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

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



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)

**DISCLOSEABLE AND CONNECTED TRANSACTION
PROCUREMENT CONTRACT
WITH JINCHUAN COOPERATION COMPANY
AND
NOTICE OF EGM**

**Independent Financial Adviser to
the Independent Board Committee and the Independent Shareholders**



Gram Capital Limited
嘉林資本有限公司

A letter from the Board is set out on pages 5 to 15 of this circular. A letter from the Independent Board Committee is set out on pages 16 to 17 of this circular. A letter from Gram Capital Limited containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 18 to 29 of this circular.

A notice convening the EGM to be held at United Conference Centre, 10/F, United Centre, 95 Queensway, Hong Kong at 4:00 p.m. on Tuesday, 7 March 2023 is set out on pages 36 to 37 of this circular.

Whether or not you are able to attend the EGM in person, you are requested to complete the accompanying proxy form in accordance with the instructions printed thereon and return it to the branch share registrar of the Company in Hong Kong, Boardroom Share Registrars (HK) Limited at 2103B, 21/F, 148 Electric Road, North Point, Hong Kong, as soon as possible but in any event not less than 48 hours before the time fixed for the holding of the EGM (i.e. before 4:00 p.m. on Sunday, 5 March 2023) or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the EGM if you so wish.

PRECAUTIONARY MEASURES FOR THE EXTRAORDINARY GENERAL MEETING

Please see pages 14 to 15 of this circular for measures to be taken to try to prevent and control the spread of COVID-19 disease at the EGM, which includes:

- **compulsory temperature check**
- **wearing of surgical face mask is mandatory (please bring your own)**
- **no distribution of gift vouchers and refreshments**

To the extent permitted under law, we reserve the right to deny entry into the EGM venue or require any person to leave the EGM venue if person(s) attending the EGM does not comply with the above precautionary measures. The Company reminds Shareholders that they may appoint the Chairperson of the EGM as their proxy to vote on the relevant resolution(s) as an alternative to attending the EGM in person.

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DEFINITIONS

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

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Company”	Jinchuan Group International Resources Co. Ltd, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 2362)
“Concrease”	Concrease DRC SA, a company incorporated in the DRC with limited liability and 49% owned indirectly by JCG
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Construction Contract”	the construction and installation contract entered into between Ruashi and Concrease on 24 November 2022 in relation to mineral dressing, tailing pond and filling station construction and installation work of Musonoi Project
“Director(s)”	the director(s) of the Company
“DRC”	the Democratic Republic of Congo
“DRC Shareholders”	two DRC natural persons who are the shareholders of Concrease, namely, Tshishika Gauthier KAKOMA (owning 25.5% in Concrease) and Fukwiji Lodrick MULOMBA (owning 25.5% in Concrease)
“EGM”	an extraordinary general meeting to be convened by the Company on 7 March 2023 at 4:00 p.m. at United Conference Centre, 10/F, United Centre, 95 Queensway, Hong Kong to consider and, if thought fit, approve, among other things, the Procurement Contract and the transactions contemplated thereunder
“ENFI”	China ENFI Engineering Corporation

DEFINITIONS

“Gram Capital Limited” or “Independent Financial Adviser”	Gram Capital Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity as defined under the SFO, being the independent financial adviser appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the Procurement Contract and the transactions contemplated thereunder
“Group”	collectively, the Company and its subsidiaries and associates controlled by the Company from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent committee of the Board, consisting of the four independent non-executive Directors, established to advise the Independent Shareholders in connection with the the Procurement Contract and the transactions contemplated thereunder
“Independent Shareholders”	Shareholders other than JCG Group and its associates
“Independent Third Party(ies)”	person(s) who or company(ies) together with its/their ultimate beneficial owner(s) which is/are third party(ies) independent of the Company and its connected person(s) (as defined under the Listing Rules)
“JCG”	金川集團股份有限公司 (Jinchuan Group Co., Ltd.*), a state-owned enterprise established in the PRC and the controlling shareholder of the Company
“JCG Group”	collectively, JCG and its subsidiaries and associates controlled by it from time to time, and for the purpose of this circular, excluding the Group
“JCHK”	Jinchuan Group (Hongkong) Resources Holdings Limited, an investment holding company incorporated in Hong Kong and a wholly-owned subsidiary of JCG
“Jinchuan Cooperation Company”	甘肅金川國際經濟技術合作有限公司 (Gansu Jinchuan International Cooperation Co., Ltd.*), a direct wholly-owned subsidiary of Jinchuan E&C

DEFINITIONS

“Jinchuan E&C”	金川集團工程建設有限公司 (Jinchuan Group Engineering and Construction Co., Ltd.*), a wholly-owned subsidiary of JCG
“km”	kilometer(s)
“Latest Practicable Date”	8 February 2023
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Musonoi Project”	a constructing copper-cobalt project owned by Ruashi and located in Kolwezi, Lualaba Province, the DRC
“PRC”	the People’s Republic of China, for the purpose of this circular, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Procurement Contract”	the procurement contract entered into between Ruashi and Jinchuan Cooperation Company on 2 December 2022 in relation to the material and equipment procurement, export and logistics transportation required for mineral dressing, tailing pond and filling station of Musonoi Project
“Project Contracts”	the Construction Contract and the Procurement Contract, collectively
“Register of Members”	the register of members of the Company maintained by the branch share registrar of the Company in Hong Kong, Boardroom Share Registrars (HK) Limited at 2103B, 21/F, 148 Electric Road, North Point, Hong Kong
“Ruashi”	Ruashi Mining SAS, a company incorporated in the DRC and an indirect non wholly-owned subsidiary of the Company
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company listed on the Stock Exchange
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) for the time being in force
“Shareholder(s)”	the holder(s) of the Share(s)

DEFINITIONS

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiaries”	has the meaning ascribed to it under the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
“US\$”	United States dollars, the lawful currency of the United States of America
“Zambia”	the Republic of Zambia
“%”	percentage

* *For identification purposes only*

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

LETTER FROM THE BOARD



JINCHUAN 金川

JINCHUAN GROUP INTERNATIONAL RESOURCES CO. LTD

金川集團國際資源有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2362)

Executive Directors:

Mr. Cheng Yonghong (*Chairman of the Board*)

Mr. Gao Tianpeng (*Chief Executive Officer*)

Non-executive Directors:

Mr. Liu Jian

Mr. Wang Qiangzhong

Independent Non-executive Directors:

Mr. Yen Yuen Ho, Tony

Mr. Poon Chiu Kwok

Mr. Yu Chi Kit

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:*

Unit 3101, 31/F, United Centre

95 Queensway, Hong Kong

14 February 2023

To the Shareholders,

Dear Sir or Madam,

**DISCLOSEABLE AND CONNECTED TRANSACTION
PROCUREMENT CONTRACT
WITH JINCHUAN COOPERATION COMPANY
AND
NOTICE OF EGM**

A. INTRODUCTION

Reference is made to the announcements of the Company dated 24 November 2022 and 2 December 2022 in relation to the Construction Contract and the Procurement Contract, respectively. The purposes of this circular are to provide you with, among other things, (i) a letter from the Board containing further information on the Procurement Contract and the transaction contemplated thereunder; (ii) the recommendations of the Independent Board Committee to the Independent Shareholders; (iii) a letter from the Independent Financial Adviser containing its advice in connection with the aforesaid; and (iv) a notice of the EGM together with the form of proxy.

