will comply with the disclosure requirements under Rule 19.1 and Note 7 to Rule 19 of the Takeovers Code and will include, among other things, the results of the Partial Offer and details of the way in which the pro-rata entitlement for each accepting Shareholder was determined.

5. Remittances in respect of the consideration (after deducting the seller's ad valorem stamp duty) payable for the Offer Shares tendered under the Partial Offer will be posted by ordinary post to the accepting Shareholders at their own risk as soon as possible but in any event no later than seven (7) business days after the Closing Date.

6. If there is a typhoon signal number 8 or above, or a "black" rainstorm warning (as issued by the Hong Kong Observatory) or "extreme conditions" warning (as announced by the Hong Kong Government) is in force in Hong Kong:

   (a) at any local time before 12:00 noon but no longer in force at or after 12:00 noon on the latest date for acceptance of the Partial Offer and the latest date for despatch of remittances for the amounts due under the Partial Offer in respect of valid acceptances, the latest time for acceptance of the Partial Offer will remain at 4:00 p.m. on the same business day and the latest date for despatch of remittances will remain on the same business day; or

   (b) at any local time at 12:00 noon and/or thereafter on the latest date for acceptance of the Partial Offer and the latest date for despatch of remittances for the amounts due under the Partial Offer in respect of valid acceptances, the latest time for acceptance of the Partial Offer and the latest date for despatch of remittances will be rescheduled on the following business day which does not have either of those warnings in force at any time between 12 noon and/or thereafter.

Save as mentioned above, if the latest time for acceptance of the Partial Offer does not take effect on the date and time as stated above, the other dates mentioned above may be affected. The Offeror will notify the Shareholders by way of announcement(s) on any change to the expected timetable as soon as practicable.

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

"acting in concert"	has the meaning ascribed to it under the Takeovers Code
"Alternative Liquidity"	Alternative Liquidity GP LLC, the general partner and investment manager of the Offeror
"associate(s)"	has the meaning ascribed to it under the Takeovers Code
"Board"	the board of Directors
"business day(s)"	has the meaning ascribed to it under the Takeovers Code
"Chibuluma South Mine"	an underground copper mine owned by Chibuluma Mines plc (an indirect non wholly-owned subsidiary of the Company) situated in Zambia near the town of Kalulushi
"Closing Date"	23 April 2026, the closing date of the Partial Offer, or such later date as permitted by the Executive in accordance with the Takeover Code
"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 and the issued Shares of which are listed on the Main Board of the Stock Exchange (stock code: 2362)
"Despatch Date"	26 March 2026, being the date of despatch of the Offer Document to the Shareholders as required by the Takeovers Code
"Director(s)"	the director(s) of the Company
"DRC"	the Democratic Republic of the Congo
"Executive"	the Executive Director of the Corporate Finance Division of the SFC or any of his delegate(s)
"Form of Acceptance"	the form of acceptance and transfer in respect of the Partial Offer accompanying the Offer Document
"Group"	the Company and its subsidiaries
"HK$" or "HKD"	Hong Kong dollars, the lawful currency of Hong Kong

"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Independent Board Committee"	the independent committee of the Board comprising all non-executive Director and independent non-executive Directors who have no direct or indirect interest in the Partial Offer, namely Mr. Wang Qiangzhong, Mr. Yen Yuen Ho, Tony, Mr. Poon Chiu Kwok and Ms. Han Ruixia, formed for the purpose of advising the Qualifying Shareholders in respect of the Partial Offer
"Independent Financial Adviser"	Red Sun Capital Limited, a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser to the Independent Board Committee in respect of the Partial Offer
"Independent Forensic Investigation"	an independent forensic investigation into the relevant matters of Ruashi, including the enquiries made by Deloitte, the complaints received by the Company and the results of the follow up internal review conducted by the Company
"Internal Control Consultant"	the independent internal control consultant engaged by the Company to conduct a review of the Group's internal control policies and procedures
"Kinsenda"	Kinsenda Copper Company SA, an indirect non wholly-owned subsidiary of the Company
"Kinsenda Mine"	an underground copper mine owned by Kinsenda and situated in Haut Katanga Province in the DRC
"Latest Practicable Date"	8 April 2026, being the latest practicable date prior to the printing of this Response Document for ascertaining certain information contained in this Response Document
"Last Trading Day"	27 March 2025, being the last trading day of the Shares on the Stock Exchange prior to the Trading Suspension
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange

"Lubembe Mine"	a greenfield copper project owned by Kinsenda and situated in Haut Katanga Province in the DRC
"Musonoi Mine"	a copper and cobalt mine owned by Ruashi SAS and situated at the outskirts of Kolwezi, in the Lualaba Province in the DRC
"Offer Announcement"	the announcement of the Offeror dated 5 March 2026 in respect of, among other things, the Partial Offer
"Offer Document"	the offer document dated 26 March 2026 despatched by the Offeror (accompanied by the Form of Acceptance) to all the Shareholders in connection with the Partial Offer pursuant to the requirements of the Takeovers Code
"Offer Period"	the period commencing on 5 March 2026, being the date of the Offer Announcement, and ending on the close of the Partial Offer
"Offer Price"	the offer price of HK$0.01 per Offer Share
"Offer Share(s)"	the Shares to be purchased by the Offeror from the Qualifying Shareholders under the Partial Offer, being up to 700,000,000 Shares
"Offeror"	Alternative Liquidity Index, LP, a fund in the form of a Delaware incorporated limited partnership
"Overseas Shareholder(s)"	Qualifying Shareholder(s) whose address(es), as shown on the register of members of the Company, is/are outside Hong Kong
"Partial Offer"	the unconditional voluntary cash partial offer made by Somerley Capital for and on behalf of the Offeror to acquire up to 700,000,000 Offer Shares at the Offer Price in cash from the Qualifying Shareholders in accordance with the Takeovers Code on the basis set out in the Offer Document and the accompanying Form of Acceptance
"PRC"	the People's Republic of China, which for the purpose of this Response Document, shall excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan

"PSCS"	the perpetual subordinated convertible securities issued by the Offeree Company to Jintai Mining Investment Limited (an indirect subsidiary of Jinchuan Group, the controlling shareholder of the Offeree Company) or its nominee, in connection with the acquisition of shares in Jin Rui Mining Investment Limited (an investment holding company holding certain mineral assets in the DRC and Zambia at the time) which was completed in November 2013
"Qualifying Shareholder(s)"	Shareholder(s) other than the Offeror and parties acting in concert with it
"Receiving Agent"	Union Registrars Limited, in its capacity as the receiving agent of the Offeror with respect to the Partial Offer, located at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong
"Registrar"	Boardroom Share Registrars (HK) Ltd., the Hong Kong branch registrar and transfer office of the Company located at Room 2103B, 21/F, 148 Electric Road, North Point, Hong Kong
"Relevant Period"	the period commencing from 5 September 2025, being the date falling six months immediately preceding the commencement of the Offer Period (i.e. 5 March 2026), to and inclusive of the Latest Practicable Date
"Resumption Guidance"	the resumption guidance set out in a letter from the Stock Exchange to the Company dated 30 April 2025
"Response Document"	this response document issued by the Company in relation of the Partial Offer
"Ruashi Mine"	an open-cast oxide copper and cobalt mine owned by Ruashi SAS and situated in the DRC on the outskirts of Lubumbashi, the capital of Haut Katanga Province
"Ruashi SAS"	Ruashi Mining SAS, a DRC incorporated indirect non-wholly-owned subsidiary of the Company
"SFC"	the Securities and Futures Commission of Hong Kong

"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended from time to time
"Share(s)"	the ordinary share(s) with par value of HK$0.01 each in the share capital of the Company
"Shareholder(s)"	holder(s) of the Share(s)
"SIC"	Special investigation committee of the Company
"Somerley Capital"	Somerley Capital Limited, a corporation licensed by the SFC to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO, being the financial adviser to the Offeror in respect of the Partial Offer
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary(ies)"	has the meaning ascribed to it under the Listing Rules
"Takeovers Code"	the Code on Takeovers and Mergers issued by the SFC, as amended, supplemented or otherwise modified from time to time
"Trading Suspension"	the suspension of trading in the Shares on the Stock Exchange which took effect from 9:00 a.m. on 28 March 2025
"US$" or "USD"	United States dollars, the lawful currency of the United States of America
"Zambia"	the Republic of Zambia
"%"	per cent.

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. Cheng Yonghong
Mr. Gao Tianpeng

Non-executive Director:
Mr. Wang Qiangzhong

Independent Non-executive Directors:
Mr. Yen Yuen Ho, Tony
Mr. Poon Chiu Kwok
Ms. Han Ruixia

Registered Office:
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Head office and principal place of business in Hong Kong:
15th Floor, Tower 2
Admiralty Centre
18 Harcourt Road
Admiralty
Hong Kong

9 April 2026

To the Qualifying Shareholders

Dear Sir or Madam,

UNCONDITIONAL VOLUNTARY CASH PARTIAL OFFER BY SOMERLEY CAPITAL LIMITED FOR AND ON BEHALF OF ALTERNATIVE LIQUIDITY INDEX, LP TO ACQUIRE UP TO 700,000,000 SHARES IN JINCHUAN GROUP INTERNATIONAL RESOURCES CO. LTD

INTRODUCTION

Reference is made to the Offer Announcement dated 5 March 2026, pursuant to which the Offeror announced that Somerley Capital would for and on behalf of the Offeror make the Partial Offer to acquire up to 700,000,000 Offer Shares (representing approximately 5.3% of the Company's issued share capital as at the date of the Offer Announcement) not already owned by the Offeror and parties acting in concert with it at the Offer Price of HK$0.01 per Offer Share.

On 6 March 2026, the Company published the announcement pursuant to Rule 3.8 of the Takeovers Code in relation to the Partial Offer.

The Offer Document accompanied with the Form of Acceptance were despatched on 26 March 2026.

In accordance with Rule 2.1 of the Takeovers Code, the Company is required to establish an independent board committee of the Board to advise the Qualifying Shareholders in respect of the Partial Offer. The Independent Board Committee comprising Mr. Wang Qiangzhong (non-executive Director), Mr. Yen Yuen Ho, Tony, Mr. Poon Chiu Kwok and Ms. Han Ruixia, being all non-executive Director and independent non-executive Directors, has been formed to advise the Qualifying Shareholders in respect of the Partial Offer.

Red Sun Capital Limited has been appointed by the Company with the approval of the Independent Board Committee as the Independent Financial Adviser to advise the Independent Board Committee in respect of the Partial Offer. The letter of advice from the Independent Financial Adviser to the Independent Board Committee is set out on pages 20 to 46 of this Response Document.

The purpose of this Response Document is to provide you with, among other things, information relating to the Group and the Partial Offer, the recommendation of the Board and the Independent Board Committee to the Qualifying Shareholders in respect of the Partial Offer, and the advice from the Independent Financial Adviser to the Independent Board Committee on the Partial Offer.

You are advised to read this Response Document, the recommendation of the Board, the recommendation of the Independent Board Committee and the advice from the Independent Financial Adviser carefully before taking any action in respect of the Partial Offer.

THE PARTIAL OFFER

The terms of the Partial Offer are set out in the Offer Document and the Form of Acceptance. You are recommended to refer to the Offer Document and the Form of Acceptance for further details.

The Partial Offer is being made by Somerley Capital, for and on behalf of the Offeror, on the basis set out below:

For each Offer Share . . . . . HK$0.01 in cash

As at the Latest Practicable Date, the Company had 13,132,082,051 Shares in issue.

The Partial Offer is extended to all Qualifying Shareholders in accordance with the requirements of the Takeovers Code.

Further details of the Partial Offer including, among others, the expected timetable and the terms and procedures of acceptance of the Partial Offer, are set out in the Offer Document and the Form of Acceptance.

The making of the Partial Offer was subject to the obtaining of consent from the Executive in respect of the Partial Offer pursuant to Rule 28.1 of the Takeovers Code.

According to the Offer Announcement, the consent from the Executive in respect of the Partial Offer has been obtained on 3 March 2026, and the Executive has granted to the Offeror:

(a) a waiver from the note to the definition of "Offer" under the Takeovers Code in connection with making the Partial Offer at a proposed Offer Price substantially below the market price of the Shares (i.e. at a discount of more than 50% to the closing price of the Shares on the Last Trading Day and the five days average closing price before such day); and

(b) a waiver from the requirement under Rule 28.7 of the Takeovers Code in connection with the making of the Partial Offer for a specified range (rather than a precise number) of Shares.

Unconditional Partial Offer

The Partial Offer is unconditional in all respects. For the avoidance of doubt, the Partial Offer, once made, is not conditional on the level of acceptances.

Pursuant to Rule 15.1 of the Takeovers Code, where the offeree board circular is posted after the date of the Offer Document, the Partial Offer must be initially open for acceptance for at least 28 days after the date of the Offer Document. Should there be any revision, extension, lapse or withdrawal of the Partial Offer, an announcement will be made in accordance with the Takeovers Code and the Listing Rules.

As set out in the annual results announcement for the year ended 31 December 2025 of the Company dated 31 March 2026, subsequent to the end of the reporting period for the year ended 31 December 2025, (i) a final dividend in respect of the year ended 31 December 2025 of HK0.2 cent per share; and (ii) a special dividend in respect of the year ended 31 December 2025 of HK0.2 cent per share (such special dividend is designated to substitute for the final dividend for the year ended 31 December 2024, given that there was a delay in finalising and publishing the financial results for the year ended 31 December 2024) (together the "**Proposed Dividends**"), have been proposed by the Directors and are subject to approval by the Shareholders at the forthcoming annual general meeting of the Company. If approved, the Proposed Dividends will be paid on or about 31 July 2026 to Shareholders whose names appear on the register of members of the Company on 9 July 2026.

As at the Latest Practicable Date, save for the Proposed Dividends, the Company did not have outstanding dividends which had been declared but not yet paid. Save as disclosed herein, the Company did not have any intention to declare or pay any future dividend or make other distribution on the Shares prior to the close of the Partial Offer.

Shareholders are reminded that acceptance of the Partial Offer shall be irrevocable and shall not be capable of being withdrawn, except as permitted under the Takeovers Code.

