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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)**

**CONNECTED TRANSACTION  
IN RELATION TO THE FURTHER CONSTRUCTION CONTRACT  
(DEEP PROCESSING)**

On 3 May 2024, Ruashi SAS entered into the Further Construction Contract (Deep Processing) with Concrease in relation to the construction and installation of hydrometallurgical system for processing 140kt/a copper and cobalt sulfide concentrate and 300kt/a oxide ore (dry weight) for Musonoi Project.

As at the date of this announcement, 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, the transactions between JCG Group (including Concrease) and the Group constitute connected transaction/continuing connected transaction of the Company, and are subject to the relevant disclosure and (if required) independent shareholders' approval requirements as stipulated in the Listing Rules.

As the construction and installation works under the Musonoi Project are for the Group's own use in its ordinary and usual course of business, the transactions contemplated under the Project Contracts (as disclosed in the Company's announcements dated 24 November 2022 and 2 December 2022) and the Further Construction Contract (Deep Processing) are normally not required to be aggregated and treated as one transaction according to Rule 14.23A of the Listing Rules.

The transactions contemplated under each of the Project Contracts and the Further Construction Contract (Deep Processing) constitute connected transactions of the Company under Chapter 14A of the Listing Rules. The Project Contracts constitute a series of connected transactions entered into within a 12-month period and are subject to the aggregation rule under Rule 14A.81 of the Listing Rules. The Company has convened an extraordinary general meeting on 7 March 2023 and obtained the approval from the Independent Shareholders with respect to the Procurement Contract and the transactions contemplated thereunder. Please refer to the poll results announcement of the Company dated 7 March 2023 for further details.

Given that the Company has already complied with all connected transactions requirements with respect to the Project Contracts and that the applicable percentage ratio (as defined under the Listing Rules) in respect of the transactions under the Further Construction Contract (Deep Processing) are more than 0.1% but less than 5%, the transaction under the Further Construction Contract (Deep Processing) is subject only to the reporting, announcement requirements but is exempt from independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **INTRODUCTION**

Reference is made to (i) the announcement of the Company dated 24 November 2022 regarding the construction and installation contract entered into between Ruashi SAS 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, Lualaba Province of the DRC; and (ii) the announcement and the circular of the Company dated 2 December 2022 and 14 February 2023, respectively, regarding, among others, the procurement contract entered into between Ruashi SAS 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.

Associated with the development of Musonoi Project, on 3 May 2024, Ruashi SAS entered into a construction contract with Concrease in relation to the construction and installation of hydrometallurgical system for processing 140kt/a copper and cobalt sulfide concentrate and 300kt/a oxide ore (dry weight) for Musonoi Project.

## **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 SAS is an indirect non wholly-owned subsidiary of the Company. Ruashi SAS is held as to 75% thereof by Ruashi Holdings (Proprietary) Limited, a wholly-owned subsidiary of the Company, and the remaining 25% interest thereof is owned by Gécamines SA.

JCG is the ultimate holding company of the Company. JCG was founded in 1959 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, fifth largest cobalt producer in the world and the fourth 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 natural persons, namely, Tshishika Gauthier KAKOMA (owning 25.5% in Concrease) and Fukwiji Lodrick MULOMBA (owning 25.5% in Concrease). To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of these two DRC Shareholders is an Independent Third Party. Concrease is principally engaged in supplying engineering and construction services to mining industry.

As at the date of this announcement, 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, the transactions between JCG Group (including Concrease) and the Group constitute connected transaction/continuing connected transaction of the Company, and are subject to the relevant disclosure and (if required) independent shareholders' approval requirements as stipulated in the Listing Rules.

### **FURTHER CONSTRUCTION CONTRACT (DEEP PROCESSING)**

On 3 May 2024, Ruashi SAS entered into the Further Construction Contract (Deep Processing) with Concrease in relation to the construction and installation of hydrometallurgical system for processing 140kt/a copper and cobalt sulfide concentrate and 300kt/a oxide ore (dry weight) for Musonoi Project.