LETTER FROM THE BOARD

B. DISCLOSEABLE AND CONNECTED TRANSACTION

(1) INTRODUCTION

Reference is made to the announcement of the Company dated 24 November 2022 regarding the construction and installation contract entered into between Ruashi and Concrease on 24 November 2022 in relation to the construction and installation of mineral dressing, tailing pond and filling station of Musonoi Project, which is located approximately 3km from the centre of Kolwezi City, the DRC. Associated with the development of Musonoi Project, on 2 December 2022, Ruashi entered into a procurement contract with Jinchuan Cooperation Company in relation to the material and equipment procurement, export and logistics transportation required for mineral dressing, tailing pond and filling station of Musonoi Project.

(2) RELATIONSHIP BETWEEN THE PARTIES

The Company is an investment holding company. The Group is principally engaged in (i) the mining of metals, primarily copper and cobalt, in the DRC and in Zambia; and (ii) the trading of mineral and metal products in Hong Kong. Ruashi is an indirect non wholly-owned subsidiary of the Company. The remaining 25% interest of Ruashi is owned by La Générale des Carrières et des Mines (“Gécamines SA”), a state-owned mining company in the DRC.

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

Jinchuan E&C is a wholly-owned subsidiary of JCG.

Concrease is 49% owned indirectly by JCG through Jinchuan E&C, whilst the remaining 51% of Concrease is owned by two DRC Shareholders. To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, each of the two DRC Shareholders is an Independent Third Party. Concrease is principally engaged in supplying engineering and construction services to mining industry. Jinchuan Cooperation Company is a direct wholly-owned subsidiary of Jinchuan E&C. Jinchuan Cooperation Company is principally engaged in the provision of procurement services and the arranging of global logistics and export/import clearing services to mining industry.

LETTER FROM THE BOARD

As at the Latest Practicable Date, through its wholly-owned subsidiaries, JCG indirectly owns 7,593,009,857 Shares, representing approximately 60.73% of the issued share capital of the Company. As JCG is a connected person of the Company under Chapter 14A of the Listing Rules and the transaction between JCG Group (including Concrease and Jinchuan Cooperation Company) and the Group constitutes connected transaction/continuing connected transaction of the Company, subject to the relevant disclosure and (if required) independent shareholders' approval requirements as stipulated in the Listing Rules.

(3) PROCUREMENT CONTRACT

On 2 December 2022, Ruashi entered into the Procurement Contract with Jinchuan Cooperation Company in relation to the material procurement, export and logistics transportation required for mineral dressing, tailing pond and filling station construction of Musonoi Project.

Principal terms of the Procurement Contract

Date

2 December 2022

Parties

- (i) Ruashi; and
- (ii) Jinchuan Cooperation Company

Subject matter

Pursuant to the Procurement Contract, Ruashi shall entrust Jinchuan Cooperation Company to purchase material (including engineering equipment, engineering materials, steel structure products and other materials) required in the construction of Musonoi Project according to the procurement plan, and to provide the export and logistic transportation of the purchased materials to project site and other services.

Duration

From the date when the approval of the Independent Shareholders of the Company is obtained to 30 July 2024 (both days inclusive).

LETTER FROM THE BOARD

Contract price

The sum of the Procurement Contract is US\$81,308,900, which comprises of the followings:

(a) Agency purchase service

The estimated total amount of purchase content entrusted to Jinchuan Cooperation Company is US\$79,714,900 (that is, sum of (b) and (c) below), and the estimated agency service fee is US\$1,594,000, being 2% of the total price of the purchase trade content.

After the materials purchased by Jinchuan Cooperation Company are accepted and stored on site by Ruashi, Jinchuan Cooperation Company shall apply for service fee payment to Ruashi according to 2% of the actual trade amount of the batch of materials. Payment shall be made within 30 days after the payment application amount is being approved by Ruashi.

(b) Purchase of engineering equipment, engineering materials and steel structure products

The estimated total purchase price for engineering equipment is US\$23,824,000 and project materials, steel structural parts and other materials are estimated to be US\$51,340,000.

The price payment of engineering equipment shall be implemented in accordance with the actual trade contract amount and payment method. Payment shall be made within 30 days after examination and approval of the equipment on site.

90% of the project material price (inclusive of the advance payment, i.e. 20% of the contract price which shall be paid within 30 days from effective of the Procurement Contract and 20% of the contract price shall be paid within 90 days from effective of the Procurement Contract) shall be paid by way of progress payment.

5% of the project material price shall be paid after the issuance of the completion acceptance report by Ruashi pursuant to the Procurement Contract.

The remaining 5% of the project material price shall be paid after the expiration of the defect liability period, which is two years from the date of the completion acceptance report pursuant to the Procurement Contract.

LETTER FROM THE BOARD

- (c) Sea-land combined transportation fee

Sea-land combined transportation fee of equipment shall be calculated according to the unit price of US\$380 per billing ton, and the estimated amount is US\$4,550,900.

Payment shall be made within 30 days after the payment application amount is being approved by Ruashi.

The contract price will be financed by the Group's internal resources and bank facilities.

Effective date of the Procurement Contract

The Procurement Contract will become effective upon the following conditions having been met:

- (a) the Procurement Contract has been signed and affixed with the company chop by the parties; and
- (b) the passing of the relevant resolution by the Independent Shareholders approving the Procurement Contract and the transactions contemplated thereunder.

The Construction Contract and the Procurement Contract are not inter-conditional with each other.

(4) REASONS FOR AND BENEFIT OF THE CONSTRUCTION CONTRACT AND THE PROCUREMENT CONTRACT

Musonoi Project, which is currently under development, is located in Kolwezi, which is a mining centre in the Lualaba Province of the DRC. The project licence is owned by Ruashi. Musonoi Project has advanced through the scoping study, pre-feasibility study and feasibility study stages. The general layout of the mining area and the design of the mining and dressing part have been completed, and the construction of the shaft development project has begun. The design of the construction drawing of the deep processing project and the equipment tendering exercise are currently underway.

LETTER FROM THE BOARD

Concrease and Jinchuan Cooperation Company were selected by Ruashi for the respective transactions contemplated under the Construction Contract and the Procurement Contract through a tendering process and the contract price was determined based on the bidding offered by Concrease and Jinchuan Cooperation Company. Ruashi has reviewed the qualification and the previous projects conducted by Concrease and Jinchuan Cooperation Company and other contractors providing similar services. Ruashi awarded the Project Contracts to Concrease and Jinchuan Cooperation Company after a tendering process, after having evaluated the experience and capability of Concrease and Jinchuan Cooperation Company, the expected scope and complexity of the construction to be performed, the expected cost of the project and the prevailing market price for carrying out a construction of similar scale and complexity.

The Group awarded the Project Contracts to Concrease and Jinchuan Cooperation Company following a stringent competitive tendering process.

Request for tenders were sent to 7 potential bidders including Concrease and Jinchuan Cooperation Company, each of which were considered by the Group as having the requisite capacity to undertake the project concerned and that they met all eligibility criteria.

After a 4-week period of clarifications-and-answers, a total of 3 bids were received from Concrease, Bidder A and Bidder B, respectively. In order to obtain more comprehensive tenders, a further clarification letter was issued to the 3 bidders. In response, the 3 bidders submitted their second quotations respectively. Key omissions remained in the tenders submitted by the 3 bidders. In order to obtain more comprehensive tenders, a clarification letter was issued to the 3 bidders inviting for the third submission of quotations. In response thereto, only Concrease and Bidder B submitted their third quotations respectively. Bidder A withdrew from the bidding process.

