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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)**

**INSIDE INFORMATION:  
KEY FINDINGS OF  
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; (x) the announcement of the Company dated 25 February 2026 in relation to supplemental information on the appointment of auditor; (xi) the announcement of the Company dated 15 March 2026 in relation to progress update on the Independent Forensic Investigation; (xii) the announcement of the Company dated 20 March 2026 in relation to positive profit alert; (xiii) the announcement of the Company dated 30 March 2026 in relation, among other things, the quarterly update on the resumption progress of the Company; (xiv) the annual results announcement for the year ended 31 December 2024 of the Company dated 31 March 2026; (xv) the announcement of interim results for the six months ended 30 June 2025 of the Company dated 31 March 2026; and (xvi) the annual results announcement for the year ended 31 December 2025 of the Company dated 31 March 2026.

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

## **REPORT ON THE INDEPENDENT FORENSIC INVESTIGATION**

In the Company's announcement dated 15 March 2026, the Company disclosed the key findings of the Independent Forensic Investigation, based on an Interim Forensic Report submitted by the Forensic Accountant to the SIC at the relevant time.

On 20 May 2026, the Forensic Accountant submitted its final forensic report (the "**Forensic Report**") to the SIC.

## **KEY FINDINGS OF THE INDEPENDENT FORENSIC INVESTIGATION**

Below are the key findings of the Independent Forensic Investigation.

## **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 Mine, 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 USD258.4 million made by Ruashi Mine to a total of 18 suppliers during the Review Period; and
- (ii) payments in the sum of USD7.1 million paid by Ruashi Mine 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 Mine, Metorex and the Company, and the remediating actions taken by the current management team of Ruashi Mine, 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 Mine 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 Mine'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 Mine's procurement and payment controls was assessed as moderate, despite substantively adequate control design.*

## 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 Mine; reviewed prevailing policies and procedures of Ruashi Mine'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 check:** 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; analyzed transactional information obtained directly from the relevant banks containing approver identity and counterparty names of online banking transactions; obtained and reviewed the onboarding documentation retained by Ruashi Mine relating to the relevant suppliers; obtained Ruashi Mine's accounting records, thereby quantifying and identifying the accounting treatment of the payments; performed reconciliation of bank statements and bank ledgers that were independently obtained by the Forensic Accountant from relevant banks against those retained by Ruashi Mine'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 Mine suppliers as a reference; selected a total of 897 out of 1,201 sample payments made to the 18 suppliers and Employee F and reviewed the relevant procurement, payment, and authorisation documentation; selected 26 samples of consultancy and foreign ore payments made to other suppliers during the Review Period, reviewed the relevant procurement, payment, and authorisation documentation, reviewed onboarding information of the selected suppliers, performed public domain background research, and reviewed documents identified from computer forensic procedures, to identify potentially problematic counterparties outside of the 18 suppliers that may be involved in the alleged misappropriation scheme; obtained and reviewed the bank ledger and the corresponding bank statements for Ruashi Mine's bank accounts held with the relevant banks, covering the 12 months period from 1 April 2025 to 31 March 2026 (i.e. the 12 months after the Review Period), to identify the payments made subsequent to the Review Period to the 18 suppliers and Employee F's personal bank account.

- (iv) **Computer forensic procedures:** identified, collected, and preserved forensic images of (i) electronic data stored in the corporate electronic device(s) of seven current and four former employees; (ii) the WeChat and WhatsApp application data residing on the personal mobile phones of Executive Directors of the Company; and (iii) archives of server mailboxes and/or email vault assigned to 18 custodians, including 16 current or former employees of the Company, Metorex and Ruashi Mine and two Executive Directors of the Company; developed targeted search terms to identify and review responsive documents related to the allegations; reviewed a total of over 34,000 electronic documents pertaining to 18 custodians; and performed email gap analysis and mass data deletion analysis.
- (v) **Interviews with employees and third-parties:** conducted interviews with directors, senior management and employees of the Company, Metorex and Ruashi Mine who were involved in the key decision-making process and/or execution of the payments, liaison with local government bodies and third-party suppliers, and procurement and processing of foreign ores; conducted interviews with Ruashi Mine'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 members of the independent professional adviser who conducted the special audit on Ruashi Mine's procurement and payment cycle for 2021 to 2023; 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.