INFORMATION ON THE OFFEROR

Please refer to the Offer Document for the information on the Offeror.

INTENTION OF THE OFFEROR REGARDING THE GROUP

According to the information disclosed in the Offer Document, Alternative Liquidity seeks to make diversified long-term investments and provide liquidity solutions to investors in delisted and non-traded securities. Consistent with such investment strategy and philosophy, Alternative Liquidity is seeking to establish an ownership interest in the Shares for investment purposes. Alternative Liquidity has a normal investment horizon of five to ten years.

According to the Offer Document, Alternative Liquidity has taken into account a number of relevant factors in determining the terms of the Partial Offer, including, without limitation, the financial position of the Company, the length of suspension of trading of the Shares, the reasons (including certain matters highlighted in paragraphs (iii) and (iv) of the paragraph headed "The Partial Offer — Principal terms of the Partial Offer" in the section headed "Letter from Somerley Capital" of the Offer Document) for the suspension and their impact or implication for investors.

According to the Offer Document, Alternative Liquidity considers that the Partial Offer provides a reasonable opportunity for legacy holders of the Shares (who may wish to dispose of their Shares due to certain material issues set out in the Offer Document and other risks faced by the Company but are unable to do so due to the trading suspension) to dispose of some or all of their Shares in a fair and transparent manner. In the process, Alternative Liquidity would assume the relevant associated risks attached to the holding of the Shares in the longer term (consistent with its longer term investment strategy) which is reflected in the discount to the Offer Price commensurate with the risk-benefit balance.

INTENTION OF THE OFFEROR AND THE BOARD REGARDING THE GROUP

According to the Offer Document, Alternative Liquidity intends to establish a passive equity position in the Company by way of the Partial Offer, with no plans or intention (i) to become a substantial Shareholder; (ii) to seek to control or consolidate control of the Company; or (iii) to influence or be involved in the operations or business of the Company (including, without limitation, from the perspectives of how it is to be continued, major changes (if any) which may be introduced, or employment of employees of the Offeree Company and of any of its subsidiaries) other than through the exercise of rights attached to Shares. There was no plan provided by the Offeror in the Offer Document for the business of the Group and its employees. Alternative Liquidity, acting for the Offeror, has determined that the Partial Offer represents a reasonable pathway to passively investing in the Company on the above basis.

The Partial Offer is uninvited and as at the Latest Practicable Date, the Offeror and the Board have not had any discussion on the long-term strategic and development plan on the Group and its employees. Further, as no concrete or detailed plan was provided by the Offeror in the Offer Document for the business of the Group and its employees, the Board is unable to form any view on the Offeror's intentions in respect of the Group and its employees.

COMPULSORY ACQUISITION AND MAINTAINING THE LISTING STATUS OF THE COMPANY

With reference to the Offer Document, the Offeror will not have the power of compulsory acquisition of any Offer Shares outstanding and not acquired under the Partial Offer after the close of the Partial Offer.

INFORMATION ON THE GROUP

The Group is principally engaged in mining operations and the trading of mineral and metal products. The Company is an investment holding company, and together with its subsidiaries, primarily engaged in (i) mining operations in the DRC, namely (a) the operation of the Ruashi Mine, an open-cast oxide copper and cobalt mine; (b) the operation of the Kinsenda Mine, an underground copper mine; (c) the operation of the Musonoi Mine, an underground copper and cobalt mine; and (d) the operation of the Lubembe Mine, a greenfield copper project; (ii) leasing out of the Chibuluma South Mine, an underground copper mine; and (iii) trading of mineral and metal products in Hong Kong.

The financial information of the Group is set out in Appendix I to this Response Document.

References are made to (a) the announcement of the Company dated 28 March 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; (b) the announcement of the Company dated 16 April 2025 in relation to, among other things, an allegation concerning certain payments of Ruashi SAS (the "**Allegation**"); (c) the announcement of the Company dated 7 May 2025 in relation to the Resumption Guidance; (d) the announcements of the Company dated 27 June 2025, 29 September 2025, 29 December 2025 and 30 March 2026 in relation to the quarterly update on the resumption progress; and (e) the announcement of the Company dated 15 March 2026 in relation to the progress update on the independent forensic investigation and continued suspension of trading.

Trading in the Shares 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. The suspension was triggered by the delay in publication of the Company's annual results for the year ended 31 December 2024.

As disclosed in the announcement of the Company dated 7 May 2025, the Company received a letter from the Stock Exchange dated 30 April 2025 setting out the resumption guidance for the resumption of trading in the Company's shares. Pursuant to the Resumption Guidance, the Company shall:

(a) conduct an independent forensic investigation into the matters around the Allegation, assess the impact on the Company's business operation and financial position, announce the findings and take appropriate remedial actions;

(b) publish all outstanding financial results required under the Listing Rules and address any audit modifications;

(c) demonstrate that there is no reasonable regulatory concern about the integrity, competence and/or character of the Group's management and/or any person with substantial influence over the Company's management and operations, which may pose a risk to investors and damage market confidence;

(d) conduct an independent internal control review and demonstrate that the Company has in place adequate internal controls and procedures to comply with the Listing Rules;

(e) demonstrate the Company's compliance with Rule 13.24 of the Listing Rules; and

(f) inform the market of all material information for the Company's shareholders and other investors to appraise the Company's position.

The Company must meet all requirements in the Resumption Guidance, remedy the issues causing its trading suspension and fully comply with the Listing Rules to the Stock Exchange's satisfaction before trading in its securities is allowed to resume. Under Rule 6.01A(1) of the Listing Rules, the Stock Exchange may cancel the listing of any securities that have been suspended from trading for a continuous period of 18 months. In the case of the Company, the 18-month period expires on 28 September 2026.

On 23 March 2025, the Board established the SIC, the members of which at all times include all the independent non-executive directors of the Company, to commence an independent investigation into the relevant matters. The SIC commenced the selection process of independent forensic experts immediately after its establishment with the aim of finalising the 2024 Annual Results as soon as practicable and safeguarding the interests of the Company and its shareholders as a whole.

On 16 April 2025, the Forensic Accountant was engaged by the SIC to conduct the Independent Forensic Investigation and to report its findings to the SIC. This arrangement is also in line with one of the conditions for resumption of the trading of the Shares as set out in the Resumption Guidance.

On 18 August 2025, the Internal Control Consultant was engaged by the Company to review the internal control system of the Company. As at the Latest Practicable Date, their work is still ongoing, and the key findings of the internal control review will be published as soon as they are available.

On 15 March 2026, a progress update announcement on the Independent Forensic Investigation has been published by the Company. Also, the Company has published its annual results announcements for each of the year ended 31 December 2024 and 2025 on 31 March 2026.

For further details, please refer to the relevant announcements of the Company.

As at the Latest Practicable Date, the trading suspension remains in place and the Company is taking action to address the Resumption Guidance and will make further announcement(s) to inform the Shareholders and potential investors of the Company as and when appropriate.

Your attention is drawn to Appendix I and Appendix II to this Response Document which contain further financial and general information of the Group.

PUBLIC FLOAT OF THE COMPANY

The Stock Exchange has stated that:

(i) if, at the close of the Partial Offer, the Stock Exchange believes that (a) a false market exists or may exist in the trading of the Shares; or (b) an orderly market does not exist or may not exist, it will consider exercising its discretion to suspend dealings in the Shares; and

(ii) if, at the close of the Partial Offer, the Offeree Company has a Significant Public Float Shortfall (as defined in rule 13.32F of the Listing Rules), then: (a) the Stock Exchange will add a designated marker to the stock name of the listed Shares; and (b) the Stock Exchange will cancel the listing of the Shares if the Offeree Company fails to re-comply with Rule 13.32B of the Listing Rules for a continuous period of 18 months from the commencement of the Significant Public Float Shortfall.

As at the Latest Practicable Date, the Company has a public float of approximately 42.2% of the Shares. Assuming (i) full acceptances of the maximum number of Offer Shares under the Partial Offer by the Qualifying Shareholders; and (ii) that there are no changes to the issued share capital of the Company between the Latest Practicable Date and up to the Closing Date, the Company will continue to have a public float of above 25% of the Shares immediately following the close of the Partial Offer. Accordingly, the number of Shares in public hands will continue to meet the 25% minimum public float requirement under Rule 13.32B of the Listing Rules. With reference to the Offer Document, as required to be disclosed pursuant to Rule 14.81(1) of the Listing Rules, the Offeror intends the Company to remain listed on the Stock Exchange.

IRREVOCABLE UNDERTAKING BY THE UNDERTAKING SHAREHOLDERS IN RELATION TO THE PARTIAL OFFER

On 8 April 2026, the Board has received an irrevocable undertaking (the "**Irrevocable Undertaking**") jointly issued by Jinchuan (BVI) Limited, Jinchuan (BVI) 1 Limited, Jinchuan (BVI) 2 Limited and Jinchuan (BVI) 3 Limited (collectively, the "**Undertaking Shareholders**"). The Undertaking Shareholders are indirect wholly-owned subsidiaries of Jinchuan Group Co., Ltd, the controlling shareholder of the Company.

As at the Latest Practicable Date, the Undertaking Shareholders are interested in 7,593,009,857 Shares, collectively representing approximately 57.81% of the total issued share capital of the Company (the "**Relevant Shares**").

Pursuant to the Irrevocable Undertaking, each of the Undertaking Shareholders has confirmed that each of them has no intention to accept the Partial Offer, and has unconditionally and irrevocably undertaken that they shall not accept the Partial Offer in respect of the Relevant Shares.

As at the Latest Practicable Date, save for the Irrevocable Undertaking, the Board has not received any information from any other Shareholders of their intention to accept or reject the Partial Offer.

SHAREHOLDING STRUCTURE OF THE COMPANY AND EFFECT OF THE PARTIAL OFFER

Taking into account the abovementioned Irrevocable Undertaking, and assuming that (i) there will be no change to the issued share capital of the Company; (ii) no other change to the shareholding between the Latest Practicable Date and up to the Closing Date, the shareholding structure of the Company, as at the Latest Practicable Date and immediately upon closing of the Partial Offer in the event all Qualifying Shareholder has tendered all of his/her holdings of Shares for acceptance under the Partial Offer, is set out in the following table, for illustration purpose:

Shareholder	**As at the Latest Practicable Date**		**Immediately upon closing of the Partial Offer assuming all Qualifying Shareholders, except the Undertaking Shareholders, tender all of their Shares for acceptance under the Partial Offer**	
	No. of Shares	*Approx. %*	*No. of Shares*	*Approx. %*
Jinchuan (BVI) Limited *(Note 1 and Note 4)*	4,586,120,000	34.92	4,586,120,000	34.92
Jinchuan (BVI) 1 Limited *(Note 2 and Note 4)*	1,888,449,377	14.38	1,888,449,377	14.38
Jinchuan (BVI) 2 Limited *(Note 2 and Note 4)*	583,518,372	4.44	583,518,372	4.44
Jinchuan (BVI) 3 Limited *(Note 2 and Note 4)*	534,922,108	4.07	534,922,108	4.07
Sub total:	**7,593,009,857**	**57.81**	**7,593,009,857**	**57.81**
The Undertaking Shareholders and parties acting in concert with them				
Gansu Province Economy Cooperation Co., Ltd*甘肅省經濟合作有限公司 *(Note 3)*	1,090,000,000	8.30	952,251,299	7.25
Gansu Province Xinye Assets Management Co. Ltd*甘肅省新業資產經營有限責任公司*(Note 3)*	1,110,000,000	8.45	969,723,800	7.39
The Offeror and parties acting in concert with it	–	–	700,000,000	5.33
Other Qualifying Shareholders	3,339,072,194	25.44	2,917,097,095	22.22
Total:	**13,132,082,051**	**100.00**	**13,132,082,051**	**100.00**

Notes:

1. As at the Latest Practicable Date, Jinchuan (BVI) Limited directly held 4,586,120,000 Shares. In addition, Jinchuan (BVI) Limited holds PSCS in the amount of US$88,461,539 which may be converted into 690,000,000 Shares at an initial conversion price of HK$1.00 per Share. Jinchuan (BVI) Limited is an indirect wholly-owned subsidiary of Jinchuan Group Co., Ltd*, the controlling shareholder of the Company.

2. The issued share capital of each of Jinchuan (BVI) Limited, Jinchuan (BVI) 1 Limited, Jinchuan (BVI) 2 Limited and Jinchuan (BVI) 3 Limited are wholly owned by Jinchuan Group (Hongkong) Resources Holdings Limited, which is in turn wholly owned by Jinchuan Group Co., Ltd, the controlling shareholder of the Company. These companies are therefore also indirect wholly-owned subsidiaries of Jinchuan Group Co., Ltd.

3. The English names of Gansu Province Economy Cooperation Co., Ltd* and Gansu Province Xinye Assets Management Co. Ltd* are for identification purpose only.

4. Pursuant to the Irrevocable Undertaking, Jinchuan (BVI) Limited, Jinchuan (BVI) 1 Limited, Jinchuan (BVI) 2 Limited and Jinchuan (BVI) 3 Limited have unconditionally and irrevocably undertaken that each of them shall not accept the Partial Offer. Consequently, their shareholdings remain unchanged upon closing of the Partial Offer.

5. The Offeror will not be a "controlling shareholder" (as defined in the Listing Rules) of the Company immediately upon completion of the Partial Offer. The Offeror has confirmed that it does not have any relationship with each of the substantial shareholders of the Company and they are not parties acting in concert with the Offeror.

6. Percentage figures are rounded to two decimal places, and certain percentage figures included in the above table have been subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

Pursuant to Rule 2.8 of the Takeovers Code, the Independent Board Committee, comprising Mr. Wang Qiangzhong (non-executive Director), Mr. Yen Yuen Ho, Tony, Mr. Poon Chiu Kwok and Ms. Han Ruixia (all being independent non-executive Directors) who have no direct or indirect interest in the Partial Offer, was formed to give advice to the Qualifying Shareholders as to whether the Partial Offer is fair and reasonable and as to the acceptance of the Partial Offer.

