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If you have sold or transferred all your shares in Zijin Mining Group Co., Ltd.*, you should at once pass this circular to the purchaser, the transferee, the bank, the stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

This circular appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities of Zijin Mining Group Co., Ltd.*



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

(Stock code: 2899)

- (1) PROPOSED ADOPTION OF THE SHARE OPTION INCENTIVE SCHEME FOR 2023;**
- (2) PROPOSED ADOPTION OF THE EMPLOYEE STOCK OWNERSHIP SCHEME FOR 2023;**
- (3) PROFIT DISTRIBUTION PROPOSAL OF THE COMPANY FOR THE SIX MONTHS ENDED 30 JUNE 2023;**
- (4) AMENDMENTS TO THE RULES ON WORK FOR INDEPENDENT DIRECTORS;**
- (5) ADJUSTMENTS TO ALLOWANCES OF INDEPENDENT DIRECTORS, NON-EXECUTIVE DIRECTOR AND EXTERNAL SUPERVISOR OF THE EIGHTH TERM; AND**
- (6) DEVELOPMENT OF FUTURES AND DERIVATIVE TRADING BUSINESSES OF SUBSIDIARIES**

A letter from the Board is set out on pages 6 to 45 of this circular.

Notices convening the EGM and the H Shareholders' Class Meeting to be held at the conference room at 41/F., Tower B, Zhonghang Zijin Plaza, No. 1811 Huandao Road East, Siming District, Xiamen City, Fujian Province, the PRC on Friday, 8 December 2023 at 9:30 a.m. and 11 a.m., respectively, are set out on pages 160 to 167 of this circular.

The reply slips, proxy forms and the Proxy Forms for Solicitation for H Shareholders for use at the said meetings are enclosed herewith. H Shareholders who intend to attend the respective meetings shall complete and return the reply slip(s) in accordance with the instructions printed on or before Wednesday, 6 December 2023.

Whether or not you are able to attend the respective meetings, please complete the applicable proxy form(s) and/or the Proxy Form(s) for Solicitation in accordance with the instructions printed thereon. The applicable proxy form(s) and/or the Proxy Form(s) for Solicitation shall be lodged with the registrar of H Shares of the Company, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 24 hours before the time appointed for the holding of the relevant meeting(s) or any adjournment thereof (as the case may be). Completion and return of the applicable proxy form(s) and/or the Proxy Form(s) for Solicitation will not prevent you from attending and voting in person at the relevant meeting(s) or at any adjournment thereof should you so wish.

* *The English name of the Company is for identification purpose only*

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DEFINITIONS

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

“A Share(s)”	the domestic share(s) issued by the Company to domestic investors with a nominal value of RMB0.10 each, which are listed on the Shanghai Stock Exchange;
“A Shareholder(s)”	holder(s) of A Share(s);
“A Shareholders’ Class Meeting”	the second A Shareholders’ class meeting in 2023 to be held by the Company at the conference room at 41/F., Tower B, Zhonghang Zijin Plaza, No. 1811 Huandao Road East, Siming District, Xiamen City, Fujian Province, the PRC on Friday, 8 December 2023 at 10:30 a.m.;
“Administrative Measures”	Measures for the Administration of Equity Incentives of Listed Companies;
“announcement date of the Draft of the Incentive Scheme”	15 November 2023;
“Articles of Association”	the articles of association of the Company, as amended, modified or otherwise supplemented from time to time;
“Associate(s)”	has the meaning ascribed thereto under the Listing Rules;
“Board” or “Board of Directors”	the board of Directors of the Company;
“Class Meetings”	the A Shareholders’ Class Meeting and the H Shareholders’ Class Meeting;
“Company” or “Zijin Mining”	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 with limited liability;
“Company Law”	the Company Law of the PRC;
“Connected Participant(s)”	the Participant(s) and/or the Target Holder(s) who is/are Connected Person(s) of the Group;
“Connected Person(s)”	has the meaning ascribed thereto under the Listing Rules;
“Connected Transaction(s)”	has the meaning ascribed thereto under the Listing Rules;

DEFINITIONS

“CSRC”	China Securities Regulatory Commission;
“Depository and Clearing Corporation”	China Securities Depository and Clearing Corporation Limited Shanghai Branch;
“Director(s)”	the director(s) of the Company;
“Draft of the Employee Stock Ownership Scheme”	the Employee Stock Ownership Scheme for 2023 (Draft) of Zijin Mining Group Co., Ltd.*;
“Draft of the Incentive Scheme”	the Share Option Incentive Scheme for 2023 (Draft) of Zijin Mining Group Co., Ltd.*;
“EGM”	the first extraordinary general meeting in 2023 to be held by the Company at the conference room at 41/F., Tower B, Zhonghang Zijin Plaza, No. 1811 Huandao Road East, Siming District, Xiamen City, Fujian Province, the PRC on Friday, 8 December 2023 at 9:30 a.m.;
“Employee Stock Ownership Scheme”	the Employee Stock Ownership Scheme for 2023 of Zijin Mining Group Co., Ltd.*;
“exercise”	the act of exercising the Share Options held by the Participants pursuant to the Incentive Scheme;
“Exercise Conditions”	the conditions required to be fulfilled for the Participants to exercise the Share Options;
“Exercise Date”	the date on which the Participants can commence the exercise, i.e., the effective date, which shall be a trading day;
“Exercise Period(s)”	the period(s) during which the Share Options held by the Participants can be exercised after the Exercise Conditions prescribed under the Incentive Scheme are satisfied;
“Exercise Price”	the price for the Participants to purchase the Shares as determined at the time when the Company grants the Share Options to them;
“Grant Date”	the date on which the Company grants the Share Options to the Participants, which shall be a trading day;
“Group”	the Company and its subsidiaries;

DEFINITIONS

“Guidelines No. 1”	Guidelines No. 1 of the Shanghai Stock Exchange for Self-regulation of Listed Companies – Standard Operation;
“Guiding Opinions”	Guiding Opinions on the Implementation of Employee Stock Ownership Scheme by Listed Companies on a Pilot Basis;
“H Share(s)”	the overseas-listed foreign invested share(s) in the Company’s share capital, with a nominal value of RMB0.10 each, which are listed on the Hong Kong Stock Exchange;
“H Shareholder(s)”	holder(s) of H Share(s);
“H Shareholders’ Class Meeting”	the second H Shareholders’ class meeting in 2023 to be held by the Company at the conference room at 41/F., Tower B, Zhonghang Zijin Plaza, No. 1811 Huandao Road East, Siming District, Xiamen City, Fujian Province, the PRC on Friday, 8 December 2023 at 11 a.m.;
“Holders’ Meeting(s)”	the Holders’ meeting(s) of the Employee Stock Ownership Scheme for 2023 of the Company;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Incentive Scheme” or “Share Option Incentive Scheme”	the Share Option Incentive Scheme for 2023 of Zijin Mining Group Co., Ltd.*;
“Independent Shareholder(s)”	any Shareholder(s) of the Company that is/are not required to abstain from voting at the Shareholders’ General Meetings to approve the proposed adoptions of the Incentive Scheme and/or the Employee Stock Ownership Scheme;
“Latest Practicable Date”	16 November 2023, being the latest practicable date prior to the issuance of this circular for ascertaining certain information contained herein;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;

DEFINITIONS

“Management Committee”	the management committee of the Employee Stock Ownership Scheme for 2023 of the Company;
“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 holding approximately 23.11% of the total number of issued Shares as at the Latest Practicable Date;
“Nomination and Remuneration Committee”	the nomination and remuneration committee of Zijin Mining Group Co., Ltd.*;
“Participant(s)”	the personnel to be granted the Share Options pursuant to the Incentive Scheme;
“PRC” or “China”	The People’s Republic of China;
“Proxy Form(s) for Solicitation”	the Proxy Form for H Shareholders for the Solicitation of Voting Rights by Independent Non-executive Director for the First Extraordinary General Meeting in 2023 and/or the Proxy Form for H Shareholders for the Solicitation of Voting Rights by Independent Non-executive Director for the Second H Shareholders’ Class Meeting in 2023 dispatched by the Company to the H Shareholders on 22 November 2023;
“Regulatory Notice”	Notice on Issues concerning Regulating the Implementation of the Equity Incentive System of State-owned Listed Companies;
“RMB”	Renminbi, the lawful currency of the PRC;
“SASAC of Longyan City”	the State-owned Assets Supervision and Administration Commission of the People’s Government of Longyan City;
“Securities Law”	the Securities Law of the PRC;
“senior management”	the president, vice-presidents, financial controller, secretary to the Board and other senior management personnel as stipulated in the Articles of Association of Zijin Mining;
“Shanghai Stock Exchange”	Shanghai Stock Exchange of the PRC;

DEFINITIONS

“Share(s)”	ordinary share(s) with a nominal value of RMB0.10 each in the share capital of the Company, including A Share(s) and H Share(s);
“Share Option(s)”	incentive(s) under the Incentive Scheme, which is/are the right(s) to be granted by Zijin Mining to the Participants to purchase a certain number of A Shares at a predetermined price and conditions within a certain period of time in the future;
“Shareholder(s)”	the shareholder(s) of the Company, including A Shareholder(s) and H Shareholder(s);
“Shareholders’ General Meetings”	the EGM and the Class Meetings;
“Substantial Shareholder”	has the meaning ascribed thereto under the Listing Rules;
“Supervisor(s)”	the supervisor(s) of the Company;
“Supervisory Committee”	the supervisory committee of the Company;
“Target Holder(s)” or “Holder(s)”	target participant(s) who participate(s) in the subscription of the Employee Stock Ownership Scheme;
“Trial Measures”	the Trial Measures on Implementation of Equity Incentive Schemes by State-owned Listed Companies (Domestic);
“Underlying Share(s)”	the ordinary A Share(s) of the Company proposed to be granted under the Employee Stock Ownership Scheme;
“Validity Period”	the period from the Grant Date of the Share Options to the date on which the exercise or cancellation of the Share Options are completed;
“Vesting Period”	the period from the Grant Date to the Exercise Date of the Share Options;
“%”	per cent.

LETTER FROM THE BOARD



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)

Executive Directors:

Chen Jinghe (*Chairman*)
Zou Laichang (*Vice-chairman, president*)
Lin Hongfu
Lin Hongying
Xie Xionghui
Wu Jianhui

*Registered office and principal
place of business in the PRC:*

No. 1 Zijin Road
Shanghang County
Fujian Province
The PRC

Non-executive Director:

Li Jian

Place of business in Hong Kong:

Unit 7503A, Level 75
International Commerce Centre
1 Austin Road West
Kowloon, Hong Kong

Independent non-executive Directors:

He Fulong
Mao Jingwen
Li Changqing
Suen Man Tak
Bo Shao Chuan
Wu Xiaomin

22 November 2023

To the Shareholders

Dear Sir/Madam,

- (1) **PROPOSED ADOPTION OF THE SHARE OPTION INCENTIVE SCHEME FOR 2023;**
- (2) **PROPOSED ADOPTION OF THE EMPLOYEE STOCK OWNERSHIP SCHEME FOR 2023;**
- (3) **PROFIT DISTRIBUTION PROPOSAL OF THE COMPANY FOR THE SIX MONTHS ENDED 30 JUNE 2023;**
- (4) **AMENDMENTS TO THE RULES ON WORK FOR INDEPENDENT DIRECTORS;**
- (5) **ADJUSTMENTS TO ALLOWANCES OF INDEPENDENT DIRECTORS, NON-EXECUTIVE DIRECTOR AND EXTERNAL SUPERVISOR OF THE EIGHTH TERM; AND**
- (6) **DEVELOPMENT OF FUTURES AND DERIVATIVE TRADING BUSINESSES OF SUBSIDIARIES**

1. INTRODUCTION

Reference is made to the announcement in relation to proposed adoptions of the Share Option Incentive Scheme and the Employee Stock Ownership Scheme of the Company dated 14 November 2023.

LETTER FROM THE BOARD

The purpose of this circular is to provide you with information in relation to (1) proposed adoption of the Share Option Incentive Scheme for 2023; (2) proposed adoption of the Employee Stock Ownership Scheme for 2023; (3) profit distribution proposal of the Company for the six months ended 30 June 2023; (4) amendments to the Rules on Work for Independent Directors; (5) adjustments to allowances of independent Directors, non-executive Director and external Supervisor of the eighth term; and (6) development of futures and derivative trading businesses of subsidiaries, which are among the proposals to be tabled at the EGM, and the proposed adoption of the Share Option Incentive Scheme for 2023 is also among the proposals to be tabled at the A Shareholders' Class Meeting and the H Shareholders' Class Meeting, and other information relevant to the proposals to be tabled to the EGM, the A Shareholders' Class Meeting (where applicable) and the H Shareholders' Class Meeting (where applicable) as required under the Listing Rules, in order to enable you to make an informed decision on whether to vote for or against the proposals at the EGM, the A Shareholders' Class Meeting (where applicable) and the H Shareholders' Class Meeting (where applicable).

2. PROPOSED ADOPTION OF THE SHARE OPTION INCENTIVE SCHEME FOR 2023

On 14 November 2023, the Board resolved to propose the adoption of the Share Option Incentive Scheme for 2023. The implementation of the Incentive Scheme will be subject to the review and approval of the SASAC of Longyan City and the consideration and approval of the Shareholders at the EGM and the Class Meetings. Prior to the convention of the EGM and the Class Meetings for approving the Incentive Scheme, the Company may make amendments to the Incentive Scheme upon the requests of the regulatory authorities in the PRC and/or Hong Kong.

The principal terms of the Incentive Scheme are set out below:

Purposes of formulating the Incentive Scheme

For the purposes of further promoting the establishment and improvement of the Company's long-term incentive mechanism, attracting and retaining outstanding talents, fully motivating the enthusiasm at work of the Company's employees, effectively aligning the interests of the Shareholders, the Company and the individual interests of the operators, and keeping all parties focused on the Company's long-term development, on the basis of fully safeguarding the Shareholders' interests, Zijin Mining proposed to implement equity interest incentives to integrate the management personnel of the Company closely with the Company's development, thereby ensuring the realisation of the Company's development strategies and business targets. The Incentive Scheme is formulated by the Company in accordance with the stipulations in relevant laws, regulations and regulatory documents including the Company Law, Securities Law, Administrative Measures, Trial Measures, Regulatory Notice as well as the Articles of Association.

LETTER FROM THE BOARD

Principles for formulating the Incentive Scheme

- (I) Adhere to legal compliance, openness, transparency and strict adherence to relevant laws, regulations and provisions of the Articles of Association;
- (II) Adhere to the combination of incentives and constraints and a proportional balance between risks and rewards, to fully motivate the enthusiasm of the Company's core employees;
- (III) Adhere to a practical approach, initiate actions with caution, progress step by step, and constantly strive for improvement; and
- (IV) Uphold the interests of the Shareholders, the Company and the employees, promote the preservation and appreciation of state-owned capital and facilitate the sustainable development of the Company.

Administrative institutions of the Incentive Scheme

The shareholders' general meeting, as the highest authority of the Company, shall be responsible for considering and approving the implementation, amendment and termination of the Incentive Scheme. The shareholders' general meeting may, within its powers and authorities, authorise the Board to handle part of the matters relating to the Incentive Scheme.

The Board shall act as the executive and administrative institution for the Incentive Scheme and be responsible for the implementation of the Incentive Scheme. The Nomination and Remuneration Committee of the Board shall be responsible for drafting and revising the Incentive Scheme. Upon the consideration and approval by the Board, the Incentive Scheme shall be further submitted to the Shareholders' General Meetings for consideration. The Board may handle other matters relating to the Incentive Scheme within the scope of authorisation granted at the Shareholders' General Meetings. The Nomination and Remuneration Committee can make recommendations to the Board regarding the equity interests granted to the Participants and the satisfaction of the Exercise Conditions.

The Supervisory Committee shall act as the supervisory institution for the Incentive Scheme and be responsible for reviewing the list of Participants. It shall issue opinions as to whether the Incentive Scheme is beneficial to the sustainable development of the Company and whether there are any apparent prejudices to the interests of the Company and all Shareholders. It shall supervise the implementation of the Incentive Scheme as to whether it is in compliance with the relevant laws, administrative regulations, departmental rules and operational rules of the Shanghai Stock Exchange.

Independent Directors shall issue independent opinions as to whether the Incentive Scheme is beneficial to the sustainable development of the Company and whether there are any apparent prejudices to the interests of the Company and all Shareholders, and shall solicit voting rights by proxy from all Shareholders in respect of the Incentive Scheme.

LETTER FROM THE BOARD

Where amendments have been made to the Incentive Scheme by the Company before it is considered and approved at the Shareholders' General Meetings, independent Directors and the Supervisory Committee shall issue explicit opinions as to whether the amended Incentive Scheme is beneficial to the sustainable development of the Company and whether there are any apparent prejudices to the interests of the Company and all Shareholders.

Before the Company grants any equity interests to the Participants, independent Directors and the Supervisory Committee shall issue explicit opinions as to the satisfaction of the conditions of grant of the Participants which are prescribed in the Incentive Scheme. In the event of any discrepancies between the equity interests granted by the Company to the Participants and the arrangements under the Incentive Scheme, independent Directors and the Supervisory Committee (where there are changes to the Participants) shall issue explicit opinions at the same time.

Before the Participants exercise any equity interests, independent Directors and the Supervisory Committee shall issue explicit opinions as to whether the conditions stipulated in the Incentive Scheme for the Participants to exercise such equity interests have been satisfied.

Basis for determination and scope of the Participants

I. Basis for determination of the Participants

(I) Legal basis for determination of the Participants

The Participants under the Incentive Scheme are determined in accordance with the stipulations in relevant laws, regulations and regulatory documents including the Company Law, Securities Law, Administrative Measures, Trial Measures, Regulatory Notice as well as the Articles of Association, and taking into account the actual situation of the Company.

(II) Basis for determination of the Participants by the positions held

The Participants under the Incentive Scheme include the executive Directors and senior management of the Company.

II. Scope of the Participants

The total number of Participants under the Incentive Scheme is 13, accounting for approximately 0.03% of the total number of employees of the Company (i.e., 48,836) as at the end of 2022. The Participants include the executive Directors and senior management of the Company;

The Participants under the Incentive Scheme do not include the independent Directors, the Supervisors and any Shareholders or actual controllers, whether individually or jointly, holding more than 5% of the Shares, or their respective spouses, parents and children.

LETTER FROM THE BOARD

All the abovementioned Participants shall maintain their employment with the Company or its subsidiaries and have entered into a labour contract or an appointment contract at the time they are granted the Share Options and within the appraisal period of the Incentive Scheme.

III. Verification of the Participants

After the Incentive Scheme is considered and approved by the Board, the Company shall publicise the list of Participants internally in accordance with the regulations. The publicity period shall be at least 10 days.

The Supervisory Committee shall review the list of Participants and fully consider the feedback received during the publicity process. Details regarding the review of the Supervisory Committee on the list of Participants and the publicity shall be disclosed 5 days before the Incentive Scheme is considered at the Shareholders' General Meetings. Any adjustments to the list of Participants made by the Board shall also be subject to verification of the Supervisory Committee.

Source, number and allocation of the incentives and the underlying Shares

I. The incentives

The incentives adopted under the Incentive Scheme are Share Options.

II. Source and type of the underlying Shares

The source of the underlying Shares of the Share Options shall be the ordinary A Shares to be issued specifically by the Company to the Participants.

III. Number of the underlying Shares

The number of underlying Shares involved in the aggregated number of the Share Options proposed to be granted under the Incentive Scheme is 42 million, accounting for approximately 0.16% of the Company's total share capital as at the announcement date of the Draft of the Incentive Scheme. Upon satisfaction of the Exercise Conditions, each Share Option to be granted under the Incentive Scheme entitles the right to purchase 1 ordinary A Share denominated in Renminbi at the Exercise Price. The grant is a one-off grant with no reserved grant.

As at the announcement date of the Draft of the Incentive Scheme, the Restricted A Share Incentive Scheme for 2020 (Revised Draft), which was considered and approved at the Company's third extraordinary general meeting in 2020, the third A Shareholders' class meeting in 2020 and the third H Shareholders' class meeting in 2020, was still under implementation. The total number of underlying Shares involved that are still within the validity period is 64.3320 million, accounting for approximately 0.24% of the Company's total share capital as at the announcement date of the Draft of the Incentive Scheme.

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As at the announcement date of the Draft of the Incentive Scheme, the total number of Shares which may be issued in respect of all options and awards to be granted under the Incentive Scheme and any other schemes is 42 million, accounting for approximately 0.16% of the Company's total share capital and not exceeding 10% of the number of issued A Shares as at the announcement date of the Draft of the Incentive Scheme. The number of the Shares involved in the interests granted (including those exercised and not exercised) under all incentive schemes during their validity period to any individual Participant of the Incentive Scheme shall not exceed 1% of the number of issued A Shares of the Company.

During the period from the announcement date of the Incentive Scheme to the completion of exercise of the Share Options by the Participants, in case of any conversion of capital reserve into share capital, bonus issue, share split, share consolidation, rights issue, etc. made by the Company, the number of the Share Options and the total number of the underlying Shares involved shall be adjusted accordingly.

IV. Allocation among the individual Participants

The allocation of the Share Options to be granted among the Participants under the Incentive Scheme is set out in the table below:

Name	Position	Number of Share Options to be granted (million)	Approximate proportion to the total number of Share Options to be granted	Approximate proportion to the total share capital of the Company as at the Latest Practicable Date
Chen Jinghe	Chairman	6.00	14.29%	0.02%
Zou Laichang	Vice-chairman and president	5.10	12.14%	0.02%
Lin Hongfu	Director and standing vice-president	3.00	7.14%	0.01%
Lin Hongying	Director and vice-president	3.00	7.14%	0.01%
Xie Xionghui	Director and vice-president	3.00	7.14%	0.01%
Wu Jianhui	Director and vice-president	3.00	7.14%	0.01%
Shen Shaoyang	Vice-president	2.70	6.43%	0.01%
Long Yi	Vice-president	2.70	6.43%	0.01%
Que Chaoyang	Vice-president	2.70	6.43%	0.01%
Wu Honghui	Financial controller	2.70	6.43%	0.01%
Zheng Youcheng	Secretary to the Board	2.70	6.43%	0.01%
Wang Chun	Vice-president	2.70	6.43%	0.01%
Liao Yuanhang	Vice-president	2.70	6.43%	0.01%
Total		42.00	100.00%	0.16%

LETTER FROM THE BOARD

- Notes: 1. Any discrepancies between the last digits of the total number and those of the sum of individual items in the above table are due to rounding.
2. The abovementioned “total share capital” is the total number of Shares of the Company as at the announcement date of the Draft of the Incentive Scheme, i.e., 26,326,571,240.

In the implementation process of the Incentive Scheme, if any Participants do not comply with the stipulations in the Administrative Measures and the Incentive Scheme, the Company shall terminate their rights to participate in the Incentive Scheme and cancel the Share Options granted to them which are not yet exercised.

Time arrangement of the Incentive Scheme

I. Validity Period of the Incentive Scheme

The Validity Period of the Incentive Scheme shall commence from the Grant Date of the Share Options to the date on which the exercise or cancellation of all the Share Options are completed, and shall not exceed 60 months.

II. Grant Date

The Grant Date of the Share Options shall be determined by the Board in accordance with the relevant regulations after the Incentive Scheme is considered and approved by the Board, the SASAC of Longyan City and at the Shareholders’ General Meetings. The Grant Date shall be a trading day. Within 60 days from the date on which the Incentive Scheme is considered and approved at the Shareholders’ General Meetings, the Company shall convene a Board meeting to grant the Share Options to the Participants and complete the announcement pursuant to the relevant regulations. If the Company fails to complete the aforesaid tasks within 60 days, it shall announce the reasons of the failure in a timely manner, and announce the termination of implementation of the Incentive Scheme. The Share Options of which the grant is not completed shall expire.

III. Vesting Period

The Vesting Period of the Share Options shall be the period between the Grant Date and the first Exercise Date of the Share Options. The Vesting Period under the Incentive Scheme shall be 24 months from the Grant Date of the Share Options.

LETTER FROM THE BOARD

IV. Exercise Date

After the corresponding Exercise Conditions have been satisfied, the Share Options can be exercised pursuant to the exercising arrangement under the Incentive Scheme. An Exercise Date shall be a trading day and shall not fall within any of the following periods:

1. within 30 days prior to the publication of annual and interim reports of the Company. Where there are any delays in the publication of such reports due to special circumstances, the period shall be 30 days prior to the original scheduled publication date to the day before the actual publication date;
2. within 10 days prior to the publication of the Company's quarterly reports, estimated operating results announcements or preliminary operating results announcements;
3. the period from the date of occurrence of any significant events which may have a material impact on the trading prices of the Company's Shares and their derivatives or the date on which the relevant decision-making procedures begin to the disclosure date in accordance with laws; and
4. other periods as stipulated by the CSRC and the Shanghai Stock Exchange.

V. Exercising arrangement

The Share Options to be granted under the Incentive Scheme can be exercised by three batches after 24 months from the Grant Date of the Share Options. The exercising arrangement of the Share Options to be granted are set out in the table below:

Exercising arrangement	Exercise Period	Proportion to be exercised
First Exercise Period	Commencing from the first trading day after expiry of the 24-month period from the Grant Date and ending on the last trading day of the 36-month period from the Grant Date	1/3
Second Exercise Period	Commencing from the first trading day after expiry of the 36-month period from the Grant Date and ending on the last trading day of the 48-month period from the Grant Date	1/3
Third Exercise Period	Commencing from the first trading day after expiry of the 48-month period from the Grant Date and ending on the last trading day of the 60-month period from the Grant Date	1/3

LETTER FROM THE BOARD

Upon the Exercise Conditions of the Share Options are satisfied, the Company shall deal with the exercise of the Share Options which satisfied the Exercise Conditions for the Participants during the Exercise Periods.

For the Share Options which the Exercise Conditions for such period are not satisfied, they cannot be exercised or deferred to the subsequent period to be exercised, and the Share Options for such period shall be cancelled by the Company. After all the Exercise Periods of the Share Options end, the Share Options held by the Participants which have not been exercised shall not be exercised and shall be cancelled by the Company.

VI. Black-out periods

A black-out period refers to the time interval during which the Participants are restricted from selling the Shares obtained after exercise of the Share Options. The provisions for black-out periods under the Incentive Scheme shall be implemented in accordance with the stipulations in the Company Law, Securities Law and other relevant laws, regulations, regulatory documents and the Articles of Association. Details of which are set out below:

1. If the Participant is a Director or a senior management of the Company, the number of Shares that may be transferred each year during the term of office of the Participant shall not exceed 25% of the total number of Shares held by such Participant. No Shares shall be transferred within 6 months after the Participant has left his or her office.
2. If the Participant is a Director or a senior management of the Company and sells any Shares purchased in the last 6 months, or purchases Shares in the 6 months following a disposal, all gains arising therefrom shall belong to the Company and be recovered by the Board.
3. If, during the Validity Period of the Incentive Scheme, there are any changes in the provisions of the Company Law, Securities Law and other relevant laws, regulations, regulatory documents and the Articles of Association regarding the transfer of the Shares held by a Director or a senior management of the Company, the relevant Participants shall comply with the relevant amended provisions prevailing at the time of the share transfer.

Exercise Price of the Share Options and its basis for determination

I. Exercise Price of the Share Options

The Exercise Price of the Share Options of the Incentive Scheme is RMB12.00 per A Share, i.e., the Participants have the right to purchase A Shares of the Company at a price of RMB12.00 per A Share after satisfying the Exercise Conditions.

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The Participants are not required to pay any funds for accepting the Share Options at the time of grant. The fund shall be paid to the designated fund account of the Company before exercise of the Share Options.