## SUMMARY OF THE KEY FINDINGS OF THE INDEPENDENT FORENSIC INVESTIGATION

Below is a summary of the key findings of the Independent Forensic Investigation, based on the Forensic Report submitted by the Forensic Accountant to the SIC on 20 May 2026:

### (A) 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:

	<b>Section</b>	<b>Description</b>	<b>Amount</b> <i>(USD million)</i>
<b>Payments with business purposes</b>	(B)	Payments relating to foreign ore purchases	45.1
	(C)	Payments relating to government-related affairs	66.8
	(D)	Payments relating to other business purposes, such as bank fees, procurement of spare parts, gravel and/or sands, and other advisory services	9.1
<b>Alleged misappropriation</b>	(E)	Payments relating to an alleged misappropriation scheme: payments to (i) 12 suppliers, and (ii) Employee F's personal bank account	137.4 + 7.1 = 144.5
		<b>Total</b>	<b>265.5</b>

## **(B) 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 Mine 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, Ruashi Mine'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. 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 Mine's production requirements.

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

- (i) Ruashi Mine 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 Mine purchased ore from four of the five foreign ore suppliers that were not registered in the Delta accounting system of Ruashi Mine. 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 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 Mine have not been fully adhered to and the record retention was incomplete, the management of the Company has procured the current management of Ruashi Mine and Metorex to implement or will implement various remedial actions:

- (i) since the commencement of the Independent Forensic Investigation, Ruashi Mine has ceased to enter into any further foreign ore purchase 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 Mine's current management to undertake enhancement steps to properly adhere to the internal policies on procurement and disbursement, and document retention.

### **(C) Payments Relating to Government-Related Affairs**

The Forensic Accountant noted that a total sum of approximately USD66.8 million was paid by Ruashi Mine directly or indirectly to Third-Party Agent GFS.

By way of background, the mining businesses of Ruashi Mine 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 85% 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 the end of the Review Period in March 2025, Ruashi Mine made further payments of USD2.4 million to Third-Party Agent GFS, representing 4% of the payments relating to government-related affairs.

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

- (i) Ruashi Mine made payments to Third-Party Agent GFS for its services through two different methods.

First, during the period between 2018 and 2025, Ruashi Mine made 29 direct payments in a total sum of USD7.8 million to Third-Party Agent GFS via bank transfers.

Second, during the period between November 2020 and February 2024, 207 payments in a total sum of USD59.0 million were made indirectly to Third-Party Agent GFS in cash, and the mechanics for such payments are as follows:

- a. Ruashi Mine remitted the funds to other relevant suppliers;
  - b. the other relevant suppliers subsequently withdrew the funds in cash and handed over the cash to Employee D and Employee E; and
  - c. 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 USD7.8 million in direct bank transfers from Ruashi Mine and USD59.0 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 Mine at the time the cash payments were made.
- (iii) Ruashi Mine 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 Mine 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 Mine'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 Mine and Third-Party Agent GFS, government letters showing the reduced claims/penalties and the relevant settlement made by Ruashi Mine, the internal funds requisition forms for payments made by Ruashi Mine, bank records for the settlement of service fees made to Third-Party Agent GFS, and bank records for the settlement of the reduced claims/penalties made to governmental bodies totalling USD6.3 million, representing 1.1% of the original amount of claims/penalties. 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 Mine to Third-Party Agent GFS, due to the long passage of time since those payments were made, Employee A and Employee C were unable to locate a complete set of the contractual documentation.
- (vi) There is no documentary evidence indicating that any Ruashi Mine employees instructed Third-Party Agent GFS to make illegal payments to government bodies or officials.

Taking into account the facts and circumstances and available documentary evidence, the Forensic Accountant considered that the reduction in government claims/penalties, on balance, could be the result of services rendered by Third-Party Agent GFS.

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 Mine 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 Mine 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 August 2025, Ruashi Mine had ceased to procure further service from Third-Party Agent GFS.