For assessing each of the bidding proposals submitted by the bidders, Ruashi has formed its own tender evaluation committee. The members of the committee are the senior management staff of Ruashi, including qualified professional engineers.

For each of the two categories of services required under the Construction Contract and Procurement Contract for tender, the bidding proposals were assessed in terms of their business and technical aspects, by reference to the feasibility study report issued in 2019 by ENFI, a leading company in the field of non-ferrous metallurgical engineering (including planning and design) in the PRC. The feasibility study provided, among others, detailed mine plans, construction equipment required, cost estimates and formal technical risk assessment, which outlined the equipment required in constructing Musonoi Project's plants.

The selection criteria for the business aspects included the bidders' background, experience and credibility, and the quotation price for the required services; while the technical aspects included the design, construction, quality control and assurance, and the qualification of the professional team to be engaged for the job, etc.

LETTER FROM THE BOARD

A final evaluation report was issued by the Musonoi Project tender evaluation committee for each of the services offered for tender, of which how the bidders were shortlisted for each of the services and their proposals were fully evaluated. The bidding proposals submitted by Concrease (together with its procurement service provider partner, Jinchuan Cooperation Company) scored the highest among those provided by the other bidders, though their quoted price was approximately 0.51% higher than that of Bidder B (after adjustments for incomplete and imbalanced quotations due to missing items and different tax rates adopted). The overall scores of the bidding proposals submitted by Concrease (together with its procurement service provider partner, Jinchuan Cooperation Company), including technical score which was assessed based on various criteria such as construction methods, equipment sufficiency, supply/logistics arrangement, manpower, quality control and relevant construction and procurement experience, was higher than the submission of Bidder B.

As for the scoring in respect of the agency service fee rate, Concrease (together with its procurement service provider partner, Jinchuan Cooperation Company) and Bidder B scored the same rating. As such, the Group considers that the prevailing market rate of the agency service fee rate was at or around 2% of the applicable purchase amount.

The workforce of each of Jinchuan Cooperation Company and Concrease possesses extensive experience and the technical capabilities necessary to complete mining projects in harsh environment. They are capable in the construction and installation of mineral processing, tailings pond and filling system as designed by the Group and ENFI.

(5) IMPLICATIONS UNDER THE LISTING RULES

The Procurement Contract together with the Construction Contract constitute a series of transactions made within a 12-month period and shall be aggregated pursuant to Rule 14.22 and Rule 14A.81 of the Listing Rules. As the applicable percentage ratio (as defined under the Listing Rules) in respect of the transactions under the Procurement Contract, when aggregated with those under the Construction Contract, are more than 5% but less than 25%, the transactions under the Procurement Contract when aggregated with the Construction Contract constitute a discloseable and connected transaction of the Company and is subject to reporting, announcement, circular and independent shareholders' approval requirements under Chapter 14 and Chapter 14A of the Listing Rules.

(6) CONFIRMATION OF THE BOARD

The Directors (including the independent non-executive Directors) consider that the Procurement Contract was entered into in the ordinary and usual course of business of the Group, the terms of the Procurement Contract and the transactions contemplated thereunder have been entered into on normal commercial terms that are fair and reasonable and are in the interests of the Company and its shareholders as a whole.

LETTER FROM THE BOARD

None of the Directors have any material interest in the Procurement Contract for which they would be required to abstain from voting on the relevant board resolution approving the Procurement Contract pursuant to the articles of association of the Company. However, for good corporate governance, Mr. Cheng Yonghong, Mr. Gao Tianpeng and Mr. Liu Jian have voluntarily abstained from voting on the relevant board resolution in connection with the Procurement Contract, as they also serve as directors and/or senior management in JCG and/or its subsidiaries.

C. EXTRAORDINARY GENERAL MEETING

The Company will convene the EGM on Tuesday, 7 March 2023, to seek approval from Shareholders, among other things, the Procurement Contract and the transactions contemplated thereunder. JCG and its associates (holding an aggregate of 7,593,009,857 Shares in the Company, representing approximately 60.73% of the total issued share capital of the Company as at the Latest Practicable Date) will abstain from voting on the ordinary resolution in relation to the Procurement Contract and the transactions contemplated thereunder at the EGM. The proposed resolution regarding the Procurement Contract and the transactions contemplated thereunder will be passed by way of ordinary resolution.

Set out on pages 36 to 37 is a notice to convene the EGM to be held at United Conference Centre, 10/F, United Centre, 95 Queensway, Admiralty, Hong Kong at 4:00 p.m. on Tuesday, 7 March 2023 at which ordinary resolution will be proposed to the Shareholders to consider, and if thought fit, approve the Procurement Contract and the transactions contemplated thereunder.

A proxy form for the EGM is enclosed with this circular. Whether or not you are able to attend the EGM in person, you are requested to complete the proxy form and return it to the Company's branch share registrar in Hong Kong, Boardroom Share Registrars (HK) Limited at 2103B, 21/F, 148 Electric Road, North Point, Hong Kong, in accordance with the instructions printed thereon not less than 48 hours before the time fixed for the EGM (i.e. before 4:00 p.m. on Sunday, 5 March 2023) or any adjournment thereof. The completion and delivery of a proxy form will not preclude you from attending and voting at the EGM in person if you so wish.

D. VOTING BY WAY OF POLL

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

LETTER FROM THE BOARD

E. CLOSURE OF REGISTER OF MEMBERS

The Register of Members will be closed from Wednesday, 1 March 2023 to Tuesday, 7 March 2023 (both days inclusive). During such period, no transfer of Shares will be registered for the purpose of determining the entitlement to attend and vote at the EGM. All transfer documents accompanied by the relevant share certificates must be lodged with the branch share registrar of the Company in Hong Kong, Boardroom Share Registrars (HK) Limited at 2103B, 21/F, 148 Electric Road, North Point, Hong Kong no later than 4:30 p.m. on Tuesday, 28 February 2023. Shareholders whose names are recorded on the Register of Members on Tuesday, 7 March 2023 are entitled to attend and vote at the EGM.

F. RECOMMENDATIONS

Your attention is drawn to the letter from the Independent Board Committee set out on pages 16 to 17 of this circular which contains its recommendation to the Independent Shareholders in relation to the Procurement Contract and the transactions contemplated thereunder. Your attention is also drawn to the letter from Gram Capital Limited set out on pages 18 to 29 of this circular which contains its recommendations to the Independent Board Committee and the Independent Shareholders in relation to the Procurement Contract and the transactions contemplated thereunder, and the principal factors and reasons taken into account in arriving at its recommendations.

The Independent Board Committee, having taken into account the advice of Gram Capital Limited, considers that although the Procurement Contract was entered into in the ordinary and usual course of business of the Group, the terms of the Procurement Contract and the transactions contemplated thereunder have been entered into on normal commercial terms that are fair and reasonable and are in the interests of the Company and its shareholders as a whole. Accordingly, it recommends that the Independent Shareholders vote in favour of the ordinary resolution to approve the Procurement Contract and the transactions contemplated thereunder.

The Directors consider that the resolution as set out in the notice of the EGM is in the interests of the Company and its Shareholders as a whole. Accordingly, the Directors recommend the Shareholders vote in favour of the resolution to be proposed at the EGM.