The Construction Contract, the Procurement Contract and the Further Construction Contract (Deep Processing) are not inter-conditional with each other.

### **Principal terms of the Further Construction Contract (Deep Processing)**

<b><i>Date</i></b>	3 May 2024
<b><i>Parties</i></b>	(i) Ruashi SAS; and (ii) Concrease

### ***Subject matter***

Pursuant to the Further Construction Contract (Deep Processing), Ruashi SAS shall entrust Concrease to construct and install hydrometallurgical system for processing 140kt/a copper and cobalt sulfide concentrate and 300kt/a oxide ore (dry weight) for Musonoi Project.

### ***Duration***

The commencement date shall be the signing date of the Further Construction Contract (Deep Processing) and the completion date (taking over) shall be no later than 31 December 2024.

### ***Contract price***

The total contract price shall be US\$55,900,651, comprising US\$47,696,801 to be paid by Ruashi SAS to Concrease for construction, installation and other costs of the project, US\$572,362 in 1.2% local tax in DRC withheld by Ruashi SAS, and US\$7,631,488 as 16% local VAT of DRC.

The contract price shall be paid in manner as follows:

- 90% of the contract price (inclusive of the advance payment, i.e. 20% of the contract price which shall be paid within 60 days from signing of the Further Construction Contract (Deep Processing) and 20% of the contract price which shall be paid within 90 days from signing of the Further Construction Contract (Deep Processing)) shall be paid based on the monthly progress of the project;
- 5% of the contract price shall be paid after the issuance of the project completion acceptance report by Ruashi SAS; and
- 5% of the contract price shall be paid after the expiration of the defect liability period, which is two years after completion acceptance of the construction and installation works by Ruashi SAS.

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

### **REASONS FOR AND BENEFIT OF THE FURTHER CONSTRUCTION CONTRACT (DEEP PROCESSING)**

Musonoi Project, which is currently under development, is located in Kolwezi City, which is a mining centre in the Lualaba Province of the DRC. The project licence is owned by Ruashi SAS. Musonoi Project has advanced through the scoping study, pre-feasibility study and feasibility study stages. Construction of the underground ramp was completed and the installation work of the shaft is close to complete. The design of the construction drawing of the deep processing facilities and the equipment tendering exercise were completed. The procurement of the engineering equipment and materials, as set out in the Company's announcement dated 27 October 2023, is currently underway.

The Further Construction Contract (Deep Processing) was awarded through open tendering process with the contract price determined based on (a) competitive tender; and (b) the feasibility study report issued by ENFI in respect of Musonoi Project. The Group reviewed and assessed the tenders submitted by both connected person(s) and Independent Third Party(ies), in order to ensure that the price and terms of the proposed tender submitted are no less favourable to the Group than those submitted by Independent Third Parties.

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

In preparing the tender documents, Ruashi SAS took into account factors including the expected technical requirements, the expected scope and complexity of the construction and installation works to be performed, the potential risks associated with the project, the expected cost and completion time for carrying out the construction work of similar scale and complexity.

In relation to the Further Construction Contract (Deep Processing), Ruashi SAS has conducted two rounds of tenders, one was conducted towards end of 2022 (the “**First Tender**”), while the other was conducted towards end of 2023 (the “**Second Tender**”).

For the First Tender, a total of 3 bids were received from Concrease and two other Independent Third Parties. However, as per the request of Gécamines SA (which holds 25% interest of Ruashi SAS), Ruashi SAS did not proceed to finalise the construction contract and proceeded to commence the Second Tender.

For the Second Tender, a total of 2 bids were received from Concrease and an Independent Third Party.

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, environmental protection quality control and assurance, and the qualification of the professional team to be engaged for the job, etc..

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 scored the highest marks among those provided by the other bidder. Ruashi SAS awarded the Further Construction Contract (Deep Processing) to Concrease.

