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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 - Acquisition of 30% Equity Interest in Luoyang Yinhui**

On 3 November 2022, the Company and Luoyang Industrial entered into the Equity Interest Transfer Agreement, pursuant to which Luoyang Industrial shall transfer its 30% equity interest in Luoyang Yinhui to the Company at a consideration of RMB70 million. After the completion of the Transaction, the Company will hold 100% equity interest in Luoyang Yinhui.

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

As at the date of this announcement, the Company and Luoyang Industrial hold 70% and 30% equity interest in Luoyang Yinhui, respectively. Luoyang Yinhui is a subsidiary of the Company. Luoyang Industrial is a Substantial Shareholder of Luoyang Yinhui. Therefore, Luoyang Industrial is a Connected Person of the Company at the subsidiary level. The Transaction constitutes the 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, but is subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules.

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#### **Major terms of the Equity Interest Transfer Agreement**

#### **Parties to the Transaction:**

1. Luoyang Industrial (Party A); and
2. the Company (Party B).

**Date of the Transaction:**

3 November 2022.

**Target of the Transaction:**

30% equity interest in the Target Company.

**Consideration:**

RMB70 million. The consideration for equity interest transfer includes all the interests and obligations corresponding to the equity interest in the Target Company, including but not limited to all of the dividend rights before and after signing of the Agreement. The consideration is inclusive of tax.

**Payment method of the consideration:**

Within 5 working days after the completion date of the equity interest transfer, Party B shall pay the consideration for the equity interest transfer in full to Party A. Party B shall transfer the consideration for the equity interest transfer to the bank account designated by Party A.

**Taxes and costs:**

Both parties shall pay all the taxes involved in the equity interest transfer transaction under the Agreement incurred by themselves in a timely manner pursuant to the stipulations of the laws and regulations of the PRC, etc.

Both parties shall bear their own costs of negotiation, preparation and completion of the Agreement.

**Registration of the change in equity interest:**

Both Party A and Party B shall procure the registration procedures for the change in equity interest in the Target Company to be completed within 5 working days of the effective date of the Agreement, and complete the transfer as soon as possible. The date on which the equity interest in the Target Company is registered under the name of Party B shall be the completion date of the equity interest transfer.

**Liability for breach of contract:**

If Party A does not complete the relevant matters as stipulated in the Agreement including but not limited to handling the change in industrial and commercial registration and providing written confirmations on the debts, it shall pay a liquidated damage equivalent to 0.5‰ of the consideration for the equity interest transfer to Party B for each day of delay. If Party B does not pay the consideration for the equity interest transfer according to the terms of the Agreement, it shall pay a liquidated damage equivalent to 0.5‰ of the amount

payable to Party A for each day of delay. If the Agreement is terminated due to any reasons caused by one of the parties, the defaulting party shall pay a liquidated damage equivalent to 30% of the consideration for the equity interest transfer to another party.

### **Basis to determine the consideration**

The consideration for the Transaction was negotiated on an arm's length basis and on normal commercial terms between both parties to the Transaction. The consideration was determined with reference to a number of factors, including the investment cost of the vendor, the net asset value of Luoyang Yinhui for the last two financial years, and the resources of the Luyuangou Gold Mine indirectly held by Luoyang Yinhui.

### **Information about the parties to the Transaction**

#### **Information about the Company**

The Company is principally engaged in mining, production, refining and sales of gold and other mineral resources. Its Substantial Shareholder is Minxi Xinghang.

#### **Information about Luoyang Industrial**

Luoyang Industrial is a limited liability company incorporated in the PRC, the business scope of which includes corporate management, hotel management, catering management and management services for cultural venues. Its ultimate beneficial owner is Ma Yinshuan.

#### **Information about Luoyang Yinhui**

As at the date of this announcement, Luoyang Yinhui is a subsidiary of the Company. The Company and Luoyang Industrial hold 70% and 30% equity interest in Luoyang Yinhui, respectively. The paid-in capital of Luoyang Yinhui is RMB150 million, among which, the Company and Luoyang Industrial have invested RMB105 million and RMB45 million, respectively. Luoyang Yinhui is principally engaged in refining and production of gold (with an annual production capacity of 100 tonnes of gold bullion). It also holds 70% interest in the Luyuangou Gold Mine through its subsidiary, Luoning Huatai Mining Development Co., Ltd., and engages in gold refining (with an annual production capacity of 5 tonnes of refined gold) and production and sales of industrial sulphuric acid through its another subsidiary, Luoning Zijin Gold Refinery Co., Ltd.

The Luyuangou Gold Mine is located in Luoyang City, Henan Province. It is a gold mine in production. The deposit type is epithermal and altered-rock. The mining and processing method is underground mining + floatation processing. In 2021, the mine produced 527kg of mine-produced gold and 8.6 tonnes of mine-produced silver.

The major financial data of Luoyang Yinhui (on consolidation basis, unaudited) is as follows:

Unit: RMB

	31 December 2021	31 December 2020
Net assets	232,332,234	258,450,036
	Year 2021	Year 2020
Net profit before taxation	-21,982,270	43,369,634
Net profit after taxation	-27,133,436	36,177,677

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

As at the date of this announcement, the Company and Luoyang Industrial hold 70% and 30% equity interest in Luoyang Yinhui, respectively. Luoyang Yinhui is a subsidiary of the Company. Luoyang Industrial is a Substantial Shareholder of Luoyang Yinhui. Therefore, Luoyang Industrial is a Connected Person of the Company at the subsidiary level. The Transaction constitutes the Connected Transaction of the Company under Chapter 14A of the Listing Rules.

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

The Company is principally engaged in mining, production, refining and sales of gold and other mineral resources. The Transaction provides the Company with the opportunity to increase its investment in Luoyang Yinhui, thereby increasing the Group's interests in the Luyuangou Gold Mine indirectly held by and other businesses directly and indirectly held by Luoyang Yinhui. Immediately upon the completion of the Transaction, Luoyang Yinhui will become a wholly-owned subsidiary of the Company. 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**

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, no 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**

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, but is subject to the 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:

“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 Transaction”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“Equity Interest Transfer Agreement” or “Agreement”	the equity interest transfer agreement entered into between the Company and Luoyang Industrial on 3 November 2022
“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
“Luoyang Industrial”	洛陽銀安誠方實業有限公司 (Luoyang Yinan Chengfang Industrial Co., Ltd.), a company established in the PRC with limited liability
“Luoyang Yinhui” or “Target Company”	洛陽紫金銀輝黃金冶煉有限公司 (Luoyang Zijin Yinhui Gold Refinery Co., Ltd.), a company established in the PRC with limited liability and a subsidiary of the Company as at the date of this announcement

“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
“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
“Transaction”	the Connected Transaction contemplated under the Equity Interest Transfer Agreement which the Company acquires 30% equity interest in Luoyang Yinhui from Luoyang Industrial
“%”	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*

3 November 2022, Fujian, the PRC

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