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JINCHUAN金川

JINCHUAN GROUP INTERNATIONAL RESOURCES CO. LTD

金川集團國際資源有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2362)

**PROGRESS UPDATE ON
THE INDEPENDENT FORENSIC INVESTIGATION
AND
CONTINUED SUSPENSION OF TRADING**

This announcement is made by Jinchuan Group International Resources Co. Ltd pursuant to Rule 13.09(2)(a) and 13.24A of the Listing Rules and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

References are made to (i) the announcement of the Company dated 28 March 2025 in relation to, among other things, the delay in publication of annual results for the year ended 31 December 2024, postponement of the Board Meeting and suspension of trading; (ii) the announcement of the Company dated 16 April 2025 in relation to, among other things, the Allegation; (iii) the announcement of the Company dated 7 May 2025 in relation to the Resumption Guidance; (iv) the announcement of the Company dated 27 June 2025 in relation to, among other things, the quarterly update on the resumption progress of the Company; (v) the announcement of the Company dated 2 September 2025 in relation to, among other things, the delay in publication of interim results for the six months ended 30 June 2025; (vi) the announcement of the Company dated 29 September 2025 in relation to, among other things, the quarterly update on the resumption progress of the Company; (vii) the announcement of the Company dated 28 November 2025 in relation to, among other things, the proposed change of auditor; (viii) the announcement of the Company dated 19 December 2025 in relation to the appointment of auditor; (ix) the announcement of the Company dated 29 December 2025 in relation to, among other things, the quarterly update on the resumption progress of the Company; and (x) the announcement of the Company dated 25 February 2026 in relation to supplemental information on the appointment of auditor.

Unless otherwise defined below, capitalised terms used herein shall have the same meanings as those defined in the abovementioned announcements.

The purpose of this announcement is to provide shareholders and potential investors of the Company with a progress update on the Independent Forensic Investigation.

1. BACKGROUND TO THE FORMATION OF THE SIC AND CONDUCTING THE INDEPENDENT FORENSIC INVESTIGATION

On 21 March 2025, Deloitte informed the Board that it would need to conduct additional work on certain payments of Ruashi with assistance of the independent forensic expert prior to the finalisation of the 2024 Annual Results. This arose because, during the course of annual audit of the Company and its subsidiaries, Deloitte became aware of information concerning various allegations regarding certain payments of Ruashi. As a result, the Company was unable to publish the 2024 Annual Results in accordance with Rule 13.49(1) of the Listing Rules and trading in the Shares on the Stock Exchange was suspended with effect from 9:00 a.m. on 28 March 2025.

On 23 March 2025, in response to Deloitte's request, 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 endorsed the recommendation of Deloitte and 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 issued to the Company by the Stock Exchange dated 30 April 2025.

In parallel, the SIC had requested the Company to engage the Internal Control Consultant to review the internal control system of the Company. The Internal Control Consultant was appointed on 18 August 2025 and their work is still ongoing, and the key findings of the internal control review will be published as soon as they are available.

2. REVIEW PERIOD AND SCOPE OF THE INDEPENDENT FORENSIC INVESTIGATION

In April 2025, in determining the scope of review and the relevant review period for the Independent Forensic Investigation, the Forensic Accountant and the SIC took into account, among other things, the complaints (Note) (including various complaints subsequently received by the Forensic Accountant during the investigation) and the enquiries made by Deloitte, which concerned certain payments made by Ruashi, the SIC resolved that the review period of the Independent Forensic Investigation should cover the period from 1 January 2016 to 31 March 2025 (the “**Review Period**”).

Based on the information disclosed in the complaints and the results of the computer forensic procedures undertaken by the Forensic Accountant, the scope of the Independent Forensic Investigation was determined by the Forensic Accountant and the SIC to cover:

- (i) payments in the sum of **USD257.1 million** made by Ruashi to a total of 18 suppliers during the Review Period; and
- (ii) payments in the sum of **USD6.8 million** paid by Ruashi to the personal bank account of Employee F during the Review Period.

In examining the payments, the Forensic Accountant considered the business substance of the transactions, the authorisation and approval process of the transactions and the involvement of the management team of Ruashi, Metorex and the Company, and the remediating actions taken by the management team of Ruashi, Metorex and the Company.

Note: In the period between 29 November 2023 and 29 March 2024, certain complaints received by the Company were made in relation to certain payments of Ruashi between 2021 and 2023. In response, the Company conducted an internal review with respect to the complaints and the final conclusion given on 1 March 2024 was that the complaints were not substantiated. On 4 March 2024, the Audit Committee of the Company resolved to engage an independent professional adviser to conduct a special audit on Ruashi’s procurement and payment cycle for the relevant period, for enhancement (if any). The conclusion of the special audit report prepared by the outsourced Internal Auditor of Metorex, a global accounting firm, and issued on 15 August 2024 was that the operational effectiveness of Ruashi’s procurement and payment controls was assessed as moderate, despite substantively adequate control design.

