
LETTER FROM THE BOARD



JINCHUAN金川

JINCHUAN GROUP INTERNATIONAL RESOURCES CO. LTD

金川集團國際資源有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2362)

Executive Directors:

Mr. 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.

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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.

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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.

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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.

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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.

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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.

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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.

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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.

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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)	<u>534,922,108</u>	<u>4.07</u>	<u>534,922,108</u>	<u>4.07</u>
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	<u>3,339,072,194</u>	<u>25.44</u>	<u>2,917,097,095</u>	<u>22.22</u>
Total:	<u>13,132,082,051</u>	<u>100.00</u>	<u>13,132,082,051</u>	<u>100.00</u>

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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.

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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.

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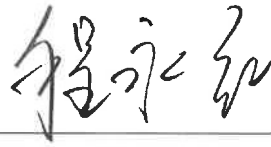
CONTINUED SUSPENSION OF TRADING

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

Yours faithfully,

*For and on behalf of the board of directors of
Jinchuan Group International Resources Co. Ltd*



Executive Director

Signature page to Letter from the Board