II. Methods of determining the Exercise Price of the Share Options

The Exercise Price of the Share Options to be granted under the Incentive Scheme shall not be lower than the nominal value of the Shares, and shall not be lower than the higher of:

- (1) the average trading price of the Company's A Shares on the trading day preceding the announcement date of the Draft of the Incentive Scheme, i.e., RMB11.87 per A Share; and
- (2) the average trading price of the Company's A Shares for the 20 trading days preceding the announcement date of the Draft of the Incentive Scheme, i.e., RMB12.00 per A Share.

Conditions of grant and Exercise Conditions of the Share Options

I. Conditions of grant of the Share Options

The Company shall grant the Share Options to the Participants upon satisfaction of all of the following conditions of grant. Conversely, no Share Options shall be granted to the Participants if any of the following conditions of grant has not been satisfied:

(I) There is no occurrence of any of the followings on the Company:

1. issuance of an auditors' report with an adverse opinion or a disclaimer of opinion by certified public accountants in respect of the Company's financial accounting report for the most recent accounting year;
2. issuance of an auditors' report with an adverse opinion or a disclaimer of opinion by certified public accountants in respect of the Company's internal control over financial reporting for the most recent accounting year;
3. failure to carry out profit distribution in accordance with the laws and regulations, the Articles of Association or public undertakings during the most recent 36 months after listing;
4. prohibition from implementation of any equity incentives by applicable laws and regulations; or
5. any other circumstances as prescribed by the CSRC.

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(II) There is no occurrence of any of the followings on the Participants:

1. being deemed as an inappropriate candidate by the stock exchanges in the PRC in the most recent 12 months;
2. being deemed as an inappropriate candidate by the CSRC or any of its dispatch agencies in the most recent 12 months;
3. being imposed with administrative penalties or market access restrictions by the CSRC or any of its dispatch agencies due to material breach of laws and regulations in the most recent 12 months;
4. being prohibited from acting as a director or a senior management of a company under the Company Law;
5. being prohibited from participating in any equity incentives of a listed company under laws and regulations; or
6. any other circumstances as prescribed by the CSRC.

II. Exercise Conditions of the Share Options

In addition to satisfying the aforementioned conditions, the Share Options granted to the Participants shall only be exercised when all of the following conditions are satisfied:

(I) Performance appraisal requirements at company and individual levels

The appraisal period for the Incentive Scheme is the three accounting years from 2024 to 2026. Appraisal shall be conducted for each accounting year. Performance appraisal targets for the Share Options granted at company and individual levels for each year are set out below:

Exercise Period	Performance appraisal targets
First Exercise Period	<ol style="list-style-type: none">(1) On the basis of the operating results for 2022, the growth rate of operating income for 2024 shall not be lower than 10% as well as the industry average level or the 75th percentile of the benchmarking enterprises;(2) the return on net assets ratio for 2024 shall not be lower than 12% as well as the industry average level or the 75th percentile of the benchmarking enterprises;(3) debt-to-asset ratio as at the end of 2024 shall not be higher than 65%; and(4) performance appraisal results of such Participant for 2024 shall be grade B or above.

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Exercise Period	Performance appraisal targets
Second Exercise Period	<ol style="list-style-type: none">(1) On the basis of the operating results for 2022, the growth rate of operating income for 2025 shall not be lower than 15% as well as the industry average level or the 75th percentile of the benchmarking enterprises;(2) the return on net assets ratio for 2025 shall not be lower than 12% as well as the industry average level or the 75th percentile of the benchmarking enterprises;(3) debt-to-asset ratio as at the end of 2025 shall not be higher than 65%; and(4) performance appraisal results of such Participant for 2025 shall be grade B or above.
Third Exercise Period	<ol style="list-style-type: none">(1) On the basis of the operating results for 2022, the growth rate of operating income for 2026 shall not be lower than 20% as well as the industry average level or the 75th percentile of the benchmarking enterprises;(2) the return on net assets ratio for 2026 shall not be lower than 12% as well as the industry average level or the 75th percentile of the benchmarking enterprises;(3) debt-to-asset ratio as at the end of 2026 shall not be higher than 65%; and(4) performance appraisal results of such Participant for 2026 shall be grade B or above.

Notes: 1. Return on net assets ratio refers to the weighted average return on net assets after deduction of audited non-recurring profit or loss. The calculation of the abovementioned appraisal indicators shall exclude the incentive costs incurred by the implementation of the Incentive Scheme;

2. During the Validity Period of the Incentive Scheme, in case of issuance of new Shares, rights issue or other events that would result in a change in the Company's net assets, the changes in net assets and income arising therefrom shall be excluded during the appraisal.

During each Exercise Period, if the Company's performance level for that period fails to meet the performance appraisal targets, all the Share Options held by the Participants corresponding to the appraisal year planned to be exercised shall not be exercised and shall be cancelled by the Company.

If the Share Options held by the Participants planned to be exercised during the period cannot be exercised or cannot be fully exercised due to the reason of individual's appraisal, the Share Options which fail to satisfy the Exercise Conditions cannot be deferred and shall be cancelled by the Company on a uniform basis.

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(II) Selection of benchmarking enterprises

In order to ensure comparability of the performance indicators for the Company's Share Option Incentive Scheme, the benchmarking enterprises selected by the Company for the grant and exercise of the Share Options are relatively large-scale mining enterprises in China primarily engaged in gold, lithium, copper, lead and zinc products. Details are as follows:

Number	Category	Stock code	Stock abbreviation
1	Gold	600489.SH	Zhongjin Gold
2	Gold	600547.SH	Shandong Gold
3	Lithium	000792.SZ	Qinghai Salt Lake Industry
4	Lithium	002460.SZ	Ganfeng Lithium
5	Lithium	002466.SZ	Tianqi Lithium
6	Copper	000630.SZ	Tongling Nonferrous Metals
7	Copper	000878.SZ	Yunnan Copper
8	Copper	600362.SH	Jiangxi Copper
9	Copper, lead and zinc	601168.SH	Western Mining
10	Lead and zinc	600497.SH	Chihong Zn&Ge

If there are significant changes in the principal business of or extreme values with significant deviation in the sample companies within the same industry or benchmarking enterprises during the annual appraisal process, the Board will remove or replace such samples in the year-end appraisal.

Methods of and procedures for adjusting the Share Options

I. *Methods of adjusting the number of the Share Options*

Before the Participants exercise the Share Options, in case of any conversion of capital reserve into share capital, bonus issue, share split, rights issue, share consolidation, etc. made by the Company, the number of the Share Options shall be adjusted accordingly. The adjustment methods are set out below:

(I) Conversion of capital reserve into share capital, bonus issue and share split

$$Q = Q_0 \times (1 + n)$$

Where: Q_0 represents the number of the Share Options before the adjustment; n represents the ratio of conversion of capital reserve into share capital, bonus issue or share split per Share (i.e., increase in the number of Shares for each Share held upon conversion of capital reserve into share capital, bonus issue or share split); Q represents the number of the Share Options after the adjustment.

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(II) Rights issue

$$Q = Q_0 \times P_1 \times (1 + n) / (P_1 + P_2 \times n)$$

Where: Q_0 represents the number of the Share Options before the adjustment; P_1 represents the closing price on the record date; P_2 represents the price of the rights issue; n represents the ratio of the rights issue (i.e., the ratio of the number of Shares issued under the rights issue to the Company's total share capital before the rights issue); Q represents the number of the Share Options after the adjustment.

(III) Share consolidation

$$Q = Q_0 \times n$$

Where: Q_0 represents the number of the Share Options before the adjustment; n represents the share consolidation ratio (i.e., 1 Share will be consolidated into n Share); Q represents the number of the Share Options after the adjustment.

(IV) Issuance of new Shares

In case of issuance of new Shares by the Company, the number of the Share Options shall not be adjusted.

II. Methods of adjusting the Exercise Price of the Share Options

Before the Participants exercise the Share Options, in case of any conversion of capital reserve into share capital, bonus issue, share split, rights issue, share consolidation, profit distribution, etc. made by the Company, the Exercise Price of the Share Options shall be adjusted accordingly. The adjustment methods are set out below:

(I) Conversion of capital reserve into share capital, bonus issue and share split

$$P = P_0 \div (1 + n)$$

Where: P_0 represents the Exercise Price before the adjustment; n represents the ratio of conversion of capital reserve into share capital, bonus issue or share split per Share; P represents the Exercise Price after the adjustment.

(II) Rights issue

$$P = P_0 \times (P_1 + P_2 \times n) \div [P_1 \times (1 + n)]$$

Where: P_0 represents the Exercise Price before the adjustment; P_1 represents the closing price on the record date; P_2 represents the price of the rights issue; n represents the ratio of the rights issue (i.e., the ratio of the number of Shares issued under the rights issue to the Company's total share capital before the rights issue); P represents the Exercise Price after the adjustment.

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(III) Share consolidation

$$P = P_0 \div n$$

Where: P_0 represents the Exercise Price before the adjustment; n represents the share consolidation ratio; P represents the Exercise Price after the adjustment.

(IV) Profit distribution

$$P = P_0 - V$$

Where: P_0 represents the Exercise Price before the adjustment; V represents the dividend per Share; P represents the Exercise Price after the adjustment. P shall remain larger than 1 after the adjustment for profit distribution.

(V) Issuance of new Shares

In case of issuance of new Shares by the Company, the Exercise Price of the Share Options shall not be adjusted.

III. Adjustment procedures for the Share Option Incentive Scheme

When the foregoing circumstances occur, the Board shall consider and approve the proposals relating to adjustments to the number and the Exercise Price of the Share Options under the authorisation granted to the Board at the Shareholders' General Meetings of the Company. The Company shall engage a legal adviser to provide professional opinion to the Board on whether such adjustments are in compliance with the provisions of the Administrative Measures, the Articles of Association and the Incentive Scheme. Upon consideration and approval of the Board over the adjustment proposals, the Company shall disclose the Board resolutions in a timely manner and the opinion of the legal adviser at the same time.

Accounting treatment of the Share Options

I. Accounting treatment for the Incentive Scheme

Pursuant to the relevant provisions of Accounting Standard for Business Enterprises No. 11 – Share-based Payments and Accounting Standard for Business Enterprises No. 22 – Financial Instruments: Recognition and Measurement published by the Ministry of Finance of the PRC, the Company shall follow the below accounting treatment methods to measure and account for the costs of the Incentive Scheme.

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(I) Accounting treatment for the Grant Date

As the Share Options cannot be exercised on the Grant Date, no corresponding accounting treatment is required. The Company shall use the Black-Scholes model to determine the fair value of Share Options on the Grant Date.

(II) Accounting treatment within the Vesting Period

For the costs of the Share Options to be granted under the Incentive Scheme, on each date of statement of financial position within the Vesting Period, the Company shall make the best estimation on the number of Share Options which can be exercised, and recognise the services received in the relevant periods in the corresponding costs of assets or expenses for the current period based on the fair value of the Share Options on the Grant Date, and recognise capital reserve – other capital reserve at the same time.

(III) Accounting treatment after the Exercise Date

No adjustment shall be made to the costs, expenses and total owners' equity which have been already recognised.

(IV) Exercise Date

Share capital and share premium shall be recognised based on the status of exercise, and the capital reserve recognised during the Vesting Period shall be transferred.

II. Fair value of the Share Options and its determination method

Pursuant to Accounting Standard for Business Enterprises No. 22 – Financial Instruments: Recognition and Measurement, the Company adopts the Black-Scholes model as the pricing model to assess the fair value of the Share Options, using 14 November 2023 as the valuation date to preliminarily estimate the fair value of the Share Options (formal estimation will be made at the time of grant). The specific parameters are selected as below:

1. Price of the underlying Shares: RMB11.86 per A Share (assuming the closing price of A Share on the Grant Date is RMB11.86 per A Share)
2. Validity Period: 24, 36 and 48 months (based on the period commencing from the Grant Date to the first Exercise Date for each respective period)
3. Historical volatility ratio: 15.03%, 14.81% and 16.44% (adopting the annualised volatility ratios of the Shanghai Stock Exchange Composite Index for the corresponding periods)

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4. Risk-free interest rate: 2.10%, 2.75% and 2.75% (adopting the respective benchmark interest rates for RMB deposits of financial institutions during the corresponding periods as formulated by the People's Bank of China)

III. Amortisation method for the costs of the Share Options

The Company shall determine the final costs of the Share Options under the Incentive Scheme in accordance with the fair value of the Share Options as at the Grant Date by using relevant valuation tools. Such costs shall be recognised throughout the implementation of the Incentive Scheme for the respective periods. The incentive costs incurred by the Incentive Scheme shall be recognised in the recurring profit or loss.

Assuming the Grant Date falls in November 2023, pursuant to the requirements of the Chinese accounting standards, the impact of the Share Options to be granted under the Incentive Scheme on the accounting costs for each period is set out in the table below:

Total costs to be amortised (RMB million)	2023 (RMB million)	2024 (RMB million)	2025 (RMB million)	2026 (RMB million)	2027 (RMB million)
68.4888	1.9274	23.1286	22.4423	14.2635	6.7271

- Notes: 1. Any discrepancies between the last digits of the abovementioned total amount and that of the sum of individual items are due to rounding;
2. The above figures are the preliminary estimated results based on the current information of the Company as the assumptions. In addition to the Grant Date, the Exercise Price and the number of Share Options to be exercised, accounting costs is related to the actual number of the effective and lapsed equity interests. The impact of the abovementioned items to the operating results of the Company is subject to the annual audit reports issued by the accounting firm.

Based on the current information, without taking into account the positive impact of the Incentive Scheme on the operating results of the Company, the Company estimates that the amortisation of the costs of the Incentive Scheme will have an impact on the net profit of each year during the Validity Period, yet the effect will not be substantial. Taking into consideration the positive impact of the Incentive Scheme generated to the Company's operation and development, such as motivating the management team and the core team, improving the operational efficiency and reducing the operating costs, it is expected that the benefits generated from the improved operating results of the Company bring by the Incentive Scheme will exceed the increase in the costs incurred.

LETTER FROM THE BOARD

Respective rights and obligations of the Company and the Participants

I. Rights and obligations of the Company

- (I) The Company shall have the right to interpret and execute the Incentive Scheme, and shall conduct performance appraisal on the Participants based on the provisions of the Incentive Scheme. If any Participants fail to satisfy the Exercise Conditions required under the Incentive Scheme, the Company shall cancel the Share Options which have not yet been exercised held by such Participants in accordance with the stipulations as set out in the Incentive Scheme;
- (II) The Company undertakes not to provide any loans or any other forms of financial assistance, including guarantee for loans, to the Participants for the purpose of obtaining the Share Options under the Incentive Scheme;
- (III) The Company shall withhold and pay individual income tax and other taxes payable by the Participants in accordance with the relevant provisions of tax laws and regulations of the PRC;
- (IV) The Company shall perform its reporting, information disclosure and other obligations under the Incentive Scheme in a timely manner in accordance with the relevant requirements;
- (V) The Company shall actively assist the Participants who have satisfied the Exercise Conditions to exercise the rights in accordance with the relevant provisions of the Incentive Scheme, the CSRC, the Shanghai Stock Exchange, China Securities Depository and Clearing Corporation Limited, etc. However, the Company shall not be responsible for any losses incurred by the Participants in the case that the Participants cannot exercise the rights at his/her own wishes by reasons relating to the CSRC, the Shanghai Stock Exchange or China Securities Depository and Clearing Corporation Limited;
- (VI) The Company's determination of the Participants under the Incentive Scheme does not imply that the Participants have the right to continue their services in the Company, and does not constitute any commitments made by the Company regarding the employment term of employees. The employment relationships between the Company and the Participants shall remain the same as stipulated in the labour contracts or appointment contracts entered into between the Company and the Participants; and
- (VII) Other relevant rights and obligations as stipulated in the laws and regulations.

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II. Rights and obligations of the Participants

- (I) The Participants shall fulfill the requirements of their positions as expected by the Company, and shall work with diligence and responsibility, strictly observe professional conducts, and make due contributions to the development of the Company;
- (II) The Participants have the right to and are obligated to exercise their rights in accordance with the provisions of the Incentive Scheme and the share option grant agreement, and shall comply with the relevant obligations specified in the Incentive Scheme;
- (III) The source of funds of the Participants shall be the lawful funds self-raised by the Participants;
- (IV) The Share Options which have been granted to the Participants shall not be pledged or used to repay debts before exercise. Participants shall not be entitled to voting right, decision-making right, dividend right, transfer right and the right arising on a liquidation of the Company before the exercise of the Share Options;
- (V) Any gains obtained by the Participants under the Incentive Scheme are subject to individual income tax and other taxes according to the PRC tax laws and regulations. Where the Participants leave the office before discharging the tax obligations incurred from the Incentive Scheme according to the laws, they shall pay the unpaid individual income tax to the Company before leaving office, and the Company shall discharge the tax obligations on their behalf;
- (VI) The Participants shall undertake that, where there are any false representations or misleading statements contained in, or material omissions from the disclosure documents of the Company and as a result of which the conditions of grant or exercising arrangements are not satisfied, the Participants shall return to the Company all gains obtained under the Incentive Scheme when it is confirmed that the relevant disclosure documents of the Company contain false representations, misleading statements or material omissions;
- (VII) Upon consideration and approval of the Incentive Scheme at the Shareholders' General Meetings, the Company shall enter into a share option grant agreement with every Participant in which the respective rights and obligations of each party as well as other relevant matters under the Incentive Scheme shall be explicitly stipulated; and
- (VIII) Other relevant rights and obligations as stipulated in the laws, regulations and the Incentive Scheme.

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Details of the Share Option Incentive Scheme and its administrative measures for implementation of appraisal are set out in appendices 1 and 2 to this circular, respectively.

3. PROPOSED ADOPTION OF THE EMPLOYEE STOCK OWNERSHIP SCHEME FOR 2023

On 14 November 2023, the Board resolved to propose the adoption of the Employee Stock Ownership Scheme for 2023. The implementation of the Employee Stock Ownership Scheme will be subject to the review and approval of the SASAC of Longyan City and the consideration and approval of the Shareholders at the EGM. Prior to the convention of the EGM for approving the Employee Stock Ownership Scheme, the Company may make amendments to the Employee Stock Ownership Scheme upon the requests of the regulatory authorities in the PRC and/or Hong Kong.

The principal terms of the Employee Stock Ownership Scheme are set out below:

Purposes of the Employee Stock Ownership Scheme

Pursuant to the provisions of relevant laws, rules, regulatory documents including the Company Law, Securities Law, Guiding Opinions as well as the Articles of Association, the Company formulated the Employee Stock Ownership Scheme for 2023 (Draft) of Zijin Mining Group Co., Ltd.*, and sought the opinion of the employees through the labour union. Certain Directors, senior management and employees of the Company who satisfy the conditions can participate in the Employee Stock Ownership Scheme in a voluntary, lawful and compliant manner and hold the Shares of the Company, for the following purposes:

- (I) establishing and improving the risk and benefit sharing mechanism between the employees, the Shareholders, the Company and other stakeholders;
- (II) further improving the corporate governance structure, advocating the concept of common sustainable development for the Company and individuals, and effectively motivating the enthusiasm of the management and employees of the Company; and
- (III) attracting and retaining outstanding management talents and key business personnel, balancing the long-term and near-term benefits of the Company, attracting various kinds of talents in a more flexible way so as to better propel the long-term, sustainable and healthy development of the Company.

LETTER FROM THE BOARD

Holders of the Employee Stock Ownership Scheme

I. Basis for determination of the Holders

The Company has determined the list of Target Holders of the Employee Stock Ownership Scheme in accordance with the relevant provisions of the Company Law, Securities Law, Guiding Opinions, Guidelines No. 1 and other relevant laws, regulations, regulatory documents and the Articles of Association, and taking into account the actual situation.

The Target Holders of the Employee Stock Ownership Scheme shall be the employees who have entered into a labour contract or an appointment contract with the Company or its subsidiaries under the scope of consolidated financial statements (including branches, wholly and non-wholly owned subsidiaries). Among which, Shareholders holding 5% or more of the Company's Shares shall not participate in the Employee Stock Ownership Scheme.

In the event of any of the following circumstances, employees shall not become the Holders of the Employee Stock Ownership Scheme:

- (1) being publicly condemned or declared as an inappropriate candidate by stock exchanges in the PRC in the most recent 3 years;
- (2) being imposed with administrative penalties by the CSRC due to material breach of laws and regulations in the most recent 3 years;
- (3) causing severe impairment to the Company's interests, reputation and image due to leakage of national or corporate secrets, corruption, theft, misappropriation, bribe accepting, bribe offering, negligence of duty, malfeasance or other acts in violation of national laws and regulations, or violating public order, professional morals and ethics in the most recent 3 years;
- (4) being deemed by the Board as employees who shall not become the Holders of the Employee Stock Ownership Scheme; or
- (5) any other circumstances as stipulated in relevant laws, regulations or regulatory documents that such employees shall not become the Holders of the Employee Stock Ownership Scheme.

II. Scope of the Holders

- (I) The Holders of the Employee Stock Ownership Scheme shall be:
 - (1) the executive Directors and senior management of the Company;
 - (2) the core technical personnel and key personnel of the Company; and
 - (3) other personnel that the Board considers they are necessary to be incentivised.

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(II) Target Holders and specific details of the units of the Employee Stock Ownership Scheme to be subscribed

The total number of employees participating in the Employee Stock Ownership Scheme shall not exceed 2,747. Among which, the total number of the executive Directors and senior management of the Company is 13, and the total number of units of the Employee Stock Ownership Scheme to be subscribed by them shall not exceed 18.4380 million, accounting for 5.20% of the total units of the Employee Stock Ownership Scheme. The total number of other employees proposed to subscribe for the Employee Stock Ownership Scheme is 2,734, and the proposed total number of units of the Employee Stock Ownership Scheme to be subscribed by them shall be 336.0420 million, accounting for 94.80% of the total units of the Employee Stock Ownership Scheme. The number of Shares corresponding to the units of the Employee Stock Ownership Scheme of any individual Holders shall not exceed 0.5 million, representing approximately 0.002% of the total current share capital of the Company.

The list of Holders of the Employee Stock Ownership Scheme and allocation of the units are set out in the table below:

Name	Position	Maximum number of units to be subscribed and held (million)	Proportion to the total number of units
Chen Jinghe	Chairman	2.2680	0.64%
Zou Laichang	Vice-chairman and president	1.8900	0.53%
Lin Hongfu	Director and standing vice-president	1.5120	0.43%
Lin Hongying	Director and vice-president	1.5120	0.43%
Xie Xionghui	Director and vice-president	1.5120	0.43%
Wu Jianhui	Director and vice-president	1.5120	0.43%
Shen Shaoyang	Vice-president	1.1760	0.33%
Long Yi	Vice-president	1.1760	0.33%
Que Chaoyang	Vice-president	1.1760	0.33%
Wu Honghui	Financial controller	1.1760	0.33%
Zheng Youcheng	Secretary to the Board	1.1760	0.33%
Wang Chun	Vice-president	1.1760	0.33%
Liao Yuanhang	Vice-president	1.1760	0.33%
Other senior and middle-level management, core employees, etc. (2,734 persons)		336.0420	94.80%
	Total	354.4800	100.00%

The Board of the Company can adjust the list of Target Holders and units of subscription based on the actual subscription situation of the employees. The final Holders of the Employee Stock Ownership Scheme and the number of units held by them shall be subject to the number of units corresponding to the actual subscription amount paid by the employees.

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Source of funds of the Employee Stock Ownership Scheme

The total amount of funds proposed to be raised under the Employee Stock Ownership Scheme shall not exceed RMB354.4800 million. Each RMB1 is equivalent to one unit. The source of funds for the Company's employees to participate in the Employee Stock Ownership Scheme shall be derived from their lawful salary, as well as their self-financing funds and funds raised in other lawful and compliant ways, excluding derivative embedded structured products. The Company shall not grant any Shares to the Holders without consideration, or provide any kinds of financial assistance to the Holders including payment on behalf, provision of guarantee and loans. The Holders shall not accept any loans or financial assistance from other enterprises which have business relationship with the Company's production and operation.

The Holders shall pay the subscription amount based on the units to be subscribed for in full before the Underlying Shares are transferred to the Employee Stock Ownership Scheme. If the Holders fail to pay their subscription amount on time and in full, it shall be deemed as voluntary give-up of their respective subscription rights. The Board of the Company can adjust the list of Target Holders and their number of units of subscription based on the actual subscription situation of employees. The final number and list of the Target Holders and the number of units of the Employee Stock Ownership Scheme to be subscribed for shall be determined based on the actual subscription situation of the employees.

Source of Shares of the Employee Stock Ownership Scheme

The source of Shares of the Employee Stock Ownership Scheme shall be the repurchased ordinary A Shares in the specific securities account for repurchase of the Company (the "Underlying Shares").

On 21 October 2022, the Company convened the thirteenth meeting of the seventh term of the Board, at which the proposal in relation to the plan of repurchasing shares through centralised price bidding for employee stock ownership scheme or share incentive was considered and approved. As the A Share price of the Company consistently exceeded the maximum repurchase price set in the repurchase plan during the repurchase period, on 19 October 2023, the Company convened the thirteenth extraordinary meeting in 2023 of the eighth term of the Board, at which the proposal in relation to the extension of implementation period for share repurchase and the adjustment to the maximum repurchase price was considered and approved. The Company extended the repurchase period by 6 months, i.e., the end of the repurchase period was extended from 20 October 2023 to 19 April 2024. As at 7 November 2023, the Company had accumulatively repurchased 42,200,000 A Shares through centralised price bidding, representing 0.16% of the Company's total share capital. The highest repurchase price was RMB12.68 per A Share and the lowest repurchase price was RMB7.89 per A Share. The total amount paid was RMB499,789,882 (excluding transaction expenses). The implementation of the repurchase plan was completed.

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During the period from the date of Board resolutions announcement to the transfer date of the repurchased A Shares to the Employee Stock Ownership Scheme through non-trading transfer or other means as permitted under laws and regulations, in case of any conversion of capital reserve into share capital, bonus issue, profit distribution and other ex-right and ex-dividend events of the Company, corresponding adjustments shall be made to the number and price of the Underlying Shares.

The number of Underlying Shares involved in the Employee Stock Ownership Scheme shall not exceed 42.20 million, accounting for approximately 0.16% of the Company's current share capital. After implementation of the Employee Stock Ownership Scheme, the accumulated number of Shares which may be issued under all effective employee stock ownership schemes of the Company shall not exceed 10% of the total share capital of the Company. The number of the Underlying Shares corresponding to the units of the Employee Stock Ownership Scheme held by any individual Holders shall not exceed 1% of the total share capital of the Company. The total number of the Shares held by the Employee Stock Ownership Scheme does not include the Shares acquired by the employees before the initial public offering of the Company, purchased in the secondary market on their own and obtained from stock ownership schemes.

Purchase price of the Shares and basis for price determination

Upon the consideration and approval of the Employee Stock Ownership Scheme at the shareholders' general meeting, the Employee Stock Ownership Scheme shall obtain the Company's Shares through non-trading transfer or other means as permitted under laws and regulations, and hold the Company's Shares through the specific securities account for repurchase of the Company. The consideration is RMB8.40 per A Share, which shall not be lower than the higher of:

1. 70% of the average trading price of the Company's A Shares on the trading day preceding the announcement date of the Draft of the Employee Stock Ownership Scheme, i.e., RMB8.31 per A Share; and
2. 70% of the average trading price of the Company's A Shares for the 20 trading days preceding the announcement date of the Draft of the Employee Stock Ownership Scheme, i.e., RMB8.40 per A Share;

During the period from the base day for pricing to the transfer date of the Underlying Shares to the Employee Stock Ownership Scheme, in case of any profit distribution, bonus issue, conversion of capital reserve into share capital and other ex-right and ex-dividend events of the Company's Shares, corresponding adjustments shall be made to the abovementioned consideration.