3. PROCEDURES PERFORMED BY THE FORENSIC ACCOUNTANT

The Forensic Accountant conducted the following procedures:

- (i) **Information gathering:** obtained an understanding of the corporate and organisational structure, functional departments, and key operational processes at the Company, Metorex, and Ruashi; reviewed prevailing policies and procedures of Ruashi's procurement and payment cycle; reviewed internal documentation and correspondence to identify the facts and circumstances of how the allegations were identified, reported, discussed, and concluded, including Board and Audit Committee meeting minutes, documentation of internal review, deliverables of special audit, and correspondence with Deloitte; communicated directly with the complainant to obtain further information regarding the allegations.
- (ii) **Background checks:** conducted independent company background research and obtained corporate registration records of the relevant suppliers from the local official body of company registration, referred to as the DRC Registrar, and identified (where possible) their principal businesses, directors, shareholders, and/or key personnel.
- (iii) **Analysis of books and records:** analyzed bank statements obtained directly from relevant banks to identify the payments made to the 18 suppliers and Employee F during the Review Period; circulated bank confirmations to confirm the opening and closing balances, and total debit and credit transactions for each year during the Review Period; obtained and reviewed the onboarding documentation retained by Ruashi relating to the relevant suppliers; obtained Ruashi's accounting records, thereby quantifying and identifying the accounting treatment of the payments; performed reconciliation of bank statements that were independently obtained by the Forensic Accountant from relevant banks against those retained by Ruashi's finance department; reviewed the relevant journal entries and documentary evidence relating to the payments, thereby ascertaining the business substance, approvals and underlying payment arrangements, and, where possible, evaluated the potential financial implications on the Company's 2016 to 2023 audited financial statements and 2024 draft financial statements; reviewed the relevant procurement, payment, and authorisation documentation of 20 payments made to other Ruashi suppliers as a reference; selected a total of 881 out of 1,185 sample payments made to the 18 suppliers and Employee F and reviewed the relevant procurement, payment, and authorisation documentation.
- (iv) **Computer forensic procedures:** identified, collected, and preserved forensic images of electronic data stored in corporate devices of 9 current or former employees and archives of server mailboxes assigned to 17 custodians, including 15 current or former employees of the Company, Metorex and Ruashi and two executive directors of the Company; developed targeted search terms to identify and review responsive documents related to the allegations; up to the date of the Interim Forensic Report, reviewed a total of over 33,000 electronic documents pertaining to 17 custodians.

- (v) **Interviews with employees and third-parties:** conducted interviews with directors, senior management and employees of the Company, Metorex and Ruashi who were involved in the key decision-making process and/or execution of the payments, and liaison with local government bodies and third-party suppliers; conducted interviews with Ruashi's current and/or former employees (where possible) who were identified, based on the documents obtained through computer forensic procedures, as being connected with the alleged misappropriation matter; and to the extent that contact information could be identified, conducted interviews with and/or circulated confirmations to relevant suppliers (where possible) to confirm the Forensic Accountant's understanding of the nature and commercial substance of the payments.

4. SUMMARY OF KEY FINDINGS OF THE INDEPENDENT FORENSIC INVESTIGATION

Below is a summary of the key findings of the Independent Forensic Investigation, based on the latest version of the interim report on independent investigation submitted by the Forensic Accountant to the SIC (the "Interim Forensic Report"):

4.1 An overview

The Forensic Accountant examined the payments falling within the scope of the Independent Forensic Investigation. It was noted by the Forensic Accountant that the payments fall within the following 4 categories:

	Section	Description	Amount (USD million)
Payments with business purposes	4.2	Payments relating to foreign ore purchases	45.1
	4.3	Payments relating to government-related affairs	65.5
	4.4	Payments relating to other business purposes, such as bank fees, procurement of spare parts, gravel and/or sands, and other advisory services	9.1
Alleged misappropriation	4.5	Payments relating to an alleged misappropriation scheme: payments to (i) 12 suppliers, and (ii) Employee F's personal bank account	137.4 + 6.8 =144.2
		Total	263.9

4.2 Payments Relating to Foreign Ore Purchases

The Forensic Accountant noted that from 2018 to 2023, a total sum of approximately **USD45.1 million** was paid by Ruashi to five third-party suppliers for purchase of foreign ores.

The Company advised that the market prices for cobalt and copper rallied substantially and reached peaks in Q2 2018 and Q1-Q2 2022 respectively (for more details on the copper and cobalt prices from 2016 to 2025, please refer to the section headed “8. Copper and cobalt prices from 2016 to 2025” below), Ruashi’s internal mining output was insufficient to meet its production requirements, and the production targets could only be achieved through purchasing an increased amount of foreign ores (for more details on the production output from 2016 to 2025, please refer to the section headed “7.1. Historical output of the Ruashi Mine” below). As a result, out of the abovementioned total sum of approximately USD45.1 million, about USD36.3 million were paid in 2019 and 2022 to meet Ruashi’s production requirements.

