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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)**

### **Continuing Connected Transaction - Provision of Loan Services to a Connected Subsidiary**

On 9 September 2022, Zijin Finance and Zijin Copper Foil entered into the Loan Services Agreement, pursuant to which Zijin Finance will provide loan services to Zijin Copper Foil in accordance with the terms and conditions of the Loan Services Agreement. The term of the Loan Services Agreement will commence from 9 September 2022 to 31 December 2024. The provision of loan services was considered and approved at the twelfth meeting of the seventh term of the Board of the Company on 12 August 2022.

#### **Implications under the Listing Rules**

As at the date of this announcement, the Company holds 96% and 60% equity interest in Zijin Finance and Zijin Copper Foil, respectively. Zijin Finance and Zijin Copper Foil are both the subsidiaries of the Company; Minxi Xinghang is a Substantial Shareholder of the Company and holds approximately 23.11% equity interest in the Company, as well as 20% equity interest in Zijin Copper Foil. Therefore, Minxi Xinghang is a Connected Person of the Company. Accordingly, Zijin Copper Foil is an Associate of Minxi Xinghang and a Connected Subsidiary of the Company. Pursuant to Chapter 14A of the Listing Rules, the Transaction as contemplated under the Loan Services Agreement constitutes the Connected Transaction of the Company; as the Transaction is continuous in nature, the Transaction constitutes the Continuing Connected Transaction of the Company.

The Transaction was entered into on normal commercial terms. As one or more of the applicable percentage ratios (as set out in the Listing Rules) in relation to the annual cap for the Transaction is/are more than 0.1% but less than 5%, the Transaction is exempted from the requirements of circular and approval from the Independent Shareholders, but is subject to annual review, reporting and announcement requirements under Chapter 14A of the Listing Rules.

On 9 September 2022, Zijin Finance and Zijin Copper Foil entered into the Loan Services Agreement, pursuant to which Zijin Finance will provide loan services to Zijin Copper Foil in accordance with the terms and conditions of the Loan Services Agreement. The term of the Loan Services Agreement will

commence from 9 September 2022 to 31 December 2024. The provision of loan services was considered and approved at the twelfth meeting of the seventh term of the Board of the Company on 12 August 2022.

## **Principal terms of the Loan Services Agreement**

### **Date**

9 September 2022

### **Parties to the Transaction**

#### **1. Zijin Finance (Party A)**

Zijin Finance is a non-bank financial institution, the establishment of which has been approved by the China Banking Regulatory Commission. Its principal businesses include assisting member units to receive and settle payments; entrusted loans and investment, bill acceptance and discounting and internal account settlement and clearing among member units; acceptance of deposits from member units; application for loans and finance leases among member units; intercompany borrowings; investments; investments in securities (excluding stocks traded in the secondary market), etc.

The Company and China Industrial International Trust Limited hold 96% and 4% equity interest in Zijin Finance, respectively.

#### **2. Zijin Copper Foil (Party B)**

The business scope of Zijin Copper Foil includes 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.

The Company, Minxi Xinghang and Zhejiang Transfar Chemicals Group Co., Ltd. (“Transfar Chemicals”) hold 60%, 20% and 20% equity interest in Zijin Copper Foil, respectively. Minxi Xinghang is a state-owned company, while the ultimate beneficial owners of Transfar Chemicals are Xu Chuanhua, Xu Guanju and Xu Guanbao.

### **Term**

9 September 2022 to 31 December 2024 (both days inclusive)

### **Principles of cooperation**

Party B has the right to autonomously select financial institutions that provide loan services according to its own business needs, and to autonomously determine the amount of and the time of obtaining the loans.

### **Content of the loan services**

During the validity period of the Agreement, the outstanding daily maximum loan amount provided by Party A to Party B shall not exceed RMB850 million (including loan interest) (the “Outstanding Daily Maximum Loan Amount”). The decision for Party A to provide loans to Party B is made according to the relevant regulations, its own capital status and Party B’s production and operation status as well as the loan agreement(s) to be entered into separately. The interest rates to be charged by Party A shall be the standard interest rates determined by Party A according to commercial principles.

The interest rates to be charged by Party A for the provision of the loan services to Party B will be determined by negotiation between the parties to the Loan Services Agreement with reference to the interest rates promulgated by the PBOC from time to time. The interest rates on the loan services shall not be lower than those offered by the major financial institutions in the PRC (including but not limited to commercial banks in the PRC and the PBOC) for the same type of loans for the same period.

The terms of the Loan Services Agreement (including the annual cap) were arrived at after an arm’s length negotiation between Zijin Finance and Zijin Copper Foil. For any loan agreement to be entered into by Party A and Party B within the validity period of the Agreement, if the term of the loan agreement is beyond the validity period of the Agreement, the Company will comply with the requirements of the Listing Rules to issue announcement(s) and seek the pre-approval of Independent Shareholders (if necessary).

### **Historical figures**

In the year 2021 and the period from January to August 2022, Zijin Finance did not provide any loan services to Zijin Copper Foil.