In addition, the workforce of Concrease possesses proven experience and the technical capabilities necessary to complete mining projects in harsh environment including their experience in the construction and installation of mineral processing, tailings pond and filling system as designed by the Group and ENFI.

## **IMPLICATIONS UNDER THE LISTING RULES**

As the construction and installation works under the Musonoi Project are for the Group’s own use in its ordinary and usual course of business, the transactions contemplated under the Project Contracts (as disclosed in the Company’s announcement dated 24 November 2022 and 2 December 2022) and the Further Construction Contract (Deep Processing) are normally not required to be aggregated and treated as one transaction according to Rule 14.23A of the Listing Rules.

The transactions contemplated under each of the Project Contracts and the Further Construction Contract (Deep Processing) constitute connected transactions of the Company under Chapter 14A of the Listing Rules. The Project Contracts constitute a series of connected transactions entered into within a 12-month period and are subject to the aggregation rule under Rule 14A.81 of the Listing Rules. The Company has convened an extraordinary general meeting on 7 March 2023 and obtained the approval from the Independent Shareholders with respect to the Procurement Contract and the transactions contemplated thereunder. Please refer to the poll results announcement of the Company dated 7 March 2023 for further details.

Given that the Company has already complied with all connected transactions requirements with respect to the Project Contracts and that the applicable percentage ratio (as defined under the Listing Rules) in respect of the transactions under the Further Construction Contract (Deep Processing) are more than 0.1% but less than 5%, the transaction under the Further Construction Contract (Deep Processing) is subject only to the reporting, announcement requirements but is exempt from independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **CONFIRMATION OF THE BOARD**

The Directors (including the independent non-executive Directors) consider that the Further Construction Contract (Deep Processing) was entered into in the ordinary and usual course of business of the Group, the terms of the Further Construction Contract (Deep Processing) 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.

None of the Directors have any material interest in the Further Construction Contract (Deep Processing) for which they would be required to abstain from voting on the relevant board resolution approving the Further Construction Contract (Deep Processing) 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 resolutions in connection with the Further Construction Contract (Deep Processing), as they also serve as directors and/or senior management of JCG and/or its subsidiaries.

## **DEFINITIONS**

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

“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 SAS 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
“ENFI”	China ENFI Engineering Corporation
“Further Construction Contract (Deep Processing)”	the construction and installation contract entered into between Ruashi SAS and Concrease on 3 May 2024 in relation to the construction and installation of hydrometallurgical system for processing 140kt/a copper and cobalt sulfide concentrate and 300kt/a oxide ore (dry weight) for Musonoi Project
“Gécamines SA”	La Générale des Carrières et des Mines, a state-owned mining company registered in the DRC
“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 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 announcement, excluding the Group
“Jinchuan Cooperation Company”	甘肅金川國際經濟技術合作有限責任公司 (Gansu Jinchuan International Cooperation Co., Ltd.*), a direct wholly-owned subsidiary of Jinchuan E&C
“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)
“kt/a”	kilotonne(s) per annum
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Musonoi Project”	a constructing copper-cobalt project owned by Ruashi SAS and located in Kolwezi, Lualaba Province, the DRC
“PRC”	the People’s Republic of China, for the purposes of this announcement, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Procurement Contract”	the procurement contract entered into between Ruashi SAS 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
“Ruashi SAS”	Ruashi Mining SAS, a company incorporated in the DRC and an indirect non wholly-owned subsidiary of the Company
“Share(s)”	ordinary shares of HK\$0.01 each in the share capital of the Company listed on the Stock Exchange
“Shareholder(s)”	the holder(s) of the Share(s)

“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
“VAT”	value-added tax
“Zambia”	the Republic of Zambia
“%”	percentage

\* *For identification purposes only*

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

Hong Kong, 3 May 2024

*As at the date of this announcement, the Board comprises two executive Directors, namely Mr. Gao Tianpeng and Mr. Cheng Yonghong; 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.*