Based on the prevailing procurement policies of Ruashi, foreign ore procurement shall be made with suppliers that had undergone proper onboarding due diligence procedures and that were registered in Ruashi’s Delta accounting system. However, according to the management of Ruashi, ores with more attractive pricing or with specific grades and specifications are at times offered by opportunistic suppliers that are typically engaged in mining or the trading of ores sourced from local individuals. Given that Ruashi purchased foreign ores from such opportunist suppliers on an ad-hoc basis, the Forensic Accountant noted that Ruashi did not always follow the prevailing procurement policies in dealing with these opportunist suppliers:

- (i) Ruashi purchased ore from two out of five foreign ore suppliers without following the onboarding due diligence. Payments made to these two foreign ore suppliers accounted for 60.0% of the foreign ore payments under review; and
- (ii) Ruashi purchased ore from four of the five foreign ore suppliers that were not registered in the Delta accounting system of Ruashi. Payments made to these unregistered suppliers accounted for 99.6% of the foreign ore payments under review.

In addition, while the Forensic Accountant inspected the available payment authorisation records and internal logistic documentation, it was noted that the third-party transactional documentation, including contracts, purchase orders, supplier invoices, delivery notes and/or logistic vendor acknowledgement note, was generally incomplete or deficient.

In relation to the payments made to the top three foreign ore suppliers, the Forensic Accountant was able to obtain alternative third-party evidence by conducting interview with, and receiving the confirmation from, two of the top three foreign ore suppliers, thereby confirming the amount of payment transactions and their underlying business purposes representing approximately 45.2% of the total foreign ore payments under review. As of the date of the Interim Forensic Report, the Forensic Accountant has not received responses to its interview and confirmation requests from the remaining one of the top three foreign ore suppliers.

Remediating actions: Considering the procurement and payment procedures of Ruashi have not been fully adhered to and the record retention was incomplete, the management of the Company has procured the management of Ruashi and Metorex to implement or will implement various remedial actions:

- (i) since the commencement of the Independent Forensic Investigation, Ruashi has ceased to enter into any further transaction with the above five suppliers for foreign ore purchase;
- (ii) the Company has appointed the Internal Control Consultant to (among others) provide recommendations on the procurement and payment processes; and
- (iii) pending the completion of the internal control review, the Company would procure Ruashi's management to undertake enhancement steps to properly adhere to the internal policies on procurement and disbursement, and document retention.

4.3 Payments Relating to Government-Related Affairs

The Forensic Accountant noted that a total sum of approximately **USD65.5 million** was paid by Ruashi directly or indirectly to Third-Party Agent GFS.

By way of background, the mining businesses of Ruashi were operating in a complicated and complex regulatory environment. The businesses were often subject to audit inspections, regulatory enquiries and claims/penalties raised by different local government bodies, such as tax authorities and the import/export customs. In around 2020 and 2021, the DRC government increased tax scrutiny on mining companies by enforcing the 2018 Mining Code of the DRC. As a result, about 86% of the payments relating to government-related affairs with the amount of USD56.6 million was paid during 2021 to 2023. Thereafter, from 2024 up to 29 February 2024 (i.e. the last payment made to Third-Party Agent GFS during the Review Period), Ruashi made further payments of USD1.3 million to Third-Party Agent GFS, representing only 2% of the payments relating to government-related affairs.

So far as these transactions are concerned, the Forensic Accountant noted that:

- (i) Ruashi made payments to Third-Party Agent GFS for its services through two different methods.
 - First, during the period between 2018 and 2021, Ruashi made 15 direct payments in a total sum of **USD6.5 million** to Third-Party Agent GFS via bank transfer.
 - Second, during the period between November 2020 and February 2024, 207 payments in a total sum of **USD59 million** were made indirectly to Third-Party Agent GFS, and the mechanics for such payments are as follows:
 - (i) Ruashi remitted the funds to other relevant suppliers;
 - (ii) the other relevant suppliers subsequently withdrew the funds in cash and handed over the cash to Employee D and Employee E; and
 - (iii) Employee D and Employee E then paid Third-Party Agent GFS in cash.
- (ii) Based on the returned confirmation circulated to Third-Party Agent GFS, Third-Party Agent GFS confirmed receipt of USD6.5 million in direct bank transfers from Ruashi and USD59 million in cash from Employee D and Employee E. Third-Party Agent GFS further acknowledged that it did not produce any cash receipt documentation for Ruashi at the time the cash payments were made.
- (iii) Ruashi did not comply with the prevailing onboarding policies and procedures in engaging the Third-Party Agent GFS for its services in resolving penalties and claims from the government of the DRC.
- (iv) With respect to the cash payments made indirectly by Ruashi to Third-Party Agent GFS, the Forensic Accountant reviewed the available documentation, including government letters showing the initial claims/penalties raised by the government agencies, Ruashi's internal management meeting minutes documenting the management's resolution to appoint Third-Party Agent GFS for handling the government affairs, service contract signed between Ruashi and Third-Party Agent GFS, government letters showing the reduced claims/penalties and the relevant settlement made by Ruashi, and the internal fund requisition forms for payments made by Ruashi. Collectively, those documentations purportedly demonstrate that, following the commissioning of and payments to Third-Party Agent GFS, the government claims/penalties were reduced by approximately 98%.