LETTER FROM THE BOARD

Duration period, lock-up period of and appraisal setting under the Employee Stock Ownership Scheme

I. Duration period of the Employee Stock Ownership Scheme

The duration period of the Employee Stock Ownership Scheme shall be 48 months, commencing from the date on which the Employee Stock Ownership Scheme is considered and approved at the shareholders' general meeting and the Company announces that the last batch of the Underlying Shares has been transferred to the Employee Stock Ownership Scheme. If the sale of the Underlying Shares is restricted due to relevant laws, administrative regulations, departmental rules and regulatory documents, or there is a lack of market liquidity for the Company's Shares which results in the failure of full realisation of the Underlying Shares before the expiry of the duration period, the duration period of the Employee Stock Ownership Scheme can be extended accordingly upon consideration and approval at the Holders' Meeting and the subsequent consideration and approval by the Board.

II. Lock-up period of the Employee Stock Ownership Scheme

The lock-up period of the Underlying Shares obtained by the Employee Stock Ownership Scheme shall be 12 months, commencing from the date on which the Company announces that the last batch of the Underlying Shares has been transferred to the Employee Stock Ownership Scheme. Upon the expiry of the lock-up period, the Management Committee shall distribute the units determined in accordance with the annual performance indicators of the Company and individual performance appraisal results within the lock-up period to the Holders.

The Underlying Shares obtained by the Employee Stock Ownership Scheme, the Shares obtained through distribution of bonus issue, conversion of capital reserve into share capital, etc. by the Company and the cash dividend obtained from holding the Company's Shares shall also comply with the abovementioned lock-up arrangement.

III. Appraisal requirements under the Employee Stock Ownership Scheme

The actual number of the Shares under the Employee Stock Ownership Scheme which can be unlocked by the Holders shall be linked to annual performance indicators of the Company and individual performance appraisal results during the lock-up period. The appraisal requirements and the corresponding proportion to be unlocked are as follows:

Appraisal requirements	(1) Return on net assets ratio of the Company for 2024 shall not be lower than 12%; (2) performance appraisal results of the Holders for 2024 shall be grade B or above.	
Individual performance appraisal results	Pass	Fail
Proportion to be unlocked	100%	0%

LETTER FROM THE BOARD

If the performance appraisal indicators of the Employee Stock Ownership Scheme at the company level have not been satisfied, the Underlying Shares corresponding to the appraisal year shall not be unlocked and shall be retrieved and sold within the duration period after the date of unlock in due course by the Management Committee. The lower of the subscription amount and the sale amount shall be returned to the Holders after sale in due course. If there are profits after returning the amount to the Holders, such profit shall belong to the Company.

If the units to be unlocked corresponding to the appraisal year of the Holders cannot be unlocked due to the reason of individual performance appraisal, the Management Committee shall retrieve such units and return the amount based on the lower of the subscription amount and the sale amount to the Holders. The Management Committee can allocate the units retrieved to designated employees with qualifications to participate in the Employee Stock Ownership Scheme; or sell the Underlying Shares corresponding to such units after the expiry of the lock-up period in due course, and the remaining funds (if any) after the return of the subscription amount shall belong to the Company.

Management model for the Employee Stock Ownership Scheme

The Employee Stock Ownership Scheme shall be managed by the Company. Its internal supreme management authority shall be the Holders' Meeting. The Holders' Meeting shall be constituted by the entirety of the Holders of the Employee Stock Ownership Scheme. The Holders' Meeting shall elect the Management Committee, and shall authorise the Management Committee as a management body to be responsible for the day-to-day management affairs of the Employee Stock Ownership Scheme (including but not limited to reducing the number of the Company's Shares held by the Employee Stock Ownership Scheme after the expiry of the lock-up period and distribution of income and cash assets to Holders on behalf of the Employee Stock Ownership Scheme), exercising shareholder rights on behalf of the Employee Stock Ownership Scheme, etc. The Board shall be responsible for compiling and amending the Draft of the Employee Stock Ownership Scheme and shall handle other relevant matters regarding the Employee Stock Ownership Scheme within the scope authorised at the shareholders' general meeting.

Details of the Employee Stock Ownership Scheme and its Administrative Policy are set out in appendices 3 and 4 to this circular, respectively.

Implications under the Listing Rules

The Employee Stock Ownership Scheme constitutes a share scheme under Chapter 17 of the Listing Rules and shall be subject to the applicable disclosure requirements under Rule 17.12 of the Listing Rules. However, the Employee Stock Ownership Scheme does not involve granting awards that are to be satisfied by issue of new Shares. Therefore, the Employee Stock Ownership Scheme does not constitute a share scheme involving issue of new shares as referred to in Chapter 17 of the Listing Rules and the adoption of which will not be subject to Shareholders' approval. Pursuant to the PRC laws and regulations, the Employment Stock Ownership Scheme is subject to the consideration and approval of the Shareholders at the shareholders' general meeting.

LETTER FROM THE BOARD

The Incentive Scheme constitutes a share scheme under Chapter 17 of the Listing Rules and shall comply with the announcement and Shareholders' approval requirements.

Pursuant to Rule 17.03E of the Listing Rules, the exercise price of options must be at least the higher of: (i) the closing price of the shares as stated in the Hong Kong Stock Exchange's daily quotations sheet on the date of grant, which must be a business day; and (ii) the average closing price of the shares as stated in the Hong Kong Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant. Pursuant to Rule 19A.39C of the Listing Rules, the Hong Kong Stock Exchange may waive the exercise price requirement under Rule 17.03E for a share option scheme of a PRC issuer dually listed on the Hong Kong Stock Exchange and a PRC stock exchange, provided that: (i) the scheme involves only shares listed on the PRC stock exchange; and (ii) the scheme contains provisions to ensure that the exercise price of the options is no less than the prevailing market price of the relevant shares on the PRC stock exchange at the time of grant of the options. Taking into account that (i) the Share Options proposed to be granted involve A Shares only; and (ii) the Exercise Price is determined in accordance with the relevant laws and regulations of the PRC, the Company has applied for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with Rule 17.03E of the Listing Rules in respect of the Exercise Price of the Share Options that may be granted under the Incentive Scheme.

Pursuant to Rule 17.03(13) of the Listing Rules, the scheme document must include a provision for adjustment of the exercise or purchase price and/or the number of shares subject to options or awards granted under the scheme in the event of a capitalisation issue, rights issue, sub-division or consolidation of shares or reduction of capital. In addition to the events where adjustments to the Exercise Price are required under Rule 17.03(13) of the Listing Rules, the Incentive Scheme includes provisions for adjustment to the Exercise Price in the event of profit distribution (the "Adjustment for Profit Distribution"). On the basis that, among others, (i) the Company is a PRC issuer and that the Incentive Scheme involves issue of A Shares only; (ii) as advised by the Company's PRC legal adviser, adjustments to the Exercise Price of the Share Options granted under the Incentive Scheme in the event of profit distribution are required by the currently effective PRC law (i.e., article 48 of the Administrative Measures); (iii) the proposed adoption of the Incentive Scheme will be subject to the approval of the Shareholders at the EGM, whereby the H Shareholders will have the opportunity to fully consider and evaluate the terms of the Incentive Scheme based on its merits and the interest of the H Shareholders will not be prejudiced; and (iv) the aggregated number of Shares proposed to be granted under the Incentive Scheme is 42 million, representing only approximately 0.16% of the issued Shares of the Company as at the Latest Practicable Date and therefore will not have a material dilutive impact on the Shares, the Company has applied for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with Rule 17.03(13) of the Listing Rule for the Adjustment for Profit Distribution.

LETTER FROM THE BOARD

Pursuant to Rule 14A.92(3)(a) of the Listing Rules, the grant of Share Options to the Connected Participants under the Incentive Scheme is fully exempt from Shareholders' approval, annual review and all disclosure requirements.

As the Holders of the Employee Stock Ownership Scheme involve the executive Directors and Shen Shaoyang, Wang Chun and Liao Yuanhang, directors of subsidiaries of the Company, the participations of the abovementioned persons in the Employee Stock Ownership Scheme constitute Connected Transactions under Chapter 14A of the Listing Rules, and the relevant applicable percentage ratios (as defined in the Listing Rules) on an individual basis are less than 0.1%, thus they are fully exempt from Shareholders' approval, annual review and all disclosure requirements. Save for the above fully exempt Connected Transactions, the participations of other Holders in the Employee Stock Ownership Scheme do not constitute Connected Transactions under Chapter 14A of the Listing Rules. In case of reallocation of any units of the Employee Stock Ownership Scheme to any Connected Persons and such a reallocation constitutes a Connected Transaction under Chapter 14A of the Listing Rules, the Company will comply with the relevant requirements under Chapter 14A of the Listing Rules.

Chen Jinghe, Zou Laichang, Lin Hongfu, Lin Hongying, Xie Xionghui and Wu Jianhui, the Directors who are the Participants of the Incentive Scheme and the Target Holders of the Employee Stock Ownership Scheme, are considered to have material interests in the Incentive Scheme and the Employee Stock Ownership Scheme, and accordingly each of them abstained from voting in respect of the relevant resolutions to approve the proposed adoptions of the Incentive Scheme and the Employee Stock Ownership Scheme at the Board meeting. All remaining Directors (including all independent non-executive Directors) who are entitled to vote unanimously approved the above resolutions. The format and procedure for passing the resolutions were in compliance with the Company Law and the Articles of Association. Save for the above, no other Directors have or are deemed to have material interests in the above transactions. In addition, no other Directors abstained from voting on the remaining resolutions at the abovementioned Board meeting.

LETTER FROM THE BOARD

Supplementary information relating to the adoptions of the Incentive Scheme and the Employee Stock Ownership Scheme

Drafting, voting and administration regarding the Share Option Incentive Scheme

The Board shall act as the executive and administrative institution for the Incentive Scheme and be responsible for the implementation of the Incentive Scheme. The Nomination and Remuneration Committee of the Board shall be responsible for drafting and revising the Incentive Scheme. Directors including Chen Jinghe (also a member of the Nomination and Remuneration Committee), Zou Laichang, Lin Hongfu, Lin Hongying, Xie Xionghui and Wu Jianhui are the Connected Participants under the Incentive Scheme. To avoid any conflicts of interest, the abovementioned Directors (i) abstained from voting in respect of the relevant resolutions to approve the proposed adoption of the Incentive Scheme at the Board meeting; (ii) will abstain from voting on any resolutions in relation to any matters relating to the Incentive Scheme; and (iii) will not participate in the management and administration of the Incentive Scheme.

Reasons for and benefits of the adoptions of the Incentive Scheme and the Employee Stock Ownership Scheme

Please refer to the sections headed “Purposes of formulating the Incentive Scheme” and “Purposes of the Employee Stock Ownership Scheme” of this letter from the Board for reference.

The Participants of the Incentive Scheme and the Target Holders of the Employee Stock Ownership Scheme

The Participants of the Incentive Scheme and the Target Holders of the Employee Stock Ownership Scheme do not involve Li Jian, the non-executive Director and any independent non-executive Directors, Supervisors and service providers.

Vesting period of the Employee Stock Ownership Scheme

The Employee Stock Ownership Scheme is not subject to any vesting periods.

LETTER FROM THE BOARD

Connected Transactions – Grant of Share Options to the Connected Participants pursuant to the Incentive Scheme and subscription for the units of the Employee Stock Ownership Scheme by the Connected Participants pursuant to the Employee Stock Ownership Scheme

The Company may grant Share Options to the Connected Participants under the Incentive Scheme, and the Connected Participants may subscribe for the units of the Employee Stock Ownership Scheme under the Employee Stock Ownership Scheme. Connected Participants include Chen Jinghe, Zou Laichang, Lin Hongfu, Lin Hongying, Xie Xionghui and Wu Jianhui, executive Directors, and Shen Shaoyang, Wang Chun and Liao Yuanhang, directors of subsidiaries. The number of Share Options proposed to be granted to the Connected Participants, the maximum number of units of the Employee Stock Ownership Scheme to be subscribed by the Connected Participants and the corresponding numbers of A Shares are as follows:

Name	Position	Class of shares	Approximate percentage of shareholding in the total		Number of Share Options proposed to be granted	Number of Share Options proposed to be granted	Maximum number of units of the Employee Stock Ownership Scheme to be subscribed	Number of corresponding A Shares to the maximum number of units of the Employee Stock Ownership Scheme to be subscribed	Corresponding maximum number of Shares held after completion of the Incentive Scheme and the Employee Stock Ownership Scheme	Approximate percentage of shareholding in the total number of issued Shares held after completion of the Incentive Scheme and the Employee Stock Ownership Scheme
			Number of Shares held as at the Latest Practicable Date	number of issued Shares as at the Latest Practicable Date						
Chen Jinghe	Chairman	A Share	65,100,000	0.25%	6,000,000	6,000,000	2,268,000	270,000	71,370,000	0.27%
		H Share	20,000,000	0.08%	-	-	-	-	20,000,000	0.08%
		Total	85,100,000	0.32%	6,000,000	6,000,000	2,268,000	270,000	91,370,000	0.35%
Zou Laichang	Vice-chairman and president	A Share	2,723,050	0.01%	5,100,000	5,100,000	1,890,000	225,000	8,048,050	0.03%
Lin Hongfu	Director and standing vice-president	A Share	1,728,938	0.01%	3,000,000	3,000,000	1,512,000	180,000	4,908,938	0.02%
Lin Hongying	Director and vice-president	A Share	977,000	0.01%	3,000,000	3,000,000	1,512,000	180,000	4,157,000	0.02%
Xie Xionghui	Director and vice-president	A Share	905,571	0.01%	3,000,000	3,000,000	1,512,000	180,000	4,085,571	0.02%
Wu Jianhui	Director and vice-president	A Share	510,000	0.01%	3,000,000	3,000,000	1,512,000	180,000	3,690,000	0.01%
Shen Shaoyang	Vice-president	A Share	1,001,000	0.01%	2,700,000	2,700,000	1,176,000	140,000	3,841,000	0.01%
Wang Chun	Vice-president	A Share	502,000	0.01%	2,700,000	2,700,000	1,176,000	140,000	3,342,000	0.01%
Liao Yuanhang	Vice-president	A Share	450,000	0.01%	2,700,000	2,700,000	1,176,000	140,000	3,290,000	0.01%
Total			93,897,559	0.36%	31,200,000	31,200,000	13,734,000	1,635,000	126,732,559	0.48%

Note: As at the Latest Practicable Date, the Company had repurchased 42,200,000 A Shares in total, which will all be utilised for the Employee Stock Ownership Scheme.

LETTER FROM THE BOARD

Within 12 months from the date of the Latest Practicable Date, the abovementioned Connected Participants were not granted any options or awards under Chapter 17 of the Listing Rules.

Authorisation to be granted to the Board

Subject to approvals of the Shareholders at the EGM and the Class Meetings (where applicable), the Board shall be authorised to make such decisions, enter into such documents, amend the Articles of Association, carry out such procedures and take such any other actions as are in its discretion necessary to effect and complete the adoptions of the Incentive Scheme and the Employee Stock Ownership Scheme.

The adoptions of the Incentive Scheme and the Employee Stock Ownership Scheme will not lead to changes in the right of control of the Company

The adoption of the Employee Stock Ownership Scheme will not lead to issue of new Shares by the Company.

As at the Latest Practicable Date, Minxi Xinghang, the Substantial Shareholder of the Company, directly holds 6,083,517,704 Shares, representing approximately 23.11% of the total issued Shares of the Company. If the Company grants a maximum of 42 million Share Options and all of the Share Options are exercised, Minxi Xinghang will continue to remain as the Substantial Shareholder of the Company.

Therefore, the adoptions of the Incentive Scheme and the Employee Stock Ownership Scheme will not lead to changes in the right of control of the Company, and will not lead to a distribution of shareholding which fails to satisfy relevant listing conditions.

Amendments to the terms of the Incentive Scheme and the Employee Stock Ownership Scheme

Pursuant to the provisions of the Administrative Measures, whenever a listed company amends an equity incentive scheme which have been considered and approved at a shareholders' general meeting, it shall make announcement in a timely manner and submit the proposal to the shareholders' general meeting for consideration. Pursuant to the provisions of the Guidelines No. 1, whenever a listed company amends or terminates an employee stock ownership scheme, it shall be approved by the holders' meeting, and the board of directors shall then table such matter to the shareholders' general meeting for consideration and approval. Therefore, no terms (in particular to terms which are of material nature) of the Incentive Scheme and the Employee Stock Ownership Scheme or alteration to the provisions set out in Rule 17.03 of the Listing Rules to the advantage of the Participants or the Target Holders can be changed by the Directors or scheme administrators without the approval of the Shareholders at the shareholders' general meeting. The amended terms of the Incentive Scheme and the Employee Stock Ownership Scheme and options or awards must still comply with the relevant requirements under Chapter 17 of the Listing Rules.

LETTER FROM THE BOARD

Proposal to the Shareholders' General Meetings in relation to the authorisation to the Board of Directors to handle matters relating to the Share Option Incentive Scheme for 2023 of the Company

In order to secure the specific implementation of the Share Option Incentive Scheme for 2023 of the Company, the Board proposes that the Shareholders authorise the Board at the Shareholders' General Meetings to handle matters relating to the Incentive Scheme. Details are as follows:

- I. It is proposed that the Shareholders authorise the Board at the Shareholders' General Meetings to be specifically responsible for implementing the following matters relating to the Incentive Scheme:
 1. To authorise the Board to determine the Participants' qualifications and conditions to participate in the Incentive Scheme, and determine the Grant Date of the Share Options under the Incentive Scheme;
 2. To authorise the Board to adjust the number of the Share Options and underlying Shares involved correspondingly in accordance with the methods prescribed in the Incentive Scheme in case of conversion of capital reserve into share capital, bonus issue, share split or share consolidation, rights issue, etc.;
 3. To authorise the Board to adjust the Exercise Price of the Share Options correspondingly in accordance with the methods prescribed in the Incentive Scheme in case of conversion of capital reserve into share capital, bonus issue, share split or share consolidation, rights issue, profit distribution, etc.;
 4. To authorise the Board to allocate and adjust among the Participants the Share Options which the Participants have given up the subscription right, or reduce the number directly, prior to the exercise of the Share Options;
 5. To authorise the Board to grant the Share Options to the Participants and deal with all the matters necessary for the grant of the Share Options, including but not limited to signing share option grant agreements with the Participants, applying to the Shanghai Stock Exchange for the grant, applying to the Depository and Clearing Corporation for registration and settlement, etc., when the Participants meet the stipulated conditions;
 6. To authorise the Board to review and confirm the qualifications of the Participants for exercising the Share Options and satisfaction of the Exercise Conditions, and allow the Board to delegate the Nomination and Remuneration Committee to exercise such powers;
 7. To authorise the Board to determine whether the Participants can exercise the Share Options;

LETTER FROM THE BOARD

8. To authorise the Board to deal with all the matters necessary for exercising the Share Options held by the Participants, including but not limited to applying to the Shanghai Stock Exchange for exercise, applying to the Depository and Clearing Corporation for registration and settlement, amending the Articles of Association and handling registration for change in registered capital of the Company;
 9. To authorise the Board to handle matters relating to the exercise of the Share Options which are not yet exercised;
 10. To authorise the Board to handle the matters relating to amendment to and termination of the Incentive Scheme, including but not limited to disqualifying the Participants from exercising the Share Options, dealing with the cancellation of the Share Options which have not yet been exercised, the cancellation of the Share Options which have not yet been exercised held by deceased Participants and the relevant compensation and inheritance matters, as well as termination of the Incentive Scheme;
 11. To authorise the Board to manage and adjust the Incentive Scheme, and formulate or amend the management and implementation rules of the Incentive Scheme from time to time on the premise that the terms of the Incentive Scheme are complied with. In the event that the amendments are subject to approvals at the shareholders' general meetings and/or the approvals of the relevant regulatory authorities as stipulated in laws, regulations or requirements of the relevant regulatory authorities, such amendments by the Board shall be subject to the corresponding approvals; and
 12. To authorise the Board to implement other necessary matters stipulated in the Incentive Scheme, save for the rights which are specifically required by the relevant documents to be exercised at the shareholders' general meetings.
- II. It is proposed that the Shareholders authorise the Board at the Shareholders' General Meetings to handle the review, registration, filing, approval, consent and other procedures in connection with the Incentive Scheme with the relevant government departments and authorities; to sign, execute, amend and complete the documents to be submitted to the relevant government departments, authorities, organisations and individuals; to amend the Articles of Association and handle registration of change in registered capital of the Company; and to take all other actions which the Board considers necessary, appropriate or expedient in relation to the Incentive Scheme.
- III. It is proposed that the Shareholders authorise the Board at the Shareholders' General Meetings to appoint receiving banks, accountants, lawyers and other intermediary agencies for the implementation of the Incentive Scheme.
- IV. It is proposed that the Shareholders approve at the Shareholders' General Meetings that the term of the authorisation to the Board shall be the same as the Validity Period of the Incentive Scheme.

LETTER FROM THE BOARD

Save for matters which are required to be approved by way of Board resolutions as specifically stipulated in the laws, regulations, regulatory documents, the Incentive Scheme or the Articles of Association, the aforesaid authorisation matters can be directly handled by the chairman of the Board or any appropriate persons delegated by him on behalf of the Board.

The proposal was considered and approved at the sixteenth extraordinary meeting in 2023 of the eighth term of the Board, and is hereby tabled to the Shareholders' General Meetings for Shareholders' consideration.

Proposal to the shareholders' general meeting in relation to the authorisation to the Board of Directors to handle matters relating to the Employee Stock Ownership Scheme for 2023 of the Company

In order to secure the specific implementation of the Employee Stock Ownership Scheme for 2023 of the Company, the Board proposes that the Shareholders authorise the Board at the shareholders' general meeting to handle matters relating to the Employee Stock Ownership Scheme. Details are as follows:

1. To authorise the Board to implement the Employee Stock Ownership Scheme;
2. To authorise the Board to amend and terminate the Employee Stock Ownership Scheme, including but not limited to disqualification of Holders, adding Holders, change in the number of units held by the Holders, early termination of the Employee Stock Ownership Scheme and other matters;
3. To authorise the Board to decide the extension or early termination of the duration period which is subject to the Board's approval according to the provisions of the Draft of the Employee Stock Ownership Scheme;
4. To authorise the Board to handle all matters related to the lock-up and unlock of the Shares purchased under the Employee Stock Ownership Scheme;
5. To authorise the Board to make corresponding amendments to the Employee Stock Ownership Scheme according to the newly promulgated laws, regulations, regulatory documents or policies in case of any changes in the laws, regulations, regulatory documents or policies within the duration period after the Employee Stock Ownership Scheme is considered and approved at the shareholders' general meeting;
6. To authorise the Board to nominate candidates for the Management Committee members; and
7. To authorise the Board to handle any other necessary matters related to the Employee Stock Ownership Scheme, excluding any rights explicitly required to be exercised by the shareholders' general meeting as stipulated in relevant laws, regulations, regulatory documents and the Articles of Association.

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The abovementioned authorisation shall become effective on the date of which it is approved at the shareholders' general meeting of the Company, and shall remain effective within the duration period of the Employee Stock Ownership Scheme.

The proposal was considered and approved at the sixteenth extraordinary meeting in 2023 of the eighth term of the Board, and is hereby tabled to the shareholders' general meeting for Shareholders' consideration.

4. PROFIT DISTRIBUTION PROPOSAL OF THE COMPANY FOR THE SIX MONTHS ENDED 30 JUNE 2023

As accounted by the Company's Treasury and Finance Department (unaudited), the net profit attributable to owners of the parent realised by the Company for the six months ended 30 June 2023 in the consolidated financial statements was RMB10,302,151,544. Net profit realised by the parent company for the six months ended 30 June 2023 was RMB1,313,248,057, adding the retained earnings of the parent company at the beginning of the year 2023 of RMB5,666,400,550 and deducting the profit distributed by the parent company for the year ended 31 December 2022 of RMB5,264,404,248, as at 30 June 2023, the accumulated distributable profits of the parent company was RMB1,715,244,359.

It is suggested that the profit distribution proposal of the Company for the six months ended 30 June 2023 is as follows: distribute a cash dividend of RMB0.5 per 10 Shares (tax included) based on the total number of Shares on the record date for entitlement to profit distribution for the six months ended 30 June 2023 (excluding the A Shares in the Company's specific account for repurchase).

As at the Latest Practicable Date, the total number of Shares of the Company was 26,326,571,240. After deducting the 42,200,000 Shares in the specific account for repurchase, on the basis of 26,284,371,240 Shares which are entitled to profit distribution, it is estimated that the total amount of cash dividend proposed to be distributed is RMB1,314,218,562 (tax included), representing 12.76% of the Company's net profit attributable to owners of the parent for the six months ended 30 June 2023.

The Company's Shares which are held by the Company through the specific account for repurchase will not participate in the profit distribution this time. If there are any changes in the total number of Shares of the Company before the record date of implementation of profit distribution, it is proposed that the amount of distribution per Share shall remain unchanged, and the total amount of distribution shall be adjusted accordingly.

The abovementioned proposal was considered and approved at the fourth meeting of the eighth term of the Board and the fourth meeting of the eighth term of the Supervisory Committee, and is hereby tabled to the shareholders' general meeting for the Shareholders' consideration.

LETTER FROM THE BOARD

5. AMENDMENTS TO THE RULES ON WORK FOR INDEPENDENT DIRECTORS

On 14 April 2023, the General Office of the State Council issued the Opinion on Reform of Independent Directors' Rules of Listed Companies. On 4 August 2023, the CSRC issued the Measures for the Management of Independent Directors of Listed Companies, and the Shanghai Stock Exchange correspondingly issued the Rules for Listing of Stocks and Guidelines No. 1 for Self-regulation of Listed Companies – Standard Operation. Pursuant to the requirements of the abovementioned documents and the actual situation of the Company, the Company proposes to undertake adaptive amendments to the Rules on Work for Independent Directors. Details are set out in Appendix 5 to this circular.

6. ADJUSTMENTS TO ALLOWANCES OF INDEPENDENT DIRECTORS, NON-EXECUTIVE DIRECTOR AND EXTERNAL SUPERVISOR OF THE EIGHTH TERM

Pursuant to the Opinion on Reform of Independent Directors' Rules of Listed Companies issued by the General Office of the State Council, the Measures for the Management of Independent Directors of Listed Companies issued by the CSRC, the Articles of Association and other relevant regulations, for the independent Directors and non-executive Director to play a better role in participation in decision-making, supervision, checks and balances, offering professional advice and other aspects in corporate governance, taking into account the Company's asset scale, operating income, profitability and other financial indicators at the current stage, and also due to the actual situation of increasing responsibilities and pressure in corporate governance borne by the independent Directors, non-executive Director and external Supervisor, after making reference to the allowance rates of the relevant positions of local and overseas listed companies in the same industry, it is proposed to adjust the allowances of independent Directors, non-executive Director and external Supervisor of the eighth term of the Company. Details are as follows:

Annual allowance of the convener of independent Director and independent Directors who are non-PRC residents shall be adjusted to RMB360 thousand, and annual allowance of other independent Directors and non-executive Director shall be adjusted to RMB300 thousand. Annual allowance of the external Supervisor shall be adjusted to RMB200 thousand.

The abovementioned new allowance rates shall be implemented after consideration and approval at the shareholders' general meeting.

Except for the abovementioned adjustments, the allowance and subsidy policies regarding the independent Directors, non-executive Director and external Supervisor in the remuneration and assessment proposal of Directors and Supervisors of the eighth term of the Board of the Company, which was considered and approved at the first extraordinary general meeting in 2022 of the Company convened on 30 December 2022, shall remain valid.

The proposal was considered and approved at the sixteenth extraordinary meeting in 2023 of the eighth term of the Board, and is hereby tabled to the shareholders' general meeting for the Shareholders' consideration.

LETTER FROM THE BOARD

7. DEVELOPMENT OF FUTURES AND DERIVATIVE TRADING BUSINESSES OF SUBSIDIARIES

In order to fully leverage the synergies between the financial sector and main businesses of the Company and reducing market volatility risks associated with the Company's cross-border investments and investments in industry chain, on the premise of not affecting the Company's normal operations and ensuring effective risk control, the Company proposes to authorise its subsidiaries in the financial sector to use a portion of idle funds to engage in futures and derivative trading businesses to generate certain amount of investment income, improve the capital utilisation efficiency and create greater returns to the Company and its Shareholders. Details are set out in Appendix 6 to this circular.

