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Zijin Mining Group Co., Ltd.*

紫金礦業集團股份有限公司

(a joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock code: 2899)

Connected Transaction - Capital Increase and Expansion of a Subsidiary

Zijin Copper Foil, a subsidiary of the Company, proposed to conduct capital increase and expansion. It is proposed that all parties to the Transaction shall make capital contribution in an aggregate amount of RMB501.88 million, of which, South Investment (a wholly-owned subsidiary of the Company), Minxi Xinghang and Transfar Chemicals shall contribute RMB260 million, RMB60 million and RMB181.88 million in cash, respectively. Upon the completion of the capital increase, the registered capital of Zijin Copper Foil will be increased to RMB900 million. South Investment, Minxi Xinghang and Transfar Chemicals will hold 60%, 20% and 20% of the equity interest in Zijin Copper Foil, respectively.

The Transaction was considered and approved at the thirteenth extraordinary meeting in 2022 of the seventh term of the Board of the Company. A Director with connected relationship abstained from voting. The Independent Directors have issued prior approval opinions and independent opinions.

Implications under the Listing Rules

As the percentage equity interest of South Investment (a wholly-owned subsidiary of the Company) in Zijin Copper Foil will be reduced from 70% to 60% upon the completion of the Transaction, the Transaction constitutes a deemed disposal of equity interest in Zijin Copper Foil under Rule 14.29 of the Listing Rules.

As at the date of this announcement, Minxi Xinghang is a Substantial Shareholder of the Company and holds approximately 23.11% of the equity interest in the Company. Minxi Xinghang is a Connected Person of the Company. Therefore, the Transaction constitutes a Connected Transaction of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios in relation to the Transaction (as set out in the Listing Rules) is/are more than 0.1% but all the applicable percentage ratios (other than the profits ratio) are less than 5%, the Transaction is exempt from the circular and the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules, but is subject to the reporting and announcement

requirements under Chapter 14A of the Listing Rules.

Zijin Copper Foil, a subsidiary of the Company, proposed to conduct capital increase and expansion. It is proposed that all parties to the Transaction shall make capital contribution in an aggregate amount of RMB501.88 million, of which, South Investment (a wholly-owned subsidiary of the Company), Minxi Xinghang and Transfar Chemicals shall contribute RMB260 million, RMB60 million and RMB181.88 million in cash, respectively. Upon the completion of the capital increase, the registered capital of Zijin Copper Foil will be increased to RMB900 million. South Investment, Minxi Xinghang and Transfar Chemicals will hold 60%, 20% and 20% of the equity interest in Zijin Copper Foil, respectively.

The Transaction was considered and approved at the thirteenth extraordinary meeting in 2022 of the seventh term of the Board of the Company. A Director with connected relationship abstained from voting. The Independent Directors have issued prior approval opinions and independent opinions.

I. Overview of the Transaction

In order to fully implement the Company's new material industry development strategy and configure the downstream industries of its main products, South Investment, a wholly-owned subsidiary of the Company, and Minxi Xinghang jointly set up Zijin Copper Foil. As at the date of this announcement, the two parties have contributed RMB400 million in total. Among which, South Investment invested a total of RMB280 million in cash, holding 70% of the equity interest in Zijin Copper Foil, and Minxi Xinghang invested a total of RMB120 million in cash, holding 30% of the equity interest in Zijin Copper Foil. Zijin Copper Foil mainly engages in the development and operation of high-performance electronic copper foil project with an annual output of 20,000 tonnes.

In order to meet the capital needs of the project construction and operation and the plan for the phase 2 production expansion, Zijin Copper Foil proposed to conduct capital increase and expansion. Its registered capital will be increased to RMB900 million, and Transfar Chemicals will be introduced as a strategic investor. It is proposed that all parties to the Transaction shall make capital contribution in an aggregate amount of RMB501.88 million, of which, South Investment shall invest RMB260 million in cash and hold 60% of the equity interest after the completion of the capital increase; Transfar Chemicals shall invest RMB181.88 million in cash, of which RMB180 million and RMB1.88 million shall be recognised as the registered capital and capital reserve, respectively. After the capital increase, it will hold 20% of the equity interest; and Minxi Xinghang shall invest RMB60 million in cash and hold 20% of the equity interest after the capital increase.