- (v) With respect to the bank transfers made directly by Ruashi to Third-Party Agent GFS, Ruashi's management was unable to locate a complete set of the contractual documentation.
- (vi) Although the available documentation is insufficient to substantiate the nature of services purportedly rendered by Third-Party Agent GFS that were associated with the reduction of government claims/penalties, there is no documentary evidence indicating that any Ruashi employees instructed Third-Party Agent GFS to make illegal payments to government bodies or officials.

The Forensic Accountant also noted the following:

- (i) It is permissible under the DRC law and is not unusual in practice for a taxpayer such as Ruashi to retain an advisor to engage with the tax authority during a tax audit process, to challenge tax decisions or otherwise assist with all other tax-related services, and to pay such advisor a consulting fee.
- (ii) Metorex has a code of conduct and a policy requiring its employees and managers to obey all applicable laws and the rules and regulations of all applicable governmental agencies, and employees are not allowed to offer, authorise, directly or indirectly, anything of value for the purpose of obtaining improper business advantage or that might create the appearance of impropriety.
- (iii) The service contracts between Ruashi and Third-Party Agent GFS contain express provisions requiring Third-Party Agent GFS to observe and to comply with the DRC laws and regulations.
- (iv) Since 1 March 2024, Ruashi had ceased to enter into further transaction with or made payment to Third-Party Agent GFS.

Remediating actions: Considering the procurement and payment procedures of Ruashi have not been fully adhered to and the record retention was incomplete, the management of the Company has agreed to procure the management of Ruashi and Metorex to implement or will implement various remedial actions:

- (i) the Company has appointed the Internal Control Consultant to (among others) provide recommendations on its procurement and payment processes; and
- (ii) pending the completion of the internal control review, the Company would procure Ruashi's management to undertake enhancement steps to properly adhere to the internal policies on procurement and disbursement, and document retention.

4.4 Payments Relating to Other Business Purposes

The Forensic Accountant identified a total sum of **USD9.1 million** that was paid by Ruashi to seven suppliers for other business purposes, such as bank fees, procurement of spare parts, gravel and/or sands, and other advisory services.

91% of those payments were made to one supplier that (i) had undergone onboarding due diligence and/or vendor registration procedures in accordance with the prevailing procurement policies and (ii) did not appear to be involved in the alleged misappropriation scheme.

The Forensic Accountant selected a total of 33 sample payments relating to procurement of spare parts, gravel and/or sands and other advisory services, representing 55% of the total amount of payments relating to other business purposes. The Forensic Accountant reviewed available documentation relating to these transactions, including purchase orders, supplier invoices, delivery notes, goods received voucher, internal fund requisition forms and/or bank slips. Based on the available evidence, the Forensic Accountant noted that the relevant records regarding the transactions were not properly retained by Ruashi.

Remediating actions: Considering the procurement and payment procedures have not been fully adhered to and the record retention was incomplete, the Company has procured the management of Ruashi and Metorex to implement or will implement various remedial actions:

- (i) since the commencement of the Independent Forensic Investigation, Ruashi has ceased to enter into any further transaction with the abovementioned seven suppliers;
- (ii) the Company has appointed the Internal Control Consultant to (among others) provide recommendations on its procurement and payment processes; and
- (iii) pending the completion of the internal control review, the Company would procure Ruashi's management to undertake enhancement steps to properly adhere to the internal policies on procurement and disbursement, and document retention.

4.5 Payments Relating to an Alleged Misappropriation Scheme

Transactions without any apparent business purposes: The Forensic Accountant, through computer forensic procedures and confirmations from the management of Ruashi, noted that a total sum of **USD144.2 million** made by Ruashi was without any apparent business purpose.

Out of the total USD144.2 million, it consisted of (i) a sum of USD137.4 million made by Ruashi to 12 suppliers in the period between 20 September 2019 and 19 April 2024 that were without apparent business purpose and (ii) a sum of USD6.8 million made by Ruashi to the personal bank account of Employee F (not being part of the transactions between Ruashi and the 12 suppliers) in the period between 15 November 2017 and 19 March 2024 purportedly for the purpose of settling government-related expenses.

Evidence suggesting misappropriation by various employees of Ruashi: The Forensic Accountant noted various evidence suggesting that various employees of Ruashi (including Employee D, Employee E and Employee F) may have taken advantage of Ruashi approval arrangements at the time and perpetrated a misappropriation scheme to deceive Ruashi's management team that Ruashi had purchased foreign ores and incurred mining and other operational expenses in amounts greater than Ruashi actually incurred.

Employee D joined Ruashi in February 2015 as Finance Departmental Manager and was promoted to CFO in November 2020, and he remained in that position until he left Ruashi on 27 April 2024. Employee E joined Ruashi in June 2011 as Reconciliation Account Unit Manager and was promoted to Finance Unit Manager in May 2016 and Finance Departmental Manager in April 2017, and he remained in that position until he left Ruashi on 30 September 2024. Employee F joined Ruashi in May 2006 as Unit Manager and was promoted to Tax Specialist in March 2017 and Compliance Departmental Manager in September 2020. They were part of the local management team of Ruashi.