The Board has appointed Red Sun Capital Limited as the Independent Financial Adviser to advise the Independent Board Committee and the Qualifying Shareholders in respect of the Partial Offer and, in particular, as to whether the Partial Offer is fair and reasonable and as to the acceptance of the Partial Offer. The appointment of Red Sun Capital Limited as the Independent Financial Adviser has been approved by the Independent Board Committee in accordance with Rule 2.1 of the Takeovers Code. The letter of advice from the Independent Financial Adviser in respect of the Partial Offer and its recommendation to the Independent Board Committee and the Qualifying Shareholders is included in this Response Document.

RECOMMENDATION

Your attention is drawn to (i) the "Letter from the Independent Board Committee" set out on pages 18 to 19 of this Response Document, which contains its recommendations to the Qualifying Shareholders in respect of the Partial Offer; and (ii) the "Letter from the Independent Financial Adviser" set out on pages 20 to 46 of this Response Document, which contains its advice to the Independent Board Committee in connection with the Partial Offer, as well as the principal factors and reasons considered by it in arriving at its recommendation. **Qualifying Shareholders should read these letters in conjunction with the Offer Document carefully before taking any action in respect of the Partial Offer.**

The Independent Financial Adviser is of the view that the terms of the Partial Offer are **NOT** fair and **NOT** reasonable so far as the Qualifying Shareholders are concerned and accordingly recommend the Qualifying Shareholders **NOT** to accept the Partial Offer.

Having considered the terms of the Partial Offer and the advice from the Independent Financial Adviser, the Independent Board Committee considers that the terms of the Partial Offer are **NOT** fair and **NOT** reasonable so far as the Qualifying Shareholders are concerned and accordingly recommends the Qualifying Shareholders **NOT** to accept the Partial Offer.

The Directors (excluding the members of the Independent Board Committee whose view is set out in the "Letter from the Independent Board Committee" in this Response Document) concur with the views of the Independent Board Committee and the Independent Financial Advisers and are of the view that the terms of the Partial Offer are **NOT** fair and **NOT** reasonable so far as the Qualifying Shareholders are concerned and accordingly recommend the Qualifying Shareholders **NOT** to accept the Partial Offer.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information contained in the Appendices to this Response Document.

You are also recommended to read carefully the Offer Document and the accompanying Form of Acceptance for further details in respect of the procedures for acceptance of the Partial Offer.

CONTINUED 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.

Yours faithfully,
For and on behalf of the Board of
Jinchuan Group International Resources Co. Ltd
Cheng Yonghong
Chairman and Executive Director

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)

9 April 2026

To the Qualifying Shareholders

Dear Sir or Madam,

UNCONDITIONAL VOLUNTARY CASH PARTIAL OFFER BY SOMERLEY CAPITAL LIMITED FOR AND ON BEHALF OF ALTERNATIVE LIQUIDITY INDEX, LP TO ACQUIRE UP TO 700,000,000 SHARES IN JINCHUAN GROUP INTERNATIONAL RESOURCES CO. LTD

INTRODUCTION

We refer to the response document (the "**Response Document**") dated 9 April 2026 issued by the Company, of which this letter forms part. Unless the context otherwise requires, terms used in this letter shall have the same meanings as those defined in the Response Document.

We have been appointed by the Board to form the Independent Board Committee to consider and to advise the Qualifying Shareholders as to whether or not the terms of the Partial Offer are fair and reasonable and to make a recommendation as to the acceptance of the Partial Offer.

Red Sun Capital Limited has been appointed as the Independent Financial Adviser to advise us in respect of the above. Details of its advice and the principal factors taken into consideration in arriving at its recommendation are set out in the section headed "Letter from the Independent Financial Adviser" on pages 20 to 46 of the Response Document.

We also wish to draw your attention to the section headed "Letter from the Board" and the additional information set out in the Appendices to the Response Document.

RECOMMENDATIONS

Having considered the terms of the Partial Offer and the advice from the Independent Financial Adviser, we concur with the Independent Financial Adviser's advice and consider that the Partial Offer is **NOT** fair and **NOT** reasonable so far as the Qualifying Shareholders are concerned. On this basis, we concur with the Independent Financial Adviser's advice and we ourselves recommend the Qualifying Shareholders **NOT** to accept the Partial Offer.

Notwithstanding our recommendations, the Qualifying Shareholders are strongly advised that the decision to realise or to hold their investment is subject to individual circumstances and investment objectives. As different Qualifying Shareholders would have different investment criteria, objectives, risk preferences and tolerance levels and/or circumstances, we would recommend any Qualifying Shareholder who may require advice in relation to any aspect of the Response Document, the Offer Document, or as to the action to be taken, to consult a licensed securities dealer, bank manager, solicitor, professional accountant, tax adviser or other professional adviser before making the decision to, whether or not, accept the Partial Offer. The Qualifying Shareholders also should note that acceptance of the Partial Offer may result in their holding odd lots of Shares. Furthermore, the Qualifying Shareholders are also reminded to read carefully the procedures for accepting the Partial Offer as detailed in the Offer Document, the appendices to the Offer Document and the Form of Acceptance, if they wish to accept the Partial Offer.

Yours faithfully,
For and on behalf of the Independent Board Committee

Mr. Wang Qiangzhong
Non-executive Director

Mr. Yen Yuen Ho, Tony
Independent Non-executive Director

Mr. Poon Chiu Kwok
Independent Non-executive Director

Ms. Han Ruixia
Independent Non-executive Director

The following is the full text of the letter from the Independent Financial Adviser which sets out its advice to the Independent Board Committee in respect of the Partial Offer for inclusion in this Response Document.

红日资本有限公司
RED SUN CAPITAL LIMITED

Room 2703, 27/F,
China Insurance Group Building,
141 Des Voeux Road Central,
Hong Kong
Tel: (852) 2857 9208
Fax: (852) 2857 9100

9 April 2026

To: The Independent Board Committee of Jinchuan Group International Resources Co. Ltd

Dear Sir/Madam,

UNCONDITIONAL VOLUNTARY CASH PARTIAL OFFER BY SOMERLEY CAPITAL LIMITED FOR AND ON BEHALF OF ALTERNATIVE LIQUIDITY INDEX, LP TO ACQUIRE UP TO 700,000,000 SHARES IN JINCHUAN GROUP INTERNATIONAL RESOURCES CO. LTD

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee in respect of the Partial Offer, details of which are set out in the letter from the Board (the "**Letter from the Board**") contained in the response document dated 9 April 2026 (the "**Response Document**") issued by Jinchuan Group International Resources Co. Ltd (the "**Company**"), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as defined in the Response Document unless the context otherwise requires.

Reference is made to the announcement by the Company dated 6 March 2026 in relation to the Partial Offer, whereby the Board was notified by the Offeror on 4 March 2026 that the intention by the Offeror to make the Partial Offer to acquire up to 700,000,000 Offer Shares, representing approximately 5.3% of the issued share capital of the Company as at the date of the Offer Announcement, from Qualifying Shareholders at the Offer Price of HK$0.01 per Offer Share.

Reference is also made to the Offer Announcement and the Offer Document, detailing the Offer Price and the terms of the Partial Offer.

As disclosed in the Offer Document, as at 23 March 2026, being the latest practicable date for ascertaining certain information in the Offer Document, the Offeror and parties acting in concert with it were not interested directly or indirectly in any voting rights or rights over any Shares, convertible securities, warrants or options of the Company or any derivatives in respect of such securities.

As at the Latest Practicable Date, there are 13,132,082,051 Shares in issue and PSCS in the amount of US$88,461,539 which may be converted into 690,000,000 Shares at an initial conversion price of HK$1.00 per Share. Save as disclosed, there are no outstanding options, warrants, derivatives or securities that carry a right to subscribe for or that are convertible or exchangeable into Shares or other types of equity interest.

THE INDEPENDENT BOARD COMMITTEE

An Independent Board Committee, comprising Mr. Wang Qiangzhong (non-executive Director), Mr. Yen Yuen Ho, Tony, Mr. Poon Chiu Kwok and Ms. Han Ruixia (all being independent non-executive Directors), has been formed to make a recommendation to the Qualifying Shareholders as to whether the Partial Offer is fair and reasonable and as to the acceptance of the Partial Offer.

We, Red Sun Capital Limited, have been appointed by the Company as the independent financial adviser to advise the Independent Board Committee in relation to the Partial Offer. Pursuant to Rule 2.1 of the Takeovers Code, our appointment has been approved by the Independent Board Committee. Our role as the independent financial adviser is to give our recommendation to the Independent Board Committee as to (i) whether the Partial Offer is fair and reasonable so far as the Qualifying Shareholders are concerned; and (ii) whether the Qualifying Shareholders should, or should not, accept the Partial Offer.

OUR INDEPENDENCE

As at the Latest Practicable Date, we were independent from and not connected with the Company, the Offeror and any of their respective associates, or any party acting, or presumed to be acting, in concert with any of them and accordingly, are qualified to give independent advice to the Independent Board Committee and the Qualifying Shareholders in respect of the Partial Offer.

In the previous two years, we did not act as an independent financial adviser to the Company under the Listing Rules or Takeovers Code. Apart from normal professional fees paid or payable to us in connection with this appointment, no arrangements exist whereby we had received or will receive any fees or benefits from the Group or any other parties that could reasonably be regarded as relevant to our independence. Accordingly, we consider that we are independent from the Group pursuant to Rule 13.84 of the Listing Rules and Rule 2.6 of the Takeovers Code.

BASIS OF OUR OPINION AND RECOMMENDATION

In formulating our opinion, we have relied on the statements, information, opinions and representations contained in the Response Document and the information and representations provide to us by the directors of the Company (the "**Directors**") and the management of the Company (the "**Management**"). We have assumed that all statements, information and representations provided by the Directors and the Management, for which they are solely responsible, were true and accurate at the time when they were provided and continue to be so as at the Latest Practicable Date and the Shareholders will be notified of any material changes to such information and representations or to our opinion as soon as possible in accordance with Rule 9.1 of the Takeovers Code.

We have also assumed that all statements of belief, opinion and expectation made by the Directors in the Response Document were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Response Document, or the reasonableness of the opinions expressed by the Company, its advisers, the Management and/or the Directors. We believe that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, carried out any independent verification of the information provided by the Directors and the Management, nor have we conducted an independent investigation into the business and affairs of the Company, the Offeror and their respective shareholder(s) and subsidiaries or affiliates, and their respective histories, experience and track records, or the prospects of the markets in which they respectively operate. Our opinion is necessarily based on financial, economic, market and other conditions in effect and the information made available to us at the Latest Practicable Date. This letter is issued for the information of the Independent Board Committee and the Qualifying Shareholders solely for their consideration of the Partial Offer.

We have not considered the tax and regulatory implications on the Qualifying Shareholders of acceptance or non-acceptance of the Partial Offer since these depend on their individual circumstances. In particular, Qualifying Shareholders who are resident overseas or subject to overseas taxes or Hong Kong taxation on securities dealings should consider their own tax positions, and if in any doubt, should consult their own professional adviser.

This letter is issued for the information of the Independent Board Committee and the Qualifying Shareholders solely in connection with their consideration of the Partial Offer, and except for its inclusion in the Response Document, is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purposes, without our prior written consent. In the event of inconsistency, the English text of this letter shall prevail over the Chinese translation of this letter.

PRINCIPAL TERMS OF THE PARTIAL OFFER

Set out below are the terms of the Partial Offer, details of which are set out in the Letter from the Board as contained in the Response Document.

Unconditional Voluntary Cash Partial Offer

The Partial Offer is unconditional in all respects. For the avoidance of doubt, the Partial Offer is not conditional on the level of acceptances.

Pursuant to the Offer Document, the Offeror will issue an announcement in relation to any revision, extension, lapse or withdrawal of the Partial Offer in accordance with the Takeovers Code and the Listing Rules.

The Partial Offer

The Partial Offer is made by Somerley Capital, for and on behalf of the Offeror, in compliance with the Takeovers Code to acquire up to 700,000,000 Offer Shares (representing approximately 5.3% of the Company's issued share capital as at the date of the Offer Announcement) on the basis set out below:

For each Offer Share . . . . . HK$0.01 in cash

As stated in the Offer Document, as at 23 March 2026, being the latest practicable date for ascertaining certain information in the Offer Document, the Offeror or parties acting in concert with it were not interested directly or indirectly in any voting rights and rights over the Shares, convertible securities, warrants, options of the Company or any derivatives in respect of such securities.

As at the Latest Practicable Date, the Company has 13,132,082,051 Shares in issue and PSCS in the amount of US$88,461,539 which may be converted into 690,000,000 Shares at an initial conversion price of HK$1.00 per Share.

Save as disclosed above, the Company does not have any outstanding options, derivatives, warrants or relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) which are convertible or exchangeable into Shares, nor has it entered into any agreement for the issue of such options, derivatives, warrants or securities which are convertible or exchangeable into Shares.

As the Partial Offer could not result in the Offeror holding Shares carrying 30% or more of the voting rights in the Company, no comparable offer will be made for the outstanding PSCS to the holder(s) of the PSCS.

The Partial Offer is extended to all Qualifying Shareholders in accordance with the requirements of the Takeovers Code.

Acceptance of the Partial Offer by any Qualifying Shareholder will constitute a warranty by such Qualifying Shareholder to the Offeror that the Shares sold by it to the Offeror under the Partial Offer are fully paid, free from all liens, charges, encumbrances, rights of pre-emption and any other third party rights of any nature and together with all rights and benefits at any time accruing and attaching thereto, including all rights to any dividend or other distributions the record date of which falls on or after the Closing Date.

As set out in the annual results announcement of the Group for the year ended 31 December 2025 ("**2025 Annual Results Announcement**"), (i) a final dividend in respect of the year ended 31 December 2025 of HK0.2 cent per share; and (ii) a special dividend in respect of the year ended 31 December 2025 of HK0.2 cent per share (such special dividend is designated to substitute for the final dividend for the year ended 31 December 2024, given that there was a delay in finalising and publishing the financial results for the year ended 31 December 2024), in an aggregate amount of approximately HK$52,528,000 have been proposed by the Directors and are subject to approval by the Shareholders at the forthcoming annual general meeting.

Other terms of the Partial Offer

Acceptance of the Partial Offer

The Partial Offer is extended to all Qualifying Shareholders in accordance with the requirements of the Takeovers Code.