LETTER FROM THE BOARD

G. PRECAUTIONARY MEASURES FOR THE EXTRAORDINARY GENERAL MEETING

In view of the recent development of COVID-19, the Company strongly advises Shareholders, particularly Shareholders who are subject to compulsory quarantine in relation to COVID-19, to vote at the EGM by the use of the proxy form, i.e., to indicate your voting preference in the proxy form and appoint the Chairperson of the EGM as your proxy to vote on your behalf at the EGM venue.

Furthermore, the Company will implement the following measures in an effort to reduce the risk of infection for the participants at the EGM:

- Compulsory body temperature check will be conducted on all participants at the entrance of the EGM venue;
- All participants at the EGM are required to wear surgical face masks at all times during their attendance of the EGM; and
- No refreshment will be served and no gift voucher will be distributed at the EGM to avoid close contact amongst participants.

To the extent permitted under law, we reserve the right to deny entry into the EGM venue or require any person(s) to leave the EGM venue if person(s) attending the EGM does not comply with the above precautionary measures.

If Shareholders have chosen not to attend the EGM in person and have any questions about the relevant resolution, they are welcome to contact the Company via the following:

E-mail: comsec@jinchuan-intl.com
Tel: +852 3919 7268
Fax: +852 3919 7208

LETTER FROM THE BOARD

If Shareholders have any questions relating to the EGM, please contact our Company's Branch Share Registrar, its name, address and contact details are as follows:

Boardroom Share Registrars (HK) Limited
2103B, 21/F,
148 Electric Road,
North Point,
Hong Kong

E-mail: srinfo.hk@boardroomlimited.com
Tel: +852 2153 1688
Fax: +852 3020 5088

We sincerely apologise for any inconvenience caused due to the measures taken to protect participants against the COVID-19.

H. ADDITIONAL INFORMATION

Your attention is also drawn to the general information set out in the Appendix to this circular.

Yours faithfully,
For and on behalf of the Board
Jinchuan Group International Resources Co. Ltd
Wong Hok Bun Mario
Company Secretary

LETTER FROM THE INDEPENDENT BOARD COMMITTEE



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)

14 February 2023

To the Independent Shareholders

Dear Sir or Madam,

**DISCLOSEABLE AND CONNECTED TRANSACTION
PROCUREMENT CONTRACT
WITH JINCHUAN COOPERATION COMPANY**

We refer to the circular dated 14 February 2023 issued by the Company to its shareholders (the “**Circular**”) of which this letter forms a part. Capitalised terms defined in the Circular shall have the same meanings when used in this letter unless the context otherwise requires.

Under the Listing Rules, the transactions contemplated under the Procurement Contract, when aggregated with those under the Construction Contract, constitute a discloseable and connected transaction of the Company, and are subject to the approval of the Independent Shareholders at the EGM.

We have been appointed as the Independent Board Committee to consider the terms of the Procurement Contract and the transactions contemplated thereunder and to advise the Independent Shareholders as to (i) the fairness and reasonableness of the Procurement Contract and the transactions contemplated thereunder; (ii) whether such transactions are on normal commercial terms and in the ordinary and usual course of business of the Group; (iii) whether such transactions are in the interests of the Company and the Shareholders as a whole; and (iv) how to vote on such transactions, taking into account the recommendations of Gram Capital Limited.

Gram Capital Limited was appointed to advise the Independent Board Committee and the Independent Shareholders on (i) the fairness and reasonableness of the Procurement Contract and the transactions contemplated thereunder; (ii) whether such transactions are on normal commercial terms and in the ordinary and usual course of business of the Group; and (iii) whether such transactions are in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

We wish to draw your attention to (i) the Letter from the Board as set out in pages 5 to 15 of the Circular; (ii) the Letter from Gram Capital Limited as set out in pages 18 to 29 of the Circular; and (iii) the additional information as set out in the appendix to the Circular.

Having taken into account the Procurement Contract and the advice from Gram Capital Limited, we are of the view that the Procurement Contract was entered into in the ordinary and usual course of business of the Group, the terms of the contract and the transactions contemplated thereunder have been entered into on normal commercial terms that are fair and reasonable and are in the interests of the Company and its shareholders as a whole.

Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM to approve the Procurement Contract and the transactions contemplated thereunder.

Yours faithfully,
For and on behalf of
the Independent Board Committee
Jinchuan Group International Resources Co. Ltd

**Yen Yuen Ho, Tony, Poon Chiu Kwok,
Yu Chi Kit and Han Ruixia**
Independent Non-executive Directors

LETTER FROM GRAM CAPITAL LIMITED

Set out below is the text of a letter received from Gram Capital Limited, the Independent Financial Adviser to the Independent Board Committee and Independent Shareholders in respect of the Procurement Transaction for the purpose of inclusion in this circular.



Room 1209, 12/F.
Nan Fung Tower
88 Connaught Road Central/
173 Des Voeux Road Central
Hong Kong

14 February 2023

To: *The Independent Board Committee and the Independent Shareholders
of Jinchuan Group International Resources Co. Ltd*

Dear Sir/Madam,

DISCLOSEABLE AND CONNECTED TRANSACTION

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the transactions contemplated under the Procurement Contract (the “**Procurement Transaction**”), details of which are set out in the letter from the Board (the “**Board Letter**”) contained in the circular dated 14 February 2023 issued by the Company to the Shareholders (the “**Circular**”), of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

With reference to the Board Letter, Ruashi and Concrease entered into the construction and installation contract on 24 November 2022 in relation to the construction and installation of mineral dressing, tailing pond and filling station of Musonoi Project, which is located approximately 3 km from the centre of Kolwezi City, the DRC. Associated with the development of Musonoi Project, on 2 December 2022, Ruashi entered into the Procurement Contract with Jinchuan Cooperation Company in relation to the material and equipment procurement, export and logistics transportation required for mineral dressing, tailing pond and filling station of Musonoi Project.

With reference to the Board Letter, the Procurement Transaction constitutes a discloseable and connected transaction of the Company and is subject to the reporting, announcement, circular and independent shareholders’ approval requirements under Chapters 14 and 14A of the Listing Rules.

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The Independent Board Committee comprising Mr. Yen Yuen Ho, Tony, Mr. Poon Chiu Kwok, Mr. Yu Chi Kit and Ms. Han Ruixia, being all of the independent non-executive Directors, has been formed to advise the Independent Shareholders on (i) whether the terms of the Procurement Transaction are on normal commercial terms and are fair and reasonable; (ii) whether the Procurement Transaction is in the interests of the Company and the Shareholders as a whole and is conducted in the ordinary and usual course of the business of the Company; and (iii) how the Independent Shareholders should vote in respect of the resolutions to approve the Procurement Transaction at the EGM. We, Gram Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

INDEPENDENCE

We were not aware of (i) any relationships or interests between Gram Capital Limited and the Company; or (ii) any services provided by Gram Capital Limited to the Company, during the past two years immediately preceding the Latest Practicable Date, or any other parties that could be reasonably regarded as hindrance to Gram Capital Limited's independence to act as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders.