The modus operandi of the scheme would involve various staff of Ruashi overriding Ruashi's disbursement policies and recording payments that were without business substance across a wide range of expense ledger accounts (including, but not limited to, purchase of foreign ores).

It is believed that the misappropriation scheme was primarily led by Employee D and Employee E. Key evidence implicating Employee D and Employee E would include:

- (i) Based on the review of the custodian data of Employee D, the Forensic Accountant identified various excel format allocation schedules (the "**Allocation Schedules**"), purportedly recording payments made to 12 suppliers in a total sum of USD109.8 million that had no genuine business substance (representing 80% of the total misappropriation funds of USD137.4 million paid to a total of 12 suppliers).
- (ii) Within the Allocation Schedules, the relevant supplier payments were purportedly allocated to Employee D, Employee E, Employee F and various former local employees of Ruashi.
- (iii) The Forensic Accountant also noted in the custodian data of Employee D and Employee E editable invoice templates for certain suppliers, evidence of fabrication of suppliers' invoices and altered bank statements.

The Forensic Accountant was informed by Ruashi's current management that, in addition to the payments that were purportedly recorded in the Allocation Schedules, further payments in a total sum of USD27.6 million made to 10 suppliers implicated in the Allocation Schedules between 20 September 2019 and 19 April 2024 likewise lacked any apparent business substance and were considered as part of the alleged misappropriation scheme.

Based on the evidence available to the Forensic Accountant, the Forensic Accountant also concluded that those individuals featured in the Allocation Schedules were implicated and that it is likely that the individuals made use of the Ruashi approval requirements at the time to defraud Ruashi.

The Forensic Accountant also noted that approximately 96.5% of the alleged misappropriation payments (i.e. USD139.1 million) were made between November 2020 and April 2024. This timing coincides with the period when Employee D was promoted to the position of CFO of Ruashi in November 2020 and remained in that position until he left Ruashi on 27 April 2024. Under Ruashi's bank payment protocols, each payment required authorisation from two designated signatories, being either two Type A authorised signatories, or one Type A and one Type B authorised signatory.

According to Ruashi's internal policies, a fund application would be approved by three approvers, including Ruashi's finance departmental manager, the CFO and the general manager.

Based on the information available to the Forensic Accountant up to the date of the Interim Forensic Report, the Forensic Accountant has been able to identify certain approvers in respect of approximately 69.8% of the total alleged misappropriation. Out of which:

- (i) approximately 58.9% of the payments were processed via online banking, where the identity of only one of the two approvers required for online bank transfer transactions was revealed by the banks to the Forensics Accountant thus far; and
- (ii) approximately 10.9% of the payments were processed by cheque or other means with two approvers being identified.

For the online bank transfer transactions, the bank revealed one of the two approvers of the alleged misappropriation as follows:

- (i) approximately 29.8% of the total alleged misappropriation was approved by Employee D (former CFO who left Ruashi in April 2024);
- (ii) approximately 21.5% of the total alleged misappropriation was approved by Employee E (former Finance Departmental Manager who left Ruashi in September 2024);

- (iii) approximately 6.5% the total alleged misappropriation was approved by an unknown person(s) who used the online banking login credentials belonging to Employee B, the former CFO who left Ruashi in October 2020; and
- (iv) approximately 1.1% the total alleged misappropriation approved by Employee B.

For the payments processed by cheque or other means:

- (i) approximately 10.4% of the total alleged misappropriation approved by both Employee D and Employee E; and
- (ii) approximately 0.5% of the total alleged misappropriation approved by either Employee D or Employee E as one of the two required approvers, and the other approver being either Employee A (Ruashi's general manager whose role is currently suspended), Employee B (former CFO who left Ruashi in October 2020) or Employee C (the current Finance Departmental Manager of Ruashi).

In relation to point (iii) of the abovementioned online bank transfer transactions (i.e. an unknown person(s) who used the online banking login credentials belonging to Employee B), the Forensic Accountant sighted a copy of written instructions under the letterhead of Ruashi dated 2 November 2020 issued to Bank A to remove Employee B as its authorised signatory subsequent to Employee B left Ruashi in October 2020. Apparently, for reasons not yet clarified by Bank A, the online banking login credential of Employee B remained in effect after 2 November 2020 and up to around January 2024. The Forensic Accountant further noted that Employee A had temporarily used the online banking login credentials of Employee B between 14 September 2020 and 4 October 2020 without seeking approval from and/or reporting to the management or the board of Ruashi and Metorex.

The following factors are believed to have contributed to the alleged misappropriation scheme being successfully perpetrated by various employees of Ruashi's finance department:

- (i) The tasks of liaising with local suppliers and official administration, coordinating the local finance staff, and reporting financial results to the general manager and the Board of Ruashi were primarily undertaken by the local personnel (in particular, Employee D, Employee E and Employee F).
- (ii) From 2021 to Q2 2022, the substantial increase in cobalt and copper prices led Ruashi to significantly expand its procurement of foreign ores and incur higher mining and processing-related expenses in order to meet production requirements.