Qualifying Shareholders may accept the Partial Offer in respect of some or all of the Shares held by them. If valid acceptances are received for 700,000,000 Offer Shares or fewer, all Offer Shares validly accepted will be taken up by the Offeror. If valid acceptances are received for more than 700,000,000 Offer Shares, the total number of Offer Shares to be taken up by the Offeror from each accepting Qualifying Shareholder will be determined by the total number of Offer Shares tendered for acceptance in accordance with the following formula (the "**Formula**"):

$$\frac{A}{B} \times C$$

A = the maximum number of Offer Shares under the Partial Offer (i.e. 700,000,000 Offer Shares)

B = the total number of Offer Shares validly tendered for acceptance by all Qualifying Shareholders under the Partial Offer

C = the number of Offer Shares tendered for acceptance by the relevant individual Qualifying Shareholder under the Partial Offer

Partial nature of the Partial Offer and effect of fractions

It is possible that, if a Qualifying Shareholder tenders all his/her Shares for acceptance under the Partial Offer, not all of such Shares will be taken up.

Fractions of Offer Shares will not be taken up under the Partial Offer and, accordingly, the number of Offer Shares that the Offeror will take up from each Qualifying Shareholder in accordance with the above Formula will be rounded up or down to the nearest whole number at the discretion of the Offeror, and in any event, the total number of Offer Shares to be taken up by the Offeror will not exceed 700,000,000 Offer Shares.

Odd lots

Qualifying Shareholders should note that acceptance of the Partial Offer may result in holding odd lots of Shares. Accordingly, a designated broker has been appointed by the Offeror to match sales and purchases of odd lot holdings of Shares on a best effort basis for a period of six weeks following the close of the Partial Offer to assist such Shareholders in disposing of their odd lots or to top up their odd lots to whole board lots.

Effect of accepting the Partial Offer

Acceptance of the Partial Offer by any Qualifying Shareholder will constitute a warranty by such Qualifying Shareholder to the Offeror that the Shares sold by it to the Offeror under the Partial Offer are fully paid, free from all liens, charges, encumbrances, rights of pre-emption and any other third party rights of any nature and together with all rights and benefits at any time accruing and attaching thereto, including all rights to any dividend or other distributions the record date of which falls on or after the Closing Date.

Based on the published information of the Company available to the public as at the Latest Practicable Date, (i) a final dividend in respect of the year ended 31 December 2025 of HK0.2 cent per share; and (ii) a special dividend in respect of the year ended 31 December 2025 of HK0.2 cent per share (such special dividend is designated to substitute for the final dividend for the year ended 31 December 2024, given that there was a delay in finalising and publishing the financial results for the year ended 31 December 2024), in an aggregate amount of approximately HK$52,528,000 have been proposed by the Directors and are subject to approval by the Shareholders at the forthcoming annual general meeting.

Acceptance of the Partial Offer shall be irrevocable and shall not be capable of being withdrawn, except as permitted under the Takeovers Code.

Settlement of consideration

Settlement of the consideration payable by the Offeror in respect of valid acceptances of the Partial Offer will be made as soon as possible but, in any event, no later than seven (7) business days after the Closing Date. Further details regarding the timing of settlement of the consideration payable by the Offeror in respect of valid acceptances of the Partial Offer are set out in the Offer Document.

No fractions of a cent will be payable and the amount of cash consideration payable to any person who accept the Partial Offer will be rounded up to the nearest cent.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion and recommendation, we have taken into consideration the following principal factors and reasons:

1. Financial information of the Group and outlook

(a) Historical financial information of the Group

The Group is principally engaged in mining operations and the trading of mineral and metal products. The Company is an investment holding company, and together with its subsidiaries, primarily engaged in (i) mining operations in the DRC, namely (a) the operation of the Ruashi Mine, an open-cast oxide copper and cobalt mine; (b) the operation of the Kinsenda Mine, an underground copper mine; (c) the operation of the Musonoi Mine, an underground copper and cobalt mine; and (d) the operation of the Lubembe Mine, a greenfield copper project; (ii) leasing out of the Chibuluma South Mine, an underground copper mine; and (iii) trading of mineral and metal products in Hong Kong.

The trading in the Shares on the Stock Exchange has been suspended from 9:00 am on Friday, 28 March 2025 and remained to be suspended as at the Latest Practicable Date. With reference to the announcement of the Company dated 16 April 2025, there has been a delay in the publication of annual results for the year ended 31 December 2024 due to an allegation on certain payments of Ruashi SAS, which requires further investigation (the "**Allegation**"). For further details, please refer to the sub-paragraph headed "(d) The suspension of trading in the Shares" in this letter.

In this connection, we herewith set out a summary of the published financial information of the Group for each of the year ended 31 December 2024 and 2025 as extracted from the 2025 Annual Results Announcement and for the year ended 31 December 2023 as extracted from the annual results announcement for the year ended 31 December 2024 ("**2024 Annual Results Announcement**"):

Summary of the Group's consolidated income statement

	Year ended 31 December		
	2025	**2024**	**2023**
	US$'000	*US$'000*	*US$'000*
	(audited)	*(audited)*	*(audited)*
Revenue	481,910	561,870	638,857
Cost of sales	(343,691)	(478,298)	(538,412)
Gross Profit	110,795	55,932	70,746
Profit/(loss) for the year attributable to owners of the Company	32,654	(2,464)	(11,558)

*Financial performance of the Group for each of the years ended 31 December 2025 ("**FY2025**") and 31 December 2024 ("**FY2024**")*

As set out in the 2025 Annual Results Announcement, the Group recorded revenue of approximately US$481.9 million for FY2025, primarily comprised of sales of copper of approximately US$470.6 million, representing a decrease of approximately US$80.0 million or approximately 14.2% as compared to that of approximately US$561.9 million for FY2024.

Gross profit of the Group's operations has increased by 98.1% from approximately US$55.9 million for FY2024 to approximately US$110.8 million for FY2025. The profit for the year attributable to owners of the Company amounted to approximately US$32.7 million for FY2025 compared to the loss for the year attributable to owner of the Company of approximately US$2.5 million for FY2024, which was primarily due to (i) the increase in sales price of copper product; (ii) the decrease in mining and processing costs; and (iii) offset by the increase in income tax expense.

*Financial performance of the Group for FY2024 and the year ended 31 December 2023 ("**FY2023**")*

As set out in the 2024 Annual Results Announcement, the Group recorded revenue of approximately US$561.9 million for FY2024, representing a decrease of approximately US$77.0 million or approximately 12.1% as compared to that of approximately US$638.9 million for FY2023, which was primarily due to the decrease in revenue on trading of externally sourced commodities as more focused selection of appropriate mineral sources in matching with customers' need.

Gross profit of the Group's operations decreased 20.9% from approximately US$70.8 million for FY2023 to approximately US$55.9 million for FY2024. The loss for the year attributable to owners of the Company amounted to approximately US$2.5 million for FY2024 compared to the loss for the year attributable to owners of the Company of approximately US$11.6 million for FY2023, the reduction of loss attributable to owners of the Company was primarily due to (i) the increase in copper revenue; (ii) the decrease in impairment loss on value-added-tax recoverable; and (iii) the decrease in income tax expense in FY2024.

Summary of the Group's consolidated balance sheet

	As at 31 December		
	2025	**2024**	**2023**
	US$'000	*US$'000*	*US$'000*
Non-current assets	2,270,922	2,135,722	1,899,771
Current assets	516,537	322,210	270,611
Total assets	2,787,459	2,457,932	2,170,382
Current liabilities	584,914	402,646	253,268
Non-current liabilities	957,428	894,022	767,346
Total liabilities	1,542,342	1,296,668	1,020,614
Equity attributable to owners of the Company	**1,065,936**	**983,498**	**985,457**
Bank deposits with original maturity over three months	4,771	38,427	23,603
Bank balances and cash	166,465	53,864	61,381
Total cash and bank deposits	**171,236**	**92,291**	**84,984**

Financial position as at 31 December 2025 compared to 31 December 2024

We noted from the 2025 Annual Results Announcement that as at 31 December 2025, the Group's total assets amounted to approximately US$2,787.5 million, representing an increase of approximately 13.4% or approximately US$329.5 million as compared to approximately US$2,457.9 million as at 31 December 2024, which mainly comprised (i) property, plant and equipment of approximately US$1,308.8 million; (ii) mineral rights of approximately US$530.4 million; (iii) inventories in respect of current assets and non-current assets of approximately US$371.1 million; (iv) other non-current assets of approximately US$205.0 million; (v) bank deposits with original maturity over three months and bank balances and cash of approximately US$171.2 million; and (iv) exploration and evaluation assets of approximately US$122.7 million.

The Group's total liabilities amounted to approximately US$1,542.3 million as at 31 December 2025, representing an increase of approximately 18.9% or approximately US$245.7 million as compared to approximately US$1,296.7 million as at 31 December 2024, which mainly comprised (i) trade and other payables of approximately US$372.8 million; (ii) deferred tax liabilities of approximately US$325.4 million; (iii) bank borrowings of approximately US$443.8 million; and (iv) amount due to an intermediate holding company of approximately US$297.6 million.

As at 31 December 2025, the equity attributable to owners of the Company amounted to approximately US$1,065.9 million, representing an increase of approximately 8.4% or US$82.4 million as compared to approximately US$983.5 million as at 31 December 2024.

Financial position as at 31 December 2024 compared to 31 December 2023

We noted from the 2024 Annual Results Announcement that as at 31 December 2024, the Group's total assets amounted to approximately US$2,457.9 million, representing an increase of approximately 13.3% or approximately US$287.6 million as compared to approximately US$2,170.4 million as at 31 December 2023, which mainly comprised (i) property, plant and equipment of approximately US$1,203.0 million; (ii) mineral rights of approximately US$546.3 million; (iii) inventories in respect of current assets and non-current assets of approximately US$272.8 million; (iv) exploration and evaluation assets of approximately US$122.7 million; and (v) other non-current assets of approximately US$158.9 million.

The Group's total liabilities amounted to approximately US$1,296.7 million as at 31 December 2024, representing an increase of approximately 27.1% or approximately US$276.1 million as compared to approximately US$1,020.6 million as at 31 December 2023, which mainly comprised (i) deferred tax liabilities of approximately US$341.7 million; (ii) bank borrowings of approximately US$370.9 million; (iii) amount due to an intermediate holding company of approximately US$256.3 million; and (iv) trade and other payables of approximately US$270.2 million.

As at 31 December 2024, the equity attributable to owners of the Company amounted to approximately US$983.5 million, which remained broadly stable compared to approximately US$985.5 million as at 31 December 2023.

(b) Recent development and prospects of the Group

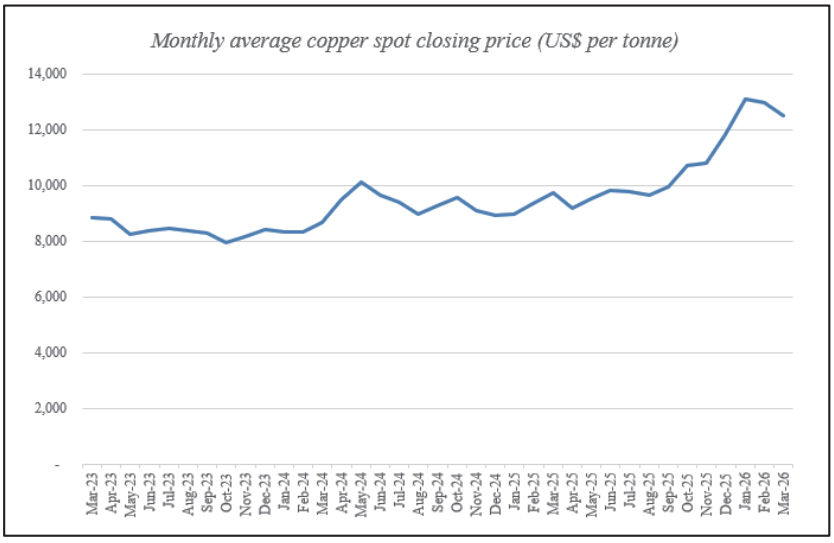
As set out in the Letter from the Board, the Group is principally engaged in mining operations and the trading of mineral and metal products. The Company is an investment holding company, and together with its subsidiaries, primarily engaged in (i) mining operations in the DRC, namely (a) the operation of the Ruashi Mine, an open-cast oxide copper and cobalt mine; (b) the operation of the Kinsenda Mine, an underground copper mine; (c) the operation of the Musonoi Mine, an underground copper and cobalt mine; and (d) the operation of the Lubembe Mine, a greenfield copper project; (ii) leasing out of the Chibuluma South Mine, an underground copper mine; and (iii) trading of mineral and metal products in Hong Kong.

As the Group is engaged in mining operations and the trading of mineral and metal products, primarily in copper and cobalt, set out below are (i) the historical copper price movement during the review period; and (ii) the historical cobalt price movement during the review period. The review period covers the average monthly price of the relevant commodity (i.e. on a completed month basis) from 1 March 2023 to 31 March 2026, being approximately 36 months, (the "**Price Review Period**") which is a period that is sufficiently lengthy and provides a balanced perspective on price movements, capturing both short-term volatility and medium-term trends and is considered as appropriate in commodity market analysis as any trend is less likely to be materially distorted by temporary shocks while remaining relevant to current market conditions and ensure the analysis reflects meaningful dynamics without relying on outdated data.

Copper

Copper, being a base metal with high thermal and electrical conductivity, is commonly used in wires, electromagnets, printed circuit boards as an electrical conductor and heat exchangers as a thermal conductor. Copper exists in two broad categories of ore types: sulphide and oxide.

The following graph shows the monthly average copper spot closing price during the Price Review Period for the purpose of illustrating copper historical price trends.



Source: London Metal Exchange

As illustrated by the monthly average copper spot closing price (the "**Copper Prices**") set out in the above table, the Copper Prices was relatively volatile over the Price Review Period.

In 2023 and the first quarter of 2024, the Copper Prices were trading at approximately US$8,000 per tonne. In the second quarter of 2024, the Copper Prices surged dramatically, reaching over US$10,000 per tonne in May 2024. By mid of 2024, the Copper Prices began to retreat and the Copper Prices stabilized above US$8,500 per tonne in the second half of 2024.