8. THE EGM AND THE CLASS MEETINGS

The Company will hold the EGM, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting at the conference room at 41/F., Tower B, Zhonghang Zijin Plaza, No. 1811 Huandao Road East, Siming District, Xiamen City, Fujian Province, the PRC on Friday, 8 December 2023 at 9:30 a.m., 10:30 a.m. and 11 a.m., respectively.

The EGM, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting will be convened and held for the purpose of, inter alia, considering and approving, by the Shareholders, the A Shareholders and the H Shareholders, the adoptions of the Incentive Scheme and the Employee Stock Ownership Scheme (if applicable) and related matters, respectively. Votes for all resolutions at the EGM, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting shall be taken by way of poll.

Pursuant to Rule 2.15 of the Listing Rules, any Shareholders who have a material interest in the Incentive Scheme shall abstain from voting on the resolutions to approve the adoption of the Incentive Scheme at the Shareholders' General Meetings, and any Shareholders who have a material interest in the Employee Stock Ownership Scheme shall abstain from voting on the resolutions to approve the adoption of the Employee Stock Ownership Scheme at the EGM. As at the Latest Practicable Date, to the best of the knowledge of the Directors after making all reasonable enquiries, Chen Jinghe held 65,100,000 A Shares and 20,000,000 H Shares (accounting for approximately 0.32% of the total issued Shares as at the Latest Practicable Date), Zou Laichang held 2,723,050 A Shares (accounting for approximately 0.01% of the total issued Shares as at the Latest Practicable Date), Lin Hongfu held 1,728,938 A Shares (accounting for approximately 0.01% of the total issued Shares as at the Latest Practicable Date), Lin Hongying held 977,000 A Shares (accounting for approximately 0.01% of the total issued Shares as at the Latest Practicable Date), Xie Xionghui held 905,571 A Shares (accounting for approximately 0.01% of the total issued Shares as at the Latest Practicable Date), Wu Jianhui held 510,000 A Shares (accounting for approximately 0.01% of the total issued Shares as at the Latest Practicable Date), Shen Shaoyang held 1,001,000 A Shares (accounting for approximately 0.01% of the total issued Shares as at the Latest Practicable Date), Wang Chun held 502,000 A Shares (accounting for approximately 0.01% of the total issued Shares as at the Latest Practicable Date), Liao Yuanhang held 450,000 A Shares

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(accounting for approximately 0.01% of the total issued Shares as at the Latest Practicable Date) and other Participants and Target Holders and their respective Associates have significant interests in the resolutions relating to the adoptions of the Incentive Scheme and the Employee Stock Ownership Scheme to be proposed at the EGM, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting (as the case maybe). Accordingly, the Participants and their Associates shall abstain from voting on the resolutions relating to the adoption of the Incentive Scheme at the Shareholders' General Meetings, and the Target Holders and their Associates shall abstain from voting on the resolutions relating to the adoption of the Employee Stock Ownership Scheme at the EGM.

Save as disclosed above, no other Shareholders have to abstain from voting on the relevant resolutions to be proposed at the EGM, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting.

As far as the Company was aware of, having made all reasonable enquiries, as at the Latest Practicable Date:

- (a) the Participants and the Target Holders and their respective Associates controlled or were entitled to exercise control over the voting right in respect of their respective Shares;
- (b) (i) there were no voting trusts or other agreements or arrangements or understanding (other than an outright sale) entered into by or binding upon any of the Participants and the Target Holders or their respective Associates;
- (ii) there were no obligations or entitlements of the Participants and the Target Holders or their respective Associates, whereby they had or might have temporarily or permanently passed control over the exercise of the voting rights in respect of their respective Shares to a third party, either generally or on a case-by-case basis; and
- (c) there is no discrepancy between the beneficial shareholding interest of the Participants and the Target Holders or their respective Associates in the Company as disclosed in this circular and the number of Shares in respect of which they will control or will be entitled to exercise control over the voting rights at the EGM and the Class Meetings.

In order to determine the list of H Shareholders who are entitled to attend the EGM and the H Shareholders' Class Meeting, the Company's register of H Shares members will be closed from Friday, 1 December 2023 to Friday, 8 December 2023 (both days inclusive), during such period no transfer of H Shares will be registered. H Shareholders who intend to attend the EGM and the H Shareholders' Class Meeting but have not registered the transfer documents are required to deposit the transfer documents together with the relevant share certificates at the registrar of H Shares of the Company, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong

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Kong, no later than 4:30 p.m. on Thursday, 30 November 2023. H Shareholders whose names appear on the register of H Shares members on Friday, 8 December 2023 are entitled to attend the EGM and the H Shareholders' Class Meeting.

In accordance with the relevant provisions of the Administrative Measures issued by the CSRC, Mr. He Fulong, an independent non-executive Director, as the soliciting party, solicits voting rights from all Shareholders in connection with (1) the proposal in relation to the Share Option Incentive Scheme for 2023 (Draft) and its summary of the Company; (2) the proposal in relation to the Administrative Measures for Implementation of Appraisal for the Share Option Incentive Scheme for 2023 of the Company; and (3) the proposal to the Shareholders' General Meetings in relation to the authorisation to the Board of Directors to handle matters relating to the Share Option Incentive Scheme for 2023 of the Company, which will be tabled to the EGM and the Class Meetings for consideration.

Any H Shareholders who decide to appoint the soliciting party as a proxy to vote on their behalf shall appoint Mr. He Fulong as their proxy for all the special resolutions in the Proxy Form(s) for Solicitation. For details of procedures and steps of solicitation of voting rights and the voting, please refer to the Company's overseas regulatory announcement to be published on or around 22 November 2023 in relation to the solicitation of voting rights by the independent non-executive Director.

The reply slips, proxy forms and the Proxy Forms for Solicitation for H Shareholders for use at the said meetings are enclosed herewith. H Shareholders who intend to attend the respective meetings shall complete and return the reply slip(s) in accordance with the instructions printed on or before Wednesday, 6 December 2023.

Whether or not you are able to attend the respective meetings, please complete the applicable proxy form(s) and/or the Proxy Form(s) for Solicitation in accordance with the instructions printed thereon. The applicable proxy form(s) and/or the Proxy Form(s) for Solicitation shall be lodged with the registrar of H Shares of the Company, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 24 hours before the time appointed for the holding of the relevant meeting(s) or any adjournment thereof (as the case may be). Completion and return of the applicable proxy form(s) and/or the Proxy Form(s) for Solicitation will not prevent you from attending and voting in person at the relevant meeting(s) or at any adjournment thereof should you so wish.

9. RECOMMENDATION

The Directors (including the independent non-executive Directors) consider that the proposed adoption of the Share Option Incentive Scheme for 2023, proposed adoption of the Employee Stock Ownership Scheme for 2023, profit distribution proposal of the Company for the six months ended 30 June 2023, amendments to the Rules on Work for Independent Directors, adjustments to allowances of independent Directors, non-executive Director and external Supervisor of the eighth term and development of futures and derivative trading

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businesses of subsidiaries are in the best interests of the Company and its Shareholders as a whole, and recommend all Shareholders to vote in favour of the relevant proposals to be tabled to the EGM, the A Shareholders' Class Meeting (where applicable) and the H Shareholders' Class Meeting (where applicable). The independent non-executive Directors are of the view that the terms of the Incentive Scheme and the Employee Stock Ownership Scheme are fair and reasonable and in the interests of the Company and the Shareholders as a whole, and recommend that the Independent Shareholders to vote in favour of the relevant proposals to be tabled to the EGM, the A Shareholders' Class Meeting (where applicable) and the H Shareholders' Class Meeting (where applicable).

10. FURTHER INFORMATION

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

A copy of the Draft of the Incentive Scheme and the Draft of the Employee Stock Ownership Scheme will be published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) and the website of the Company (www.zjky.cn) for a period of 14 days from the date of this circular (both days inclusive).

Should there be any discrepancies, the Chinese version of this circular shall prevail over its English version.

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

* *The English name of the Company is for identification purpose only*

Stock abbreviation: Zijin Mining

Stock code: 601899



Zijin Mining Group Co., Ltd.*
Share Option Incentive Scheme for 2023
(Draft)

November 2023

Declaration

The Company and all the Directors and Supervisors hereby warrant that there are no false representations or misleading statements contained herein, or material omissions from the Incentive Scheme and its summary, and individually and jointly accept legal responsibilities for their authenticity, accuracy and completeness.

Special notes

- I. The Incentive Scheme is formulated by Zijin Mining Group Co., Ltd.* (the “Company”) in accordance with the stipulations in relevant laws, regulations and regulatory documents including the Company Law of the PRC (the “Company Law”), Securities Law of the PRC (the “Securities Law”), Measures for the Administration of Equity Incentives of Listed Companies (the “Administrative Measures”), the Trial Measures on Implementation of Equity Incentive Schemes by State-owned Listed Companies (Domestic) (the “Trial Measures”), Notice on Issues concerning Regulating the Implementation of the Equity Incentive System of State-owned Listed Companies (the “Regulatory Notice”), as well as the Articles of Association of Zijin Mining Group Co., Ltd.* (the “Articles of Association”).
- II. The incentives adopted under the Incentive Scheme are Share Options. The source of the underlying Shares shall be the ordinary A Shares to be issued specifically by the Company to the Participants.
- III. The number of underlying Shares involved in the aggregated number of the Share Options proposed to be granted under the Incentive Scheme is 42 million, accounting for approximately 0.16% of the Company’s total share capital as at the announcement date of the Draft of the Incentive Scheme. The grant is a one-off grant with no reserved grant.

The total number of Shares which may be issued in respect of all options and awards to be granted under the Incentive Scheme and any other schemes is 42 million, accounting for approximately 0.16% and not exceeding 10% of the Company’s issued A Shares as at the announcement date of the Draft of the Incentive Scheme. The number of the Shares involved in the interest granted (including those exercised and not exercised) under all incentive schemes during their validity period to any individual Participant shall not exceed 1% of the total issued A Shares of the Company.

- IV. The Exercise Price of the Share Options of the Incentive Scheme is RMB12.00 per A Share. During the period from the announcement date of the Draft of the Incentive Scheme to the completion of exercise of the Share Options by the Participants, in case of any conversion of capital reserve into share capital, bonus issue, share split, share consolidation, rights issue, profit distribution, etc. made by the Company, the Exercise Price and number of the Share Options to be exercised shall be adjusted accordingly pursuant to the Incentive Scheme.

- V. The number of Participants under the Incentive Scheme is 13 (accounting for approximately 0.03% of the total number of employees of the Company (i.e., 48,836) as at the end of 2022). The Participants include the Directors and senior management of the Company as at the announcement date of the Incentive Scheme.
- VI. The Validity Period of the Share Options shall commence from the Grant Date of the Share Options to the date on which the exercise or cancellation of all Share Options are completed, which shall not exceed 60 months.
- VII. There is no occurrence of any of the followings on the Company under the circumstances specified in article 7 of the Administrative Measures which prohibit the implementation of equity incentives:
- (I) issuance of an auditors' report with an adverse opinion or a disclaimer of opinion by certified public accountants in respect of the Company's financial accounting report for the most recent accounting year;
 - (II) issuance of an auditors' report with an adverse opinion or a disclaimer of opinion by certified public accountants in respect of the Company's internal control over financial reporting for the most recent accounting year;
 - (III) failure to carry out profit distribution in accordance with the laws and regulations, the Articles of Association or public undertakings during the most recent 36 months after listing;
 - (IV) prohibition from implementation of any equity incentives by applicable laws and regulations; or
 - (V) any other circumstances as prescribed by the CSRC.
- VIII. There is no occurrence of any of the followings under the circumstances specified in article 8 of the Administrative Measures which prohibit any persons from becoming the Participants under the Incentive Scheme:
- (I) being deemed as an inappropriate candidate by the stock exchanges in the PRC in the most recent 12 months;
 - (II) being deemed as an inappropriate candidate by the CSRC or any of its dispatch agencies in the most recent 12 months;
 - (III) being imposed with administrative penalties or market access restrictions by the CSRC or any of its dispatch agencies due to material breach of laws and regulations in the most recent 12 months;

- (IV) being prohibited from acting as a director or a senior management of a company under the Company Law;
 - (V) being prohibited from participating in any equity incentives of a listed company under laws and regulations; or
 - (VI) any other circumstances as prescribed by the CSRC.
- IX. The Company undertakes that there are no false representations or misleading statements contained herein, or material omissions from the disclosure documents, and not to provide any loans or any other forms of financial assistance, including guarantee for loans, to the Participants for the purpose of obtaining the relevant Share Options under the Incentive Scheme.
- X. The Participants shall undertake that, where there are any false representations or misleading statements contained in, or material omissions from the disclosure documents of the Company and as a result of which the conditions of grant or exercising arrangements are not satisfied, the Participants concerned shall return to the Company all returns obtained under the Incentive Scheme when it is confirmed that the relevant disclosure documents of the Company contain false representations, misleading statements or material omissions.
- XI. The implementation of the Incentive Scheme shall be subject to the review and approval of the State-owned Assets Supervision and Administration Commission of the People's Government of Longyan City (the "SASAC of Longyan City") and the consideration and approval at the Shareholders' General Meetings.
- XII. Within 60 days from the date on which the Incentive Scheme is considered and approved at the Shareholders' General Meetings, the Company shall convene a Board meeting to grant the rights and interests to the Participants, and complete the announcement and other procedures pursuant to the relevant provisions. If the Company fails to complete the aforesaid tasks within 60 days, the Incentive Scheme shall be terminated, and the Share Options which are not yet granted shall expire.
- XIII. The implementation of the Incentive Scheme will not lead to a distribution of shareholding of the Company which fails to satisfy listing conditions.

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Chapter I Definitions

Unless the context otherwise requires, the following expressions have the following meanings:

Abbreviation	Definition
Company or Zijin Mining	Zijin Mining Group Co., Ltd.*
Incentive Scheme, Scheme, Draft of the Incentive Scheme or Share Option Incentive Scheme	the Share Option Incentive Scheme for 2023 of Zijin Mining Group Co., Ltd.* (Draft)
Share Option(s)	the incentive(s) under the Incentive Scheme, which is/are the right(s) to be granted by Zijin Mining to the Participants to purchase a certain number of A Shares at a predetermined price and conditions within a certain period of time in the future
Participant(s)	the personnel to be granted the Share Options pursuant to the Incentive Scheme
Grant Date	the date on which the Company grants the Share Options to the Participants, which shall be a trading day
Vesting Period	the period from the Grant Date to the Exercise Date of the Share Options
Validity Period	the period from the Grant Date of the Share Options to the date on which the exercise or cancellation of the Share Options are completed
exercise	the act of exercising the Share Options held by the Participants pursuant to the Incentive Scheme
Exercise Date	the date on which the Participants can commence the exercise, i.e., the effective date, which shall be a trading day
Exercise Price	the price for the Participants to purchase the Shares as determined at the time when the Company grants the Share Options to them

Exercise Conditions	the conditions required to be satisfied for the Participants to exercise the Share Options
Company Law	the Company Law of the PRC
Securities Law	the Securities Law of the PRC
Trial Measures	the Trial Measures on Implementation of Equity Incentive Schemes by State-owned Listed Companies (Domestic)
Regulatory Notice	Notice on Issues concerning Regulating the Implementation of the Equity Incentive System of State-owned Listed Companies
Administrative Measures	Measures for the Administration of Equity Incentives of Listed Companies
Articles of Association	the articles of association of Zijin Mining Group Co., Ltd.*
SASAC of Longyan City	the State-owned Assets Supervision and Administration Commission of the People's Government of Longyan City
CSRC	China Securities Regulatory Commission
Shanghai Stock Exchange	Shanghai Stock Exchange
Depository and Clearing Corporation	China Securities Depository and Clearing Corporation Limited Shanghai Branch
RMB	Renminbi

Notes:

1. Unless otherwise indicated, the financial data and financial indicators in the Draft of the Incentive Scheme are financial data on consolidation basis and financial indicators calculated based on such financial data;
2. In the Draft of the Incentive Scheme, any discrepancies between the last digits of the total number and those of the sum of individual items are due to rounding.

Chapter II General provisions**I. Purposes of formulating the Incentive Scheme**

For the purposes of further promoting the establishment and improvement of the Company's long-term incentive mechanism, attracting and retaining outstanding talents, fully motivating the enthusiasm at work of the Company's employees, effectively aligning the interests of the Shareholders, the Company and the individual interests of the operators, and keeping all parties focused on the Company's long-term development, on the basis of fully safeguarding the Shareholders' interests, Zijin Mining proposed to implement equity interest incentives to integrate the management personnel of the Company closely with the Company's development, thereby ensuring the realisation of the Company's development strategies and business targets. The Incentive Scheme is formulated by the Company in accordance with the stipulations in relevant laws, regulations and regulatory documents including the Company Law, Securities Law, Administrative Measures, Trial Measures, Regulatory Notice as well as the Articles of Association.

II. Principles for formulating the Incentive Scheme

- (I) Adhere to legal compliance, openness, transparency and strict adherence to relevant laws, regulations and provisions of the Articles of Association;
- (II) Adhere to the combination of incentives and constraints and a proportional balance between risks and rewards, to fully motivate the enthusiasm of the Company's core employees;
- (III) Adhere to a practical approach, initiate actions with caution, progress step by step, and constantly strive for improvement; and
- (IV) Uphold the interests of the Shareholders, the Company and the employees, promote the preservation and appreciation of state-owned capital and facilitate the sustainable development of the Company.

Chapter III Administrative institutions of the Incentive Scheme

The shareholders' general meeting, as the highest authority of the Company, shall be responsible for considering and approving the implementation, amendment and termination of the Incentive Scheme. The shareholders' general meeting may, within its powers and authorities, authorise the Board to handle part of the matters relating to the Incentive Scheme.

The Board shall act as the executive and administrative institution for the Incentive Scheme and be responsible for the implementation of the Incentive Scheme. The Nomination and Remuneration Committee of the Board shall be responsible for drafting and revising the Incentive Scheme. Upon the consideration and approval by the Board, the Incentive Scheme shall be further submitted to the Shareholders' General Meetings for consideration. The Board may handle other matters relating to the Incentive Scheme within the scope of authorisation granted at the Shareholders' General Meetings. The Nomination and Remuneration Committee can make recommendations to the Board regarding the equity interests granted to the Participants and the satisfaction of the Exercise Conditions.

The Supervisory Committee shall act as the supervisory institution for the Incentive Scheme and be responsible for reviewing the list of Participants. It shall issue opinions as to whether the Incentive Scheme is beneficial to the sustainable development of the Company and whether there are any apparent prejudices to the interests of the Company and all Shareholders. It shall supervise the implementation of the Incentive Scheme as to whether it is in compliance with the relevant laws, administrative regulations, departmental rules and operational rules of the Shanghai Stock Exchange.

Independent Directors shall issue independent opinions as to whether the Incentive Scheme is beneficial to the sustainable development of the Company and whether there are any apparent prejudices to the interests of the Company and all Shareholders, and shall solicit voting rights by proxy from all Shareholders in respect of the Incentive Scheme.

Where amendments have been made to the Incentive Scheme by the Company before it is considered and approved at the Shareholders' General Meetings, independent Directors and the Supervisory Committee shall issue explicit opinions as to whether the amended Incentive Scheme is beneficial to the sustainable development of the Company and whether there are any apparent prejudices to the interests of the Company and all Shareholders.

Before the Company grants any equity interests to the Participants, independent Directors and the Supervisory Committee shall issue explicit opinions as to the satisfaction of the conditions of grant of the Participants which are prescribed in the Incentive Scheme. In the event of any discrepancies between the equity interests granted by the Company to the Participants and the arrangements under the Incentive Scheme, independent Directors and the Supervisory Committee (where there are changes to the Participants) shall issue explicit opinions at the same time.

Before the Participants exercise any equity interests, independent Directors and the Supervisory Committee shall issue explicit opinions as to whether the conditions stipulated in the Incentive Scheme for the Participants to exercise such equity interests have been satisfied.

Charter IV Basis for determination and scope of the Participants**I. Basis for determination of the Participants****(I) Legal basis for determination of the Participants**

The Participants under the Incentive Scheme are determined in accordance with the stipulations in relevant laws, regulations and regulatory documents including the Company Law, Securities Law, Administrative Measures, Trial Measures, Regulatory Notice as well as the Articles of Association, and taking into account the actual situation of the Company.

(II) Basis for determination of the Participants by the positions held

The Participants under the Incentive Scheme include the executive Directors and senior management of the Company.

II. Scope of the Participants

The total number of Participants under the Incentive Scheme is 13, accounting for approximately 0.03% of the total number of employees of the Company (i.e., 48,836) as at the end of 2022. The Participants include the executive Directors and senior management of the Company;

The Participants under the Incentive Scheme do not include the independent Directors, the Supervisors and any Shareholders or actual controllers, whether individually or jointly, holding more than 5% of the Shares, or their respective spouses, parents and children.

All the abovementioned Participants shall maintain their employment with the Company or its subsidiaries and have entered into a labour contract or an appointment contract at the time they are granted the Share Options and within the appraisal period of the Incentive Scheme.

III. Verification of the Participants

After the Incentive Scheme is considered and approved by the Board, the Company shall publicise the list of Participants internally in accordance with the regulations. The publicity period shall be at least 10 days.

The Supervisory Committee shall review the list of Participants and fully consider the feedback received during the publicity process. Details regarding the review of the Supervisory Committee on the list of Participants and the publicity shall be disclosed 5 days before the Incentive Scheme is considered at the Shareholders' General Meetings. Any adjustments to the list of Participants made by the Board shall also be subject to verification of the Supervisory Committee.

**Chapter V Source, number and allocation of the incentives and the
underlying Shares****I. The incentives**

The incentives adopted under the Incentive Scheme are Share Options.

II. Source and type of the underlying Shares

The source of the underlying Shares of the Share Options shall be the ordinary A Shares to be issued specifically by the Company to the Participants.

III. Number of the underlying Shares

The number of underlying Shares involved in the aggregated number of the Share Options proposed to be granted under the Incentive Scheme is 42 million, accounting for approximately 0.16% of the Company's total share capital as at the announcement date of the Draft of the Incentive Scheme. Upon satisfaction of the Exercise Conditions, each Share Option to be granted under the Incentive Scheme entitles the right to purchase 1 ordinary A Share denominated in Renminbi at the Exercise Price. The grant is a one-off grant with no reserved grant.

As at the announcement date of the Draft of the Incentive Scheme, the Restricted A Share Incentive Scheme for 2020 (Revised Draft), which was considered and approved at the Company's third extraordinary general meeting in 2020, the third A Shareholders' class meeting in 2020 and the third H Shareholders' class meeting in 2020, was still under implementation. The total number of underlying Shares involved that are still within the validity period is 64.3320 million, accounting for approximately 0.24% of the Company's total share capital as at the announcement date of the Draft of the Incentive Scheme.

As at the announcement date of the Draft of the Incentive Scheme, the total number of Shares which may be issued in respect of all options and awards to be granted under the Incentive Scheme and any other schemes is 42 million, accounting for approximately 0.16% of the Company's total share capital and not exceeding 10% of the number of issued A Shares as at the announcement date of the Draft of the Incentive Scheme. The number of the Shares involved in the interests granted (including those exercised and not exercised) under all incentive schemes during their validity period to any individual Participant of the Incentive Scheme shall not exceed 1% of the number of issued A Shares of the Company.

During the period from the announcement date of the Incentive Scheme to the completion of exercise of the Share Options by the Participants, in case of any conversion of capital reserve into share capital, bonus issue, share split, share consolidation, rights issue, etc. made by the Company, the number of the Share Options and the total number of the underlying Shares involved shall be adjusted accordingly.

IV. Allocation among the individual Participants

The allocation of the Share Options to be granted among the Participants under the Incentive Scheme is set out in the table below:

Name	Position	Number of Share Options to be granted (million)	Approximate	Approximate
			proportion to the total number of Share Options to be granted	proportion to the total share capital of the Company as at the Latest Practicable Date
Chen Jinghe	Chairman	6.00	14.29%	0.02%
Zou Laichang	Vice-chairman and president	5.10	12.14%	0.02%
Lin Hongfu	Director and standing vice-president	3.00	7.14%	0.01%
Lin Hongying	Director and vice-president	3.00	7.14%	0.01%
Xie Xionghui	Director and vice-president	3.00	7.14%	0.01%
Wu Jianhui	Director and vice-president	3.00	7.14%	0.01%
Shen Shaoyang	Vice-president	2.70	6.43%	0.01%
Long Yi	Vice-president	2.70	6.43%	0.01%
Que Chaoyang	Vice-president	2.70	6.43%	0.01%
Wu Honghui	Financial controller	2.70	6.43%	0.01%
Zheng Youcheng	Secretary to the Board	2.70	6.43%	0.01%
Wang Chun	Vice-president	2.70	6.43%	0.01%
Liao Yuanhang	Vice-president	2.70	6.43%	0.01%
Total		42.00	100.00%	0.16%

Notes: 1. Any discrepancies between the last digits of the total number and those of the sum of individual items in the above table are due to rounding.

2. The abovementioned “total share capital” is the total number of Shares of the Company as at the announcement date of the Draft of the Incentive Scheme, i.e., 26,326,571,240.

In the implementation process of the Incentive Scheme, if any Participants do not comply with the stipulations in the Administrative Measures and the Incentive Scheme, the Company shall terminate their rights to participate in the Incentive Scheme and cancel the Share Options granted to them which are not yet exercised.

Chapter VI Time arrangement of the Incentive Scheme**I. Validity Period of the Incentive Scheme**

The Validity Period of the Incentive Scheme shall commence from the Grant Date of the Share Options to the date on which the exercise or cancellation of all the Share Options are completed, and shall not exceed 60 months.

II. Grant Date

The Grant Date of the Share Options shall be determined by the Board in accordance with the relevant regulations after the Incentive Scheme is considered and approved by the Board, the SASAC of Longyan City and at the Shareholders' General Meetings. The Grant Date shall be a trading day. Within 60 days from the date on which the Incentive Scheme is considered and approved at the Shareholders' General Meetings, the Company shall convene a Board meeting to grant the Share Options to the Participants and complete the announcement pursuant to the relevant regulations. If the Company fails to complete the aforesaid tasks within 60 days, it shall announce the reasons of the failure in a timely manner, and announce the termination of implementation of the Incentive Scheme. The Share Options of which the grant is not completed shall expire.

III. Vesting Period

The Vesting Period of the Share Options shall be the period between the Grant Date and the first Exercise Date of the Share Options. The Vesting Period under the Incentive Scheme shall be 24 months from the Grant Date of the Share Options.

IV. Exercise Date

After the corresponding Exercise Conditions have been satisfied, the Share Options can be exercised pursuant to the exercising arrangement under the Incentive Scheme. An Exercise Date shall be a trading day and shall not fall within any of the following periods:

1. within 30 days prior to the publication of annual and interim reports of the Company. Where there are any delays in the publication of such reports due to special circumstances, the period shall be 30 days prior to the original scheduled publication date to the day before the actual publication date;
2. within 10 days prior to the publication of the Company's quarterly reports, estimated operating results announcements or preliminary operating results announcements;
3. the period from the date of occurrence of any significant events which may have a material impact on the trading prices of the Company's Shares and their derivatives and investment decisions of investors or the date on which the relevant decision-making procedures begin to the disclosure date in accordance with laws; and
4. other periods as stipulated by the CSRC and the Shanghai Stock Exchange.