**Remediating actions:** Considering the procurement and payment procedures of Ruashi Mine have not been fully adhered to and the record retention was incomplete, the management of the Company has agreed to procure the current management of Ruashi Mine 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 Mine's current management to undertake enhancement steps to properly adhere to the internal policies on procurement and disbursement, and document retention.

## (D) Payments Relating to Other Business Purposes

The Forensic Accountant identified a total sum of USD9.1 million that was paid by Ruashi Mine 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 34 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 funds 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 Mine.

**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 current management of Ruashi Mine and Metorex to implement or will implement various remedial actions:

- (i) since 31 July 2025, Ruashi Mine has ceased to conduct any business with the above 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 Mine's current management to undertake enhancement steps to properly adhere to the internal policies on procurement and disbursement, and document retention.

## (E) Payments Relating to an Alleged Misappropriation Scheme

**Transactions without any apparent business purposes:** The Forensic Accountant, through computer forensic procedures and confirmations from the current Finance Departmental Manager of Ruashi Mine (Employee C), noted that a total sum of USD144.5 million made by Ruashi Mine was without any apparent business purpose.

Out of the total USD144.5 million, it consisted of (i) a sum of USD137.4 million made by Ruashi Mine 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 USD7.1 million made by Ruashi Mine to the personal bank account of Employee F (not being part of the transactions between Ruashi Mine and the 12 suppliers) in the period between 12 June 2017 and 19 March 2024 purportedly for the purpose of settling government-related expenses.

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

Employee D joined Ruashi Mine 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 Mine on 27 April 2024. Employee E joined Ruashi Mine 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 Mine on 30 September 2024. Employee F joined Ruashi Mine in May 2006 as Unit Manager and was promoted to Tax Specialist in March 2017 and Compliance Departmental Manager in September 2020, and he left Ruashi Mine in April 2026. They were part of the local management team of Ruashi Mine.

The modus operandi of the scheme would involve various staff of Ruashi Mine overriding Ruashi Mine'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 Mine.
- (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 Employee C of Ruashi Mine 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 Mine approval requirements at the time to defraud Ruashi Mine.

The Forensic Accountant also noted that approximately 96.3% 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 Mine in November 2020 and remained in that position until he left Ruashi Mine on 27 April 2024. Under Ruashi Mine'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 Mine's internal policies, a fund application would be approved by three approvers, including Ruashi Mine's finance departmental manager, the CFO and finally the General Manager.

Based on the information available to the Forensic Accountant up to the date of the Forensic Report, the Forensic Accountant has been able to identify certain approvers in respect of approximately 71% of the total alleged misappropriation payments (in terms of monetary amount). Out of which:

- (i) approximately 60.0% 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 11.0% 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 31.0% of the total alleged misappropriation payments was approved by Employee D (former CFO who left Ruashi Mine in April 2024);
- (ii) approximately 21.4% of the total alleged misappropriation payments was approved by Employee E (former Finance Departmental Manager who left Ruashi Mine in September 2024);
- (iii) approximately 6.5% the total alleged misappropriation payments was approved by an unknown person(s) who used the online banking login credentials belonging to Employee B, the former CFO who left Ruashi Mine in October 2020; and
- (iv) approximately 1.1% the total alleged misappropriation payments approved by Employee B.

For the payments processed by cheque or other means:

- (i) approximately 10.4% of the total alleged misappropriation payments approved by both Employee D and Employee E; and
- (ii) approximately 0.5% of the total alleged misappropriation payments approved by either Employee D or Employee E as one of the two required approvers, and the other approver being either Employee A (Ruashi Mine's General Manager whose role has been suspended since 14 February 2026), Employee B (former CFO who left Ruashi Mine in October 2020) or Employee C (the current Finance Departmental Manager of Ruashi Mine).

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 (provided by Employee C) under the letterhead of Ruashi Mine dated 2 November 2020 issued to Bank A to remove Employee B as its authorised signatory subsequent to Employee B left Ruashi Mine in October 2020. Bank A confirmed to the Forensic Accountant receipt of the instruction letter back on 3 November 2020. Bank A represented to the Forensic Accountant that the removal of Employee B's online banking access would require a separate instruction letter, as a separate instruction letter was not provided by Ruashi Mine, Bank A said that Employee B's online banking ID remained in effect after his removal from the list of authorised signatories.