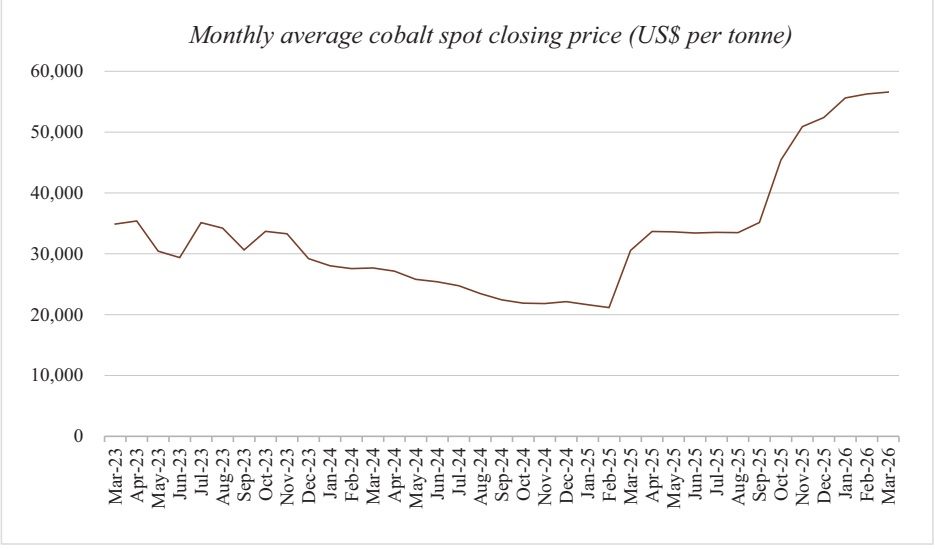
In 2025, the Copper Prices had risen steadily. Since October 2025, the Copper Prices had been above US$10,000 per tonne. We noted the Copper Prices surged in the first quarter of 2026 and reached approximately USD13,500 per tonne, the highest levels recorded in the Price Review Period.

According to the Non-ferrous Metals Industry Stable Growth Action Plan (2025-2026)*(《有色金屬行業穩增長工作方案(2025-2026年)》)(*https://www.miit.gov.cn/jgsj/ycls/wjfb/art/2025/art_e8a675f331eb4e8dbc742d67c097051f.html*) (the "**Non-ferrous Metals Industry Action Plan**") issued by the Ministry of Industry and Information Technology of the PRC, the potential demand for copper in the PRC is expected to remain robust, driven by structural shifts in industrial consumption and national policy priorities. The Non-ferrous Metals Industry Action Plan emphasises expanding copper applications in high-growth sectors such as new energy vehicles, next-generation electronic information, and 5G infrastructure. Specific initiatives include accelerating the use of high-strength, high-conductivity copper wire and cable, copper heat sinks for 5G base stations, ultra-low roughness copper foil, and precision copper gears. In addition, the broader push for electrification, renewable energy deployment, and advanced manufacturing will further reinforce copper's strategic role in the PRC economy. Such measures will ensure sustained copper's demand growth over the medium term.

Cobalt

Cobalt, a ferromagnetic metal, is normally associated with nickel and copper containing ores and is mined as a by-product or co-product of these metals. Cobalt is a strategic and critical metal used in many diverse industrial and military applications.

The following graph shows the monthly average cobalt spot closing price during the Price Review Period for the purpose of illustrating cobalt historical price trends.



Source: Fastmarkets MB, formerly known as Metal Bulletin, a premium intelligence service for metal and steel professionals, being a recognised publisher of reference prices for long-term cobalt trading contracts.

The monthly average price of cobalt per tonne experienced fluctuations broadly ranging from approximately US$30,000 to US$35,000 from the beginning of the Price Review Period up to the end of 2023, followed by a downward trend that reached a low of around US$21,000 in February 2025. Subsequently, the monthly average price of cobalt per tonne rose to around US$33,000 in April 2025 and remained stable until August 2025 before increasing further to reach the highest price of around US$56,000 by February 2026.

According to the 2050 Cobalt Outlook (2050鈷展望)[1] issued by the Cobalt Institute[2] in October 2024, global battery demand for cobalt is expected to reach more than three times of its 2020 volume, rising from approximately 85,000 tonnes to 250,000 tonnes by 2050 and a total of 5.5 million tonnes of cobalt will be required for batteries in electric vehicles, consumer electronics, and energy storage facilities by 2050. Cobalt finds extensive applications in electric vehicles, aerospace, and consumer electronics, including AI, robotics, drones, and smart devices. With the continued expansion of key industries and a global shift toward environmental sustainability, seen in widespread net-zero pledges, a corresponding upswing in cobalt demand is anticipated.

Recent development and prospects

We noted from the announcement of the Company dated 9 March 2026 in relation to the operational update for FY2025, in 2025, the Group recently commissioned Musonoi copper-cobalt mine in Kolwezi city, the DRC (i.e. the Musonoi Mine) as the third operating mines in the DRC. According to the resources and reserve statement as at 31 December 2023 (included in annual report of the Company for the year ended 31 December 2023), the Musonoi Mine has mineral reserves of 606,000 tonnes as to copper and 174,000 tonnes as to cobalt. Such mineral scales are greater than those in aggregate of the existing Ruashi and Kinsenda operating mines.

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1 Publication titled "2050 Cobalt Outlook* (2050钴展望）" (source: https://www.cobaltinstitute.org/wp-content/uploads/2025/02/Cobalt-2050_Unlocking-potential-for-a-net-zero-future_Mandarin.pdf)

2 According to the website of the Cobalt Institute (www.cobaltinstitute.org/about-us/), the institute is the world's leading trade association for the cobalt industry, plays a role in promoting sustainable and responsible production and use of cobalt, making it a key reference point when assessing long-term market developments

The Group's mining operation produced 61,867 tonnes of copper content for FY2025, representing an increase of 5.5% as compared to that of 58,663 tonnes for FY2024. The increase in FY2025 compared to FY2024 was due to additional contribution from the recent commission of the Musonoi Mine, which was partially offset by the temporary suspension of the solvent extraction – electrowinning system (the "**SX-EW System**") since January 2025 as a result of the power supply instability from the national grid to the Group's Ruashi operating mine in the DRC. Nonetheless, the Group endeavors to maintain overall production levels by means of utilising its flotation plant to produce more copper content in copper concentrate, alongside which the SX-EW System has already resumed its operations in mid-May 2025 following the installation of additional diesel generators.

In 2025, due to the recent commission of the Musonoi Mine, the Group produced 1,085 tonnes of cobalt content included in cobalt hydroxide, representing an increase of approximately 26.9% as compared to that of 855 tonnes in 2024.

Given that there is positive impact to the Group as reflected by the recent upsurge of the copper and cobalt price as indicated above as well as the commencement of the mining operation of the Musonoi Mine, we concur with the Management's view that it is cautiously optimistic about the sustainable development of the Group, however, the Group will continue to monitor all factors causing market fluctuation in order to ensure the Group is able to respond to market changes in a timely manner.

(c) Completion of placing and subscription of Shares ("Placing and Subscription")

References are made to the announcements of the Company dated 13 March 2025 ("**Placing and Subscription Announcement**") and 25 March 2025 in respect of, among other things, the placing and subscription of Shares.

On 13 March 2025, the Company, Jinchuan (BVI) 1 Limited (the "**Vendor**") and China International Capital Corporation Hong Kong Securities Limited (the "**Sole Placing Agent**") entered into a placing and subscription agreement (the "**Placing and Subscription Agreement**"), pursuant to which, (a) the Vendor agreed to appoint the Sole Placing Agent, and the Sole Placing Agent agreed to act as agent of the Vendor to procure purchasers (the "**Placing**"), on a best effort basis, to purchase the placing shares ("**Placing Shares**") (being a total of 630,000,000 existing Shares) at a placing price of HK$0.628 per Share ("**Placing Price**"); and (b) the Vendor conditionally agreed to subscribe for, and the Company conditionally agreed to allot and issue to the Vendor, the subscription shares ("**Subscription Shares**") (which is equivalent to the number of Placing Shares actually sold by the Vendor) at a subscription price (the "**Subscription Price**") of HK$0.628 per Share (which is equivalent to the Placing Price) (the "**Subscription**").

The Placing Shares represent: (a) approximately 5.04% of the total number of Shares in issue as at date of the Placing and Subscription Announcement; and (b) approximately 4.80% of the total number of Shares in issue as enlarged by the allotment and issue of the Subscription Shares upon completion of the Subscription.

On 25 March 2025, the Company announced the completion of the Placing and the Subscription took place on 17 March 2025 and 25 March 2025, respectively, in accordance with the terms and conditions of the Placing and Subscription Agreement. The net proceeds from the Subscription (after deducting relevant costs and expenses, commission, stamp duty and levies) are finalised at approximately HK$388 million.

We note that the Placing was solely conducted by the Sole Placing Agent on a best effort basis and the Placing Price reflected the then fair value of the Company determined by the market at the time of the Placing and Subscription. For reference only, we noted that the Offer Price under the Partial Offer represents a substantial discount of approximately 98.4% to the Placing Price which was determined after arm's length negotiation between the Company, the Vendor and the Sole Placing Agent based on the then prevailing market closing price per Share and was considered fair and reasonable by the Directors at the material time.

(d) The suspension of trading in the Shares

References are made to (i) the announcement of the Company dated 28 March 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; (ii) the announcement of the Company dated 16 April 2025 in relation to, among other things, the Allegation; (iii) the announcement of the Company dated 7 May 2025 in relation to the Resumption Guidance; (iv) the announcement of the Company dated 27 June 2025 in relation to, among others, the quarterly update on the resumption progress of the Company; (v) the announcement of the Company dated 2 September 2025 in relation to, among other things, the delay in publication of interim results for the six months ended 30 June 2025; (vi) the announcement of the Company dated 29 September 2025 in relation to, among others, the quarterly update on the resumption progress of the Company; (vii) the announcement of the Company dated 28 November 2025 in relation to, among other things, the proposed change of auditor; (viii) the announcement of the Company dated 19 December 2025 in relation to the appointment of auditor; (ix) the announcement of the Company dated 29 December 2025 in relation to, among other things, the quarterly update on the resumption progress of the Company; (x) the announcement of the Company dated 25 February 2026 in relation to supplemental information on the appointment of auditor; (xi) the announcement of the Company dated 15 March 2026 in relation to, among others things, the progress update on the Independent Forensic Investigation into the relevant matters of Ruashi SAS; and (xii) the announcements of the Company dated 31 March 2026 in relation to annual results for FY2024, interim results for the six months ended 30 June 2025 and the annual results for FY2025 (the "**Announcements**").

As disclosed, the delay in the publication of the financial results of the Company was due to the Allegation. On 30 April 2025, the Stock Exchange issued a letter to the Company setting out the Resumption Guidance, including but not limited to, (i) conducting of an independent forensic investigation in the matters around the Allegation and assess the impact on the Company's business operations and financial position; and (ii) publish all outstanding financial results, for the resumption of trading in the Shares. The Company must meet all requirements in the Resumption Guidance, remedy the issues causing its trading suspension and fully comply with the Listing Rules to the Stock Exchange's satisfaction before trading in its securities is allowed to resume.

On 15 March 2026, the Company announced an update on the Independent Forensic Investigation, setting out, among others, the scope of the Independent Forensic Investigation, procedures performed by the forensic accountant, keys findings of the Independent Forensic Investigation and recommendations by the independent forensic accountant, for further details, please refer to the said announcement.

On 31 March 2026, the Company announced its annual results for FY2024 and FY2025.

Save as disclosed in the Announcements, there is currently no additional information to update the progress of the process of the resumption of trading in the Shares.

We also note that the Company is proactively taken all the necessary steps to address the Resumption Guidance, including but not limited to, (i) the establishment of special investigation committee of the Company to commence an independent investigation into the relevant matter; (ii) the engagement of the forensic accountant to conduct Independent Forensic Investigation; (iii) the appointment of Internal Control Consultant to review the internal control system of the Company; (iv) a progress update announcement on the Independent Forensic Investigation, summarizing its key findings and recommendation on remedial actions to be taken by the Company, which is in line with the requirements under the Resumption Guidance; and (iv) the publication of the outstanding financial results, including annual results for each of the two years ended 31 December 2025 and 31 December 2024. All these steps are orderly fulfilling the requirements set out in the Resumption Guidance.

Notwithstanding that there is a potential risk that the listing status of the Company might be cancelled by the Stock Exchange should the Company is unable to fulfill to the requirements under the Resumption Guidance, Qualifying Shareholders should note that the Offeror is making Partial Offer to acquire up to 700,000,000 Offer Shares, representing approximately 5.3% of the issued share capital of the Company.

In the event that valid acceptances are received by the Offeror of an amount not more than 700,000,000 Shares under the Partial Offer, the subject Qualifying Shareholders would be able to realise all of their shareholding tendered and accepted under the Partial Offer at the Offer Price.

In the event that valid acceptances are received by the Offeror exceed 700,000,000 Shares under the Partial Offer, depending on the actual level of Shares being tendered, the number of Offer Shares by each individual Qualifying Shareholder to be taken up by the Offeror will be determined based on the Formula (as set out under sub-paragraph "Acceptable of the Partial Offer" in this letter above). Hence, under such circumstances, only a portion of the Shares tendered by the Qualifying Shareholders will be taken up by the Offeror and the remaining portion of their shareholding in the Company, i.e. the portion which is not taken up by the Offeror under the Partial Offer and the Shares not tendered by the Qualifying Shareholder (if any), will be retained by the subject Qualifying Shareholder.

For illustration purposes, in the event that all Qualifying Shareholders (other than Jinchuan (BVI) Limited, Jinchuan (BVI) 1 Limited, Jinchuan (BVI) 2 Limited and Jinchuan (BVI) 3 Limited which have unconditionally and irrevocably undertaken that each of them shall not accept the Partial Offer pursuant to the Irrevocable Undertaking) accept the Partial Offer in terms of their entire shareholding, based on the Formula, the Qualifying Shareholders will only be able to sell a portion of their shareholdings, representing approximately 12.6% of their respective shareholdings and will continue to hold a substantial portion of their shareholding in the Company (i.e., the remaining of approximately 87.4% interest).