BASIS OF OUR OPINION

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have relied on the statements, information, opinions and representations contained or referred to in the Circular and the information and representations as provided to us by the Directors/the Company's management (the "**Management**"). We have assumed that all information and representations that have been provided by the Directors/the Management, for which they are solely and wholly responsible, are true and accurate at the time when they were made and continue to be so as at the Latest Practicable Date. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in the Circular 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 Circular, or the reasonableness of the opinions expressed by the Company, its advisers, the Management and/or the Directors, which have been provided to us. Our opinion is based on the Management's representation and confirmation that there is no undisclosed private agreement/arrangement or implied understanding with anyone concerning the Procurement Transaction. We consider that we have taken sufficient and necessary steps on which to form a reasonable basis and an informed view for our opinion in compliance with Rule 13.80 of the Listing Rules.

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

We consider 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, conducted any independent in-depth investigation into the business and affairs of the Company, Ruashi, Jinchuan Cooperation Company or their respective subsidiaries or associates, nor have we considered the taxation implication on the Group or the Shareholders as a result of the Procurement Transaction. Our opinion is necessarily based on the financial, economic, market and other conditions in effect and the information made available to us as at the Latest Practicable Date. Shareholders should note that subsequent developments (including any material change in market and economic conditions) may affect and/or change our opinion and we have no obligation to update this opinion to take into account events occurring after the Latest Practicable Date or to update, revise or reaffirm our opinion. In addition, nothing contained in this letter should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company.

Lastly, where information in this letter has been extracted from published or otherwise publicly available sources, it is the responsibility of Gram Capital Limited to ensure that such information has been correctly extracted from the relevant sources while we are not obligated to conduct any independent in-depth investigation into the accuracy and completeness of those information.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the Procurement Transaction, we have taken into consideration the following principal factors and reasons:

Information on the Group

With reference to the Board Letter, the Company is an investment holding company. The Group is principally engaged in (i) the mining of metals, primarily copper and cobalt, in the DRC and in Zambia; and (ii) the trading of mineral and metal products in Hong Kong.

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Set out below are the financial information of the Group for the two years ended 31 December 2021 as extracted from the Company’s annual report for the year ended 31 December 2021 (the “**2021 Annual Report**”) and for the six months ended 30 June 2022 as extracted from the Company’s interim report for the six months ended 30 June 2022 (the “**2022 Interim Report**”):

	For the six months ended 30 June 2022 (unaudited) US\$’000	For the year ended 31 December 2021 (audited) US\$’000	For the year ended 31 December 2020 (audited) US\$’000	Change from 2020 to 2021 %
Revenue	539,423	831,899	531,502	56.52
– Mining operations	365,340	620,638	497,669	24.71
– Trading of mineral and metal products	174,083	211,261	33,833	524.42
Gross profit	123,419	251,665	86,557	190.75
Profit attributable to owners of the Company	49,125	120,527	29,943	302.52

As illustrated in the above table, the Group’s revenue was approximately US\$832 million for the year ended 31 December 2021 (“**FY2021**”), representing a substantial increase of approximately 56.52% as compared to that for the year ended 31 December 2020 (“**FY2020**”). The Group’s gross profit and profit attributable to owners of the Company for FY2021 also increased sharply as compared to those for FY2020. With reference to the 2021 Annual Report, the above improvements were mainly due to (i) increase in benchmark copper and cobalt price, which impacted positively on revenue; (ii) increase in gross profit margin as a result of commencement of finance lease agreement of Chibuluma South Mine; and (iii) increase in other income and other gains.

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The Group's revenue was approximately US\$539 million for the six months ended 30 June 2022 ("1H2022"), representing an increase of approximately 49.66% as compared to that for the corresponding period in 2021. With reference to the 2022 Interim Report, such increase was mainly due to (i) increase in volume of cobalt sold and average price realized per tonne of cobalt; and (ii) increase in revenue derived from trading of mineral and metal products segment due to gradual increase in trading volume of the new trading business line in Hong Kong which commenced operation in 2020. Despite the increase in the Group's revenue, gross profit and profit attributable to the owners of the Company for 1H2022 decreased by approximately 7.68% and 19.62% respectively as compared to those for the corresponding period in 2021. With reference to the 2022 Interim Report, such decreases were mainly due to (i) increase in processing cost due to the higher reagent consumption and price; and (ii) increase in selling and distribution costs.

With reference to the 2022 Interim Report, the Group's focus in the near future is the construction of the Musonoi copper-cobalt mine in Kolwezi, the DRC. More efforts had been put towards new business development, in particular in identifying opportunities at Southern Africa which was close to the Group's existing mines to look for synergy. The Group will continually, prudently and actively pursue any new business development opportunity. The Group will continue to improve quality, efficiency and production. The Company strives to continuously reduce production costs, with its strategy of "Improvement on Cobalt and Maintaining Growth on Copper" to increase production and sales and achieve better profitability.

Information on Ruashi

With reference to the Board Letter, Ruashi is an indirect non wholly-owned subsidiary of the Company. The remaining 25% interest of Ruashi is owned by Gécamines SA, a state-owned mining company in the DRC.

Information on Jinchuan Cooperation Company

With reference to the Board Letter, JCG is the ultimate holding company of the Company. Jinchuan E&C is a wholly-owned subsidiary of JCG. Jinchuan Cooperation Company is a direct wholly-owned subsidiary of Jinchuan E&C. Accordingly, Jinchuan Cooperation Company is a connected person of the Company. Jinchuan Cooperation Company is principally engaged in the provision of procurement services and the arranging of global logistics and export/import clearing services to mining industry.

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Information on Musonoi Project

With reference to the Board Letter, Musonoi Project, which is currently under development, is located in Kolwezi, which is a mining centre in the Lualaba Province of the DRC. The project licence is owned by Ruashi. Musonoi Project has advanced through the scoping study, pre-feasibility study and feasibility study stages. The general layout of the mining area and the design of the mining and dressing part have been completed, and the construction of the shaft development project has begun. The design of the construction drawing of the deep processing project and the equipment tendering exercise are currently underway.

Reasons for and benefits of the Procurement Transaction

With reference to the Board Letter, Concrease and Jinchuan Cooperation Company were selected by Ruashi for the respective transactions contemplated under the Construction Contract and the Procurement Contract through a tendering process and the contract price was determined based on the bidding offered by Concrease and Jinchuan Cooperation Company. Ruashi has reviewed the qualification and the previous projects conducted by Concrease and Jinchuan Cooperation Company and other contractors providing similar services. Ruashi awarded the Project Contracts to Concrease and Jinchuan Cooperation Company after a tendering process, after having evaluated the experience and capability of Concrease and Jinchuan Cooperation Company, the expected scope and complexity of the construction to be performed, the expected cost of the project and the prevailing market price for carrying out a construction of similar scale and complexity.

The Group awarded the Project Contracts to Concrease and Jinchuan Cooperation Company following a stringent competitive tendering process (the “**Tendering Process**”).

Request for tenders were sent to 7 potential bidders including Concrease, each of which were considered by the Group as having the requisite capacity to undertake the project concerned and that they met all eligibility criteria.

After a 4-week period of clarifications-and-answers, a total of 3 bids were received from Concrease, Bidder A and Bidder B, respectively. In order to obtain more comprehensive tenders, a further clarification letter was issued to the 3 bidders. In response, the 3 bidders submitted their second quotations respectively. Key omissions remained in the tenders submitted by the 3 bidders. In order to obtain more comprehensive tenders, a clarification letter was issued to the 3 bidders inviting for the third submission of quotations. In response thereto, only Concrease and Bidder B submitted their third quotations respectively. Bidder A withdrew from the bidding process.