Remediating actions: Given that Ruashi's internal control systems, including but not limited to its procurement and payment processes, were exploited by certain senior personnel within the local finance team of Ruashi, who allegedly misused their approval authorities and carried out an organised and premeditated misappropriation scheme during specific periods, the Company has procured the management of Ruashi and Metorex to implement or will implement various remedial measures:

- (i) Ruashi has reported the alleged misappropriation to the Public Prosecutor of the Court of Appeals of Haut-Katangato on 12 December 2025 and the investigation is ongoing;
- (ii) the Company will take legal actions against all individuals involved in the alleged misappropriation in the appropriate jurisdictions;
- (iii) the Company has already taken necessary actions against the relevant employees of Ruashi (including dismissal and/or suspension), preserved the relevant work data, and has appointed the Internal Control Consultant to, among other things, provide recommendations on improvements to its internal control systems; and
- (iv) pending completion of the internal control review and investigations in legal proceedings, the Company will, and will procure Ruashi's and Metorex's management to, undertake the corresponding remediating measures.

5. SPECIFIC LIMITATIONS TO THE INDEPENDENT FORENSIC INVESTIGATION

Specific limitations to the Independent Forensic Investigation are outlined below:

- (i) The Forensic Accountant relied on the IT fixed asset list/workstation register provided by the Company's designated personnel to identify the corporate electronic devices that were assigned to the custodian selected by the Forensic Accountant. In total, three custodian devices were not made available to the Forensic Accountant, of which (i) two custodian devices belonging to Employee D and Employee E were taken away when they left Ruashi; and (ii) the remaining custodian device belonging to the Employee C was stolen in an incident which had been reported to the local police.
- (ii) Discrepancies/errors were identified in the bank confirmations returned from Bank A. Bank B has yet to respond to the bank confirmation letters from the Forensic Accountant. The Forensic Accountant and the management of the Company and Ruashi have used their best endeavours to follow up with Bank A for a response, but no reply has been received to date.

- (iii) The Forensic Accountant has requested Bank A and Bank B for information to identify the online banking user account (i.e., the authorised personnel of Ruashi) who initiated and/or approved Ruashi's online banking payments that took place between 1 January 2016 and 31 March 2025. Up to the date of the Interim Forensic Report, the Forensic Accountant has not received the requested information from Bank B, and the online banking approver information provided by Bank A only showed the last approver of each transaction (which could be a Type A or Type B approver) and information about the other approver is not available.
- (iv) The Forensic Accountant has not obtained sufficient information and/or clarification from Bank A to ascertain: who used Employee B's online banking login credentials after 5 October 2020; whether or when Bank A deactivated the online banking login credentials upon receipt of the written instructions from Ruashi to do so; why Bank A has not deactivated Employee B's online banking login credentials per Ruashi's written instruction; and whether the payments processed using Employee B's online banking login credentials were authorised and if so who authorised them.
- (v) No response from one of the top three foreign ore suppliers to the Forensic Accountant's request for interview and confirmations. To the extent that the Forensic Accountant was able to identify the contact information of nine suppliers that were involved in the alleged misappropriation scheme, the Forensic Accountant was only able to conduct interview with, and received the returned confirmation from, one of those nine suppliers.
- (vi) No response from various former employees to the Forensic Accountant's request for interview.
- (vii) No update or interim results have been received from the Public Prosecutor to the report filed by Ruashi against its various current or former employees.
- (viii) The Forensic Accountant's review of the occurrence of the foreign ore purchases and the business substance of the payments to government was constrained by the documents that Ruashi had prepared, retained, or was otherwise able to access.

6. RECOMMENDATIONS BY INDEPENDENT FORENSIC ACCOUNTANT

In light of the key findings of the Forensic Accountant outlined above and the remedial actions taken by the Company so far, the Forensic Accountant makes the following recommendations with respect to the procurement and disbursement processes of Ruashi:

- (i) Proper execution of supplier onboarding processes and relevant third-party due diligence procedures.
- (ii) Obtain adequate legal advice when engaging with new intermediaries to provide consultancy services in relation to government affairs, such as payment arrangement and nature of services rendered.
- (iii) Register the approved vendors in Ruashi's Delta accounting system.
- (iv) Prohibiting the use of personal bank accounts or cash to settle corporate transactions.
- (v) Payment shall only be paid to contracted parties.
- (vi) Strengthening detective monitoring over payments exceeding defined thresholds, such as involving additional approver from designated members of Metorex's Executive Committee.
- (vii) Ensure document retention policy is properly implemented and being adhered to, and test effectiveness in on-going internal audit review, including but not limited to:
 - (i) Maintain proper inventory log for foreign ore purchases.
 - (ii) Retain tracker log to record government affairs, claims/penalties exposure and settlement solution, and approval records.
- (viii) Arrange regular trainings for employees and senior management to enhance employees' awareness and understanding of the standardized compliance requirements.

7. INFORMATION ABOUT THE GROUP

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.

Metorex is overseeing the mining operation of the Group in Africa.