For Qualifying Shareholders who decide not to participate in the Partial Offer, although the Company is currently taking the necessary steps to orderly proceed to satisfy the requirements as prescribed under the Resumption Guidance, Qualifying Shareholders should be aware that there are uncertainties relating to potential cancellation of the listing status of the Company by the Stock Exchange should the Company is unable to meet all the requirements under the Resumption Guidance and the risk that the Qualifying Shareholders will be holding the Shares in an unlisted public company, where there may or may not be a readily available open market for the trading of the Shares and no information transparency as compared to the platform offered by the Stock Exchange.

Shareholders should be aware and reminded that, if the Company loses its listing status, any protection under the Listing Rules may not be available to the Shareholders.

For Qualifying Shareholders who wish to dispose its/his/her Shares, depending the level of acceptance under the Partial Offer, the Partial Offer provides an opportunity to Qualifying Shareholders to realise part or all of their investments in the Shares at the Offer Price without the concerns around the lack of market trading liquidity given that the Shares are currently suspended from trading on the Stock Exchange.

However, we are of the view that the fairness and reasonableness of the Partial Offer should not be solely determined on the potential risk relating to the cancellation of listing status of the Company, Qualifying Shareholders should consider the value under the Partial Offer, details of our analysis are set out in the paragraphs headed "2. Evaluation of the Offer Price" and "3. Comparable companies' analysis" in this letter below as well as the future development of the Company, in particular, the Group recorded a profit attributable to owners of the Company of approximately US$32.7 million for the year ended 31 December 2025, representing a turnaround from the loss attributable to owners of the Company of approximately US$2.5 million for the year ended 31 December 2024, details of which are set out in the paragraph headed "1. Financial information of the Group and outlook" in this letter above.

Should the Qualifying Shareholders accept the Partial Offer, it may also result in their holding odd lots of Shares. Accordingly, a designated broker has been appointed by the Offeror to match sales and purchases of odd lot holdings of Shares, on a best efforts basis, for a period of six weeks following the close of the Partial Offer to assist such Shareholders in disposing their odd lots or to top up their odd lots to whole board lots. As stated in the Offer Document, Shareholders should note that the matching of odd lots is not guaranteed.

Qualifying Shareholders should also be aware that the realisable price of odd lot Shares may be different from (i) the trading price of board lot Shares prior to the suspension of trading; and (ii) the Offer Price.

Please refer to section headed "Odd lots" in the "Letter from Somerley Capital" of the Offer Document for further details.

Qualifying Shareholders are reminded to read carefully the procedures for accepting the Partial Offer as detailed in the Offer Document, the appendices to the Offer Document and the Form of Acceptance, should they wish to accept the Partial Offer.

2. Evaluation of the Offer Price

The Offer Price of HK$0.01 per Offer Share represents:

(i) a discount of approximately 98.4% to the closing price of HK$0.64 per Share as quoted on the Stock Exchange on the Last Trading Day (i.e. 27 March 2025);

(ii) a discount of approximately 98.5% to the average of the closing prices of the Shares of approximately HK$0.66 as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Date;

(iii) a discount of approximately 98.5% to the average of the closing prices of the Shares of approximately HK$0.68 as quoted on the Stock Exchange for the last ten consecutive trading days up to and including the Last Trading Date;

(iv) a discount of approximately 98.4% to the average of the closing prices of the Shares of approximately HK$0.62 as quoted on the Stock Exchange for the last thirty consecutive trading days up to and including the Last Trading Date;

(v) a discount of approximately 90.2% to cash per Share of approximately HK$0.102 as at 31 December 2025, calculated based on the aggregate of (a) bank deposits with original maturity over three months; and (b) bank balance and cash of approximately US$171,236,000 as at 31 December 2025 and 13,132,082,051 Shares in issue as at the Latest Practicable Date; and

(vi) a discount of approximately 98.4% to the audited consolidated net asset value per Share attributable to the owners of the Company of approximately HK$0.636 as at 31 December 2025, calculated based on the audited equity attributable to owners of the Company of approximately US$1,065,936,000 as at 31 December 2025 and 13,132,082,051 Shares in issue as at the Latest Practicable Date.

Highest and lowest Share prices

The Shares has been suspended from trading with effect from 9:00 a.m. on 28 March 2025 and over twelve-month period immediately before the Latest Practicable Date. During the six-month period immediately preceding and including the Last Trading Day (i.e. from 30 September 2024 to 27 March 2025): (i) the highest closing price of the Shares as quoted on the Stock Exchange was HK$0.77 per Share on each of 10 and 11 March 2025; and (ii) the lowest closing price of the Shares as quoted on the Stock Exchange was HK$0.485 per Share on 14 November 2024.

Historical performance of the Shares

Given that fact that the Shares have been suspended from trading on the Stock Exchange since 28 March 2025, more than twelve months, we are of the view that a comparable analysis on the historical performance of the Shares may not be meaningful in assessing the fairness and reasonableness of the Partial Offer.

3. Comparable companies' analysis

In assessing the fairness and reasonableness of the Offer Price, we have considered analysis on the price-to-book ratios (the "**P/B Ratio(s)**") and price-to-earnings ratios (the "**P/E Ratio(s)**") of companies which are listed on the Stock Exchange and are engaged in similar businesses to those of the Group for comparison purposes. It is noted that the P/B Ratio and P/E Ratio are the commonly used valuation benchmarks in evaluating the valuation of a company. We noted that (i) it may be more typical for P/B Ratio to be used as a valuation benchmark to value asset heavy companies, given that the Group, being a mining enterprise, is typically regarded as asset-heavy; and (ii) we also conduct analysis on the P/E Ratio to cross-checked against analysis on P/B Ratio, which provides a more balanced and robust perspective in the copper mining sector.

For the purpose of our analysis, we have identified comparable companies based on the following criteria: (i) the shares of which are listed on the Stock Exchange; and (ii) engages in principal business similar to those of the Group namely, mining of non-ferrous metals, primarily copper, and the trading of mineral and metal products, primarily copper, which contributed over 50% of its total revenue for the latest completed financial year (the "**Criteria**"). Based on the Criteria, we have identified an exhaustive list of five comparable companies (the "**Comparable Companies**"). The table below sets out the market capitalisation, equity attributable to its owners, the P/B Ratio and the P/E Ratio of each of the Comparable Companies and the Implied P/B Ratio (defined thereafter) and the Implied P/E Ratio (defined thereafter) of the Company under the Partial Offer for comparison purposes.

Company name (stock code)	**Principal business**	**Market capitalisation as at the Latest Practicable Date** *(Note 1)* *HK$' million*	**Equity attributable to the owners of the company** *(Note 2)* *HK$' million*	**P/B Ratio** *(Note 3)*	**P/E Ratio** *(Note 4)*
Jiangxi Copper Company Limited (358)	Mining, smelting and processing of non-ferrous metals and precious metals.	130,960	91,841	1.43	15.72
China Daye Non-Ferrous Metals Mining Limited (661)	Mining and processing of mineral ores and selling/trading of metal products.	2,165	3,545	0.61	35.79
MMG Limited (1208)	Exploration, development and mining of copper, zinc, gold, silver, molybdenum, lead and cobalt deposits around the world.	101,131	31,046	3.26	25.32
China Nonferrous Mining Corporation Limited (1258)	Exploration, mining, ore processing, leaching, smelting and sale of copper cathodes, blister copper and copper anodes, and production and sale of cobalt hydroxide, sulphuric acid and liquid sulphur dioxide.	50,180	19,490	2.57	15.83
Yunnan Jinxun Resources Co., Ltd. (3636) ("**Jinxun Resources**")	Mineral processing, smelting and trading of non-ferrous metals.	4,196	N/A *(Note 7)*	N/A *(Note 7)*	18.34
			Maximum	3.26	35.79
			Minimum	0.61	15.72
			Median	2.00	18.34
		Implied market capitalisation under the Partial Offer *(HK$' million)*	**Equity attributable to the owners of the Company as at 31 December 2025** *(HK$' million)*	**Implied P/B Ratio *(times)*** *(Note 5)*	**Implied P/E Ratio *(times)*** *(Note 6)*
The Company		131	8,357	0.02	0.51

Source: the website of the Stock Exchange (www.hkex.com.hk)

Note:

1. Based on the share price (as at the Latest Practicable Date) multiplied by total number of issued shares (including both A and H Shares in issue, if applicable) as at the Latest Practicable Date.

2. Figures are extracted from the latest published interim report of the Comparable Companies, where figures are translated of RMB1 = HK$1.13 or USD1 = HK$7.84, where applicable.

3. The P/B Ratios of the Comparable Companies are calculated based on the market capitalisation of the respective Comparable Companies as at the Latest Practicable Date divided by equity attributable to the owners of the respective Comparable Companies as extracted from their respective latest published annual results as at the Latest Practicable Date.

4. The P/E Ratios of the Comparable Companies are calculated based on the market capitalisation of the respective Comparable Companies as at the Latest Practicable Date divided by profit for the year attributable to its shareholders of the respective Comparable Companies for the completed financial year as extracted from their respective latest published annual results as at the Latest Practicable Date.

5. The implied P/B Ratio of the Company (the "**Implied P/B Ratio**") is calculated based on the theoretical market capitalisation of the Company with reference to the Offer Price and equity attributable to owners of the Company as at 31 December 2025.

6. The implied P/E Ratio of the Company (the "**Implied P/E Ratio**") is calculated based on the theoretical market capitalisation of the Company with reference to the Offer Price and profit attributable to the owners of the Company for FY2025.

7. Jinxun Resources was newly listed on the Stock Exchange on 9 January 2026 through an initial public offering and no updated interim or annual results have been published as of the Latest Practicable Date since its listing. Therefore, no updated equity attributable to the owners of the its company was available for our analysis.

Analysis on P/B Ratio

It is noted from the above table that the P/B Ratios of the Comparable Companies ranged from approximately 0.61 times to 3.26 times, with a median of approximately 2.00 times. The Implied P/B Ratio of the Company as represented by the Offer Price of approximately 0.02 times, is substantially lower than all of the P/B Ratios of the Comparable Companies.

Analysis on P/E Ratio

As illustrated in the table above, it is noted from the above table that the P/E Ratios of the Comparable Companies ranged from approximately 15.72 times to 35.79 times, with a median of approximately 18.34 times. The Implied P/E Ratio of the Company as represented by the Offer Price of approximately 0.51 times, is lower than all of the P/E Ratios of the Comparable Companies.

Comparison with other partial offer precedents

In assessing the Offer Price, we adopted a peer comparison approach focusing on companies within the same industry. Valuation metrics including P/B Ratio and P/E Ratio are inherently industry-specific, reflecting differences in growth prospects, capital intensity, and risk profiles. We consider that by comparing other partial offer cases across industries might distort the analysis. By benchmarking against peers engaged in similar business operations, the analysis ensures consistency, relevance, and objectivity in evaluating whether the Offer Price is fair.

While other partial offer precedents may provide context on market behavior, they are often driven by transaction-specific circumstances such as shareholder dynamics, regulatory requirements, or strategic motives. These factors limit their comparability and risk introducing distortion into the valuation. Moreover, premiums or discounts observed in unrelated industries are not meaningful benchmarks, as they reflect sector-specific expectations rather than valuation norms applicable to the target. Therefore, we are of the view that the core justification for the Offer Price should rest on industry peer comparison.

Summary

We note that the Offer Price of HK$0.01 per Share represents (a) a substantial discount to the closing prices before suspension; (b) a substantial discount to the cash per Share as at 31 December 2025; (c) a substantial discount to the audited consolidated net asset value per Share as at 31 December 2025; and (d) the Implied P/B Ratio is substantially lower than all of the P/B Ratios of the Comparable Companies and the Implied P/E Ratio is lower than all of P/E Ratios of the Comparable Companies. Given that the Offer Price is substantially lower than (i) the audited consolidated net asset value per Share as at 31 December 2025; and (ii) various valuation benchmarks, namely P/B Ratio and P/E Ratio, indicating that the implied value of the Group under the Offer Price is significantly undervalued when compared to the aforesaid valuation benchmarks of the Comparable Companies, we are of the view that the Offer Price is not fair and reasonable so far as the Qualifying Shareholders are concerned.

4. Information of the Offeror and Reasons for the Partial Offer

(a) Information of the Offeror

As set out in the Offer Document, the Offeror is a fund in the form of a Delaware incorporated limited partnership managed by Alternative Liquidity GP LLC (which conducts business using the name Alternative Liquidity Capital) which acts as its general partner and investment manager responsible for managing the portfolio of the Offeror.

Alternative Liquidity, the general partner and investment manager of the Offeror, based in the state of Minnesota in the United States, is in the business of providing liquidity solutions to investors in delisted and non-traded securities globally by making offers for such securities which, after taking into account risk-reward assessments based on information and know-how available to it, are consistent with its long-term investment strategy. Alternative Liquidity has successfully completed more than 21 partial tender offers in the United States, Australia, and other jurisdictions. As of 30 September 2025, Alternative Liquidity had approximately US$33 million in assets under management.

(b) Reasons for the Partial Offer

As stated in the Offer Document, Alternative Liquidity seeks to make diversified long-term investments and provide liquidity solutions to investors in delisted and non-traded securities. Consistent with such investment strategy and philosophy, Alternative Liquidity is seeking to establish an ownership interest in the Shares for investment purposes. Alternative Liquidity has a normal investment horizon of five to ten years.

As set out in the Offer Document, Alternative Liquidity intends to establish a passive equity position in the Company by way of the Partial Offer, with no plans or intention (i) to become a substantial Shareholder; (ii) to seek to control or consolidated control (as the term is defined in the Takeovers Code) of the Company; or (iii) to influence or be involved in the operations or business of the Company. Alternative Liquidity, acting for the Offeror, has determined that the Partial Offer represents a reasonable pathway to passively investing in the Company on the above basis.

For further details, please refer to the Offer Document.

(c) Public Float of the Company

As disclosed in the Letter from the Board, the Company has a public float of approximately 42.2% of the Shares as at the Latest Practicable Date.