V. Exercising arrangement

The Share Options to be granted under the Incentive Scheme can be exercised by three batches after 24 months from the Grant Date of the Share Options. The exercising arrangement of the Share Options to be granted are set out in the table below:

Exercising arrangement	Exercise Period	Proportion to be exercised
First Exercise Period	Commencing from the first trading day after expiry of the 24-month period from the Grant Date and ending on the last trading day of the 36-month period from the Grant Date	1/3
Second Exercise Period	Commencing from the first trading day after expiry of the 36-month period from the Grant Date and ending on the last trading day of the 48-month period from the Grant Date	1/3
Third Exercise Period	Commencing from the first trading day after expiry of the 48-month period from the Grant Date and ending on the last trading day of the 60-month period from the Grant Date	1/3

Upon the Exercise Conditions of the Share Options are satisfied, the Company shall deal with the exercise of the Share Options which satisfied the Exercise Conditions for the Participants during the Exercise Periods.

For the Share Options which the Exercise Conditions for such period are not satisfied, they cannot be exercised or deferred to the subsequent period to be exercised, and the Share Options for such period shall be cancelled by the Company. After all the Exercise Periods of the Share Options end, the Share Options held by the Participants which have not been exercised shall not be exercised and shall be cancelled by the Company.

VI. Black-out periods

A black-out period refers to the time interval during which the Participants are restricted from selling the Shares obtained after exercise of the Share Options. The provisions for black-out periods under the Incentive Scheme shall be implemented in accordance with the stipulations in the Company Law, Securities Law and other relevant laws, regulations, regulatory documents and the Articles of Association. Details of which are set out below:

1. If the Participant is a Director or a senior management of the Company, the number of Shares that may be transferred each year during the term of office of the Participant shall not exceed 25% of the total number of Shares held by such Participant. No Shares shall be transferred within 6 months after the Participant has left his or her office.
2. If the Participant is a Director or a senior management of the Company and sells any Shares purchased in the last 6 months, or purchases Shares in the 6 months following a disposal, all gains arising therefrom shall belong to the Company and be recovered by the Board.
3. If, during the Validity Period of the Incentive Scheme, there are any changes in the provisions of the Company Law, Securities Law and other relevant laws, regulations, regulatory documents and the Articles of Association regarding the transfer of the Shares held by a Director or a senior management of the Company, the relevant Participants shall comply with the relevant amended provisions prevailing at the time of the share transfer.

Chapter VII Exercise Price of the Share Options and its basis for determination**I. Exercise Price of the Share Options**

The Exercise Price of the Share Options of the Incentive Scheme is RMB12.00 per A Share, i.e., the Participants have the right to purchase A Shares of the Company at a price of RMB12.00 per A Share after satisfying the Exercise Conditions.

The Participants are not required to pay any funds for accepting the Share Options at the time of grant. The fund shall be paid to the designated fund account of the Company before exercise of the Share Options.

II. Methods of determining the Exercise Price of the Share Options

The Exercise Price of the Share Options to be granted under the Incentive Scheme shall not be lower than the nominal value of the Shares, and shall not be lower than the higher of:

- (1) the average trading price of the Company's A Shares on the trading day preceding the announcement date of the Draft of the Incentive Scheme, i.e., RMB11.87 per A Share; and
- (2) the average trading price of the Company's A Shares for the 20 trading days preceding the announcement date of the Draft of the Incentive Scheme, i.e., RMB12.00 per A Share.

Chapter VIII Conditions of grant and Exercise Conditions of the Share Options**I. Conditions of grant of the Share Options**

The Company shall grant the Share Options to the Participants upon satisfaction of all of the following conditions of grant. Conversely, no Share Options shall be granted to the Participants if any of the following conditions of grant has not been satisfied:

(I) There is no occurrence of any of the followings on the Company:

1. issuance of an auditors' report with an adverse opinion or a disclaimer of opinion by certified public accountants in respect of the Company's financial accounting report for the most recent accounting year;
2. issuance of an auditors' report with an adverse opinion or a disclaimer of opinion by certified public accountants in respect of the Company's internal control over financial reporting for the most recent accounting year;
3. failure to carry out profit distribution in accordance with the laws and regulations, the Articles of Association or public undertakings during the most recent 36 months after listing;
4. prohibition from implementation of any equity incentives by applicable laws and regulations; or
5. any other circumstances as prescribed by the CSRC.

(II) There is no occurrence of any of the followings on the Participants:

1. being deemed as an inappropriate candidate by the stock exchanges in the PRC in the most recent 12 months;
2. being deemed as an inappropriate candidate by the CSRC or any of its dispatch agencies in the most recent 12 months;

3. being imposed with administrative penalties or market access restrictions by the CSRC or any of its dispatch agencies due to material breach of laws and regulations in the most recent 12 months;
4. being prohibited from acting as a director or a senior management of a company under the Company Law;
5. being prohibited from participating in any equity incentives of a listed company under laws and regulations; or
6. any other circumstances as prescribed by the CSRC.

II. Exercise Conditions of the Share Options

In addition to satisfying the aforementioned conditions, the Share Options granted to the Participants shall only be exercised when all of the following conditions are satisfied:

(I) Performance appraisal requirements at company and individual levels

The appraisal period for the Incentive Scheme is the three accounting years from 2024 to 2026. Appraisal shall be conducted for each accounting year. Performance appraisal targets for the Share Options to be granted at company and individual levels for each year are set out below:

Exercise Period	Performance appraisal targets
First Exercise Period	<ol style="list-style-type: none"> (1) On the basis of the operating results for 2022, the growth rate of operating income for 2024 shall not be lower than 10% as well as the industry average level or the 75th percentile of the benchmarking enterprises; (2) the return on net assets ratio for 2024 shall not be lower than 12% as well as the industry average level or the 75th percentile of the benchmarking enterprises; (3) debt-to-asset ratio as at the end of 2024 shall not be higher than 65%; and (4) performance appraisal results of such Participant for 2024 shall be grade B or above.

Exercise Period	Performance appraisal targets
Second Exercise Period	<ol style="list-style-type: none">(1) On the basis of the operating results for 2022, the growth rate of operating income for 2025 shall not be lower than 15% as well as the industry average level or the 75th percentile of the benchmarking enterprises;(2) the return on net assets ratio for 2025 shall not be lower than 12% as well as the industry average level or the 75th percentile of the benchmarking enterprises;(3) debt-to-asset ratio as at the end of 2025 shall not be higher than 65%; and(4) performance appraisal results of such Participant for 2025 shall be grade B or above.
Third Exercise Period	<ol style="list-style-type: none">(1) On the basis of the operating results for 2022, the growth rate of operating income for 2026 shall not be lower than 20% as well as the industry average level or the 75th percentile of the benchmarking enterprises;(2) the return on net assets ratio for 2026 shall not be lower than 12% as well as the industry average level or the 75th percentile of the benchmarking enterprises;(3) debt-to-asset ratio as at the end of 2026 shall not be higher than 65%; and(4) performance appraisal results of such Participant for 2026 shall be grade B or above.

Notes: 1. Return on net assets ratio refers to the weighted average return on net assets after deduction of audited non-recurring profit or loss. The calculation of the abovementioned appraisal indicators shall exclude the incentive costs incurred by the implementation of the Incentive Scheme;

2. During the Validity Period of the Incentive Scheme, in case of issuance of new Shares, rights issue or other events that would result in a change in the Company's net assets, the changes in net assets and income arising therefrom shall be excluded during the appraisal.

During each Exercise Period, if the Company's performance level for that period fails to meet the performance appraisal targets, all the Share Options held by the Participants corresponding to the appraisal year planned to be exercised shall not be exercised and shall be cancelled by the Company.

If the Share Options held by the Participants planned to be exercised during the period cannot be exercised or cannot be fully exercised due to the reason of individual's appraisal, the Share Options which fail to satisfy the Exercise Conditions cannot be deferred and shall be cancelled by the Company on a uniform basis.

(II) Selection of benchmarking enterprises

In order to ensure comparability of the performance indicators for the Company's Share Option Incentive Scheme, the benchmarking enterprises selected by the Company for the grant and exercise of the Share Options are relatively large-scale mining enterprises in China primarily engaged in gold, lithium, copper, lead and zinc products. Details are as follows:

Number	Category	Stock code	Stock abbreviation
1	Gold	600489.SH	Zhongjin Gold
2	Gold	600547.SH	Shandong Gold
3	Lithium	000792.SZ	Qinghai Salt Lake Industry
4	Lithium	002460.SZ	Ganfeng Lithium
5	Lithium	002466.SZ	Tianqi Lithium
6	Copper	000630.SZ	Tongling Nonferrous Metals
7	Copper	000878.SZ	Yunnan Copper
8	Copper	600362.SH	Jiangxi Copper
9	Copper, lead and zinc	601168.SH	Western Mining
10	Lead and zinc	600497.SH	Chihong Zn&Ge

If there are significant changes in the principal business of or extreme values with significant deviation in the sample companies within the same industry or benchmarking enterprises during the annual appraisal process, the Board will remove or replace such samples in the year-end appraisal.

III. Scientificness and reasonableness of appraisal indicators

The appraisal indicators set for the Incentive Scheme of the Company are in accordance with the basic provisions of laws, regulations and the Articles of Association. The appraisal indicators are divided into two levels, i.e. performance appraisal at the company level and performance appraisal at the individual level.

Performance appraisal indicators at the company level include growth rate of operating income, return on net assets ratio and debt-to-asset ratio. Growth rate of operating income is an important indicator that reflects the Company's operating performance and market value growth prospect; growth rate of return on net assets ratio is a measurement of the operating results of listed companies; debt-to-asset ratio is a measurement of the Company's ability to use funds provided by creditors to conduct business activities, which is an indicator that reflects the security of the loans provided by creditors. Having made a reasonable projection as well as taking into account the incentive effect of the Incentive Scheme, the Company set the abovementioned performance appraisal targets for the Incentive Scheme.

In addition to the performance appraisal at the company level, the Company has established a performance appraisal system for individuals, which comprehensively evaluates the work performance of the Participants in a relatively accurate and all-round manner. The Company will determine whether the Participants meet the Exercise Conditions based on their performance appraisal results for the previous year. Only when both sets of indicators are met at the same time can the Participants exercise their Share Options and receive any gains arising therefrom.

In conclusion, the appraisal system for the Incentive Scheme of the Company is all-round, comprehensive and operable, and the setting of appraisal indicators are scientific and reasonable, which are binding on the Participants and are capable of serving the purpose of appraisal under the Incentive Scheme.

Chapter IX Methods of and procedures for adjusting the Share Options

I. Methods of adjusting the number of the Share Options

Before the Participants exercise the Share Options, in case of any conversion of capital reserve into share capital, bonus issue, share split, rights issue, share consolidation, etc. made by the Company, the number of the Share Options shall be adjusted accordingly. The adjustment methods are set out below:

(I) Conversion of capital reserve into share capital, bonus issue and share split

$$Q = Q_0 \times (1 + n)$$

Where: Q_0 represents the number of the Share Options before the adjustment; n represents the ratio of conversion of capital reserve into share capital, bonus issue or share split per Share (i.e., increase in the number of Shares for each Share held upon conversion of capital reserve into share capital, bonus issue or share split); Q represents the number of the Share Options after the adjustment.

(II) Rights issue

$$Q = Q_0 \times P_1 \times (1 + n) / (P_1 + P_2 \times n)$$

Where: Q_0 represents the number of the Share Options before the adjustment; P_1 represents the closing price on the record date; P_2 represents the price of the rights issue; n represents the ratio of the rights issue (i.e., the ratio of the number of Shares issued under the rights issue to the Company's total share capital before the rights issue); Q represents the number of the Share Options after the adjustment.

(III) Share consolidation

$$Q = Q_0 \times n$$

Where: Q_0 represents the number of the Share Options before the adjustment; n represents the share consolidation ratio (i.e., 1 Share will be consolidated into n Share); Q represents the number of the Share Options after the adjustment.

(IV) Issuance of new Shares

In case of issuance of new Shares by the Company, the number of the Share Options shall not be adjusted.

II. Methods of adjusting the Exercise Price of the Share Options

Before the Participants exercise the Share Options, in case of any conversion of capital reserve into share capital, bonus issue, share split, rights issue, share consolidation, profit distribution, etc. made by the Company, the Exercise Price of the Share Options shall be adjusted accordingly. The adjustment methods are set out below:

(I) Conversion of capital reserve into share capital, bonus issue and share split

$$P = P_0 \div (1 + n)$$

Where: P_0 represents the Exercise Price before the adjustment; n represents the ratio of conversion of capital reserve into share capital, bonus issue or share split per Share; P represents the Exercise Price after the adjustment.

(II) Rights issue

$$P = P_0 \times (P_1 + P_2 \times n) \div [P_1 \times (1 + n)]$$

Where: P_0 represents the Exercise Price before the adjustment; P_1 represents the closing price on the record date; P_2 represents the price of the rights issue; n represents the ratio of the rights issue (i.e., the ratio of the number of Shares issued under the rights issue to the Company's total share capital before the rights issue); P represents the Exercise Price after the adjustment.

(III) Share consolidation

$$P = P_0 \div n$$

Where: P_0 represents the Exercise Price before the adjustment; n represents the share consolidation ratio; P represents the Exercise Price after the adjustment.

(IV) Profit distribution

$$P = P_0 - V$$

Where: P_0 represents the Exercise Price before the adjustment; V represents the dividend per Share; P represents the Exercise Price after the adjustment. P shall remain larger than 1 after the adjustment for profit distribution.

(V) Issuance of new Shares

In case of issuance of new Shares by the Company, the Exercise Price of the Share Options shall not be adjusted.

III. Adjustment procedures for the Share Option Incentive Scheme

When the foregoing circumstances occur, the Board shall consider and approve the proposals relating to adjustments to the number and the Exercise Price of the Share Options under the authorisation granted to the Board at the Shareholders' General Meetings of the Company. The Company shall engage a legal adviser to provide professional opinion to the Board on whether such adjustments are in compliance with the provisions of the Administrative Measures, the Articles of Association and the Incentive Scheme. Upon consideration and approval of the Board over the adjustment proposals, the Company shall disclose the Board resolutions in a timely manner and the opinion of the legal adviser at the same time.

Chapter X Accounting treatment of the Share Options**I. Accounting treatment for the Incentive Scheme**

Pursuant to the relevant provisions of Accounting Standard for Business Enterprises No. 11 – Share-based Payments and Accounting Standard for Business Enterprises No. 22 – Financial Instruments: Recognition and Measurement published by the Ministry of Finance of the PRC, the Company shall follow the below accounting treatment methods to measure and account for the costs of the Incentive Scheme.

(I) Accounting treatment for the Grant Date

As the Share Options cannot be exercised on the Grant Date, no corresponding accounting treatment is required. The Company shall use the Black-Scholes model to determine the fair value of Share Options on the Grant Date.

(II) Accounting treatment within the Vesting Period

For the costs of the Share Options to be granted under the Incentive Scheme, on each date of statement of financial position within the Vesting Period, the Company shall make the best estimation on the number of Share Options which can be exercised, and recognise the services received in the relevant periods in the corresponding costs of assets or expenses for the current period based on the fair value of the Share Options on the Grant Date, and recognise capital reserve – other capital reserve at the same time.

(III) Accounting treatment after the Exercise Date

No adjustment shall be made to the costs, expenses and total owners' equity which have been already recognised.

(IV) Exercise Date

Share capital and share premium shall be recognised based on the status of exercise, and the capital reserve recognised during the Vesting Period shall be transferred.

II. Fair value of the Share Options and its determination method

Pursuant to Accounting Standard for Business Enterprises No. 22 – Financial Instruments: Recognition and Measurement, the Company adopts the Black-Scholes model as the pricing model to assess the fair value of the Share Options, using 14 November 2023 as the valuation date to preliminarily estimate the fair value of the Share Options (formal estimation will be made at the time of grant). The specific parameters are selected as below:

1. Price of the underlying Shares: RMB11.86 per A Share (assuming the closing price of A Share on the Grant Date is RMB11.86 per A Share)
2. Validity Period: 24, 36 and 48 months (based on the period commencing from the Grant Date to the first Exercise Date for each respective period)
3. Historical volatility ratio: 15.03%, 14.81% and 16.44% (adopting the annualised volatility ratios of the Shanghai Stock Exchange Composite Index for the corresponding periods)
4. Risk-free interest rate: 2.10%, 2.75% and 2.75% (adopting the respective benchmark interest rates for RMB deposits of financial institutions during the corresponding periods as formulated by the People's Bank of China)

III. Amortisation method for the costs of the Share Options

The Company shall determine the final costs of the Share Options under the Incentive Scheme in accordance with the fair value of the Share Options as at the Grant Date by using relevant valuation tools. Such costs shall be recognised throughout the implementation of the Incentive Scheme for the respective periods. The incentive costs incurred by the Incentive Scheme shall be recognised in the recurring profit or loss.

Assuming the Grant Date falls in November 2023, pursuant to the requirements of the Chinese accounting standards, the impact of the Share Options to be granted under the Incentive Scheme on the accounting costs for each period is set out in the table below:

Total costs to be amortised (RMB million)	2023 (RMB million)	2024 (RMB million)	2025 (RMB million)	2026 (RMB million)	2027 (RMB million)
68.4888	1.9274	23.1286	22.4423	14.2635	6.7271

Notes: 1. Any discrepancies between the last digits of the abovementioned total amount and that of the sum of individual items are due to rounding;

2. The above figures are the preliminary estimated results based on the current information of the Company as the assumptions. In addition to the Grant Date, the Exercise Price and the number of Share Options to be exercised, accounting costs is related to the actual number of the effective and lapsed equity interests. The impact of the abovementioned items to the operating results of the Company is subject to the annual audit reports issued by the accounting firm.

Based on the current information, without taking into account the positive impact of the Incentive Scheme on the operating results of the Company, the Company estimates that the amortisation of the costs of the Incentive Scheme will have an impact on the net profit of each year during the Validity Period, yet the effect will not be substantial. Taking into consideration the positive impact of the Incentive Scheme generated to the Company's operation and development, such as motivating the management team and the core team, improving the operational efficiency and reducing the operating costs, it is expected that the benefits generated from the improved operating results of the Company bring by the Incentive Scheme will exceed the increase in the costs incurred.

Chapter XI Implementation procedures of the Share Option Incentive Scheme**I. Procedures for the Share Option Incentive Scheme to take effect**

- (I) The Nomination and Remuneration Committee of the Board of the Company shall be responsible for the formulation of the Draft of the Incentive Scheme and its relevant documents, and submit them to the Board for consideration.
- (II) The Board shall arrive at resolutions on the Incentive Scheme in accordance with the laws. When the Board considers the Incentive Scheme, any Directors who are also the Participants or have a connected relationship with any Participants shall abstain from voting. Upon consideration and approval of the Board and implementation of the relevant publication or announcement procedures, the Incentive Scheme shall be tabled to the Shareholders' General Meetings for consideration. At the same time, the authorisation of the Shareholders' General Meetings shall be sought for implementing matters such as the grant, exercise and cancellation the Share Options.
- (III) Independent Directors and the Supervisory Committee shall issue opinions in respect of whether the Incentive Scheme is beneficial to the Company's sustainable development and whether there are any apparent prejudices to the interests of the Company and all Shareholders.
- (IV) The Company shall engage a legal adviser to issue legal opinion on the Incentive Scheme, and provide professional opinion pursuant to the provisions of the laws, administrative regulations and the Administrative Measures.
- (V) The implementation of the Incentive Scheme shall be subject to the approval of the SASAC of Longyan City and the consideration and approval at the Shareholders' General Meetings. Before convening the Shareholders' General Meetings, the Company shall publicise the names and positions of the Participants internally for at least 10 days, either on the Company's website or through other channels. The Supervisory Committee shall fully consider the feedback received and review the list of Participants after the publicity period. Details regarding the review on the list of Participants of the Supervisory Committee and the publicity shall be disclosed 5 days before the Incentive Scheme is considered at the Shareholders' General Meetings.

- (VI) The Company shall conduct a self-inspection on the trading of the Company's Shares and their derivatives by insiders who have access to inside information within six months preceding the announcement date of the Draft of the Incentive Scheme to ascertain whether insider trading has taken place. Those who engage in buying or selling the Company's Shares based on inside information shall not be eligible as Participants, except in cases where such actions are permitted under laws, administrative regulations and relevant judicial interpretations that do not constitute insider trading. Individuals who leak inside information resulting in insider trading shall not be eligible as Participants.
- (VII) When the Company convenes the Shareholders' General Meetings to consider the Incentive Scheme, an independent Director shall solicit voting rights by proxy from all Shareholders in respect of the Incentive Scheme.
- (VIII) The contents of the Incentive Scheme, which have been formulated in accordance with article 9 of the Administrative Measures, shall be voted at the Shareholders' General Meetings, and be approved by more than 2/3 of the voting rights held by the Shareholders attending the meetings. The votes of the Shareholders other than the Directors, the Supervisors and senior management of the Company, as well as the Shareholders individually or collectively holding more than 5% of the Company's Shares, shall be counted and disclosed separately. The Shareholders who are the Participants or who have a connected relationship with any Participants shall abstain from voting when the Incentive Scheme is being considered at the Shareholders' General Meetings.
- (IX) After the Incentive Scheme is considered and approved at the Shareholders' General Meetings of the Company and the conditions of grant of the Incentive Scheme are satisfied, the Company shall grant the Share Options to the Participants within the prescribed time. Upon the authorisation granted at the Shareholders' General Meetings, the Board shall be responsible to carry out the grant, exercise and cancellation of the Share Options.

II. Procedures for granting the Share Options

- (I) After the Incentive Scheme is considered and approved at the Shareholders' General Meetings, the Company shall enter into share option grant agreements with the Participants to establish the rights and obligations between both parties.
- (II) Before the Company grants any equity interests to the Participants, the Board shall consider whether the Participants have satisfied the conditions of grant prescribed in the Incentive Scheme and make announcement accordingly. Independent Directors and the Supervisory Committee shall issue explicit opinions at the same time. The legal adviser shall issue legal opinion as to whether the Participants have satisfied the conditions of grant, which shall be disclosed at the same time as the Board resolutions announcement.

- (III) The Supervisory Committee shall verify the Grant Date of the Share Options and the list of Participants and issue its opinion.
- (IV) In the event of any discrepancies between the equity interests granted by the Company to the Participants and the arrangements under the Incentive Scheme, independent Directors, the Supervisory Committee (where there are changes to the Participants) and the legal adviser shall issue explicit opinions at the same time.
- (V) Within 60 days from the date on which the Incentive Scheme is considered and approved at the Shareholders' General Meetings, the Company shall grant the Share Options to the Participants and complete the announcement and registration procedures. The Board shall make announcement upon the completion of registration of the Share Options regarding details of the implementation in a timely manner. If the Company fails to complete the aforesaid tasks within 60 days, the Incentive Scheme shall be terminated, in such case the Board shall disclose the reasons of the failure in a timely manner, and shall not consider any equity interest incentive schemes within 3 months.
- (VI) The Company shall apply to the Shanghai Stock Exchange prior to the grant of equity interests. The Depository and Clearing Corporation will handle the registration and settlement matters upon the confirmation of the Shanghai Stock Exchange.

III. Procedures for exercising the Share Options

- (I) Before the Exercise Date, the Company shall confirm whether the Participants have satisfied the Exercise Conditions. The Board shall consider whether the Exercise Conditions under the Incentive Scheme have been satisfied, and independent Directors and the Supervisory Committee shall issue explicit opinions at the same time. The legal adviser shall issue legal opinion as to whether the Participants have satisfied the Exercise Conditions.
- (II) For the Participants who have satisfied the Exercise Conditions, the Company shall provide methods of exercise of the Share Options on a uniform or autonomous basis according to actual situation to the Participants. For the Participants who have not satisfied the Exercise Conditions, the corresponding Share Options for that exercise held by such persons shall be cancelled by the Company. The Company shall announce the details regarding the implementation in a timely manner.
- (III) The Company shall apply to the Shanghai Stock Exchange prior to exercise of the Share Options. The Depository and Clearing Corporation will handle the registration and settlement matters upon the confirmation of the Shanghai Stock Exchange.

- (IV) After the Participants exercise the Share Options, if there are any changes in registered capital, the Company shall handle the registration procedures for the changes of the Company with the industrial and commercial registration department.

IV. Procedures for amending the Incentive Scheme

- (I) Any proposed amendments to the Incentive Scheme by the Company prior to consideration of the Incentive Scheme at the Shareholders' General Meetings shall be subject to consideration and approval of the Board.
- (II) Any amendments to the Incentive Scheme by the Company after consideration and approval of the Incentive Scheme at the Shareholders' General Meetings shall be subject to consideration and approval at the shareholders' general meetings, provided that such amendments shall not:
1. result in premature exercise; and
 2. results in reduction of the Exercise Price; and
 3. result in non-compliance with any relevant laws and regulations, including the relevant regulations of the Hong Kong Listing Rules (if applicable).
- (III) The Company shall announce any changes to the Incentive Scheme in a timely manner. Independent Directors and the Supervisory Committee shall issue explicit opinions in respect of whether the amended Incentive Scheme is beneficial to the sustainable development of the Company and whether there are any apparent prejudices to the interests of the Company and all Shareholders.
- (IV) The legal adviser shall issue professional opinion as to whether the amended Incentive Scheme is in compliance with the provisions of the Administrative Measures, the relevant laws and regulations, and whether there are any apparent prejudices to the interests of the Company and all Shareholders.

V. Procedures for terminating the Incentive Scheme

- (I) In the event that the Company encounters any of the circumstances specified in article 7 of the Administrative Measures, the implementation of the Incentive Scheme shall be terminated. Any ungranted rights shall not be granted, and the rights granted to the Participants under the Incentive Scheme but not yet exercised shall cease exercising in accordance with the Incentive Scheme.
- (II) If any of the circumstances specified in article 8 of the Administrative Measures arise to a Participant in which he or she shall not become a Participant, the ungranted rights of such Participants shall not be granted, and the Participants shall cease exercising the rights granted but not yet exercised.

- (III) Any proposed termination of the Incentive Scheme by the Company prior to consideration of the Incentive Scheme at the Shareholders' General Meetings shall be subject to consideration and approval of the Board.
- (IV) Any termination of the Incentive Scheme by the Company after consideration and approval of the Incentive Scheme at the Shareholders' General Meetings shall be subject to consideration and approval at the shareholders' general meetings.
- (V) The legal adviser shall issue professional opinion as to whether the termination of the Incentive Scheme is in compliance with the provisions of the relevant laws, rules and regulatory documents, and whether there are any apparent prejudices to the interests of the Company and all Shareholders.
- (VI) In case of termination of the Incentive Scheme, the Company shall cancel the Share Options which are not yet exercised, and handle the matters in accordance with the stipulations in the Company Law.
- (VII) The Company shall apply to the Shanghai Stock Exchange prior to cancellation of the Share Options. The Depository and Clearing Corporation will handle the cancellation matters upon the confirmation of the Shanghai Stock Exchange.
- (VIII) After the shareholders' general meetings or the Board considered and resolved to terminate the implementation of the Incentive Scheme, or if the shareholders' general meetings did not approve the Incentive Scheme upon consideration, the Company shall not consider any equity interest incentive schemes within 3 months of the announcement of the resolution.

Chapter XII Respective rights and obligations of the Company and the Participants

I. Rights and obligations of the Company

- (I) The Company shall have the rights to interpret and execute the Incentive Scheme, and shall conduct performance appraisal on the Participants based on the provisions of the Incentive Scheme. If any Participants fail to satisfy the Exercise Conditions required under the Incentive Scheme, the Company shall cancel the Share Options which have not yet been exercised held by such Participants in accordance with the stipulations as set out in the Incentive Scheme;
- (II) The Company undertakes not to provide any loans or any other forms of financial assistance, including guarantee for loans, to the Participants for the purpose of obtaining the Share Options under the Incentive Scheme;
- (III) The Company shall withhold and pay individual income tax and other taxes payable by the Participants in accordance with the relevant provisions of tax laws and regulations of the PRC;

- (IV) The Company shall perform its reporting, information disclosure and other obligations under the Incentive Scheme in a timely manner in accordance with the relevant requirements;
- (V) The Company shall actively assist the Participants who have satisfied the Exercise Conditions to exercise the rights in accordance with the relevant provisions of the Incentive Scheme, the CSRC, the Shanghai Stock Exchange, China Securities Depository and Clearing Corporation Limited, etc. However, the Company shall not be responsible for any losses incurred by the Participants in the case that the Participants cannot exercise the rights at his/her own wishes by reasons relating to the CSRC, the Shanghai Stock Exchange or China Securities Depository and Clearing Corporation Limited;
- (VI) The Company's determination of the Participants under the Incentive Scheme does not imply that the Participants have the right to continue their services in the Company, and does not constitute any commitments made by the Company regarding the employment term of employees. The employment relationships between the Company and the Participants shall remain the same as stipulated in the labour contracts or appointment contracts entered into between the Company and the Participants; and
- (VII) Other relevant rights and obligations as stipulated in the laws and regulations.