Ruashi owns (a) the Ruashi Mine, an open-cast oxide copper and cobalt mine situated on the outskirts of Lubumbashi City, the capital of Haut-Katanga Province in the DRC and (b) the Musonoi Mine, an underground copper and cobalt mine situated in Kolwezi City, the capital of Lualaba Province in the DRC.

7.1 Historical output of the Ruashi Mine

Over the past ten years from 2016 to 2025, the production output of copper of Ruashi Mine remained relatively stable, ranging from around 30,000 tonnes to 34,000 tonnes, except for around 24,000 tonnes in 2018 and 26,000 tonnes in 2025.

For cobalt output, it increased from around 3,300 tonnes in 2016 to the peak of 5,000 tonnes in 2019. Thereafter, the output was on a decreasing trend to the new low of approximately 130 tonnes in 2025, mainly due to no foreign ore was purchased for ore blending purpose, resulting in a decline in ore grade and recovery rates. In addition, in view of the continuous decline in cobalt market prices (see more information under the section headed “8. Copper and Cobalt prices from 2016 to 2025” below), Ruashi Mine had adjusted its production plan to reduce the cobalt output accordingly.

7.2 Changes in the role and position of senior personnel and authorised bank signatories of Ruashi in March and November 2020

Mr. Cheng was the general manager of Ruashi from April 2015 to 5 March 2020. He was a director of Metorex from August 2017 to September 2024 and was the chairman and chief executive officer of Metorex from 5 March 2020 to September 2024. Mr. Cheng was appointed as an executive director of the Company since 21 April 2020 and became Chairman of the Board since 21 April 2022. Mr. Cheng was one of the Type A authorised bank signatories of Ruashi from 2016 to 2024. As represented by Mr. Cheng, although Mr. Cheng was the Type A authorised bank signatory of Ruashi, he did not authorise any payments of Ruashi between 5 March 2020 to September 2024 since he resigned as Ruashi’s general manager on 5 March 2020.

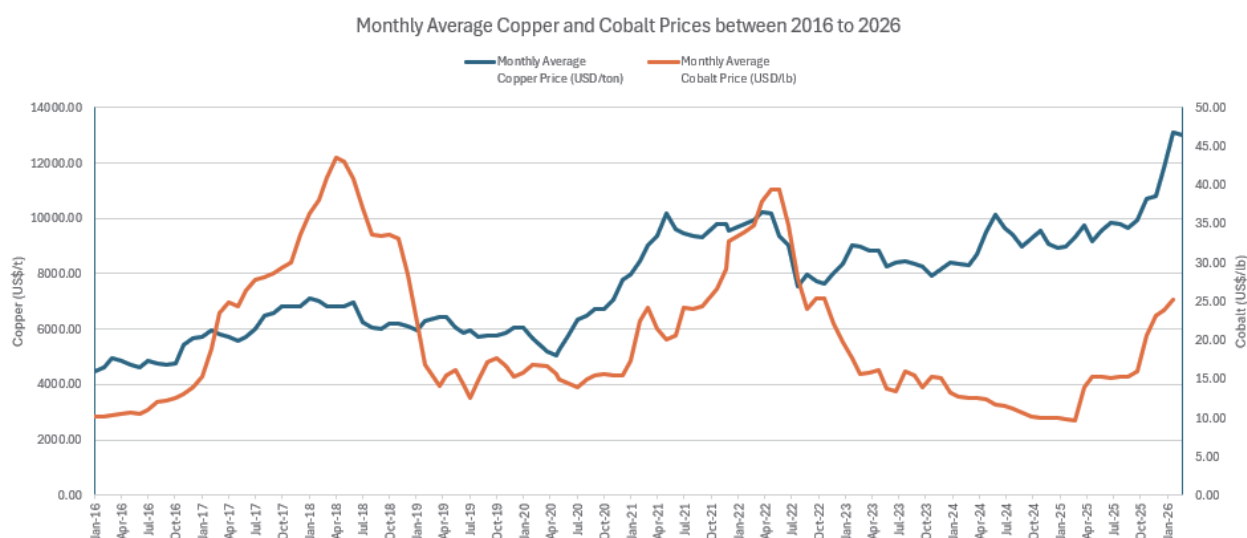
Employee A was the deputy general manager of Ruashi from 1 December 2006 to 5 March 2020. He became the general manager of Ruashi on 5 March 2020 and further became the chairman of Ruashi in September 2024. Employee A became one of the Type A authorised bank signatories of Ruashi in 2020. The Company has suspended Employee A’s duty and is taking steps to remove him as the chairman and the general manager of Ruashi.

Employee B was the finance deputy head of department of Ruashi between July 2015 and November 2016. He was the CFO of Ruashi from December 2016 to October 2020. Employee B was one of the Type A authorised bank signatories of Ruashi from around August 2016 to November 2020.

Employee C joined Ruashi on 1 November 2020 as one of the Finance Departmental Manager. As at the date of the Interim Forensic Report, he is still the Finance Departmental Manager of Ruashi.