Assuming (i) full acceptances of the maximum number of Offer Shares under the Partial Offer by the Qualifying Shareholders; and (ii) that there are no changes to the issued share capital of the Company between the Latest Practicable Date and up to the Closing Date, the Company will continue to have a public float of above 25% of the Shares immediately following the close of the Partial Offer. Accordingly, the number of Shares in public hands will continue to meet the 25% minimum public float requirement under Rule 13.32B of the Listing Rules.

With reference to the Offeror Document, as required to be disclosed pursuant to Rule 14.81(1) of the Listing Rules, the Offeror intends the Company to remain listed on the Stock Exchange.

The Partial Offer provides an opportunity for Qualifying Shareholders who wish to realise part or all of their investments in the Shares at the Offer Price given that the Shares are currently suspended. However, taking into account the nature of the Partial Offer which will be on pro-rata allocation basis, Qualifying Shareholders would likely be able to tender only a limited portion of their holdings while retaining a substantial residual position after the Partial Offer closes.

Depending on the level of acceptance under the Partial Offer, the analysis of which are set out in the sub-paragraph headed "(d) The suspension of trading in the Shares", the Partial Offer might not offer a comprehensive exit to the Qualifying Shareholders, Qualifying Shareholders would end up retaining a portion of their shareholdings in the Company in the event that valid acceptances received by the Offeror exceed 700,000,000 Shares under the Partial Offer. As mentioned above, we also note that the Company has taken the necessary steps to address and fulfill the requirements set out in the Resumption Guidance.

As such, Qualifying Shareholders should consider the merit of the Partial Offer, in particular, the value under the Partial Offer, details of our analysis are set out in the paragraphs headed "2. Evaluation of the Offer Price" and "3. Comparable companies' analysis" in this letter above and the future prospects of the Group, including that the Group recorded a profit attributable to owners of the Company of approximately US$32.7 million for FY2025, details of which are set out in the paragraph headed "1. Financial information of the Group and outlook" above.

RECOMMENDATION

Having considered the abovementioned principal factors and reasons for the Partial Offer, in particular that:

(a) the Offer Price represents a significant discount of approximately 98% to the closing prices on the Last Trading Day and last five, ten and thirty consecutive trading days up to and including the Last Trading Date as discussed in paragraph headed "2. Evaluation of the Offer Price" in this letter;

(b) the Offer Price represents a significant discount of approximately 98.4% of the audited consolidated net asset value per Share attributable to the Shareholders of approximately HK$0.636 as at 31 December 2025, as discussed in paragraphs headed "2. Evaluation of the Offer Price" in this letter;

(c) the completion of the Placing and Subscription in March 2025 (being a fund raising exercise conducted by the Company through the Sole Placing Agent on a best effort basis and the Placing Price reflected the then fair value of the Company determined by the market at the time of the Placing and Subscription) and the Offer Price represents a significant discount of approximately 98.4% to Placing Price of HK$0.628, as discussed in sub-paragraph headed "(c) Completion of placing and subscription of Shares" in this letter;

(d) the Offer Price represents a significant discount of approximately 90.2% to cash per Share of approximately HK$0.102 as at 31 December 2025, as discussed in paragraph headed "2. Evaluation of the Offer Price" in this letter;

(e) the Implied P/B Ratio of 0.02 times is substantially lower than all of the P/B Ratios of the Comparable Companies and the Implied P/E Ratio of 0.51 times is lower than all of the P/E Ratios of the Comparable Companies, as discussed in the paragraph headed "3. Comparable companies' analysis" in this letter;

(f) the Company is proactively taking the necessary steps to address and fulfill the requirements set out in the Resumption Guidance as discussed in the sub-paragraph headed "(d) The suspension of trading in the Shares' analysis" in this letter;

(g) the recent upsurge of the copper and cobalt price and the commencement of the mining operation of the Musonoi Mine as discussed in the sub-paragraph headed "(b) Recent development and prospects of the Group" in this letter; and

(h) depending the level of acceptance under the Partial Offer, the Partial Offer provides an opportunity to Qualifying Shareholders to realise part or all of its investment given that the Shares have been suspended, however, in the event that valid acceptances are received by the Offeror exceed 700,000,000 Shares under the Partial Offer, Qualifying Shareholders will still retain a portion of their shareholding in the Company after the Partial Offer closes, Qualifying Shareholders should not be solely determined to accept the Partial Offer based on the potential risk relating to the cancellation of listing status of the Company but also consider the merits of the Partial Offer and the prospects of the Group.

Having weighed the above factors, given the substantial undervaluation of the Offer Price relative to various financial and market benchmarks, we are of the view that the Offer Price under the Partial Offer is not attractive, nor does it provide a comprehensive exit opportunity for Qualifying Shareholders in the event that valid acceptances are received by the Offeror exceed 700,000,000 Shares under the Partial Offer as Qualifying Shareholders would continue to retain a portion of their shareholdings in the Company under such circumstances. On this basis, we are of the view that the Partial Offer, on balance, is **not** fair and reasonable and the acceptance of the Partial Offer would not be in the interests of the Qualifying Shareholders and we **do not** recommend the Independent Board Committee to recommend, and we ourselves **do not** recommend, the Qualifying Shareholders to accept the Partial Offer.

On the other hand, depending the level of acceptance under the Partial Offer, the Partial Offer provides an exit opportunity for Qualifying Shareholders to realise part or all of their investment in the Company, thus removing the concerns around the lack of market trading liquidity given that the Shares have been suspended for over twelve-months. However, by accepting the Partial Offer, the Qualifying Shareholders would effectively forgo the opportunity to benefit of the Shares at a fair valuation should the Company is able to meet all the criteria under the Resumption Guidance and resume trading in future.

For Qualifying Shareholders who decide not to participate in the Partial Offer, although the Company is currently taking the necessary steps to orderly proceed the requirements as prescribed under the Resumption Guidance, Qualifying Shareholders should be aware there are uncertainties relating to potential cancellation of the listing status of the Company by the Stock Exchange should the Company is unable to meet all the requirements under the Resumption Guidance and the risk that the Qualifying Shareholders will be holding the Shares in an unlisted public company, where there may or may not be a readily available open market for the trading of the Shares.

As each individual Qualifying Shareholder would have different investment objectives and/or circumstances, we recommend any Qualifying Shareholders who may require advice in relation to any aspect of the Partial Offer and/or the Offer Document and/or Response Document, or as to the action to be taken, to consult a licensed securities dealer, bank manager, solicitor, professional accountant, tax adviser or other professional adviser. Furthermore, for Qualifying Shareholders wishes to accept the Partial Offer, they should carefully read the procedures for accepting the Partial Offer as set out in the Offer Document, its appendices and the accompanying Forms of Acceptance.

Yours faithfully,
For and on behalf of
Red Sun Capital Limited
Jimmy Chung
Managing Director

Mr. Jimmy Chung is a licensed person registered with the SFC and a responsible officer of Red Sun Capital Limited to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO and has over 25 years of experience in the corporate finance industry.

Unless otherwise specified, the translation of US$ into Hong Kong dollars, in this letter is based on the exchange rate of US$1.00 to HK$7.84.

1. SUMMARY OF THE FINANCIAL INFORMATION

The following is a summary of the financial information of the Group for each of the three financial years ended 31 December 2023, 2024 and 2025, respectively, as extracted from the relevant published annual report and the annual results announcements of the Company for the relevant years, respectively.

	For the year ended 31 December		
	2025	**2024**	**2023**
	US$'000	*US$'000*	*US$'000*
Revenue	481,910	561,870	638,857
Cost of sales	(343,691)	(478,298)	(538,412)
Royalty payment	(27,424)	(27,640)	(29,699)
Gross profit	110,795	55,932	70,746
Other income, other gains and losses	14,340	9,809	4,245
Selling and distribution costs	(30,977)	(29,076)	(31,057)
Administrative expenses	(13,574)	(8,630)	(7,743)
Finance income	4,763	4,075	3,838
Finance costs	(21,827)	(16,522)	(13,005)
Profit before tax	63,520	15,588	27,024
Income tax expense	(25,302)	(16,905)	(37,694)
Profit (loss) for the year	38,218	(1,317)	(10,670)
Other comprehensive expense			
Item that may be reclassified subsequently to profit or loss:			
Fair value change on hedging instruments designated as cash flow hedges	–	(185)	(1,182)
Total comprehensive income (expense) for the year	38,218	(1,502)	(11,852)

	For the year ended 31 December		
	2025	2024	2023
	US$'000	*US$'000*	*US$'000*
Profit (loss) for the year attributable to:			
Owners of the Company	32,654	(2,464)	(11,558)
Non-controlling interests	5,564	1,147	888
	38,218	(1,317)	(10,670)
Total comprehensive income (expense) for the year attributable to:			
Owners of the Company	32,654	(2,649)	(12,740)
Non-controlling interests	5,564	1,147	888
	38,218	(1,502)	(11,852)
Earnings (loss) per share			
Basic *(US cent)*	0.25	(0.02)	(0.09)
Diluted *(US cent)*	0.24	(0.02)	(0.09)

For the year ended 31 December 2023, a final dividend of HK0.2 cent per share was approved and paid during the year of 2024.

For the year ended 31 December 2024, no final dividend was declared. For the year ended 31 December 2025, the Directors have proposed a final dividend of HK0.2 cent per Share and a special dividend of HK0.2 cent per Share, subject to shareholders' approval at the forthcoming annual general meeting of the Company.

2. CONSOLIDATED FINANCIAL INFORMATION OF THE GROUP

Set out below are the latest published and consolidated financial statements of the Group for the three financial years ended 31 December 2023, 2024 and 2025, respectively, which are contained in the annual report of the Company for the year ended 31 December 2023 and the annual results announcements for each of the year ended 31 December 2024 and 2025, and have been published on the websites of the Company (https://www.jinchuan-intl.com/en/investor_relations/financial_reports.aspx) and the Stock Exchange (https://www.hkexnews.hk).

- the annual report of the Company for the year ended 31 December 2023 (pages 130 to 234), which is accessible via the following hyperlink:

  https://api.aconnect.com.hk/Attachment/121067

- the annual results announcement of the Company for the year ended 31 December 2024 (pages 1 to 33), which is accessible via the following hyperlink:

  https://www1.hkexnews.hk/listedco/listconews/sehk/2026/0401/2026040100095.pdf

- the annual results announcement of the Company for the year ended 31 December 2025 (pages 1 to 33), which is accessible via the following hyperlink:

  https://www1.hkexnews.hk/listedco/listconews/sehk/2026/0401/2026040100105.pdf

No modified opinion, emphasis of matter or material uncertainty related to going concern was contained in the audited consolidated financial statements of the Company in respect of each of the three years ended 31 December 2023, 2024 and 2025 respectively.

3. INDEBTEDNESS STATEMENT OF THE GROUP

As at 28 February 2026, being the latest practicable date for the purpose of ascertaining the indebtedness of the Group prior to the publication of this Response Document, the indebtedness of the Group was as follows:

(a) bank borrowings:

  i. the Group had outstanding unsecured interest-bearing bank borrowings of approximately US$446.1 million, of which US$358.7 million were guaranteed by the ultimate holding company, 金川集團股份有限公司 Jinchuan Group Co., Ltd* ("**JCG**"), and US$87.4 million were guaranteed by the Company; and

  ii. the Group had bank overdrafts of approximately US$29.4 million, which were interest-bearing, unsecured and not guaranteed by any party;

(b) other borrowings: the Group had other borrowings of approximately US$20.4 million, which were interest bearing, unsecured and not guaranteed;

(c) amounts due to related parties:

  i. amount due to the intermediate holding company, Jinchuan Group (Hongkong) Resources Holdings Limited, amounted to approximately US$300.1 million, which were interest bearing, unsecured and not guaranteed;

  ii. amount due to the ultimate holding company, JCG, amounted to approximately US$2.3 million, which were interest free, unsecured and not guaranteed; and

  iii. amount due to a fellow subsidiary, Golden Wealth International Trading Ltd, amounted to approximately US$1.2 million, which were interest free, unsecured and not guaranteed.

(d) lease liabilities: the Group had lease liabilities of approximately US$1.9 million, which were non-interest bearing, unsecured and not guaranteed; and

(e) contingent liabilities: as at 28 February 2026, the Group had no material contingent liabilities save for guarantees provided in the ordinary course of business.

Save as aforesaid and apart from intra-group liabilities, normal trade payables and contract liabilities in the normal course of business, as at 28 February 2026, the Group did not have any outstanding mortgages, charges, debentures, loan capital, bank overdrafts, loans, debt securities or other similar indebtedness issued and outstanding or agreed to be issued, hire purchase commitments, liabilities under acceptances or acceptance credits.

* *For identification purposes only*

4. MATERIAL CHANGES IN RESPECT OF THE GROUP

The Directors confirmed that since 31 December 2025, being the date to which the latest published audited accounts of the Group were made up, up to and including the Latest Practicable Date, there was no material change in the financial or trading position or outlook of the Group and the general trend of the business of the Group.

5. FINANCIAL AND TRADING PROSPECT OF THE GROUP

The average benchmark London Metal Exchange (the "**LME**") copper price for 2024 was US$9,145 per tonne, representing an 8% increase as compared that for 2023 of US$8,483 per tonne. LME copper cash prices started the year of 2024 at US$8,430 per tonne and remained stable until mid of March of 2024, when potential smelter production cuts sparked a rally in copper prices. Prices rapidly rose to US$10,000 per tonne in April 2024 and reached a record high of US$10,857 per tonne in May 2024, before easing to US$8,706 per tonne by the end of 2024.

In 2025, copper prices were driven by government policies, trade tensions, and a market where demand grew faster than supply. The average LME copper price in the first half of 2025 was US$9,432 per tonne, and it started at the beginning of 2025 at US$8,686 per tonne and rose 16% to US$10,040 per tonne by the end of June 2025. In the second half of 2025, the average LME copper price was US$10,446 per tonne, it began in July 2025 at US$10,061 per tonne and increased 24% to US$12,504 per tonne by the end of 2025. The price movements were supported by underlying supply and demand, with much of the demand growth coming from the renewable energy and electric vehicles battery sectors, especially in China. US import tariff disturbances, limited new mine capacity, delays to project ramp-ups, and regional shortages of recycled copper contributed to mounting tension at the mine level and regional imbalances in material availability.