II. Rights and obligations of the Participants

- (I) The Participants shall fulfill the requirements of their positions as expected by the Company, and shall work with diligence and responsibility, strictly observe professional conducts, and make due contributions to the development of the Company;
- (II) The Participants have the right to and are obligated to exercise their rights in accordance with the provisions of the Incentive Scheme and the share option grant agreement, and shall comply with the relevant obligations specified in the Incentive Scheme;
- (III) The source of funds of the Participants shall be the lawful funds self-raised by the Participants;
- (IV) The Share Options which have been granted to the Participants shall not be pledged or used to repay debts before exercise. Participants shall not be entitled to voting right, decision-making right, dividend right, transfer right and the right arising on a liquidation of the Company before the exercise of the Share Options;

- (V) Any gains obtained by the Participants under the Incentive Scheme are subject to individual income tax and other taxes according to the PRC tax laws and regulations. Where the Participants leave the office before discharging the tax obligations incurred from the Incentive Scheme according to the laws, they shall pay the unpaid individual income tax to the Company before leaving office, and the Company shall discharge the tax obligations on their behalf;
- (VI) The Participants shall undertake that, where there are any false representations or misleading statements contained in, or material omissions from the disclosure documents of the Company and as a result of which the conditions of grant or exercising arrangements are not satisfied, the Participants shall return to the Company all gains obtained under the Incentive Scheme when it is confirmed that the relevant disclosure documents of the Company contain false representations, misleading statements or material omissions;
- (VII) Upon consideration and approval of the Incentive Scheme at the Shareholders' General Meetings, the Company shall enter into a share option grant agreement with every Participant in which the respective rights and obligations of each party as well as other relevant matters under the Incentive Scheme shall be explicitly stipulated; and
- (VIII) Other relevant rights and obligations as stipulated in the laws, regulations and the Incentive Scheme.

Chapter XIII Methods of handling unusual changes to the Company and the Participants

I. Methods of handling unusual changes to the Company

- (I) The Incentive Scheme shall be terminated in case any of the following events occurs to the Company. All of the Share Options which have been granted and not yet exercised by the Participants shall not be exercised and shall be cancelled by the Company:
1. issuance of an auditors' report with an adverse opinion or a disclaimer of opinion by certified public accountants in respect of the Company's financial accounting report for the most recent accounting year;
 2. issuance of an auditors' report with an adverse opinion or a disclaimer of opinion by certified public accountants in respect of the Company's internal control over financial reporting for the most recent accounting year;

3. failure to carry out profit distribution in accordance with the laws and regulations, the Articles of Association or public undertakings during the most recent 36 months after listing;
 4. prohibition from implementation of any equity incentives by applicable laws and regulations; and
 5. any other circumstances which the Incentive Scheme shall be terminated as prescribed by the CSRC.
- (II) No amendments shall be made to the Incentive Scheme in case any of the following events occur to the Company:
1. change in control of the Company; or
 2. merger or spin-off of the Company.
- (III) Where there are any false representations or misleading statements contained in, or material omissions from the disclosure documents of the Company and as a result of which the conditions of grant or exercising arrangements are not satisfied, the Share Options which have not yet been exercised shall be cancelled by the Company on a uniform basis. If the Share Options granted have been exercised, all Participants shall return the corresponding equity interests granted. If the Participants who are not responsible for the aforementioned matters suffer any losses due to the restitution of equity interests, they may seek compensation from the Company or the responsible parties in accordance with the relevant arrangements according to the Incentive Scheme.

The Company shall recover any gains arising therefrom of the Participants in accordance with the abovementioned provisions and the relevant arrangements of the Incentive Scheme.

II. Methods of handling of changes in the personal circumstances of the Participants

- (I) Where the job position of a Participant has changed but the Participant remains employed at the Company, its subsidiaries or branches, the procedures stipulated in the Incentive Scheme before the change in job position shall apply in full to the Share Options which have been granted to such Participant.

Where the foregoing circumstances occur to a Participant, the Company shall cancel the Share Options of the Participant which are not yet exercised, and may request the Participant to return the gains arising from the exercised Share Options:

1. Where a Participant has breached national laws or regulations, stipulations in the Articles of Association or the Company's internal management rules and policies, committed misconduct or malpractice as stipulated in the employment contract, caused impairment to the Company's interests or reputation, or caused direct or indirect economic losses to the Company;
 2. Where the Company has sufficient evidence that the Participant, during his or her term of office, has caused impairment to the Company's interests or reputation, or caused direct or indirect losses to the Company due to his or her violation of laws or disciplines such as bribe accepting, bribe solicitation, corruption, theft and divulgence of confidential operational and technological information of the Company; or
 3. Where the Participant is held criminally liable for act of crime.
- (II) Where a Participant leaves his or her office by reason of resignation or Company's layoff, any Share Options which have been granted but not yet exercised shall lapse and shall be cancelled by the Company.
- (III) Where a Participant leaves his or her office by reason of retirement, any Share Options which have been granted and not yet exercised shall lapse and shall be cancelled by the Company.
- (IV) Where a Participant leaves his or her office due to loss of working capacity, the following two treatments shall apply:
1. Where a Participant leaves his or her office due to loss of working capacity as a result of performance of duties, the Share Options which have been granted to such Participant can be exercised according to the procedures stipulated in the Incentive Scheme before the loss of working capacity of such Participant, and the individual performance appraisal results would cease to be included in the Exercise Conditions;
 2. Where a Participant leaves his or her office due to loss of working capacity as a result of reasons not related to performance of duties, the Share Options which have been granted and not yet exercised by such Participant shall not be exercised and shall be cancelled by the Company.
- (V) Where a Participant is deceased, the following two treatments shall apply:
1. Where a Participant is deceased as a result of performance of duties, the Share Options which have been granted to such Participant shall be inherited by the designated or legal successor(s). The procedures stipulated in the Incentive Scheme before the death of such Participant shall be applied to exercise the rights, and individual performance appraisal results would cease to be included in the Exercise Conditions;

2. Where a Participant is deceased as a result of any other reasons, any Share Options which have been granted and not yet exercised shall be cancelled by the Company.

(VI) Matters which are not specified and the methods of handling such matters shall be determined by the Board.

III. Resolution of disputes between the Company and the Participants

Any disputes arising between the Company and the Participants shall be resolved in accordance with provisions of the Incentive Scheme and the share option grant agreement. Disputes not explicitly covered by the provisions shall be resolved by negotiation in accordance with the national laws on fair and reasonable principles, or resolved by mediation through the Nomination and Remuneration Committee of the Board. Where negotiation fails, litigation may be instigated at a competent People's Court in the Company's place of domicile.

Chapter XIV Supplemental provisions

- I. Where there are any conflicts between relevant terms of the Incentive Scheme with the relevant laws, regulations, administrative rules and regulatory documents of the state, implementation or adjustments of the Incentive Scheme shall be subject to relevant laws, regulations, administrative rules and regulatory documents of the state. Where there are no explicit provisions in the Incentive Scheme, implementation or adjustments of the Incentive Scheme shall be subject to relevant laws, regulations, administrative rules and regulatory documents of the state.
- II. Where the Participants are in violation of the Incentive Scheme, the Articles of Association or relevant laws, regulations, administrative rules and regulatory documents of the state, all gains arising from disposal or transfer of the Shares obtained from the Incentive Scheme shall belong to the Company, and the Board of the Company shall be responsible for the execution.
- III. The implementation of the Incentive Scheme shall be subject to the review and approval of the SASAC of Longyan City and the consideration and approval at the Shareholders' General Meetings.
- IV. The Incentive Scheme shall be interpreted by the Board of the Company.

Zijin Mining Group Co., Ltd.*
15 November 2023

* *The English name of the Company is for identification purpose only*

Should there be any discrepancies, the Chinese version of this appendix shall prevail.

**APPENDIX 2 ADMINISTRATIVE MEASURES FOR IMPLEMENTATION
OF APPRAISAL FOR THE SHARE OPTION
INCENTIVE SCHEME FOR 2023**

**Zijin Mining Group Co., Ltd.*
Administrative Measures for Implementation of Appraisal for
the Share Option Incentive Scheme for 2023**

To ensure the successful implementation of the Share Option Incentive Scheme for 2023 (the “Share Option Incentive Scheme” or “Incentive Scheme”) of Zijin Mining Group Co., Ltd.* (the “Company”) and the realisation of the Company’s development strategies and business targets, the Company has formulated the Administrative Measures for Implementation of Appraisal for the Share Option Incentive Scheme for 2023 (the “Measures”) in accordance with the stipulations in relevant laws, regulations and regulatory documents including the Company Law of the PRC, Securities Law of the PRC, Measures for the Administration of Equity Incentives of Listed Companies as well as the Articles of Association and the Share Option Incentive Scheme of the Company, and taking into account the actual situation of the Company.

I. PURPOSE OF APPRAISAL

For the purposes of further promoting the establishment and improvement of the Company’s long-term incentive mechanism, attracting and retaining outstanding talents, fully motivating the enthusiasm at work of the Company’s employees, effectively aligning the interests of the Shareholders, the Company and the individual interests of the operators, and keeping all parties focused on the Company’s long-term development, on the basis of fully safeguarding the Shareholders’ interests, Zijin Mining proposed to implement equity interest incentives to integrate the management personnel the Company closely with the Company’s development, thereby ensuring the realisation of the Company’s development strategies and business targets.

II. PRINCIPLES OF APPRAISAL

The appraisal and evaluation shall adhere to the principles of fairness, openness and impartiality, and the evaluation shall strictly follow the Measures and the work performance of the appraisees, so as to realise the close combination of the Incentive Scheme and the work performance and contributions of the Participants to improve the overall operating performance of the Company and maximise the interests of the Company and all Shareholders.

III. SCOPE OF APPRAISAL

The Measures is applicable to all Participants of the Share Option Incentive Scheme of the Company.

IV. INSTITUTIONS IN CHARGE OF APPRAISAL

- (I) The Nomination and Remuneration Committee of the Board shall be responsible for leading and organising the appraisal of the Participants.

**APPENDIX 2 ADMINISTRATIVE MEASURES FOR IMPLEMENTATION
OF APPRAISAL FOR THE SHARE OPTION
INCENTIVE SCHEME FOR 2023**

- (II) The Board Office/Securities Department, Human Resources Department and Finance Department of the Company shall form an appraisal working group (the “Appraisal Working Group”) to be specifically responsible for the implementation of appraisal. The Appraisal Working Group shall be accountable to, and report its work to the Nomination and Remuneration Committee of the Board.
- (III) The Human Resources Department, Finance Department and other relevant departments of the Company shall be responsible for collecting and compiling the relevant appraisal data, and the authenticity and reliability of such data.
- (IV) The Board shall be responsible for the consideration and approval of the Measures and verifying the appraisal results.

V. APPRAISAL INDICATORS AND STANDARDS

Whether the Share Options granted to the Participants can be exercised shall be determined based on appraisal results of both two levels including company and individual levels. The appraisal requirements are as follows:

(I) Performance appraisal requirements at company and individual levels

The appraisal period for the Share Options to be granted under the Share Option Incentive Scheme shall be the three accounting years from 2024 to 2026. Appraisal shall be conducted for each accounting year. Performance appraisal targets for the Share Options to be granted at company and individual levels for each year are set out below:

Exercise Period	Performance appraisal targets
First Exercise Period	<ol style="list-style-type: none">(1) On the basis of the operating results for 2022, the growth rate of operating income for 2024 shall not be lower than 10% as well as the industry average level or the 75th percentile of the benchmarking enterprises;(2) the return on net assets ratio for 2024 shall not be lower than 12% as well as the industry average level or the 75th percentile of the benchmarking enterprises;(3) debt-to-asset ratio as at the end of 2024 shall not be higher than 65%; and(4) performance appraisal results of such Participant for 2024 shall be grade B or above.

**APPENDIX 2 ADMINISTRATIVE MEASURES FOR IMPLEMENTATION
OF APPRAISAL FOR THE SHARE OPTION
INCENTIVE SCHEME FOR 2023**

Exercise Period	Performance appraisal targets
Second Exercise Period	<ol style="list-style-type: none">(1) On the basis of the operating results for 2022, the growth rate of operating income for 2025 shall not be lower than 15% as well as the industry average level or the 75th percentile of the benchmarking enterprises;(2) the return on net assets ratio for 2025 shall not be lower than 12% as well as the industry average level or the 75th percentile of the benchmarking enterprises;(3) debt-to-asset ratio as at the end of 2025 shall not be higher than 65%; and(4) performance appraisal results of such Participant for 2025 shall be grade B or above.
Third Exercise Period	<ol style="list-style-type: none">(1) On the basis of the operating results for 2022, the growth rate of operating income for 2026 shall not be lower than 20% as well as the industry average level or the 75th percentile of the benchmarking enterprises;(2) the return on net assets ratio for 2026 shall not be lower than 12% as well as the industry average level or the 75th percentile of the benchmarking enterprises;(3) debt-to-asset ratio as at the end of 2026 shall not be higher than 65%; and(4) performance appraisal results of such Participant for 2026 shall be grade B or above.

Notes:

1. Return on net assets ratio refers to the weighted average return on net assets after deduction of audited non-recurring profit or loss. The calculation of the abovementioned appraisal indicators shall exclude the incentive costs incurred by the implementation of the Incentive Scheme;
2. During the Validity Period of the Incentive Scheme, in case of issuance of new Shares, rights issue or other events that would result in a change in the Company's net assets, the changes in net assets and income arising therefrom shall be excluded during the appraisal.

During each Exercise Period, if the Company's performance level for that period fails to meet the performance appraisal targets, all the Share Options held by the Participants corresponding to the appraisal year planned to be exercised shall not be exercised and shall be cancelled by the Company.

**APPENDIX 2 ADMINISTRATIVE MEASURES FOR IMPLEMENTATION
OF APPRAISAL FOR THE SHARE OPTION
INCENTIVE SCHEME FOR 2023**

If the Share Options held by the Participants planned to be exercised during the period cannot be exercised or cannot be fully exercised due to the reason of individual's appraisal, the Share Options which fail to satisfy the Exercise Conditions cannot be deferred and shall be cancelled by the Company on a uniform basis.

VI. APPRAISAL PERIOD AND FREQUENCY

The appraisal period for the Share Options to be granted under the Share Option Incentive Scheme shall be the three accounting years from 2024 to 2026. Appraisals shall be conducted once every accounting year.

VII. APPRAISAL PROCEDURES

Under the guidance of the Board, the Company's Human Resources Department shall be responsible for conducting specific appraisal work, archiving the appraisal results, compiling performance appraisal reports based on such results and reporting to the Nomination and Remuneration Committee of the Board. The Board shall be responsible for reviewing the appraisal results.

VIII. APPRAISAL RESULTS

The appraisees have the right to know their own appraisal results, and the Appraisal Working Group shall notify them such results within 5 working days upon completion of the appraisal. If the appraisees disagree with their appraisal results, they may communicate with the Appraisal Working Group to resolve the disagreements. If the disagreements cannot be resolved, the appraisees may appeal to the Nomination and Remuneration Committee of the Board. The Nomination and Remuneration Committee of the Board shall review and determine the final appraisal results within 10 business days.

IX. MANAGEMENT OF APPRAISAL RESULTS

- (I) Amendments to the appraisal indicators and results. After completion of the appraisal, the Nomination and Remuneration Committee of the Board may amend the appraisal indicators and results which have been significantly affected by factors such as changes in objective environment.

- (II) Archive of the appraisal results. After completion of the appraisal, the appraisal results shall be archived and stored by the Human Resources Department as confidential information. The retention period of the performance appraisal record shall be 5 years. The documents and records exceeding the retention period shall be destroyed by the Human Resources Department on a uniform basis upon the approval of the Nomination and Remuneration Committee of the Board.

**APPENDIX 2 ADMINISTRATIVE MEASURES FOR IMPLEMENTATION
OF APPRAISAL FOR THE SHARE OPTION
INCENTIVE SCHEME FOR 2023**

X. SUPPLEMENTARY PROVISIONS

- (I) The Measures shall be formulated, interpreted and amended by the Nomination and Remuneration Committee of the Board. In the case of any discrepancies between the Measures and the laws, administrative regulations and departmental rules promulgated and implemented afterward, the latter shall prevail.
- (II) The Measures shall be implemented upon consideration and approval at the Shareholders' General Meetings and upon the Incentive Scheme takes effect.

Zijin Mining Group Co., Ltd.*
15 November 2023

* *The English name of the Company is for identification purpose only*

Should there be any discrepancies, the Chinese version of this appendix shall prevail.

Stock abbreviation: Zijin Mining

Stock code: 601899



**Zijin Mining Group Co., Ltd.*
Employee Stock Ownership Scheme for 2023
(Draft)**

November 2023

Declaration

The Company and all the Directors and Supervisors hereby warrant that there are no false representations or misleading statements contained herein, or material omissions from the Employee Stock Ownership Scheme, and individually and jointly accept legal responsibilities for its authenticity, accuracy and completeness.

Special notes

- I. The Employee Stock Ownership Scheme for 2023 (the “Employee Stock Ownership Scheme”) of Zijin Mining Group Co., Ltd.* (the “Company” or “Zijin Mining”) is formulated by the Board of the Company pursuant to the provisions of the Company Law of the PRC (the “Company Law”), Securities Law of the PRC (the “Securities Law”), Guiding Opinions on the Implementation of Employee Stock Ownership Scheme by Listed Companies on a Pilot Basis (the “Guiding Opinions”), Guidelines No. 1 of the Shanghai Stock Exchange for Self-regulation of Listed Companies – Standard Operation (the “Guidelines No. 1”) and other laws, rules, regulations, regulatory documents and the Articles of Association (the “Articles of Association”) of Zijin Mining Group Co., Ltd.*
- II. The Company shall implement the Employee Stock Ownership Scheme by following the principle of voluntary participation of the employees. The Company shall not force its employees to participate in the Employee Stock Ownership Scheme by apportionment, mandatory distribution and other means.
- III. The Target Holders of the Employee Stock Ownership Scheme shall be the management and core technical personnel and personnel with higher grade of the Company and its subsidiaries with a total number not exceeding 2,747. Among which, the total number of the executive Directors and senior management of the Company proposed to subscribe for the Employee Stock Ownership Scheme is 13, and the total number of units of the Employee Stock Ownership Scheme to be subscribed by them shall not exceed 18.4380 million, accounting for 5.20% of the total number of units of the Employee Stock Ownership Scheme. The total number of other employees proposed to subscribe for the Employee Stock Ownership Scheme is 2,734, and the proposed total number of units of the Employee Stock Ownership Scheme to be subscribed by them shall be 336.0420 million, accounting for 94.80% of the total units of the Employee Stock Ownership Scheme. The number of Shares corresponding to the units of the Employee Stock Ownership Scheme of any individual Holders shall not exceed 0.5 million, representing approximately 0.002% of the current total share capital of the Company.
- IV. The total amount of funds proposed to be raised from the Employee Stock Ownership Scheme shall not exceed RMB354.4800 million. Each RMB1 is equivalent to one unit. The source of funds shall be derived from the lawful salary of the Company’s employees, as well as their self-financing funds and funds raised in other lawful and compliant ways. The Company shall not grant any Shares to the Holders without consideration, or provide any kinds of financial assistance to the Holders including payment on behalf, provision of guarantee and loans. The Holders shall not accept any loans or financial assistance from other enterprises which have business relationship with the Company’s production and operation.

- V. The source of Shares of the Employee Stock Ownership Scheme shall be the repurchased ordinary A Shares in the specific securities account for repurchase of the Company. The number of Underlying Shares involved in the Employee Stock Ownership Scheme shall not exceed 42.20 million, accounting for approximately 0.16% of the Company's current share capital. After implementation of the Employee Stock Ownership Scheme, the accumulated number of Shares which may be issued under all established and existing employee stock ownership schemes of the Company shall not exceed 10% of the total share capital of the Company. The accumulated number of the Shares corresponding to the units of the Employee Stock Ownership Scheme obtained by any individual Holders shall not exceed 1% of the total share capital of the Company. The final number of units and proportion shall be determined based on the actual subscription situation of the employees.
- VI. The Employee Stock Ownership Scheme shall be managed by the Company. The Company shall establish a Management Committee of the Employee Stock Ownership Scheme to exercise shareholder rights on behalf of the Employee Stock Ownership Scheme. When the Management Committee exercises shareholder rights on behalf of the Employee Stock Ownership Scheme, it may authorise the Company's secretary to the Board or other individuals to exercise specific shareholder rights. Within the duration period of the Employee Stock Ownership Scheme, the Management Committee may engage relevant professional institutions to provide management, consultation and other services for the day-to-day management of the Employee Stock Ownership Scheme.
- VII. The duration period of the Employee Stock Ownership Scheme shall be 48 months, commencing from the date on which the Employee Stock Ownership Scheme is considered and approved at the shareholders' general meeting and the Company announces that the last batch of the Underlying Shares have been transferred to the Employee Stock Ownership Scheme. If the sale of the Underlying Shares is restricted due to relevant laws, administrative regulations, departmental rules and regulatory documents, or there is a lack of market liquidity for the Company's Shares which results in the failure of full realisation of the Underlying Shares before the expiry of the duration period, the duration period of the Employee Stock Ownership Scheme can be extended accordingly upon approval at the Holders' Meeting and the subsequent consideration and approval by the Board.

The lock-up period of the Underlying Shares is 12 months, commencing from the date on which the Employee Stock Ownership Scheme is considered and approved at the shareholders' general meeting and the date on which the Company announces that the last batch of the Underlying Shares have been transferred to the Employee Stock Ownership Scheme. Upon the expiry of the lock-up period, the Management Committee shall distribute the units determined in accordance with the annual performance appraisal indicators of the Company and individual performance appraisal results within the lock-up period to the Holders.

- VIII. After the Board of the Company considers the Employee Stock Ownership Scheme (the Directors who have any connected relationships shall abstain from voting) and has no objections, the Company shall issue a notice to convene shareholders' general meeting to consider the Employee Stock Ownership Scheme. The shareholders' general meeting at which the Employee Stock Ownership Scheme is considered shall adopt a combination of on-site and online voting.
- IX. The implementation of the Employee Stock Ownership Scheme will not lead to a distribution of shareholding of the Company which fails to satisfy the requirements of relevant listing conditions.

Risk warnings

- I. The Employee Stock Ownership Scheme shall only be implemented after being considered and approved at the Company's shareholders' general meeting. There are uncertainties regarding whether the Employee Stock Ownership Scheme can achieve its objectives after implementation;
- II. Contents in the Draft of the Employee Stock Ownership Scheme regarding the source of funds, contribution ratio, implementation plan, etc. of the Employee Stock Ownership Scheme are preliminarily determined results, which are subject to uncertainties;
- III. There is a risk that the Employee Stock Ownership Scheme cannot be established if the final subscription amount from the employees is relatively low; and
- IV. The subscription contracts of the Employee Stock Ownership Scheme between the Employee Stock Ownership Scheme and the Holders are not yet signed. The Employee Stock Ownership Scheme has not yet received the subscription amount and is subject to uncertainties.
- V. The Company will subsequently disclose relevant progress in accordance with the regulations. Investors are advised to make careful decisions and pay attention to investment risks.

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Definitions

Unless the context otherwise requires, the following expressions have the following meanings:

Abbreviation	Definition
Zijin Mining or Company	Zijin Mining Group Co., Ltd.*
Employee Stock Ownership Scheme	Employee Stock Ownership Scheme for 2023 of Zijin Mining Group Co., Ltd.*
Administrative Policy	Administrative Policy of the Employee Stock Ownership Scheme for 2023 of Zijin Mining Group Co., Ltd.*
Draft of the Employee Stock Ownership Scheme	Employee Stock Ownership Scheme for 2023 (Draft) of Zijin Mining Group Co., Ltd.*
Holders' Meeting(s)	the Holders' meeting(s) of the Employee Stock Ownership Scheme for 2023 of the Company
Management Committee	the management committee of the Employee Stock Ownership Scheme for 2023 of the Company
senior management	the president, vice-presidents, financial controller, secretary to the Board and other senior management personnel as stipulated in the Articles of Association of Zijin Mining
Underlying Share(s)	the ordinary A Share(s) of the Company proposed to be granted under the Employee Stock Ownership Scheme
Target Holder(s) or Holder(s)	target participant(s) who participate(s) in the subscription of the Employee Stock Ownership Scheme
CSRC	China Securities Regulatory Commission
Company Law	the Company Law of the PRC
Securities Law	the Securities Law of the PRC
Guiding Opinions	Guiding Opinions on the Implementation of Employee Stock Ownership Scheme by Listed Companies on a Pilot Basis
Articles of Association	the articles of association of Zijin Mining Group Co., Ltd.*
RMB	Renminbi

Note: Any discrepancies between the last digits of the total number and those of the sum of individual items in the contents are due to rounding.

Chapter I General rules**I. Purposes of the Employee Stock Ownership Scheme**

Pursuant to the provisions of relevant laws, rules, regulatory documents including the Company Law, Securities Law, Guiding Opinions as well as the Articles of Association, the Company formulated the Employee Stock Ownership Scheme for 2023 (Draft) of Zijin Mining Group Co., Ltd.*, and sought the opinion of the employees through the labour union. Certain Directors, senior management and employees of the Company who satisfy the conditions can participate in the Employee Stock Ownership Scheme in a voluntary, lawful and compliant manner and hold the Shares of the Company, which is for the following purposes:

- (I) establishing and improving the risk and benefit sharing mechanism between the employees, the Shareholders, the Company and other stakeholders;
- (II) further improving the corporate governance structure, advocating the concept of common sustainable development for the Company and individuals, and effectively motivating the enthusiasm of the management and employees of the Company; and
- (III) attracting and retaining outstanding management talents and key business personnel, balancing the long-term and near-term benefits of the Company, attracting various kinds of talents in a more flexible way so as to better propel the long-term, sustainable and healthy development of the Company.

II. Basic principles of the Employee Stock Ownership Scheme**(I) Principle of legal compliance**

The Employee Stock Ownership Scheme shall be carried out by the Company in strict accordance with the procedures stipulated in laws and administrative regulations, and the Company shall disclose information in an authentic, accurate, complete and timely manner. No persons are allowed to make use of the Employee Stock Ownership Scheme for any actions of insider trading, securities market manipulation and other securities frauds.

(II) Principle of voluntary participation

The Company shall implement the Employee Stock Ownership Scheme by following the principle of voluntary participation of the employees. The Company shall not force its employees to participate in the Employee Stock Ownership Scheme by apportionment, mandatory distribution and other means.

(III) Principle of self-bearing of risks

The Holders of the Employee Stock Ownership Scheme shall assume their own profits and losses, bear their own risks and have equal entitlement of rights and interests as other investors.

Chapter II Holders of the Employee Stock Ownership Scheme

I. Basis for determination of the Holders

The Company has determined the list of Target Holders of the Employee Stock Ownership Scheme in accordance with the relevant provisions of the Company Law, Securities Law, Guiding Opinions, Guidelines No. 1 and other relevant laws, regulations, regulatory documents and the Articles of Association, and taking into account the actual situation.