The consideration of the capital increase is determined through arm's length negotiation among all parties to the Transaction. Among which, the amount to be contributed by Transfar Chemicals is determined by taking reference to the share capital to be subscribed, the interest costs of the prior investments made by the

original shareholders, etc. The amount to be contributed by other original shareholders are based on the share capital to be subscribed.

As Minxi Xinghang is a Substantial Shareholder of the Company, the capital increase constitutes a connected transaction under the stipulations of the Rules Governing the Listing of Stocks on Shanghai Stock Exchange. It was considered and approved at the thirteenth extraordinary meeting in 2022 of the seventh term of the Board of the Company. Mister Li Jian, a Director with connected relationship, abstained from voting. The Independent Directors of the Company have issued prior approval opinions and independent opinions. The Connected Transaction is not required to be tabled to the Shareholders' general meeting of the Company for approval and does not constitute a material asset restructuring stipulated in the Measures for the Administration of the Material Asset Restructurings of Listed Companies.

II. Basic information about the Joint Venture Company

Company name: Fujian Zijin Copper Foil Technology Co., Ltd.

Type of enterprise: other limited liability company

Legal representative: Huang Yibiao

Registered address: No. 1, Sanhuan North Road, Chengbei Village, Lincheng Town, Shanghang County, Longyan City, Fujian Province

Business scope: research and development of new material technologies; research and development of metal products; research and development of electronic special materials; manufacturing of electronic special materials; sales of electronic special materials; sales of high-performance non-ferrous metals and alloy materials; manufacturing of metal materials

As at 31 December 2021, the total assets, total liabilities and net assets of Zijin Copper Foil amounted to RMB204.03 million, RMB4.18 million and RMB199.85 million, respectively. As the project was under construction, no sales income was generated. The net profits before and after tax realised in 2021 amounted to -RMB150 thousand. (The abovementioned financial data has not been audited)

As at 30 June 2022, the total assets, total liabilities and net assets of Zijin Copper Foil amounted to RMB402.99 million, RMB3.99 million and RMB399 million, respectively. As the project was under construction, no sales income was generated. The net profits before and after tax realised for the period from January to June 2022 amounted to -RMB850 thousand. (The abovementioned financial data has not been audited)

III. Introduction of the investors

(I) Zijin Mining Group South Investment Co., Ltd.

Legal representative: He Li

Registered capital: RMB1.5 billion

Type of enterprise: limited liability company (legal entity invested or controlled by a single non-natural person)

Registered address: 12th Floor, Zijin Headquarters, No. 1 Zijin Road, Lincheng Town, Shanghang County

Scope of business: investment in mines, hydropower and transportation infrastructure; information and technology services for technological development; development, design, technical consultation and services as well as wholesale, retail and recycling of gold, silver, platinum and jewellery products, gifts, accessories and craft products.

South Investment is a wholly-owned subsidiary of the Company.

(II) Minxi Xinghang State-owned Assets Investment Company Limited

Legal representative: Li Jian

Registered capital: RMB368 million

Type of enterprise: limited liability company (solely state-owned)

Registered address: 6th Floor, Tingjiang Building, Beihuan Second Road, Lincheng Town, Shanghang County

Business scope: engage in the operation and management of state-owned assets within the scope of authorisation; project investment; wholesale and retail of metals, metal ores and jewellery.

Minxi Xinghang holds 23.11% of the Company's equity interest and is a Substantial Shareholder of the Company.

(III) Zhejiang Transfar Chemicals Group Co., Ltd.