The long-term outlook for copper remains strong, supported by global trends such as urbanization, clean energy, and digitalization. The demand for copper is expected to continue to grow, driven by the increasing adoption of renewable energy sources, electric vehicles, and other technologies that rely on copper. As a result, the copper market is expected to remain volatile, with prices influenced by a combination of supply and demand dynamics, trade policies, and investor behavior. In case of cobalt, the cobalt market experienced an oversupply in 2024, driven by high production from the DRC and Indonesia, leading to a decline in cobalt metal prices. However, in 2025, the cobalt price rebounded when the DRC government introduced an export ban on cobalt raw materials in late February, disrupting global flows of cobalt concentrate and hydroxide, and forcing refiners to rely on stockpiles. The export ban, which was later removed and replaced by an export quota system, led to a sharp increase in cobalt prices, with cobalt metal prices more than doubling to US$24 per pound (US$52,911 per tonne) by the end of 2025. The payable ratio for cobalt hydroxide jumped to 99.5% from a level about 57% a year ago in 2024, indicating a tightening of the intermediate market.

The DRC's export restrictions including the export ban and export quota system had a profound impact on the market, highlighting the country's significant influence on global cobalt supply and prices, and underscoring the need for diversified supply sources to mitigate the risks associated with such policy decisions. The cobalt market is expected to remain tight in 2026, with a shortage of cobalt expected to persist through the end of this decade. The DRC's export restrictions have highlighted the vulnerability of the cobalt supply chain, prompting increased investment in product diversification and material substitution. These developments may ultimately dampen demand growth in certain end-use markets. The Group aims to become a world-class mineral corporation, with the recent commencement of commercial production at the Musonoi Mine in November 2025, its third operating mine in the DRC. The mine's primary products include copper cathode, cobalt hydroxide, and calcine sand, which are expected to contribute significantly to the Group's economic growth and bring benefits to Shareholders. Since the Group's business spans over different regions and countries, our overseas businesses are therefore susceptible to the stability of and changes in the local government policies, social and economic environments, and international relations. If there are any material adverse changes in the aforesaid factors, our business, financial condition and operating results may be adversely affected. We endeavor to closely monitor the aforesaid situation and promptly adjust our strategies in response thereto. Also, with the continuous support of JCG and prudent strategic planning of the Board, the Group remains confident that the performance of the Group will overcome such unfavorable market conditions and create values for the stakeholders of the Company. We will continue to improve our quality and efficiency; strive to continuously reduce production costs.

1. RESPONSIBILITY STATEMENT

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this Response Document and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this Response Document have been arrived at after due and careful consideration and there are no other facts not contained in this Response Document the omission of which would make any statement herein misleading.

As regards the information in this Response Document relating to the Offeror and parties acting in concert with it, the terms of the Partial Offer and the intention of the Offeror regarding the Group that has been compiled or summarised from the Offer Document, the Directors' responsibility is limited to the correctness and fairness of the extraction of such information and/or its reproduction or presentation.

2. SHARE CAPITAL

As at the Latest Practicable Date, the authorised share capital and the issued share capital of the Company were as follows:

Authorised share capital:		*HK$*
20,000,000,000	ordinary shares of HK$0.01 each	200,000,000.00
Issued and paid-up share capital:		
13,132,082,051	ordinary shares	131,320,820.51

As at the Latest Practicable Date, the Company had PSCS in the amount of US$88,461,539 (equivalent to approximately HK$690,000,000) which may be converted into 690,000,000 Shares at an initial conversion price of HK$1.00 per Share.

Save as disclosed above, the Company had no relevant securities (as defined in Note 4 to Rule 22 of the Takeover Code).

All the Shares in issue are fully paid up and rank *pari passu* in all respects among themselves, including all rights in respect of dividends, voting and interest in capital.

The number of Shares in issue as at 31 December 2025, being the date to which the latest audited consolidated financial statements of the Group were made up, was 13,132,082,051.

Saved as disclosed above, since 31 December 2025 and up to the Latest Practicable Date:

(a) the Company had not issued any Shares, options, warrants or conversion rights affecting Shares (including any derivatives or other securities which may confer rights to the holders thereof to subscribe for, convert or exchange into Shares) and had not entered into any agreement for the issue of any of such securities; and

(b) no Shares had been issued or bought back by the Company or any of its subsidiaries.

3. DISCLOSURE OF INTERESTS

(a) Interests of Directors and chief executive of the Company

As at the Latest Practicable Date, none of the Directors or chief executive of the Company had any interest and short positions in Shares, underlying Shares and debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including the interests and short positions in which they were deemed or taken to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register maintained by the Company referred to therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, to be notified to the Company and the Stock Exchange, or which were required to be disclosed in this Response Document pursuant to the Takeovers Code.

(b) Interests of substantial shareholders in Shares

As at the Latest Practicable Date, so far as was known to the Directors, the following persons, other than the Directors or chief executive of the Company, had interests or short positions in the Shares and underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Name of substantial shareholder	**Capacity/ Nature of interest**	**Number of Shares interested**	**Number of Shares which may be converted from PSCS**	**Approximate percentage of shareholdings** *(Note 4)*
Jinchuan (BVI) Limited *(Note 1)*	Beneficial owner	4,586,120,000 (L)	690,000,000 (L)	34.92%
Jinchuan (BVI) 1 Limited *(Note 2)*	Beneficial owner	1,888,449,377 (L)	–	14.38%

Name of substantial shareholder	Capacity/ Nature of interest	Number of Shares interested	Number of Shares which may be converted from PSCS	Approximate percentage of shareholdings *(Note 4)*
Jinchuan (BVI) 2 Limited *(Note 2)*	Beneficial owner	583,518,372 (L)	–	4.44%
Jinchuan (BVI) 3 Limited *(Note 2)*	Beneficial owner	534,922,108 (L)	–	4.07%
Gansu Province Economy Cooperation Co., Ltd* 甘肅省經濟合作有限公司	Beneficial owner	1,090,000,000 (L)	–	8.30%
Gansu Province Xinye Assets Management Co. Ltd* 甘肅省新業資產經營有限責任公司	Beneficial owner	1,110,000,000 (L)	–	8.45%

Notes:

1. The letter "L" denotes long position in the Shares or underlying Shares.

2. Jinchuan (BVI) Limited directly held 4,586,120,000 Shares and PSCS in the amount of US$88,461,539 which may be converted into 690,000,000 Shares at an initial conversion price of HK$1.00 per Share.

3. The issued share capital of each of Jinchuan (BVI) Limited, Jinchuan (BVI) 1 Limited, Jinchuan (BVI) 2 Limited and Jinchuan (BVI) 3 Limited are wholly owned by Jinchuan Group (Hongkong) Resources Holdings Limited, which is in turn wholly owned by Jinchuan Group Co., Ltd, the controlling shareholder of the Company. These companies are therefore also indirect wholly-owned subsidiaries of Jinchuan Group Co., Ltd.

4. The percentage of shareholding is calculated on the basis of 13,132,082,051 Shares in issue as at the Latest Practicable Date.

5. The English names of Gansu Province Economy Cooperation Co., Ltd* and Gansu Province Xinye Assets Management Co. Ltd* are for identification purpose only.

Save as disclosed above, as at the Latest Practicable Date, there was no other person who had an interest or short position in Shares and underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO.

4. DISCLOSURE OF INTERESTS AND DEALINGS

(a) None of the Directors was interested in or owned or controlled any shares, convertible securities, warrants, options or derivatives of the Company as at the Latest Practicable Date and none of the Directors had dealt in any shares, convertible securities, warrants, options of the Company or any derivatives in respect of such securities during the Relevant Period.

(b) None of the subsidiaries of the Company and pension fund of any member of the Group or a person as specified in class (2) of the definition of "associate" or a person presumed to be acting in concert with the Company by virtue of class (5) of the definition of "acting in concert" under the Takeovers Code had any interest in the shares, the convertible securities, warrants, options of the Company or any derivatives in respect of such securities as at the Latest Practicable Date, and no such person had dealt in any shares, convertible securities, warrants, options of the Company or any derivatives in respect of such securities during the Relevant Period.

(c) No person had any arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with the Company or with any person who is an associate of the Company by virtue of classes (2), (3) and (4) of the definition of "associate" under the Takeovers Code or with any person who is presumed to be acting in concert with the Company by virtue of classes (1), (2), (3) and (5) of the definition of "acting in concert" under the Takeovers Code as at the Latest Practicable Date, and no such person had dealt in any shares, the convertible securities, warrants, options of the Company or derivatives in respect of such securities during the Relevant Period.

(d) No shares, convertible securities, warrants, options of the Company or any derivatives in respect of such securities were managed on a discretionary basis by fund managers connected with the Company as at the Latest Practicable Date, and no such person had dealt in any shares, convertible securities, warrants, options of the Company or derivatives in respect of such securities during the Relevant Period.

(e) None of the Company and the Directors had borrowed or lent any shares, convertible securities, warrants, options in the Company or derivatives in respect of such securities as at the Latest Practicable Date.

(f) As at the Latest Practicable Date, there was no benefit in whatever form provided or to be provided to any Director as compensation for loss of office or otherwise in connection with the Partial Offer.

(g) As at the Latest Practicable Date, there was no agreement or arrangement between any Director and any other person which is conditional on or dependent upon the outcome of the Partial Offer or otherwise connected with the Partial Offer.

(h) As at the Latest Practicable Date, there was no material contract to which the Offeror is a party in which any Director has a material personal interest.

(i) As at the Latest Practicable Date, none of the Directors holds any Shares which is subject to the Partial Offer.

(j) As at the Latest Practicable Date, none of the Company, its subsidiaries or associated companies (as defined in the Takeovers Code), or any Directors was interested in and had dealt for value in any shares of the Offeror or any other convertible securities, warrants, options or derivatives or any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in respect of any shares of the Offeror.

(k) As at the Latest Practicable Date, there was no understanding, arrangement or agreement or special deal (as defined under Rule 25 of the Takeovers Code) between (i) any shareholder of the Company; and (ii) the Company, its subsidiaries or associated companies (as defined in the Takeovers Code).

5. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any service contract with the Company or any of its subsidiaries or associated companies in force which (a) (including both continuous and fixed term contracts) had been entered into or amended within six months preceding the commencement of the Offer Period; or (b) was a continuous contract with a notice period of 12 months or more; or (c) was fixed term contract that has more than 12 months to run irrespective of the notice period.

6. EXPERT AND CONSENT

The following is the name and qualification of the professional adviser whose letter, opinions or advice are contained or referred to in this Response Document:

Name	Qualification
Red Sun Capital Limited	a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO

The Independent Financial Adviser has given and has not withdrawn its written consent to the issue of this Response Document with the inclusion of its letter, recommendation or opinion and the reference to its name included herein in the form and context in which it appears.

As at the Latest Practicable Date, the Independent Financial Adviser was not beneficially interested in the share capital of any member of the Group; nor did it have any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

7. LITIGATION

As at the Latest Practicable Date, none of the members of the Group was engaged in any litigation or arbitration of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened by or against any member of the Group.

8. MATERIAL CONTRACTS

The following material contracts (not being contracts entered into in the ordinary course of business carried on or intended to be carried on by the Group) had been entered into by any member of the Group after the date falling two years immediately preceding the commencement of the Offer Period (i.e. 5 March 2024), and up to and including the Latest Practicable Date:

(a) the agreement entered into among Ruashi Holdings (Proprietary) Limited, La Générale des Carrières et des Mines and the DRC dated 12 September 2024 (and duly notarised for its legality on 21 October 2024) for the transfer of 5% interest in Ruashi SAS to the DRC State at nil consideration, pursuant to the statutory requirement of the 2018 Mining Code of the DRC upon the renewal of the mining permit in relation to the Musonoi Mine, details of which are set out in the announcement of the Company dated 21 October 2024; and

(b) the placing and subscription agreement entered into among the Company, China International Capital Corporation Hong Kong Securities Limited (as the placing agent) and Jinchuan (BVI) 1 Limited (the "**Vendor**") dated 13 March 2025 in relation to the top-up placing by the Vendor of an aggregate of 630,000,000 existing Shares to not less than six independent placees at a placing price of HK$0.628 per Share, and the Vendor subscribed for an aggregate of 630,000,000 new Shares at the same subscription price.

Saved as disclosed above, as at the Latest Practicable Date, the Company or any of its subsidiaries had not entered into any material contracts (being contracts not entered into in the ordinary course of business carried on or intended to be carried on by the Group) after the date falling two years immediately preceding the commencement of the Offer Period (i.e. 5 March 2024), and up to and including the Latest Practicable Date.

9. MISCELLANEOUS

(a) The registered office of the Company is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

(b) The head office and principal place of business in Hong Kong of the Company is at 15th Floor,Tower 2, Admiralty Centre, 18 Harcourt Road, Admiralty, Hong Kong.

(c) The branch share registrars and transfer office of the Company in Hong Kong is Boardroom Share Registrars (HK) Limited at 2103B, 21/F, 148 Electric Road, North Point, Hong Kong.

(d) The company secretary of the Company is Mr. Wong Tak Chuen ("**Mr. Wong**"). Mr. Wong is a fellow member of the Hong Kong Institute of Certified Public Accountants and the Institute of Chartered Accountants in England and Wales.

(e) The English text of this Response Document shall prevail over its Chinese text, in case of any inconsistency.

10. DOCUMENTS ON DISPLAY

Copies of the following documents will be put on display on the website of the SFC (www.sfc.hk), the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.jinchuan-intl.com) from the date of this Response Document up to and including the Closing Date:

(a) the amended and restated memorandum and articles of association of the Company;

(b) the annual report of the Company for the year ended 31 December 2023, and the annual results announcements for each of the year ended 31 December 2024 and 2025;

(c) the letter from the Board, the text of which is set out on pages 6 to 17 of this Response Document;

(d) the letter from the Independent Board Committee, the text of which is set out on pages 18 to 19 of this Response Document;

(e) the letter from the Independent Financial Adviser, the text of which is set out on pages 20 to 46 of this Response Document;

(f) the letter of consent referred to under the paragraph headed "6. Expert and consent" in this Appendix; and

(g) the material contracts referred to under the paragraph headed "8. Material contracts" in this Appendix.