The Target Holders of the Employee Stock Ownership Scheme shall be the employees who have entered into a labour contract or an appointment contract with the Company or its subsidiaries under the scope of consolidated financial statements (including branches, wholly and non-wholly owned subsidiaries). Among which, Shareholders holding 5% or more of the Company's Shares shall not participate in the Employee Stock Ownership Scheme.

In the event of any of the following circumstances, employees shall not become the Holders of the Employee Stock Ownership Scheme:

- (1) being publicly condemned or declared as an inappropriate candidate by the stock exchanges in the PRC in the most recent 3 years;
- (2) being imposed with administrative penalties by the CSRC due to material breach of laws and regulations in the most recent 3 years;
- (3) causing severe impairment to the Company's interests, reputation and image due to leakage of national or corporate secrets, corruption, theft, misappropriation, bribe accepting, bribe offering, negligence of duty, malfeasance or other acts in violation of national laws and regulations, or violating public order, professional morals and ethics in the most recent 3 years;
- (4) being deemed by the Board as employees who shall not become the Holders of the Employee Stock Ownership Scheme; or
- (5) any other circumstances as stipulated in relevant laws, regulations or regulatory documents that such employees shall not become the Holders of the Employee Stock Ownership Scheme.

II. Scope of the Holders

(I) The Holders of the Employee Stock Ownership Scheme shall be:

- (1) the executive Directors and senior management of the Company;
- (2) the core technical personnel and key personnel of the Company; and
- (3) other personnel that the Board considers they are necessary to be incentivised.

(II) Target Holders and specific details of the units of the Employee Stock Ownership Scheme to be subscribed

The total number of employees participating in the Employee Stock Ownership Scheme shall not exceed 2,747. Among which, the total number of the executive Directors and senior management of the Company is 13, and the proposed total number of units of the Employee Stock Ownership Scheme to be subscribed by them shall not exceed 18.4380 million, accounting for 5.20% of the total units of the Employee Stock Ownership Scheme. The total number of other employees proposed to subscribe for the Employee Stock Ownership Scheme is 2,734, and the proposed total number of units of the Employee Stock Ownership Scheme to be subscribed by them shall be 336.0420 million, accounting for 94.80% of the total units of the Employee Stock Ownership Scheme. The number of Shares corresponding to the units of the Employee Stock Ownership Scheme of any individual Holders shall not exceed 0.5 million, representing approximately 0.002% of the current total share capital of the Company.

The list of Holders of the Employee Stock Ownership Scheme and allocation of the units are set out in the table below:

Name	Position	Maximum number of units to be subscribed and held (million)	Proportion to the total number of units
Chen Jinghe	Chairman	2.2680	0.64%
Zou Laichang	Vice-chairman and president	1.8900	0.53%
Lin Hongfu	Director and standing vice-president	1.5120	0.43%
Lin Hongying	Director and vice-president	1.5120	0.43%
Xie Xionghui	Director and vice-president	1.5120	0.43%
Wu Jianhui	Director and vice-president	1.5120	0.43%
Shen Shaoyang	Vice-president	1.1760	0.33%
Long Yi	Vice-president	1.1760	0.33%
Que Chaoyang	Vice-president	1.1760	0.33%
Wu Honghui	Financial controller	1.1760	0.33%
Zheng Youcheng	Secretary to the Board	1.1760	0.33%
Wang Chun	Vice-president	1.1760	0.33%
Liao Yuanhang	Vice-president	1.1760	0.33%
Other senior and middle-level management, core employees, etc. (2,734 persons)		336.0420	94.80%
	Total	354.4800	100.00%

The Board of the Company can adjust the list of Target Holders and units of subscription based on the actual subscription situation of the employees. The final Holders of the Employee Stock Ownership Scheme and the number of units held by them shall be subject to the number of units corresponding to the actual subscription amount paid by the employees.

III. Verification of the Holders

The Supervisory Committee of the Company shall verify the list of employees who are eligible to participate in the Employee Stock Ownership Scheme, and provide an explanation of the verification results at the shareholders' general meeting.

Chapter III Sources of funds and Shares of the Employee Stock Ownership Scheme

I. Source of funds of the Employee Stock Ownership Scheme

The total amount of funds proposed to be raised under the Employee Stock Ownership Scheme shall not exceed RMB354.4800 million. Each RMB1 is equivalent to one unit. The source of funds for the Company's employees to participate in the Employee Stock Ownership Scheme shall be derived from their lawful salary, as well as their self-financing funds and funds raised in other lawful and compliant ways, excluding derivative embedded structured products. The Company shall not grant any Shares to the Holders without consideration, or provide any kinds of financial assistance to the Holders including payment on behalf, provision of guarantee and loans. The Holders shall not accept any loans or financial assistance from other enterprises which have business relationship with the Company's production and operation.

The Holders shall pay the subscription amount based on the number of units to be subscribed for in full before the Underlying Shares are transferred to the Employee Stock Ownership Scheme. If the Holders fail to pay their subscription amount on time and in full, it shall be deemed as voluntary give-up of their respective subscription rights. The Board of the Company can adjust the list of Target Holders and their number of units of subscription based on the actual subscription situation of employees. The final number and list of the Target Holders and the number of units of the Employee Stock Ownership Scheme to be subscribed for shall be determined based on the actual subscription situation of the employees.

II. Source of Shares of the Employee Stock Ownership Scheme

The source of Shares of the Employee Stock Ownership Scheme shall be the repurchased ordinary A Shares in the specific securities account for repurchase of the Company (the "Underlying Shares").

On 21 October 2022, the Company convened the thirteenth meeting of the seventh term of the Board, at which the proposal in relation to the plan of repurchasing shares through centralised price bidding for employee stock ownership scheme or share incentive was considered and approved. As the A Share price of the Company consistently exceeded the maximum repurchase price set in the repurchase plan during the repurchase period, on 19 October 2023, the Company convened the thirteenth extraordinary meeting in 2023 of the eighth term of the Board, at which the proposal in relation to the extension of implementation period for share repurchase and the adjustment to the maximum repurchase price was considered and approved. The Company extended the repurchase period by 6 months, i.e., the end of the repurchase period was extended from 20 October 2023 to 19 April 2024. As at 7 November 2023, the Company had accumulatively repurchased 42,200,000 A Shares through centralised price bidding, representing 0.16% of the Company's total share capital. The highest repurchase price was RMB12.68 per A Share and the lowest repurchase price was RMB7.89 per A Share. The total amount paid was RMB499,789,882 (excluding transaction expenses). The implementation of the repurchase plan was completed.

During the period from the date of Board resolutions announcement to the transfer date of the repurchased A Shares to the Employee Stock Ownership Scheme through non-trading transfer or other means as permitted under laws and regulations, in case of any conversion of capital reserve into share capital, bonus issue, profit distribution and other ex-right and ex-dividend events of the Company, corresponding adjustments shall be made to the number and price of the Underlying Shares.

The number of Underlying Shares involved in the Employee Stock Ownership Scheme shall not exceed 42.20 million, accounting for approximately 0.16% of the Company's current share capital. After implementation of the Employee Stock Ownership Scheme, the accumulated number of Shares which may be issued under all effective employee stock ownership schemes of the Company shall not exceed 10% of the total share capital of the Company. The number of the Underlying Shares corresponding to the units of the Employee Stock Ownership Scheme held by any individual Holders shall not exceed 1% of the total share capital of the Company. The total number of the Shares held by the Employee Stock Ownership Scheme does not include the Shares acquired by the employees before the initial public offering of the Company, purchased in the secondary market on their own and obtained from stock ownership schemes.

**Chapter IV Purchase price of the Shares,
basis for price determination and explanation on rationality of the price**

I. Purchase price and basis for price determination

Upon the consideration and approval of the Employee Stock Ownership Scheme at the shareholders' general meeting, the Employee Stock Ownership Scheme shall obtain the Company's Shares through non-trading transfer or other means as permitted under laws and regulations, and hold the Company's Shares through the specific securities account for repurchase of the Company. The consideration is RMB8.40 per A Share, which shall not be lower than the higher of:

1. 70% of the average trading price of the Company's A Shares on the trading day preceding the announcement date of the Draft of the Employee Stock Ownership Scheme, i.e., RMB8.31 per A Share; and
2. 70% of the average trading price of the Company's A Shares for the 20 trading days preceding the announcement date of the Draft of the Employee Stock Ownership Scheme, i.e., RMB8.40 per A Share;

During the period from the base day for pricing to the transfer date of the Underlying Shares to the Employee Stock Ownership Scheme, in case of any profit distribution, bonus issue, conversion of capital reserve into share capital and other ex-right and ex-dividend events of the Company's Shares, corresponding adjustments shall be made to the abovementioned consideration.

II. Explanation on rationality of the price

The Company has entered into a new development stage and is at a critical development point. It shall accurately grasp the profound global changes, assess the situation and strategically plan its development. The global economy and industry structure are facing profound adjustments, the energy revolution under the backdrop of "dual carbon" will become the most important economic and social issue in the future. The security of strategic mineral supply has become a major concern of global powers. China's mineral exploration and development will enter a new era of opportunity. Although the Company is facing good development opportunities, the competition for talents within the industry is becoming more intense. Building a team of talents is crucial for the Company to grasp the opportunities and develop rapidly.

For the purposes of building a multi-level and multi-gradient team of talents with high-end management and technical talents as the core for the Company, establishing an effective mechanism to attract and retain talents over the long term, thereby creating greater value for the Shareholders, reference has been made for the purchase price of the Employee Stock Ownership Scheme to relevant rules and market practice. Based on the combination of

industry development trends and the actual operational situation of the Company, and based on the principle of matching incentives with restraints, performance appraisal targets have been set at the company level and individual level to ensure the alignment between the long-term interests of employees and the Shareholders, so as to generate proactive and positive impact on the realisation of operational targets of the Company and the interests of all Shareholders. There are no prejudices to the interests of the Company and all Shareholders.

In conclusion, the principle for determination for the price under the Employee Stock Ownership Scheme can meet the Company's actual incentive requirements, further motivate the work enthusiasm and potential of the Company's employees and promote the sustained and stable development of the Company's operating results, which is reasonable and scientific. It aligns with the basic principles of "self-assumption of profit and loss, self-bearing of risks and equality of rights and interests with other investors".

Chapter V Duration period, lock-up period of and appraisal setting under the Employee Stock Ownership Scheme

I. Duration period of the Employee Stock Ownership Scheme

The duration period of the Employee Stock Ownership Scheme shall be 48 months, commencing from the date on which the Employee Stock Ownership Scheme is considered and approved at the shareholders' general meeting and the Company announces that the last batch of the Underlying Shares has been transferred to the Employee Stock Ownership Scheme. If the sale of the Underlying Shares is restricted due to relevant laws, administrative regulations, departmental rules and regulatory documents, or there is a lack of market liquidity for the Company's Shares which results in the failure of full realisation of the Underlying Shares before the expiry of the duration period, the duration period of the Employee Stock Ownership Scheme can be extended accordingly upon consideration and approval at the Holders' Meeting and the subsequent consideration and approval by the Board.

II. Lock-up period of the Employee Stock Ownership Scheme

The lock-up period of the Underlying Shares obtained by the Employee Stock Ownership Scheme shall be 12 months, commencing from the date on which the Company announces that the last batch of the Underlying Shares has been transferred to the Employee Stock Ownership Scheme. Upon the expiry of the lock-up period, the Management Committee shall distribute the units determined in accordance with the annual performance indicators of the Company and individual performance appraisal results within the lock-up period to the Holders.

The Underlying Shares obtained by the Employee Stock Ownership Scheme, the Shares obtained through distribution of bonus issue, conversion of capital reserve into share capital, etc. by the Company and the cash dividend obtained from holding the Company's Shares shall also comply with the abovementioned lock-up arrangement.

III. Appraisal requirements under the Employee Stock Ownership Scheme

The actual number of the Shares under the Employee Stock Ownership Scheme which can be unlocked by the Holders shall be linked to annual performance indicators of the Company and individual performance appraisal results during the lock-up period. The appraisal requirements and the corresponding proportion to be unlocked are as follows:

Appraisal requirements	(1) Return on net assets ratio of the Company for 2024 shall not be lower than 12%; (2) performance appraisal results of the Holders for 2024 shall be grade B or above.	
Individual performance appraisal results	Pass	Fail
Proportion to be unlocked	100%	0%

If the performance appraisal indicators of the Employee Stock Ownership Scheme at the company level have not been satisfied, the Underlying Shares corresponding to the appraisal year shall not be unlocked and shall be retrieved and sold within the duration period in due course after the date of unlock by the Management Committee. The lower of the subscription amount and the sale amount shall be returned to the Holders after sale in due course. If there are profits after returning the amount to the Holders, such profit shall belong to the Company.

If the units to be unlocked corresponding to the appraisal year of the Holders cannot be unlocked due to the reason of individual performance appraisal, the Management Committee shall retrieve such units and return the amount to the Holders based on the lower of the subscription amount and the sale amount. The Management Committee can allocate the units retrieved to designated employees with qualifications to participate in the Employee Stock Ownership Scheme; or sell the Underlying Shares corresponding to such units after the expiry of the lock-up period in due course, and the remaining funds (if any) after the return of the subscription amount shall belong to the Company.

IV. Trading restrictions of the Employee Stock Ownership Scheme

The Employee Stock Ownership Scheme shall strictly follow the trading rules in the market and follow the relevant regulations regarding the prohibition of buying or selling stocks during the information-sensitive period of the CSRC and the Shanghai Stock Exchange. The Employee Stock Ownership Scheme shall not trade the Company's Shares during the following periods:

1. within 30 days prior to the publication of annual and interim reports of the Company. Where there are any delays in the publication of such reports due to special circumstances, the period shall be 30 days prior to the original scheduled publication date to the day before the actual publication date;

2. within 10 days prior to the publication of the Company's quarterly reports, estimated operating results announcements or preliminary operating results announcements;
3. the period from the date of occurrence of any significant events which may have a material impact on the trading prices of the Company's Shares and their derivatives or the date on which the relevant decision-making procedures begin to the disclosure date in accordance with laws;
4. other periods as stipulated by the CSRC and the Shanghai Stock Exchange; and
5. other periods which trading of the Company's Shares is prohibited as stipulated in laws and regulations.

V. Amendments to the Employee Stock Ownership Scheme

Within the duration period of the Employee Stock Ownership Scheme, any amendments to the Employee Stock Ownership Scheme shall only be implemented with the consent of more than two-thirds of the number of units held by the Holders attending the Holders' Meeting and submission to the Board of the Company for consideration and approval.

VI. Termination of the Employee Stock Ownership Scheme

1. The Employee Stock Ownership Scheme shall be automatically terminated if it is not effectively extended after expiry.
2. After the expiry of the lock-up period of the Employee Stock Ownership Scheme, the Employee Stock Ownership Scheme shall be subject to early termination if all assets held by the Employee Stock Ownership Scheme are cash and cash equivalents and upon consideration and approval at the Holders' Meeting.
3. In addition to the abovementioned automatic termination and early termination, the Employee Stock Ownership Scheme can be terminated upon the approval of more than two-thirds of the number of units held by the Holders attending the Holders' Meeting and submission to the Board for consideration and approval.

Chapter VI Management model for the Employee Stock Ownership Scheme

The Employee Stock Ownership Scheme shall be managed by the Company. Its internal supreme management authority shall be the Holders' Meeting. The Holders' Meeting shall be constituted by the entirety of the Holders of the Employee Stock Ownership Scheme. The Holders' Meeting shall elect the Management Committee, and shall authorise the Management Committee as a management body to be responsible for the day-to-day management affairs of the Employee Stock Ownership Scheme (including but not limited to reducing the number of the Company's Shares held by the Employee Stock Ownership Scheme after the expiry of the lock-up period and distribution of income and cash assets to the Holders on behalf of the Employee Stock Ownership Scheme), exercising shareholder rights on behalf of the Employee Stock Ownership Scheme, etc. The Board shall be responsible for compiling and amending the Draft of the Employee Stock Ownership Scheme and shall handle other relevant matters regarding the Employee Stock Ownership Scheme within the scope authorised at the shareholders' general meeting.

I. The Holders

The Target Holders who make actual payments to subscribe for units of the Employee Stock Ownership Scheme shall become the Holders of the Employee Stock Ownership Scheme. Each unit of the Employee Stock Ownership Scheme shall have equal entitlement of lawful rights and interests.

(I) Rights of the Holders are as follows:

1. Be entitled to the rights and interests in proportion to the units of the Employee Stock Ownership Scheme held under their names;
2. Receive profit distribution and/or dividends (if any) attributable to the Employee Stock Ownership Scheme in proportion to the units held under their names during the period from the date of purchase to the date of disposal of the Shares;
3. Attend the Holders' Meetings in accordance with laws and be entitled to various rights specified in the Administrative Policy; and
4. Other rights stipulated in laws, administrative regulations and departmental rules.

(II) Obligations of the Holders are as follows:

1. Within the duration period of the Employee Stock Ownership Scheme, all units under the Holders' names are deemed to be held by the Holders. The Holders are prohibited from holding any units on behalf of other persons;

2. Comply with the plan of the Employee Stock Ownership Scheme, fulfill all undertakings made for participating in the Employee Stock Ownership Scheme, and pay the subscription amount as committed in full within the agreed period;
3. Bear the relevant expenses of the Employee Stock Ownership Scheme in proportion to the number of units of the Employee Stock Ownership Scheme held under their names;
4. Bear the contingent risks of the Employee Stock Ownership Scheme in proportion to the number of units of the Employee Stock Ownership Scheme held under their names;
5. Bear the statutory taxes and fees for share transactions associated with buying and selling the Shares under the Employee Stock Ownership Scheme, and other taxes incurred for participating in and receiving income derived from the Employee Stock Ownership Scheme pursuant to the national and other relevant laws and regulations, in proportion to the number of the Employee Stock Ownership Scheme held under their names; and
6. Other obligations stipulated in laws, administrative regulations, departmental rules and the Administrative Policy.

II. The Holders' Meeting

- (I) The Holders' Meeting is the internal supreme management authority of the Employee Stock Ownership Scheme. All the Holders are entitled to attend and vote at the Holders' Meetings in person or by delegating another Holder as their proxy. The Holders shall be responsible for the travelling and accommodation expenses for themselves and their proxy for attending the Holders' Meetings.
- (II) The following items shall be considered at the Holders' Meetings:
 1. Appointment and removal of any Management Committee members;
 2. Amendment to, termination and extension of the duration period of the Employee Stock Ownership Scheme;
 3. Whether to participate in the fund raising activities of the Company, such as rights issue, additional issuance of Shares, convertible bond issuance, etc. within the duration period of the Employee Stock Ownership Scheme;
 4. Authorisation to the Management Committee to supervise the daily management of the Employee Stock Ownership Scheme;

5. Authorisation to the Management Committee to exercise the corresponding shareholder rights of the Shares held by the Employee Stock Ownership Scheme;
 6. Authorisation to the Management Committee to be responsible for the liquidation and asset distribution of the Employee Stock Ownership Scheme;
 7. Authorisation to the Management Committee to determine matters in relation to disqualification of the Holders pursuant to relevant provisions of the Employee Stock Ownership Scheme, and the treatment of the units held by the disqualified Holders, including changes in units held by the Holders;
 8. Amendment to the Administrative Policy; and
 9. Other matters that are considered as necessary by the Management Committee for consideration at the Holders' Meetings.
- (III) The first Holders' Meeting shall be convened and presided over by the chairman of the Company, at which Management Committee members shall be elected. Subsequent Holders' Meetings shall be convened by the Management Committee and presided over by the officer of the Management Committee. When the officer of the Management Committee is unable to perform his duties, he shall delegate a Management Committee member to preside over the meetings.
- (IV) To convene a Holders' Meeting, the Management Committee shall send out a written notice of meeting 5 days prior to the meeting to notify all Holders by direct delivery, post, facsimile, electronic mail, announcement on the website, poster at the workplace or other means. A written notice of meeting shall at least include the following details:
1. Time and venue of the meeting;
 2. Way of convening the meeting;
 3. Matters to be considered at the meeting;
 4. Convener and chairman of the meeting and the proposer(s) of extraordinary meeting and his (their) written proposal(s);
 5. Meeting materials required for voting;
 6. Requirements for the Holders to attend the meeting in person or delegate another Holder to attend the meeting on their behalf;
 7. Contact persons and contact information; and
 8. Date of issuance of the notice.

In case of emergencies, a Holders' Meeting can be convened by verbal notice, without being subject to the aforementioned advance notice time limit. The verbal meeting notice shall at least include the above points 1, 2 and 3 and an explanation on the emergency and necessity to convene a Holders' Meeting as soon as possible.

In principle, the Holders' Meetings shall be held on-site and safe, economical and convenient methods, such as video, telephone, internet and other means shall be adopted to facilitate Holders' participation in the Holders' Meetings. Holders who participate in the Holders' Meetings through the above methods shall be deemed as present.

(V) Voting procedures of the Holders' Meetings

1. After each proposal has been fully discussed, the chairman shall invite Holders attending the meeting to vote in a timely manner. The chairman may also invite Holders attending the meeting to vote after all proposals for the meeting have been discussed. Voting shall be carried out by paper ballot.
2. Each unit of the Employee Stock Ownership Scheme held by the Holders is entitled to one vote.
3. The Holders may choose to vote for, against or abstain in any resolutions. The Holders attending the meeting shall select one of the aforesaid voting options, and any votes with no option or more than one option indicated will be deemed as abstention. Any Holders who leave in the course of the meeting without indicating any voting options shall be deemed as abstained from voting. Any vote cast by the Holders after the voting period lapses shall not be counted.
4. The chairman of the meeting shall announce the on-site voting results at the spot of the meeting. A proposed resolution shall only be deemed as pass and become a valid resolution after being approved by more than half of the number of units held by the Holders attending the meeting, unless the consent of more than two-thirds of the number of units is required by the Employee Stock Ownership Scheme and the Administrative Policy.
5. In the event that a resolution of the Holders' Meeting must be submitted to the Board and shareholders' general meeting of the Company for consideration, it shall be submitted to the Board and shareholders' general meeting of the Company for consideration in accordance with the provisions of the Articles of Association.
6. The chairman of the meeting shall arrange for record taking of the Holders' Meeting.

- (VI) Employees holding over 10% of the units of the Employee Stock Ownership Scheme in aggregate may submit an extraordinary proposal to the Holders' Meeting; and the extraordinary proposal shall be submitted to the Management Committee 3 days prior to the convention of the Holders' Meeting.

III. Management Committee

A Management Committee shall be established for the Employee Stock Ownership Scheme, which shall report to the Employee Stock Ownership Scheme and serve as a daily supervisory and administrative institution to manage the Employee Stock Ownership Scheme.

- (I) Election and appointment procedures of the Management Committee

The Management Committee comprises 9 members, with 1 officer and 3 deputy officers. All Management Committee members shall be elected by the Holders' Meeting. The officer and deputy officers of the Management Committee shall be elected by more than half of the Management Committee members. The term of office of the Management Committee members shall be the same as the duration period of the Employee Stock Ownership Scheme.

- (II) Obligations of the Management Committee

The Management Committee members have the following fiduciary duties to the Employee Stock Ownership Scheme in accordance with laws, administrative regulations and the Administrative Policy:

1. Not to take advantage of their positions and authorities to accept bribes or other illegal income; not to occupy any properties of the Employee Stock Ownership Scheme;
2. Not to misappropriate funds of the Employee Stock Ownership Scheme;
3. Not to open any accounts under his or her own name or other people's names with the assets or funds of the Employee Stock Ownership Scheme as the deposits without the consent of the Holders' Meeting;
4. Not to breach the regulations of the Administrative Policy to lend the funds of the Employee Stock Ownership Scheme to other persons or provide guarantee for other persons with the properties of the Employee Stock Ownership Scheme without the consent of the Holders' Meeting;
5. Not to take advantage of their positions and authorities to jeopardise the interests of the Employee Stock Ownership Scheme;

6. Not to disclose business secrets related to the Employee Stock Ownership Scheme without authorisation; and
7. Discharge other obligations stipulated in laws, administrative regulations, departmental rules and the Administrative Policy.

Any Management Committee members who breach the fiduciary duties and cause losses to the Employee Stock Ownership Scheme shall be liable for compensations.

(III) The Management Committee shall exercise the following duties and authorities:

1. Convene Holders' Meetings in accordance with the Administrative Policy and execute resolutions passed at the Holders' Meetings;
2. Carry out daily administration and supervision of the Employee Stock Ownership Scheme on behalf of all Holders;
3. Exercise shareholder rights of the Shares held by the Employee Stock Ownership Scheme on behalf of all Holders;
4. Be responsible for the coordination between the Board, the Supervisory Committee and shareholders' general meeting of the Company;
5. Manage the allocation of benefits and interests of the Employee Stock Ownership Scheme;
6. Determine the attribution of units of the Employee Stock Ownership Scheme which have been given up for subscription or mandatorily transferred;
7. Register for the inheritance of the units of the Employee Stock Ownership Scheme;
8. Be responsible for Share reduction arrangement of the Employee Stock Ownership Scheme; and
9. Other responsibilities as authorised by the Holders' Meeting.

(IV) The officer of the Management Committee shall exercise the following duties and authorities:

1. Preside over the Holders' Meetings, convene and preside over the Management Committee meetings;

2. Supervise and inspect the execution of resolutions passed at the Holders' Meetings and the Management Committee meetings; and
 3. Other duties and authorities as delegated by the Management Committee.
- (V) Convention of, holding and voting at the Management Committee meetings
1. The Management Committee meetings shall be convened occasionally by the officer of the Management Committee. Notice of meeting shall be sent out to all Management Committee members 3 days prior to the convention of the meetings. In principle, Management Committee meetings shall be held on-site. On the basis that all members have the opportunity to fully express their opinions, and with the consent of the convener, the meeting may also be convened through video, telephone, facsimile, electronic mail or other means. The Management Committee meetings may also be convened simultaneously through on-site and other means.
 2. If proposed by the Holders with over 10% of units in aggregate or over one-third of the Management Committee members, an extraordinary Management Committee meeting can be convened. The officer of the Management Committee shall convene and preside over a Management Committee meeting within 5 days upon receiving the proposal.
 3. The Management Committee shall send out the notice of meeting to all Management Committee members 3 days prior to the convention of the extraordinary Management Committee meeting by notification in person, telephone, electronic mail, facsimile, SMS messages or other means.
 4. A notice of the Management Committee meeting shall include the following items:
 - (1) Time and venue of the meeting and the convention method;
 - (2) Reasons for convening the meeting and topics for discussion; and
 - (3) Date of issuing the notice.

In case of emergencies, a Management Committee meeting can be convened by verbal notice, without being subject to the aforementioned advance notice time limit. The verbal meeting notice shall at least include the above point (1) and an explanation on the emergency and necessity to convene a Management Committee meeting as soon as possible.

5. A Management Committee meeting shall only be held when more than half of the members are present. Meeting resolutions shall become effective only upon obtaining approval from more than half of all Management Committee members. Management Committee meetings shall implement a one person, one vote system.
6. Voting for resolutions of the Management Committee meetings can be conducted by way of open ballot, or by raising hands, electronic mail or other lawful methods. The resolutions passed shall be signed by the Management Committee members.
7. Management Committee members shall attend the Management Committee meetings in person; any member who cannot attend a meeting in person shall delegate another Management Committee member as his proxy in writing to attend the meeting on his behalf. A power of attorney shall be signed by the authoriser with the name of the proxy, and the matters, scope and validity period of the authorisation shall be specified. The Management Committee member attending the meeting on behalf of the authoriser shall exercise the rights of a Management Committee member within the scope of authorisation. If a Management Committee member does not attend or delegate another member as his proxy to attend a Management Committee meeting, he will be deemed as abstained from voting at such meeting.
8. The Management Committee shall take minutes of the matters discussed and decisions made in the meetings, and all Management Committee members attending the meetings shall sign on the minutes.
9. Minutes of the Management Committee meetings shall include the following items:
 - (1) Time, venue and the name of convener of the meeting;
 - (2) Attendance of the Management Committee members;
 - (3) The agenda; and
 - (4) Way of voting for each resolution and the respective voting results (stating clearly the number of votes for, against and abstain).
10. Resolutions resolved at the Management Committee meetings and the minutes shall be submitted to the Board for record retention.