The following factors are believed to have contributed to the alleged misappropriation scheme being successfully perpetrated by various employees of Ruashi Mine'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 Mine 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 Mine to significantly expand its procurement of foreign ores and incur higher mining and processing-related expenses in order to meet production need.

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

- (i) Ruashi Mine 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 Mine (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;
- (iv) pending completion of the internal control review and investigations in legal proceedings, the Company will, and will procure Ruashi Mine’s and Metorex’s current management to, undertake the corresponding remediating measures; and
- (v) due to Employee A’s oversight responsibility as Ruashi Mine’s General Manager and Ruashi SAS’s Chairman, the Company has suspended his duty and is taking steps to remove him as the Chairman of Ruashi SAS since 22 April 2026 and the General Manager of Ruashi Mine since 14 February 2026.

## **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 Mine; 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 current management of the Company and Ruashi Mine 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 Mine) that approved Ruashi Mine's online banking payments made between 1 January 2016 and 31 March 2025. Up to the date of the Forensic Report, the Forensic Accountant has not received the requested information regarding 492 payments (totalling USD75.5 million) from Bank A and 31 payments (totalling USD7.2 million) from Bank B. The online banking approver information provided by both Bank A and Bank B 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; and whether the payments processed using Employee B's online banking login credentials after 5 October 2020 were reported to and authorised by the wider management team of Ruashi Mine.
- (v) No response from one of the top three foreign ore suppliers and eight other suppliers to the Forensic Accountant's request for interview and confirmations.
- (vi) Certain former employees of Ruashi Mine and/or the Company did not respond to, or declined, interview requests from the Forensic Accountant.
- (vii) No update or interim results have been received from the Public Prosecutor to the report filed by Ruashi Mine against its various current or former employees.
- (viii) The Forensic Accountant's review of the occurrence of the foreign ore purchases and other business purposes, and the business substance of the payments to government was constrained by the documents that Ruashi Mine had prepared, retained, or was otherwise able to access.

## **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 Mine:

- (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 Mine'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:
  - (a) Maintain proper inventory log for foreign ore purchases; and
  - (b) 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.

## **OBSERVATIONS AND RECOMMENDATIONS OF THE SIC**

The SIC has regularly met with the Forensic Accountant and the legal counsel of the SIC, and discussed the progress of the Independent Forensic Investigation, the issues that have arisen in the course of the Independent Forensic Investigation and how such issues are to be resolved.

The SIC has also discussed the Independent Forensic Investigation with the Company's auditor to enable them to understand the scope, methodologies, audit issues, key findings and specific limitations of the Independent Forensic Investigation; and to discuss with them the potential implications for the audit. Based on the information shared during the discussions, the Company's auditor did not identify any matters, for the purpose of understanding the Independent Forensic Investigation, that would require further clarification regarding the forensic scope or methodologies.

The SIC has critically reviewed the Forensic Report (including its scope, methodologies and limitations) and considers that (i) the Independent Forensic Investigation has been properly conducted to achieve its objectives; and (ii) the Independent Forensic Investigation conducted is adequate to ascertain the relevant facts, address the identified issues, and achieve its objectives.

The SIC has the following observations:

1. To the satisfaction of the SIC, the Forensic Accountant explored all reasonably practicable means to conduct the Independent Forensic Investigation, and alternative procedures have been taken to address the specific limitations encountered by the Forensic Accountant insofar as it is reasonable and practicable.
2. Based on the key findings by the Forensic Accountant, discussions with the management team, and the SIC's independent assessment, the SIC considers that the misappropriation was directly attributed to misconduct of various employees of Ruashi Mine. The SIC noted that those employees who have been implicated in the misappropriation have left Ruashi Mine and the Company has reported the misappropriation to the law enforcement agency in the relevant jurisdictions, with a view to taking appropriate steps to recover funds that were misappropriated.