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For assessing each of the bidding proposals submitted by the bidders, Ruashi formed its own tender evaluation committee (the “**Evaluation Committee**”). Members of the Evaluation Committee are the senior management staff of Ruashi, including qualified professional engineers.

For each of the two categories of services required under the Construction Contract and Procurement Contract for tender, the bidding proposals were assessed in terms of their business and technical aspects, by reference to the feasibility study report issued by ENFI in 2019.

The selection criteria for the business aspects included the bidders’ background, experience and credibility, and the quotation price for the required services; while the technical aspects included the design, construction, quality control and assurance, and the qualification of the professional team to be engaged for the job, etc.

A final evaluation report (the “**Evaluation Report**”) was issued by the Evaluation Committee for each of the services offered for tender, of which how the bidders were shortlisted for each of the services and their proposals were fully evaluated. The bidding proposals submitted by Concrease (together with its procurement service provider partner, Jinchuan Cooperation Company) (the “**Concrease Proposal**”) scored the highest among those provided by the other bidders.

The workforce of each of Jinchuan Cooperation Company and Concrease possesses extensive experience and the technical capabilities necessary to complete mining projects in harsh environment. They are capable in the construction and installation of mineral processing, tailings pond and filling system as designed by the Group and ENFI.

As advised by the Management, based on the selection of Concrease as the successful bidder under the Tendering Process, Concrease entered into the Construction Contract with Ruashi and directed Jinchuan Cooperation Company to enter into the Procurement Contract with Ruashi for providing the procurement services.

For our due diligence purpose, we obtained from the Company:

- (i) a copy of the Evaluation Report which recorded the Tendering Process and evaluations on the bidding proposals submitted; and
- (ii) profile of members of the Evaluation Committee which demonstrated experience and expertise in mining operations, procurement and/or finance of members of the Evaluation Committee.

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Having considered that (i) mining of metals, primarily copper and cobalt, in the DRC, is one of the Group's principal activities; (ii) Musonoi Project is one of the key mining projects of the Group; (iii) the Procurement Contract was awarded to Jinchuan Cooperation Company based on the comprehensive Tendering Process as set out above; and (iv) members of the Evaluation Committee have experience and expertise to carry out the Tendering Process, we consider that the Procurement Transaction is conducted in the ordinary and usual course of the business of the Company and in the interests of the Company and its Shareholders as a whole.

Principal terms of the Procurement Contract

Summarised below are the principal terms for the Procurement Contract, details of which are set out in the Board Letter.

Date

2 December 2022

Parties

- (i) Ruashi; and
- (ii) Jinchuan Cooperation Company

Subject matter

Pursuant to the Procurement Contract, Ruashi shall entrust Jinchuan Cooperation Company to purchase material (including engineering equipment, engineering materials, steel structure products and other materials) required in the construction of Musonoi Project according to the procurement plan, and to provide the export and logistic transportation of the purchased materials to project site and other services.

Duration

From the date when the approval of the Independent Shareholders of the Company is obtained to 30 July 2024 (both days inclusive).

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Contract price

The sum of the Procurement Contract is US\$81,308,900 (the “**Total Contract Price**”), which comprise of the followings:

(a) Agency purchase service

The estimated total amount of purchase content entrusted to Jinchuan Cooperation Company is US\$79,714,900 (that is, sum of (b) and (c) below), and the estimated agency service fee is US\$1,594,000, being 2% of the total price of the purchase trade content (the “**Agency Fee Rate**”).

After the materials purchased by Jinchuan Cooperation Company are accepted and stored on site by Ruashi, Jinchuan Cooperation Company shall apply for service fee payment to Ruashi according to 2% of the actual trade amount of the batch of materials. Payment shall be made within 30 days after the payment application amount is being approved by Ruashi.

(b) Purchase of engineering equipment, engineering materials and steel structure products

The estimated total purchase price for engineering equipment is US\$23,824,000 (the “**Equipment Price**”) (including US\$15,497,270 for Class A equipment (“**Class A Price**”) and US\$8,326,730 for Class B equipment (“**Class B Price**”)) and project materials, steel structural parts and other materials are estimated to be US\$51,340,000 (the “**Materials Price**”).

The payment of Equipment Price shall be implemented in accordance with the actual trade contract amount and payment method. Payment shall be made within 30 days after examination and approval of the equipment on site.

90% of the Materials Price (inclusive of the advance payment, i.e. 20% of the contract price which shall be paid within 30 days from effective of the Procurement Contract and 20% of the contract price shall be paid within 90 days from effective of the Procurement Contract) shall be paid by way of progress payment.

5% of the Materials Price shall be paid after the issuance of the completion acceptance report by Ruashi pursuant to the Procurement Contract.

The remaining 5% of the Materials Price shall be paid after the expiration of the defect liability period, which is two years from the date of the completion acceptance report pursuant to the Procurement Contract.

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(c) Sea-land combined transportation fee

Sea-land combined transportation fee of equipment shall be calculated according to the unit price of US\$380 per billing ton (the “**Transportation Unit Price**”), and the estimated amount is US\$4,550,900 (including transportation fee for both Class A equipment and Class B equipment).

Payment shall be made within 30 days after the payment application amount is being approved by Ruashi.

The contract price will be financed by the Group’s internal resources and bank facilities.

Assessment on the Total Contract Price

According to the Evaluation Report, the Concrease Proposal included (i) the contract price of the construction contract (“**Construction Contract Price**”) and the Materials Price; (ii) the Class A Price and transportation fee for Class A equipment; and (iii) the Agency Fee Rate.

According to the Evaluation Report and as confirmed by the Management, the quotations offered under the Concrease Proposal were compared with the quotations offered under the proposal submitted by Bidder B (the “**Bidder B Proposal**”) (after adjustments for incomplete and imbalanced quotations due to missing items and different tax rates adopted). The aggregated Construction Contract Price, Materials Price, Class A Price and transportation fee for Class A equipment under the Concrease Proposal was slightly higher than that under the Bidder B Proposal (after adjustment) by approximately 0.51%. Nevertheless, overall score of the Concrease Proposal (including technical score which was assessed based on various criteria such as construction method, equipment sufficiency, supply/logistics arrangement, manpower, quality control and relevant construction and procurement experience) was higher than that of the Bidder B Proposal, Concrease was selected as the successful bidder.

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Given the above, we consider that the aggregated Construction Contract Price, Materials Price, Class A Price and transportation fee for Class A equipment (including the Transportation Unit Price of US\$380) to be fair and reasonable.

In respect of the Class B Price, the Management advised us that only the quotation for Class A equipment was required to be submitted under the Tendering Process (i.e. quotation for Class B equipment was not required) as (i) Class A equipment are primary and essential equipment required for Musonoi Project, specifically designed and engineered (with limited choices of alternatives from commonly available items or cannot be replaced by commonly available items); (ii) Class B equipment are general equipment which are commonly available in the market; and (iii) obtaining quotation of Class B equipment would unnecessarily extend the time required for the Tendering Process. The successful bidder would provide, for Ruashi's approval, the estimated price for Class B equipment based on quotations obtained from ultimate suppliers. As advised by the Management, Jinchuan Cooperation Company has been obtaining quotations from ultimate suppliers and providing the same for Ruashi's approval. The Management also provided us quotation records for certain Class B equipment and we noted from such records that Ruashi's selected ultimate suppliers offered the lowest quotations. Accordingly, we consider the Class B Price to be fair and reasonable.