8. COPPER AND COBALT PRICES FROM 2016 TO 2025

Set out below is the chart showing the monthly average copper and cobalt prices from 2016 to 2025 for the purpose of illustrating copper and cobalt historical price trends.



Source: Wind, Bloomberg, Westmetal

As shown in the above chart, copper prices traded in the range of approximately USD4,500 to USD7,000 per tonne from 2016 to June 2020, then began to increase to reach about USD10,000 per tonne in May 2021. Copper prices traded in the range of USD8,000 to USD10,000 from May 2021 to April 2022. It then fell sharply to around USD7,600 per tonne in October 2022. Thereafter, prices began to increase and reached USD12,000 per tonne in December 2025.

Also shown in the above chart, cobalt prices increased from approximately USD10.08 per pound in January 2016 to a peak of approximately USD43.45 per pound in April 2018. Then cobalt prices dropped to a low of approximately USD12.61 per pound in July 2019. It then traded in the range of approximately USD13.82 to USD17.67 per pound between August 2019 to December 2020. Then cobalt prices rose to another peak of approximately USD39.42 per pound in May 2022. It then turned to fall sharply and reached a low of approximately USD9.60 per pound in February 2025. Cobalt prices rebounded and traded at approximately USD24.25 per pound in December 2025.

9. OBSERVATIONS AND RECOMMENDATIONS FROM THE SIC AND BOARD ON THE KEY FINDINGS OF THE INTERIM FORENSIC REPORT

The SIC and the Board are reviewing the key findings of the Interim Forensic Report and are seeking professional advice on them. Further announcement will be made by the Company regarding the observations and recommendations of the SIC and the Board as soon as practicable.

10. 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.

Shareholders and potential investors of the Company are advised to exercise caution in dealing in the securities of the Company.

11. DEFINITIONS

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

“Bank A”	a regulated financial institution based in the DRC and was created on 2 May 2002
“Bank B”	a commercial bank based in the DRC and began operations in 2004
“Bank C”	the leading private pan-African financial services group headquartered in Togo and founded in 1985
“Board”	the board of directors
“CFO”	abbreviation for chief financial officer
“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)
“Crowe”	Crowe (HK) CPA Limited, the current auditors of the Company
“Director(s)”	the director(s) of the Company

“DRC”	the Democratic Republic of Congo
“Employee A”	the Chairman and the general manager of Ruashi (whose duty has been suspended by the Company)
“Employee B”	the CFO of Ruashi between December 2016 to October 2020
“Employee C”	the current Finance Departmental Manager of Ruashi
“Employee D”	a former employee of Ruashi, whose last position was the CFO of Ruashi
“Employee E”	a former employee of Ruashi, whose last position was the Finance Departmental Manager of Ruashi
“Employee F”	a current employee of Ruashi, whose last position was the Compliance Departmental Manager of Ruashi
“Forensic Accountant”	a multinational forensic accounting firm engaged by the Company for conducting independent forensic investigation procedures and reporting its findings to the SIC
“Group”	collectively, the Company and its subsidiaries controlled by the Company from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Forensic Investigation”	an independent forensic investigation into the relevant matters of Ruashi, including the enquiries made by Deloitte, the complaints received by the Company and the results of the follow up internal review conducted by the Company and special audit on Ruashi’s procurement and payment cycle conducted by the outsourced Internal Auditor of Metorex (a global accounting firm)
“Interim Forensic Report”	the interim report of the Independent Forensic Investigation prepared by the Forensic Accountant
“Internal Control Consultant”	the independent internal control consultant engaged by the Company to conduct a review of the Group’s internal control policies and procedures

“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Metorex”	Metorex (Proprietary) Limited, a company incorporated in South Africa and an indirect wholly-owned subsidiary of the Company
“Mr. Cheng”	Mr. Cheng Yonghong, the Chairman of the Board and an Executive Director
“PRC”	the People’s Republic of China, for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Review Period”	the period of review from 2016 to March 2025 under the Independent Forensic Investigation
“Ruashi”	Ruashi Mining SAS, a company incorporated in the DRC and an indirect non wholly-owned subsidiary of the Company
“Ruashi Mine”	an open-cast oxide copper and cobalt mine owned by Ruashi and situated in the DRC on the outskirts of Lubumbashi City, the capital of Haut-Katanga Province
“Shares”	shares of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“SIC”	special investigation committee of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
“Third-Party Agent GFS”	a third-party consultant agent engaged by Ruashi to provide advice on formulating responses to the government claims/penalties, and to negotiate with the official administrations on behalf of Ruashi
“USD”	United States dollars, the lawful currency of the United States of America

“%”

per cent.

By order of the Board
Jinchuan Group International Resources Co. Ltd
Wong Tak Chuen
Company Secretary

Hong Kong, 15 March 2026

As at the date of this announcement, the Board comprises two executive Directors, namely Mr. Cheng Yonghong and Mr. Gao Tianpeng; one non-executive Director, namely Mr. Wang Qiangzhong; and three independent non-executive Directors, namely Mr. Yen Yuen Ho, Tony, Mr. Poon Chiu Kwok and Ms. Han Ruixia.