### **Measures of determining the pricing terms**

In order to ensure that the pricing terms of individual transactions under the Loan Services Agreement will be made in accordance with the pricing principles as stated above, the following measures will be carried out:

Zijin Finance will establish an internal assessment mechanism to review and compare the interest rates it offered with those offered by the PBOC, major commercial banks and/or other financial institutions in the PRC.

For example, before Zijin Copper Foil withdraws a loan from Zijin Finance, analysis and assessment will be conducted by the interest rate determination committee of Zijin Finance between (1) the interest rates offered by Zijin Finance; and (2) the prevailing interest rates offered by at least three major commercial banks in the PRC, the PBOC and/or other financial institutions to Zijin Copper Foil. If any relevant interest rates quoted by major commercial banks in the PRC, the PBOC and/or other financial institutions for

similar services are higher than the interest rates offered by Zijin Finance, Zijin Finance will notify Zijin Copper Foil that adjustments will be made to the interest rates, to ensure that the lending rates offered by Zijin Finance are in line with normal commercial terms.

Through the implementation of the aforesaid internal control measures, the Directors are of the opinions that there are sufficient internal control measures in place to secure the Transaction to be conducted under the Loan Services Agreement will be on normal commercial terms, and will not prejudice the interests of the Company and its Shareholders as a whole.

### **Annual cap**

During the validity period of the Agreement, the Outstanding Daily Maximum Loan Amount provided by Zijin Finance to Zijin Copper Foil shall not exceed RMB850 million (including loan interest), and the maximum amount of loan interest to be charged by Zijin Finance on Zijin Copper Foil each year shall not exceed RMB25 million.

The abovementioned annual cap is estimated based on Zijin Copper Foil's own business needs and its need of capital expenditure including construction of production plant.

### **Connected relationship between the parties to the Transaction**

As at the date of this announcement, the Company holds 96% and 60% equity interest in Zijin Finance and Zijin Copper Foil, respectively. Zijin Finance and Zijin Copper Foil are both the subsidiaries of the Company; Minxi Xinghang is a Substantial Shareholder of the Company and holds approximately 23.11% equity interest in the Company, as well as 20% equity interest in Zijin Copper Foil. Therefore, Minxi Xinghang is a Connected Person of the Company. Accordingly, Zijin Copper Foil is an Associate of Minxi Xinghang and a Connected Subsidiary of the Company. Pursuant to Chapter 14A of the Listing Rules, the Transaction as contemplated under the Loan Services Agreement constitutes the Connected Transaction of the Company; as the Transaction is continuous in nature, the Transaction constitutes the Continuing Connected Transaction of the Company.

### **Reasons for and benefits of the Transaction**

The Company principally engages in mining, production, refining and sales of gold and other mineral resources. Zijin Finance's provision of loan services to Zijin Copper Foil is beneficial to the financial service capacity of Zijin Finance and increasing its profitability. At the same time, Zijin Copper Foil can optimise its financial management. Therefore, the Directors, including the independent non-executive Directors, consider that the terms of the Transaction are fair and reasonable, entered into on normal commercial terms and in the ordinary and usual course of business of the Group. Therefore, the Transaction is in the interests of the Company and its Shareholders as a whole.

### **Material interest**

Mister Li Jian, a Director of the Company who is also the chairman and general manager of Minxi Xinghang, abstained from voting on the Board resolution in respect of the Transaction. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, no other Director has a material interest in the Transaction and is required to abstain from voting on the Board resolution in respect of the Transaction.

### **General**

The Transaction was entered into on normal commercial terms. As one or more of the applicable percentage ratios (as set out in the Listing Rules) in relation to the annual cap for the Transaction is/are more than 0.1% but less than 5%, the Transaction is exempted from the requirements of circular and approval from the Independent Shareholders, but is subject to annual review, reporting and announcement requirements under Chapter 14A of the Listing Rules.

**This announcement is published in both Chinese and English. In the case of any discrepancies, the Chinese version shall prevail.**

### **Definitions**

In this announcement, unless otherwise indicated in the context, the following expressions have the meanings set out below:

“Associate”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors of the Company
“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 Subsidiary”	has the meaning ascribed thereto under the Listing Rules
“Connected Transaction”	has the meaning ascribed thereto under the Listing Rules
“Continuing	the connected transaction contemplated under the Loan Services Agreement

Connected Transaction” or “Transaction”	which Zijin Finance provides loan services to Zijin Copper Foil on a continuing basis
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“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
“Loan Services Agreement” or “Agreement”	the loan services agreement entered into between Zijin Finance and Zijin Copper Foil on 9 September 2022
“Minxi Xinghang”	Minxi Xinghang State-owned Assets Investment Company Limited, a state-owned limited company incorporated in the PRC and the Substantial Shareholder of the Company
“PBOC”	the People’s Bank of China
“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
“Shareholder(s)”	the shareholder(s) of the Company
“Substantial Shareholder”	has the meaning ascribed thereto under the Listing Rules
“Zijin Finance”	紫金礦業集團財務有限公司 (Zijin Mining Group Finance Co., Ltd.), a

company established in the PRC with limited liability, and a subsidiary of the Company as at the date of this announcement

“Zijin Copper Foil” 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 in November 2021, 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*

9 September 2022, Fujian, the PRC

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