Based on the information provided by the Management, the Transportation Unit Price of US\$380 adopted for deriving the transportation fee for Class A equipment and the billing tons of Class B equipment were adopted for deriving the transportation fee for Class B equipment. Having also considered that transportation fee for Class A equipment (including the Transportation Unit Price of US\$380) was demonstrated above to be fair and reasonable, we consider the transportation fee for Class B equipment to be fair and reasonable.

In respect of the Agency Fee Rate, we noted from the Evaluation Report that the Agency Fee Rate of 2% scored the same with that of offered by Bidder B. Accordingly, we consider the Agency Fee Rate to be fair and reasonable.

In light of the above, we consider the Total Contract Price to be fair and reasonable.

Taking into account the above principal terms of the Procurement Transaction, we consider that the terms of the Procurement Transaction are fair and reasonable, on normal commercial terms and in the interest of the Company and the Shareholders as a whole.

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RECOMMENDATION

Having taken into consideration the factors and reasons as stated above, we are of the opinion that (i) the terms of the Procurement Transaction are on normal commercial terms and are fair and reasonable; and (ii) the Procurement Transaction is conducted in the ordinary and usual course of the business of the Company and in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the resolutions to be proposed at the EGM to approve the Procurement Contract and the Procurement Transaction and we recommend the Independent Shareholders to vote in favour of the resolutions in this regard.

Yours faithfully,
For and on behalf of
Gram Capital Limited
Graham Lam
Managing Director

Note: Mr. Graham Lam is a licensed person registered with the Securities and Futures Commission and a responsible officer of Gram Capital Limited to carry out Type 6 (advising on corporate finance) regulated activity under the SFO. He has over 25 years of experience in investment banking industry.

1. RESPONSIBILITY STATEMENT

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

2. SHARE CAPITAL

Number of Shares	Nominal value HK\$
<i>Authorised</i>	
<u>20,000,000,000</u> Shares	<u>200,000,000.00</u>
<i>Issued, to be issued and fully paid</i>	
12,502,082,051 Shares in issue as at the Latest Practicable Date	125,020,820.51
690,000,000 Shares to be issued as conversion shares upon full conversion of the perpetual subordinated convertible securities (<i>Note 1</i>)	6,900,000.00
<u>13,192,082,051</u>	<u>131,920,820.51</u>

Note 1: The perpetual subordinated convertible securities (“PSCS”) were issued by the Company to Jinchuan (BVI) Limited, the nominee of Jintai Mining Investment Limited, pursuant to the sale and purchase agreement dated 27 August 2013 entered into by, among others, the aforesaid parties for the acquisition of the entire issued share capital of Jin Rui Mining Investment Limited. A total of 7,776,120,000 new Shares was issued by the Company upon conversion of the PSCS in the amount of US\$996,938,461 on 6 June 2018 (please refer to the announcement published by the Company on 6 June 2018 for details). Upon full conversion of the remaining PSCS in the amount of US\$8,846,539 and based on the initial conversion price of HK\$1.00, the Company shall allot and issue 690,000,000 new Shares credited as fully paid, subject to terms of the PSCS, details of which are set out in the circular of the Company dated 30 August 2013.

3. DISCLOSURE OF INTERESTS

(a) Directors' interests and short positions in the securities of the Company and its associated corporations

As at the Latest Practicable Date, none of the Directors and the chief executives of the Company had any interest or short position in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which are required: (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which he is taken or deemed to have under such provisions of the SFO); (b) pursuant to Section 352 of the SFO, to be entered into the register referred to therein; or (c) to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules.

(b) Persons who have an interest or short position which is discloseable under Divisions 2 and 3 of Part XV of the SFO and substantial shareholders

So far as is known to the Directors and the chief executive of the Company, as at the Latest Practicable Date, the following persons had interests or short positions in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company (being 5% or more of the Company's issued share capital) under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register of substantial shareholders maintained under section 336 of the SFO. These interests are in addition to those disclosed above in respect of the Directors and the chief executive of the Company.

Name of shareholder	Notes	Capacity/ nature of interest	Number of Shares interested (Note 1)	Number of Shares which may be converted from PSCS (Note 1)	Percentage of the total number of Shares in issue (%) (Note 3)
Jinchuan Group Co., Ltd*	(2) & (4)	Interest of controlled corporation	7,593,009,857(L)	690,000,000(L)	66.25%
Jinchuan Group (Hongkong) Resources Holdings Limited	(2) & (4)	Interest of controlled corporation	7,593,009,857(L)	690,000,000(L)	66.25%
Jinchuan (BVI) Limited	(2) & (4)	Interest of controlled corporation/Beneficial owner	7,593,009,857(L)	690,000,000(L)	66.25%
Jinchuan (BVI) 1 Limited	(2)	Beneficial owner	1,888,449,377(L)	–	15.11%
Jinchuan (BVI) 2 Limited	(2)	Beneficial owner	583,518,372(L)	–	4.67%
Jinchuan (BVI) 3 Limited	(2)	Beneficial owner	534,922,108(L)	–	4.28%
Gansu Province Economy Cooperation Corporation*		Beneficial owner	1,090,000,000(L)	–	8.72%
Gansu Province Xinye Asset Management Co. Ltd.*		Beneficial owner	1,110,000,000(L)	–	8.88%

Notes:

1. The letter “L” denotes the long position in such Shares.
2. Jinchuan Group Co., Ltd* directly owned 100% of the issued share capital of Jinchuan Group (Hongkong) Resources Holdings Limited which in turn owned 100% of the issued share capital of Jinchuan (BVI) Limited which owned 100% of the issued share capital of each of Jinchuan (BVI) 1 Limited, Jinchuan (BVI) 2 Limited and Jinchuan (BVI) 3 Limited. Therefore, Jinchuan Group Co., Ltd*, Jinchuan Group (Hongkong) Resources Holdings Limited and Jinchuan (BVI) Limited were deemed to be interested in the 1,888,449,377 shares, 583,518,372 shares and 534,922,108 shares of the Company held by Jinchuan (BVI) 1 Limited, Jinchuan (BVI) 2 Limited and Jinchuan (BVI) 3 Limited respectively under the SFO.
3. The calculation is based on the total number of issued shares of the Company (i.e. 12,502,082,051 Shares) as at the Latest Practicable Date.
4. Jinchuan (BVI) Limited directly held 4,586,120,000 Shares and 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 of the Company at an initial conversion price of HK\$1.00 per share. Based on the relations set out in note 2 above, Jinchuan Group Co., Ltd* and Jinchuan Group (Hongkong) Resources Holdings Limited were deemed to be interested in the 4,586,120,000 shares of the Company and 690,000,000 underlying shares which may be converted from PSCS of the Company held by Jinchuan (BVI) Limited under the SFO.
5. Save as disclosed below, as at the Latest Practicable Date, none of the Directors is a director or employee of a company which had interests or short positions in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Division 2 and 3 Part XV of the SFO.

