
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:

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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.