Legal representative: Zhou Jiahai

Registered capital: RMB150 million

Type of enterprise: limited liability company (invested by a single natural person or controlled by a sole legal entity)

Registered address: Ningxin Village, Ningwei Street, Xiaoshan District

Business scope: enterprise investment and management, enterprise management consultation, enterprise information service, development and sales of chemical engineering information software, marketing planning, chemicals, etc.

Transfar Group Co., Ltd. holds 100% equity interest in Transfar Chemicals.

Transfar Chemicals does not have any connected relationship with the Company.

IV. Major terms of the Capital Increase and Expansion Agreement

Date of the Transaction

11 July 2022

Parties to the Transaction

South Investment, Minxi Xinghang and Transfar Chemicals

Consideration of the Transaction

All parties to the Transaction shall make capital contribution in an aggregate amount of RMB501.88 million, of which, South Investment, Minxi Xinghang and Transfar Chemicals shall contribute RMB260 million, RMB60 million and RMB181.88 million in cash, respectively.

The consideration of the capital increase is determined through arm's length negotiation among all parties to the Transaction. Among which, the amount to be contributed by Transfar Chemicals is determined by taking reference to the share capital to be subscribed, the interest costs of the prior investments made by the original shareholders, etc. The amount to be contributed by other original shareholders are based on the share capital to be subscribed.

Other arrangements involved in the Connected Transaction

Zijin Copper Foil shall have a shareholders' meeting, which is composed of all of its shareholders and is the highest authority of the Joint Venture Company. The shareholders shall exercise their voting rights at the shareholders' meeting and enjoy their rights to dividends according to the proportion of their paid-in capital contributions.

The Joint Venture Company shall have a board of directors, which shall be composed of 5 directors, including 3 directors to be appointed by South Investment, 1 director to be appointed by Minxi Xinghang and 1 director to be appointed by Transfar Chemicals. It shall not have a supervisory committee but shall have 1 supervisor. The chairman and general manager of the Joint Venture Company shall be appointed by South Investment; the chief financial officer shall be appointed by Minxi Xinghang, and Transfar Chemicals shall appoint one financial or production manager.

South Investment, Minxi Xinghang and Transfar Chemicals shall deposit 55.56% of the subscription amount for the capital increase into the bank account designated by Zijin Copper Foil within 10 business days from the date on which the Capital Increase and Expansion Agreement is entered into. The remaining 44.44% of the subscription amount shall be deposited into the bank account designated by Zijin Copper Foil within 10 business days after the change of industrial and commercial registration of Zijin Copper Foil has been completed.

V. Impact of the Connected Transaction on the Company

The Transaction can speed up the implementation of the new material industry strategy of the Company, enhance the financial strength of the subsidiary, promote project construction, and meet the Company's strategic development needs. The consideration of the Transaction is fair and reasonable. Upon the completion of the Transaction, Zijin Copper Foil will remain as a subsidiary of the Company. The Transaction will not have any adverse impact on the Company's financial and operating status. There is no prejudice against the interests of the Company and all of its Shareholders.

The Transaction will not recognise any gain or loss in the Company's statement of profit or loss.

VI. Review procedures for the performance of the Connected Transaction

The Connected Transaction was considered and approved at the thirteenth extraordinary meeting in 2022 of the seventh term of the Board of the Company. Pursuant to the listing rules of the Shanghai Stock Exchange, a Director with connected relationship abstained from voting, and the Directors who participated in the voting unanimously considered and approved the Transaction. The Connected Transaction is not required to be tabled to the shareholders' general meeting of the Company for approval.

(I) Prior approval opinions of the Independent Directors

After reviewing the relevant materials, the Independent Directors are of the view that the abovementioned Connected Transaction is in compliance with the stipulations of the relevant laws and regulations, including the Company Law and the Securities Law of the PRC and the articles of association of the Company. There is no prejudice against the interests of the Company and all of its Shareholders, especially those of the minority shareholders. The Independent Directors agreed to table the proposal to the Board for consideration.