3. The SIC, concurring with the Forensic Accountant, considers that the root causes of the misappropriation and the other non-compliance with internal control protocols were due to certain internal control weaknesses of Ruashi Mine and management oversight as elaborated below.
4. The SIC noted that the senior management of Ruashi Mine failed to identify the occurrence of the fraud and to exercise effective supervision over Ruashi Mine's operation during the Review Period. There also existed non-compliances by various general staff in respect of certain Ruashi Mine's internal control procedures. These significantly hindered the effectiveness of Metorex's and the Company's supervision over Ruashi Mine during the Review Period.
5. The Forensic Accountant did not identify any documentary evidence of direct involvement in, or prior knowledge of, the misconduct on the part of the Company's management. The SIC has also considered all relevant facts disclosed in the Independent Forensic Investigation. Based on the information and evidence disclosed in the Independent Forensic Investigation, the SIC is not aware of any facts that would give rise to reasonable concerns regarding the integrity, character and competence of the Company's management.

The SIC is of the view that the contents and findings in the Forensic Report are reasonable and acceptable, and that the Forensic Accountant has adequately addressed the Allegation and the other issues identified during the Independent Forensic Investigation. Accordingly, the SIC has endorsed the findings of the Independent Forensic Investigation.

The SIC recommends that the Company take all necessary steps to implement the recommendations made by the Forensic Accountant in a timely and appropriate manner.

The SIC also recommends the Company to implement the following additional measures to enhance the Company's supervision and oversight over the business and management of the Group:

1. The Group should exercise enhanced control over the recruitment, supervision and performance appraisal processes of its subsidiaries. For example, the Company should be granted access rights to the Delta accounting system of Ruashi Mine and Metorex for regular and ad hoc monitoring purpose; Senior management of Ruashi Mine and Metorex should meet with the Remuneration and Nomination Committee of the Company prior to their appointment and periodically thereafter, and to report matters relating to Ruashi Mine and Metorex to the Board on a regular basis (at least twice per annum).
2. Periodic trainings on business ethics, compliance and regulatory issues should be provided to the management of the Group.
3. The Company and its subsidiaries should take all necessary steps to hold all persons implicated in the misappropriation liable for their wrongdoings. Such steps include, but are not limited to, reporting the matters to the relevant public authorities for investigation and criminal prosecution in the appropriate jurisdictions and commencing legal proceedings against them to recover all losses suffered by the Company and its subsidiaries.

4. The Company and its subsidiaries should seek professional advice as to the appropriate action (disciplinary and/or civil action) to be taken against those employees, intermediaries and other persons/entities who were negligent in the discharge of their duties or failed to cooperate with SIC in the Independent Forensic Investigation.

## **VIEWS AND RESPONSES OF THE BOARD**

The Board has reviewed the Forensic Report. The Board is of the view that the Independent Forensic Investigation has been properly conducted to investigate and address the relevant matters of Ruashi Mine to the extent that is practicable, despite the limitations as set forth above, and that the findings of the Independent Forensic Investigation are reasonable. The Board endorses the key findings of the Independent Forensic Investigation.

The Board concurred with the observations of the SIC and agreed with their recommendations. The Board has resolved that the Company take immediate steps to implement the recommendations of the SIC.

The Board is of the view that the issues identified in the Independent Forensic Investigation do not affect the business operation of the Group as all persons found to have implicated in the misappropriation have left the Group or had already been suspended or discharged from their duties and the Company has taken appropriate remedial steps to address the issues.

As regards the financial impact of the key findings of the Independent Forensic Investigation, the Board has sought professional advice from the auditors on the appropriate accounting treatment and presentation in accordance with applicable accounting standards. The misappropriation amounts had previously been recorded as various mining and operational expenses in prior years. Based on professional advice, such amounts should be reclassified as “other losses” in the financial statements of those years, and such reclassification will have no material impact on the overall profit or loss and financial position of those years.

## **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.**

By order of the Board  
**Jinchuan Group International Resources Co. Ltd**  
**Gao Tianpeng**  
*Chief Executive Officer*

Hong Kong, 22 May 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.*