Name of Director	Posts held in JCG
Mr. Liu Jian	General Manager of Finance Department
Mr. Cheng Yonghong	Africa Regional Director
Name of Director	Posts held in Jinchuan Group (Hongkong) Resources Holdings Limited
Mr. Liu Jian	Director
Mr. Cheng Yonghong	Director
Mr. Gao Tianpeng	Director
Name of Director	Posts held in Jinchuan (BVI) Limited, Jinchuan (BVI) 1 Limited, Jinchuan (BVI) 2 Limited and Jinchuan (BVI) 3 Limited
Mr. Cheng Yonghong	Director
Mr. Gao Tianpeng	Director
Name of Director	Posts held in Gansu Province Xinye Asset Management Co. Ltd.
Mr. Wang Qiangzhong	Chairman

* For identification purpose only

Save as disclosed above, as at the Latest Practicable Date, the Directors and the chief executive of the Company were not aware of any person who had any interest or short position in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

4. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors has any existing service contract or proposed service contract with any member of the Company and its subsidiaries which will not expire or be determinable by the Company or its subsidiaries (as the case may be) within one year without payment of compensation (other than statutory compensation).

5. QUALIFICATION AND CONSENT OF EXPERT

(a) Qualification of expert

The following are the qualifications of the expert who has given opinions or advice which are contained in this circular:

Name	Qualification
Gram Capital Limited	a corporation licensed to carry on Type 6 (advising on corporate finance) regulated activities under the SFO

(b) Consent of expert

As at the Latest Practicable Date, Gram Capital Limited has given and has not withdrawn consent to the issue of this circular with the inclusion therein of its letter and references to its name in the form and context in which it appears.

(c) Interests of expert

As at the Latest Practicable Date, Gram Capital Limited was not directly or indirectly interested in any securities of any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any securities in any member of the Group nor did it have any direct or indirect interest in any assets which had been, since 31 December 2021 (being the date to which the latest published audited financial statements of the Group were made up), acquired or disposed of by, or leased to, any member of the Group.

6. LITIGATION

As at the Latest Practicable Date, no member of the Group were engaged in any litigation, arbitration or claim of material importance and there is no litigation, arbitration or claim of material importance known to the Directors to be pending or threatened against any member of the Group.

7. MATERIAL ADVERSE CHANGE

Save as disclosed, the Directors are not aware of any material adverse change in the financial position or trading position of the Company and its subsidiaries since 31 December 2021 (being the date to which the latest published audited financial statements of the Group were made up) and up to the Latest Practicable Date.

8. COMPETING INTERESTS

As at the Latest Practicable Date, the following Directors were considered to have interest in a business which competes or is likely to compete, either directly or indirectly, with the business of the Company and its subsidiaries pursuant to the Listing Rules.

Mr. Liu Jian and Mr. Cheng Yonghong held position as senior management in JCG which principally engages in businesses of production of nickel, copper, cobalt, platinum group metals, nonferrous metal plates, chemical products and chemicals of nonferrous metals.

Mr. Liu Jian, Mr. Cheng Yonghong and Mr. Gao Tianpeng held directorship and position as senior management in JCHK, which indirectly holds 60.73% issued share capital of the Company, and is principally engaged in investment holding. The said 60.73% shareholding is held through four companies, namely, Jinchuan (BVI) Limited, Jinchuan (BVI) 1 Limited, Jinchuan (BVI) 2 Limited and Jinchuan (BVI) 3 Limited, in which Mr. Cheng Yonghong and Mr. Gao Tianpeng held directorship. Jinchuan (BVI) Limited, Jinchuan (BVI) 1 Limited, Jinchuan (BVI) 2 Limited and Jinchuan (BVI) 3 Limited are principally engaged in investment holding.

9. INTEREST IN ASSETS ACQUIRED

As at the Latest Practicable Date, the Directors did not have any interest, direct or indirect, in any assets which have been, since 31 December 2021 (the date to which the latest published audited financial statements of the Company were made up), acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

As at the Latest Practicable Date, there is no contract or arrangement in which a Director is materially interested and which is significant in relation to the business of the Group.

10. MISCELLANEOUS

- (i) The registered office of the Company is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.
- (ii) The head office and principal place of business in Hong Kong of the Company is located at Unit 3101, 31/F, United Centre, 95 Queensway, Hong Kong.
- (iii) The branch share registrar of the Company in Hong Kong is Boardroom Share Registrars (HK) Limited at 2103B, 21/F, 148 Electric Road, North Point, Hong Kong.
- (iv) The company secretary of the Company is Mr. Wong Hok Bun Mario.

11. DOCUMENTS ON DISPLAY

Copies of the following documents are available on the Stock Exchange's website and the Company's own website for a period of 14 days from the date of this circular:

- (a) the Construction Contract;
- (b) the Procurement Contract;
- (c) the letter from the Independent Board Committee, the text of which is set out in this circular;
- (d) the written consent referred to in the section headed "5. QUALIFICATION AND CONSENT OF EXPERT" in this appendix; and
- (e) the letter from Gram Capital Limited, the text of which is set out in this circular.

NOTICE OF EGM



JINCHUAN 金川

JINCHUAN GROUP INTERNATIONAL RESOURCES CO. LTD

金川集團國際資源有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2362)

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “EGM”) of the shareholders of Jinchuan Group International Resources Co. Ltd (the “Company”) will be held at United Conference Centre, 10/F, United Centre, 95 Queensway, Hong Kong at 4:00 p.m. on Tuesday, 7 March 2023 for the purpose of considering, and if thought fit, passing the following resolution as ordinary resolution of the Company:

ORDINARY RESOLUTION

1. To consider and approve the Procurement Contract and the transactions contemplated thereunder (as defined in the circular dated 14 February 2023).

By order of the Board

Jinchuan Group International Resources Co. Ltd

Wong Hok Bun Mario

Company Secretary

Hong Kong, 14 February 2023

Notes:

1. A member entitled to attend and vote at the EGM is entitled to appoint more than one proxy to attend and, on poll, vote on his behalf. A proxy need not be a member of the Company.
2. Closure of Register of Members for the EGM

The register of members of the Company will be closed from Wednesday, 1 March 2023 to Tuesday, 7 March 2023 (both days inclusive) for the purpose of determining the entitlement of the shareholders of the Company to attend and vote at the EGM. No transfer of shares may be registered during the said period. In order to qualify to attend and vote at the EGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Branch Share Registrar, Boardroom Share Registrars (HK) Limited, at 2103B, 21/F, 148 Electric Road, North Point, Hong Kong no later than 4:30 p.m. on Tuesday, 28 February 2023.

3. A form of proxy for use at the EGM is enclosed. Whether or not you intend to attend the EGM in person, you are urged to complete and return the form of proxy in accordance with the instructions printed thereon as soon as possible. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjourned EGM thereof if you so wish. In the event that you attend the EGM after having returned the completed form of proxy, your form of proxy will be deemed to have been revoked.

NOTICE OF EGM

4. To be valid, the form of proxy, together with any power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power of attorney, must be deposited at Boardroom Share Registrars (HK) Limited at 2103B, 21/F., 148 Electric Road, North Point, Hong Kong, not less than 48 hours before the time appointed for holding the EGM (i.e. before 4:00 p.m. on Sunday, 5 March 2023) or any adjournment thereof.
5. In the case of joint registered holders of any shares of the Company, any one of such joint registered holders may vote at the EGM, either in person or by proxy, in respect of such shares as if he/she/it were solely entitled thereto; but if more than one of such joint registered holders are present at the EGM, either in person or by proxy, the vote of that one of them so present, either in person or by proxy, whose name stands first on the register of members in respect of such shares shall be accepted to the exclusion of the votes of the other joint registered holder(s).
6. Time and dates in this notice are Hong Kong time and dates.

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