(II) Opinions of the Independent Directors

The capital increase and expansion as well as the introduction of a strategic investor to the Joint Venture Company, which is invested and established jointly by South Investment and Minxi Xinghang, the Company's Connected Person, are in line with the development needs of Zijin Copper Foil, and it is beneficial to the layout of new material industry of the Company. The consideration of the Transaction is fair and reasonable. The review and approval procedures performed are in compliance with the stipulations of the relevant laws and regulations and the articles of association of the Company, and in the interests of the Company and all of its Shareholders. Therefore, the Independent Directors agreed to the capital increase and expansion and the Connected Transaction.

Connected relationship between the parties to the Transaction

As at the date of this announcement, Minxi Xinghang is a Substantial Shareholder of the Company and holds approximately 23.11% of the equity interest in the Company. Minxi Xinghang is a Connected Person of the Company. Therefore, the Transaction constitutes a Connected Transaction of the Company under

“Capital Increase and Expansion Agreement”	the capital increase and expansion agreement related to the proposed capital increase and expansion of Zijin Copper Foil entered into by South Investment, Minxi Xinghang and Transfar Chemicals on 11 July 2022
“Company”	Zijin Mining Group Co., Ltd.* (紫金礦業集團股份有限公司), a joint stock limited company incorporated in the PRC
“Connected Person”	has the meaning ascribed thereto under the Listing Rules
“Connected Transaction”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Director(s)”	the independent non-executive Director(s) of the Company
“Independent Shareholder(s)”	any Shareholder(s) of the Company that is/are not required to abstain from voting at a shareholders’ general meeting to approve a Connected Transaction
“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Minxi Xinghang”	Minxi Xinghang State-owned Assets Investment Company Limited, a state-owned limited company incorporated in the PRC. It is the Substantial Shareholder of the Company
“PRC”	The People’s Republic of China, for the purpose of this announcement, excludes Hong Kong SAR, Macau SAR and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Shanghai Stock Exchange”	Shanghai Stock Exchange

“Shareholder(s)”	the shareholder(s) of the Company
“South Investment”	紫金礦業集團南方投資有限公司 (Zijin Mining Group South Investment Co., Ltd.), a company established in the PRC with limited liability, and a wholly-owned subsidiary of the Company as at the date of this announcement
“Substantial Shareholder”	has the meaning ascribed thereto under the Listing Rules
“Transaction”	the Connected Transaction regarding the proposed capital increase and expansion of Zijin Copper Foil as contemplated under the Capital Increase and Expansion Agreement
“Transfar Chemicals”	浙江傳化化學集團有限公司 (Zhejiang Transfar Chemicals Group Co., Ltd.), a company established in the PRC with limited liability. Its ultimate beneficial owners are Xu Chuanhua, Xu Guanju and Xu Guanbao. To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, Transfar Chemicals and its ultimate beneficial owners are independent of and not connected to the Company and its Connected Persons
“Zijin Copper Foil” or “Joint Venture Company”	福建紫金銅箔科技有限公司 (Fujian Zijin Copper Foil Technology Co., Ltd.), a company established in the PRC with limited liability, and a subsidiary of the Company as at the date of this announcement
“%”	per cent

Investors and shareholders are advised by the Board to exercise caution when dealing in the securities of the Company.

As at the date of this announcement, the Board of Directors of the Company comprises Messrs. Chen Jinghe (Chairman), Lan Fusheng, Zou Laichang, Lin Hongfu, Ms. Lin Hongying and Mister Xie Xionghui as executive directors, Mister Li Jian as non-executive director, and Messrs. Mao Jingwen, Li Changqing, He Fulong, Suen Man Tak and Bo Shao Chuan as independent non-executive directors.

By Order of the Board of Directors
Zijin Mining Group Co., Ltd.*
Chen Jinghe
Chairman

11 July 2022, Fujian, the PRC

**The Company's English name is for identification purpose only*