**Chapter VII Disposal policy of the rights and interests of the Shares held by the
Employee Stock Ownership Scheme****I. Asset composition of the Employee Stock Ownership Scheme**

- (I) Corresponding rights and interests in the Company's Shares: the Holders who participate in the Employee Stock Ownership Scheme shall subscribe for the Employee Stock Ownership Scheme with funds and be entitled to the rights and interests corresponding to holding the Company's Shares;
- (II) Cash deposits and the interests generated therefrom; and
- (III) Assets arising from other investments in the scheme.

The assets under the Employee Stock Ownership Scheme are independent from the assets of the Company. The Company shall not include the assets of the Employee Stock Ownership Scheme into its own assets. The properties and profits generated from the management, utilisation, etc. of the Employee Stock Ownership Scheme shall be included into the assets of the Employee Stock Ownership Scheme.

II. Distribution of rights and interests of the Employee Stock Ownership Scheme

- (I) No income distribution shall be carried out during the lock-up period in principle.
- (II) In the event of conversion of capital reserve into share capital and distribution of bonus shares by the Company during the lock-up period, the new Shares obtained shall be locked up, and shall not be disposed of in the secondary market or transferred by other means. Such Shares shall be locked up for the same period as the corresponding Shares. When the Company implements profit distribution, the cash dividends derived from the Shares of the Company held by the Employee Stock Ownership Scheme can be distributed within the duration period of the Employee Stock Ownership Scheme.
- (III) Upon the expiry of the lock-up period, the Management Committee of the Employee Stock Ownership Scheme shall determine the method of disposal of the Underlying Shares, i.e., the Management Committee gradually realises the assets of the Employee Stock Ownership Scheme and distributes them to the Holders based on their performance appraisal results; or the Management Committee submits an application to the securities registration and settlement institution to transfer the Underlying Shares to the personal accounts of the Holders based on their performance appraisal results in accordance with relevant laws and regulations, and the Holders can handle the Shares on their own discretion. If transfer to personal accounts is restricted by laws and regulations, the Management Committee shall realise such portion of assets on a uniform basis and distribute them to the Holders based on their performance appraisal results.

III. Disposal policy of units of the Employee Stock Ownership Scheme held by the employees

(I) Within the duration period of the Employee Stock Ownership Scheme, unless otherwise specified by laws, regulations, rules or approved by the Holders' Meeting, the Holders shall not transfer units of the Employee Stock Ownership Scheme they hold, and shall not use such units as collateral, pledge, guarantee, or for debt repayment. Apart from the distribution and liquidation procedures specified in the Employee Stock Ownership Scheme, the Holders shall not request any distributions of assets related to the Employee Stock Ownership Scheme.

(II) Within the duration period of the Employee Stock Ownership Scheme, no changes shall be made to the rights and interests of the Holders in the event of any of the following situations:

1. Change of job position

Within the duration period, no changes shall be made to the rights and interests of the Holders if they are still eligible to participate in the Employee Stock Ownership Scheme after their job positions are changed.

2. Loss of working capacity

Within the duration period, no changes shall be made to the rights and interests of the Holders in the event of loss of working capacity.

3. Retirement

Within the duration period, no changes shall be made to the rights and interests of the Holders in the event that the Holders has reached the statutory retirement age and retired.

4. Death

Within the duration period, no changes shall be made to the rights and interests of the Holders in the event of death. The Holders' rights and interests shall be inherited by their lawful inheritors, who shall not be subject to the constraints of qualifications for participation in the Employee Stock Ownership Scheme.

5. Other situations determined by the Management Committee.

(III) Within the duration period, if a Holder is deemed as no longer qualified for participating in the Employee Stock Ownership Scheme by the Management Committee due to any situations listed below, the Management Committee has the right to disqualify such Holder from participating in the Employee Stock Ownership Scheme, the Underlying Shares corresponding to his unlocked units shall be sold and liquidated in due course, and the earnings shall be allocated by the Management Committee. The Underlying Shares corresponding to the units which have not been unlocked shall be retrieved by the Management Committee, and an amount equals to the sum of original subscription amount plus the interest income under the deposit rate of the People's Bank of China for the same period shall be returned to the individual. The Management Committee can transfer the units of the Employee Stock Ownership Scheme retrieved to designated qualified transferees, and the consideration for the transfer shall be equal to the sum of original subscription amount of the unlocked units paid by such Holder plus the interest income under the deposit rate of the People's Bank of China for the same period. If the transferees cannot be determined, the Underlying Shares corresponding to such units shall be sold by the Management Committee within 12 months from the date on which the Underlying Shares were transferred to the Employee Stock Ownership Scheme in due course, and the gains shall belong to the Company:

1. Either a Holder or the Company (including its branches and subsidiaries) unilaterally proposes to terminate, or both parties mutually terminate the labour contract, the labour contract expires or other circumstances which terminate the labour contract;
2. Where a Holder is subject to criminal liability or resigns without permission (without the consent, approval of or mutual agreement with the Company), the date of disqualifying the Holder from participating in the Employee Stock Ownership Scheme (the "Disqualification Date") shall be the date on which the Holder is held criminally liable or resigns without permission;
3. Where a Holder violates the Company's prohibitions and causes substantial negative consequence to the Company or is involved in other actions as determined by the Company as severe disciplinary violations, the Disqualification Date shall be the date on which the Holder is determined by the Company as having committed severe disciplinary violation;
4. Where a Holder violates the regulations and policies of the Company, and the violation is deemed severe, the Disqualification Date shall be the date on which the Holder violates the regulations and policies of the Company;
5. Where the labour contract of a Holder is terminated by the Company or its subsidiary due to violation of laws, administrative rules or the regulations and policies of the Company, the Disqualification Date shall be the date on which the labour contract of the Holder is terminated;

6. Where a Holder makes substantial mistake that disqualifies him from participating in the Employee Stock Ownership Scheme, the Disqualification Date shall be the date on which he is disqualified from participating in the Employee Stock Ownership Scheme.

If it is difficult to carry out the disposal according to the aforementioned methods due to the provisions of relevant laws, regulations, regulatory documents or regulations and policies of the Company, the Management Committee shall determine a reasonable method of disposal in conjunction with those provisions. The Holders shall comply with and fulfill their corresponding obligations in accordance with the disposal method determined by the Management Committee:

- (IV) Upon the expiration of the lock-up period and within the duration period of the Employee Stock Ownership Scheme, the Company's Shares held by the Employee Stock Ownership Scheme shall be in principle reduced on a uniform basis or disposed of by other lawful means by the Management Committee. The Management Committee shall distribute the assets of the Employee Stock Ownership Scheme to the Holders according to the portion of units held in accordance with the relevant provisions of the Employee Stock Ownership Scheme. In exceptional circumstances, a Holder may submit an application to the Management Committee to request a separate reduction of the Company's Shares corresponding to the number of units he holds and exit from the Employee Stock Ownership Scheme. Upon approval by the Management Committee, the Management Committee shall reduce the Company's Shares corresponding to the rights and interests held by such Holder in the secondary market in due course according to the actual situation, and distribute the proceeds obtained after deducting all costs and expenses to the Holder pursuant to the laws. Such Holder shall exit the Employee Stock Ownership Scheme automatically at the same time, and shall be no longer entitled to any other rights and interests under the Employee Stock Ownership Scheme. Prior to receiving the distributable funds, the Holder shall comply with the Management Committee's requirements to provide corresponding written confirmation documents. After the distribution is completed, any relevant outstanding taxes or fees shall be borne by the Holder.
- (V) For any other matters not specified, the disposal method of the units of the Employee Stock Ownership Scheme held by the Holders shall be determined through negotiation between the Company and the Management Committee.

IV. Disposal policy after the termination of the Employee Stock Ownership Scheme

After the expiry of the lock-up period, the Employee Stock Ownership Scheme shall be subject to early termination if all assets held by the Employee Stock Ownership Scheme are cash and cash equivalents.

Before the expiry of the duration period of the Employee Stock Ownership Scheme, if consent is given by more than two-thirds of the number of units held by the Holders attending the Holders' Meeting and submission to the Board of the Company for consideration and approval, the duration period of the Employee Stock Ownership Scheme can be extended.

When the duration period of the Employee Stock Ownership Scheme expires or if the Employee Stock Ownership Scheme is early terminated, the Holders' Meeting shall authorise the Management Committee to liquidate the scheme after deduction of the relevant taxes, fees and other expenses pursuant to laws within 15 working days from the expiry date or termination date, and arrange for allocation according to the proportion of units held by the Holders.

Chapter VIII Rights and obligations of the Company**I. Rights of the Company**

- (I) If any Holders cause severe impairment to the interests or reputation of the Company for violating laws and professional ethics, leaking business secrets, negligence of duty or malfeasance, etc., the Board may disqualify such persons from the Employee Stock Ownership Scheme and dispose of their corresponding units of the Employee Stock Ownership Scheme according to the provisions stipulated in item (III) of paragraph III in Chapter VII in the Employee Stock Ownership Scheme.
- (II) To withhold and remit relevant tax and fees for the Holders in accordance with the provisions of the national tax laws and regulations.
- (III) Other rights conferred by laws, administrative rules and the Employee Stock Ownership Scheme.

II. Obligations of the Company

- (I) To fulfill the obligations of information disclosure for the Employee Stock Ownership Scheme in an authentic, accurate, complete and timely manner.
- (II) To open and close relevant accounts for the Employee Stock Ownership Scheme in accordance with the relevant laws and regulations.
- (III) Other obligations as stipulated in laws, administrative rules and the Employee Stock Ownership Scheme.

**Chapter IX Ways of participation in the Company's fund raising by the
Employee Stock Ownership Scheme**

When the Company raises funds by right issue, issuance of new Shares, convertible bond issuance, etc. within the duration period of the Employee Stock Ownership Scheme, the Management Committee shall discuss whether the Employee Stock Ownership Scheme shall participate and the funding solution, and table such matter to the Holders' Meeting for consideration.

**Chapter X Specific items to be authorised to the Board at the shareholders'
general meeting**

After the Employee Stock Ownership Scheme is considered and approved at the Shareholders' General Meeting, the Board shall be authorised at the shareholder's general meeting to handle the specific matters related to the Employee Stock Ownership Scheme. The specific authorised matters are as follows:

- (I) To authorise the Board to implement the Employee Stock Ownership Scheme;
- (II) To authorise the Board to amend and terminate the Employee Stock Ownership Scheme, including but not limited to disqualification of Holders, adding Holders, change in the number of units held by the Holders, early termination of the Employee Stock Ownership Scheme and other matters;
- (III) To authorise the Board to decide the extension or early termination of the duration period which is subject to the Board's approval according to the provision of the Draft of the Employee Stock Ownership Scheme;
- (IV) To authorise the Board to handle all matters related to the lock-up and unlock of the Shares purchased under the Employee Stock Ownership Scheme;
- (V) To authorise the Board to make corresponding amendments to the Employee Stock Ownership Scheme according to the newly promulgated laws, regulations, regulatory documents or policies in case of any changes in the laws, regulations, regulatory documents or policies within the duration period after the Employee Stock Ownership Scheme is considered and approved at the shareholders' general meeting;
- (VI) To authorise the Board to nominate candidates for the Management Committee members; and
- (VII) To authorise the Board to handle any other necessary matters related to the Employee Stock Ownership Scheme, excluding any rights explicitly required to be exercised by the shareholders' general meeting as stipulated in relevant laws, regulations, regulatory documents or the Articles of Association.

The aforementioned authorisation shall become effective from the date of which it is approved at the shareholders' general meeting of the Company, and shall remain effective within the duration period of the Employee Stock Ownership Scheme.

Chapter XI Other important matters**I. Procedures for implementation of the Employee Stock Ownership Scheme:**

1. The Board shall compile the Draft of the Employee Stock Ownership Scheme pursuant to the suggestions of the Nomination and Remuneration Committee, for which the Board shall seek the employees' opinions through the workers' representatives meetings or other democratic procedures.
2. The Board shall consider the Draft of the Employee Stock Ownership Scheme. Independent Directors shall issue independent opinions on the following matters: whether the Employee Stock Ownership Scheme is beneficial to the sustainable development of the Company; whether it will prejudice the interests of the Company and all the Shareholders; whether there is any apportionment, mandatory distribution, etc. to force the employees to participate in the Employee Stock Ownership Scheme.
3. The Supervisory Committee shall issue opinions on the following matters: whether the Employee Stock Ownership Scheme is beneficial to the sustainable development of the Company; whether it will prejudice the interests of the Company and all the Shareholders; whether there is any apportionment, mandatory distribution, etc. to force the employees to participate in the Employee Stock Ownership Scheme.
4. Within two trading days after the Board approves the Employee Stock Ownership Scheme, the Company shall disclose the relevant documents such as the Board resolutions, the whole Draft of the Employee Stock Ownership Scheme and its summary, independent Directors' opinions, Supervisory Committee's opinions, etc.
5. The Company shall engage a law firm to issue legal opinion for the Employee Stock Ownership Scheme regarding its compliance with laws and regulations, whether the necessary procedures of decision-making and approval have been carried out and whether the information disclosure obligations have been discharged in accordance with laws, regulations and relevant provisions.
6. The Company shall send out a notice of shareholders' general meeting for the consideration of the Employee Stock Ownership Scheme and announce the legal opinion before convening the shareholders' general meeting.
7. A shareholders' general meeting shall be convened to consider the Employee Stock Ownership Scheme, the Shareholders who have a connected relationship with the Employee Stock Ownership Scheme shall abstain from voting. Voting at the shareholders' general meeting shall be taken by poll both on-site and via internet.

8. The implementation of the Employee Stock Ownership Scheme is subject to the review and approval of the SASAC of Longyan City and the consideration and approval at the shareholders' general meeting of the Company.
 9. The Company shall convene a Holders' Meeting to consider and approve the Administrative Policy, elect the Management Committee members, clarify specific matters relating to the implementation of the Employee Stock Ownership Scheme, and disclose the outcomes and relevant resolutions of the meeting in a timely manner.
 10. The Company shall discharge the obligations of information disclosure regarding the implementation of the Employee Stock Ownership Scheme pursuant to the requirements of the CSRC and the Shanghai Stock Exchange.
 11. Other procedures required to be followed as regulated by the CSRC, Shanghai Stock Exchange, departments for state-owned assets supervision and administration and other relevant regulatory authorities.
- II.** The consideration and approval of the Employee Stock Ownership Scheme of the Board and the shareholders' general meeting do not imply that the Holders have the right to continue their services in the Company or its subsidiaries, and do not constitute any commitments made by the Company or its subsidiaries regarding the employment term of employees. The employment relationships between the Company or its subsidiaries and the Holders shall remain the same as stipulated in the labour contracts or appointment contracts entered into between the Company or its subsidiaries and the Holders.
- III.** The financial, accounting and tax issues relating to the implementation of the Employee Stock Ownership Scheme of the Company shall be executed according to the relevant financial polices, accounting standards and tax rules.
- IV.** The Employee Stock Ownership Scheme shall be interpreted by the Board of the Company.

Zijin Mining Group Co., Ltd.*
Board of Directors
15 November 2023

** The English name of the Company is for identification purpose only*

Should there be any discrepancies, the Chinese version of this appendix shall prevail.

Zijin Mining Group Co., Ltd.*

The Administrative Policy of the Employee Stock Ownership Scheme for 2023

Chapter I General principles

Article 1 For the purpose of regulating the implementation of the Employee Stock Ownership Scheme for 2023 (the “Employee Stock Ownership Scheme”) of Zijin Mining Group Co., Ltd.* (the “Company”), this administrative policy (the “Administrative Policy”) was formulated in accordance with the provisions of the Company Law of the People’s Republic of China, the Securities Law of the People’s Republic of China, the Guiding Opinions on the Implementation of Employee Stock Ownership Scheme by Listed Companies on a Pilot Basis issued by the China Securities Regulatory Commission (the “CSRC”), Guidelines No. 1 of the Shanghai Stock Exchange for Self-regulation of Listed Companies – Standard Operation issued by the Shanghai Stock Exchange, other relevant laws, rules, regulations, regulatory documents, as well as the Articles of Association of Zijin Mining Group Co., Ltd.* and the Employee Stock Ownership Scheme for 2023 (Draft) of Zijin Mining Group Co., Ltd.* (the “Draft of the Employee Stock Ownership Scheme”).

Chapter II Formulation of the Employee Stock Ownership Scheme

Section I Basic principles and implementation procedures of the Employee Stock Ownership Scheme

Article 2 The Employee Stock Ownership Scheme shall adhere to the following basic principles:

- (I) Principle of legal compliance. The Employee Stock Ownership Scheme shall be carried out by the Company in strict accordance with the procedures stipulated in laws and administrative regulations, and the Company shall disclose information in an authentic, accurate, complete and timely manner. No persons are allowed to make use of the Employee Stock Ownership Scheme for any actions of insider trading, securities market manipulation and other securities frauds.
- (II) Principle of voluntary participation. The Company shall implement the Employee Stock Ownership Scheme by following the principle of voluntary participation of the employees. The Company shall not force its employees to participate in the Employee Stock Ownership Scheme by apportionment, mandatory distribution and other means.
- (III) Principle of self-bearing of risks. The Holders of the Employee Stock Ownership Scheme shall assume their own profits and losses, bear their own risks and have equal entitlement of rights and interests as other investors.

APPENDIX 4 THE ADMINISTRATIVE POLICY OF THE EMPLOYEE STOCK OWNERSHIP SCHEME FOR 2023

Article 3 The implementation of the Employee Stock Ownership Scheme shall follow the major procedures below:

- (I) The Board shall compile the Draft of the Employee Stock Ownership Scheme pursuant to the suggestions of the Nomination and Remuneration Committee, for which the Board shall seek the employees' opinions through the workers' representatives meetings or other democratic procedures.
- (II) The Board shall consider the Draft of the Employee Stock Ownership Scheme. Independent Directors shall issue independent opinions on the following matters: whether the Employee Stock Ownership Scheme is beneficial to the sustainable development of the Company; whether it will prejudice the interests of the Company and all the Shareholders; whether there is any apportionment, mandatory distribution, etc. to force the employees to participate in the Employee Stock Ownership Scheme.
- (III) The Supervisory Committee shall issue opinions on the following matters: whether the Employee Stock Ownership Scheme is beneficial to the sustainable development of the Company; whether it will prejudice the interests of the Company and all the Shareholders; whether there is any apportionment, mandatory distribution, etc. to force the employees to participate in the Employee Stock Ownership Scheme.
- (IV) Within two trading days after the Board considers and approves the Employee Stock Ownership Scheme, the Company shall disclose the relevant documents such as the Board resolutions, the whole Draft of the Employee Stock Ownership Scheme and its summary, independent Directors' opinions, Supervisory Committee's opinions, etc.
- (V) The Company shall engage a law firm to issue legal opinion for the Employee Stock Ownership Scheme regarding its compliance with laws and regulations, whether the necessary procedures of decision-making and approval have been carried out and whether the information disclosure obligations have been discharged in accordance with laws, regulations and relevant provisions.
- (VI) The Company shall send out a notice of shareholders' general meeting for the consideration of the Employee Stock Ownership Scheme and announce the legal opinion before convening the shareholders' general meeting.
- (VII) A shareholders' general meeting shall be convened to consider the Employee Stock Ownership Scheme, the Shareholders who have a connected relationship with the Employee Stock Ownership Scheme shall abstain from voting. Voting at the shareholders' general meeting shall be taken by poll both on-site and via internet.
- (VIII) The implementation of the Employee Stock Ownership Scheme is subject to the review and approval of the SASAC of Longyan City and the consideration and approval at the shareholders' general meeting of the Company.

APPENDIX 4 THE ADMINISTRATIVE POLICY OF THE EMPLOYEE STOCK OWNERSHIP SCHEME FOR 2023

- (IX) The Company shall convene a Holders' Meeting to consider and approve the Administrative Policy, elect the Management Committee members, clarify specific matters relating to the implementation of the Employee Stock Ownership Scheme, and disclose the outcomes and relevant resolutions of the meeting in a timely manner.
- (X) The Company shall discharge the obligations of information disclosure regarding the implementation of the Employee Stock Ownership Scheme pursuant to the requirements of the CSRC and the Shanghai Stock Exchange.
- (XI) Other procedures required to be followed as regulated by the CSRC, Shanghai Stock Exchange, departments for state-owned assets supervision and administration and other relevant regulatory authorities.

Section II Target Holders of the Employee Stock Ownership Scheme and basis for determination

Article 4 The Target Holders of the Employee Stock Ownership Scheme shall be the employees who have entered into a labour contract or an appointment contract with the Company or its subsidiaries under the scope of consolidated financial statements (including branches, wholly and non-wholly owned subsidiaries), including the following personnel:

- (I) the executive Directors and senior management of the Company;
- (II) the core technical personnel and key personnel of the Company; and
- (III) other personnel that the Board considers they are necessary to be incentivised.

Article 5 In the event of any of the following circumstances, employees shall not become the Holders of the Employee Stock Ownership Scheme:

- (I) being publicly condemned or declared as an inappropriate candidate by the stock exchanges in the PRC in the most recent 3 years;
- (II) being imposed with administrative penalties by the CSRC due to material breach of laws and regulations in the most recent 3 years;
- (III) causing severe impairment to the Company's interests, reputation and image due to leakage of national or corporate secrets, corruption, theft, misappropriation, bribe accepting, bribe offering, negligence of duty, malfeasance or other acts in violation of national laws and regulations, or violating public order, professional morals and ethics in the most recent 3 years;
- (IV) being deemed by the Board as employees who shall not become the Holders of the Employee Stock Ownership Scheme; or

APPENDIX 4 THE ADMINISTRATIVE POLICY OF THE EMPLOYEE STOCK OWNERSHIP SCHEME FOR 2023

- (V) any other circumstances as stipulated in relevant laws, regulations or regulatory documents that such employees shall not become the Holders of the Employee Stock Ownership Scheme.

Article 6 The total number of employees participating in the Employee Stock Ownership Scheme shall not exceed 2,747. Among which, the total number of the executive Directors and senior management of the Company proposed to participate in the Employee Stock Ownership Scheme is 13, and the total number of units of the Employee Stock Ownership Scheme to be subscribed by them shall not exceed 18.4380 million, accounting for 5.20% of the total units of the Employee Stock Ownership Scheme. The total number of other employees proposed to subscribe for the Employee Stock Ownership Scheme is 2,734, and the proposed total number of units of the Employee Stock Ownership Scheme to be subscribed by them shall be 336.0420 million, accounting for 94.80% of the total units of the Employee Stock Ownership Scheme. The number of Shares corresponding to the units of the Employee Stock Ownership Scheme of any individual Holders shall not exceed 0.5 million, representing approximately 0.002% of the current total share capital of the Company.

Article 7 The source of funds for the Company's employees to participate in the Employee Stock Ownership Scheme shall be derived from their lawful salary, as well as their self-financing funds and funds raised in other lawful and compliant ways, excluding derivative embedded structured products.

Article 8 The Company shall not grant any Shares to the Holders without consideration, or provide any kinds of financial assistance to the Holders including payment on behalf, provision of guarantee and loans. The Holders shall not accept any loans or financial assistance from other enterprises which have business relationship with the Company's production and operation.

Article 9 The total amount of funds proposed to be raised at the initial subscription of the Employee Stock Ownership Scheme shall not exceed RMB354.4800 million, with the subscription unit being "unit". Each RMB1 is equivalent to one unit.

Article 10 The accumulated number of the Shares corresponding to the units of the Employee Stock Ownership Scheme held by any individual Holders shall not exceed 1% of the total share capital of the Company. The final number of units and proportion of the Employee Stock Ownership Scheme held by the Holders shall be determined based on the actual subscription situation of the employees.

The total number of the Shares corresponding to the units of the Employee Stock Ownership Scheme held by the Holders does not include the Shares acquired by the employees before the initial public offering of the Company, purchased in the secondary market on their own and obtained from stock ownership schemes.

APPENDIX 4 THE ADMINISTRATIVE POLICY OF THE EMPLOYEE STOCK OWNERSHIP SCHEME FOR 2023

Article 11 The source of Shares of the Employee Stock Ownership Scheme shall be the repurchased ordinary A Shares in the specific securities account for repurchase of the Company.

On 21 October 2022, the Company convened the thirteenth meeting of the seventh term of the Board, at which the proposal in relation to the plan of repurchasing shares through centralised price bidding for employee stock ownership scheme or share incentive was considered and approved. As the A Share price of the Company consistently exceeded the maximum repurchase price set in the repurchase plan during the repurchase period, on 19 October 2023, the Company convened the thirteenth extraordinary meeting in 2023 of the eighth term of the Board, at which the proposal in relation to the extension of implementation period for share repurchase and the adjustment to the maximum repurchase price was considered and approved. The Company extended the repurchase period by 6 months, i.e., the end of the repurchase period was extended from 20 October 2023 to 19 April 2024. As at 7 November 2023, the Company had accumulatively repurchased 42,200,000 A Shares through centralised price bidding, representing 0.16% of the Company's total share capital. The highest repurchase price was RMB12.68 per A Share and the lowest repurchase price was RMB7.89 per A Share. The total amount paid was RMB499,789,882 (excluding transaction expenses). The implementation of the repurchase plan was completed.

Section III Duration period, lock-up period of and the restrictions on trading of Shares under the Employee Stock Ownership Scheme

Article 12 The duration period of the Employee Stock Ownership Scheme shall be 48 months, commencing from the date on which the Employee Stock Ownership Scheme is considered and approved at the shareholders' general meeting and the Company announces that the last batch of the Underlying Shares has been transferred to the Employee Stock Ownership Scheme.

If the sale of the Underlying Shares is restricted due to relevant laws, administrative regulations, departmental rules and regulatory documents, or there is a lack of market liquidity for the Company's Shares which results in the failure of full realisation of the Underlying Shares before the expiration of the duration period, the duration period of the Employee Stock Ownership Scheme can be extended accordingly upon consideration and approval at the Holders' Meeting and the subsequent consideration and approval by the Board.

Article 13 The lock-up period of the Underlying Shares obtained by the Employee Stock Ownership Scheme shall be 12 months, commencing from the date on which the Company announces that the last batch of the Underlying Shares has been transferred to the Employee Stock Ownership Scheme. Upon the expiry of the lock-up period, the Management Committee shall distribute the units determined in accordance with the annual performance indicators of the Company and individual performance appraisal results within the lock-up period to the Holders.

APPENDIX 4 THE ADMINISTRATIVE POLICY OF THE EMPLOYEE STOCK OWNERSHIP SCHEME FOR 2023

Article 14 The actual number of the Shares under the Employee Stock Ownership Scheme which can be unlocked by the Holders shall be linked to annual performance indicators of the Company and individual performance appraisal results during the lock-up period. The appraisal requirements and the corresponding proportion to be unlocked are as follows:

Appraisal requirements (1) Return on net assets ratio of the Company for 2024 shall not be lower than 12%; (2) performance appraisal results of the Holders for 2024 shall be grade B or above.

Individual performance appraisal results	Pass	Fail
Proportion to be unlocked	100%	0%

Article 15 If the performance appraisal indicators of the Employee Stock Ownership Scheme at the company level have not been satisfied, the Underlying Shares corresponding to the appraisal year shall not be unlocked and shall be retrieved and sold within the duration period in due course after the date of unlock by the Management Committee. The lower of the subscription amount and the sale amount shall be returned to the Holders after sale in due course. If there are profits after returning the amount to the Holders, such profit shall belong to the Company.

If the units to be unlocked corresponding to the appraisal year of the Holders cannot be unlocked due to the reason of individual performance appraisal, the Management Committee shall retrieve such units and return the amount to the Holders based on the lower of the subscription amount and the sale amount. The Management Committee can allocate the units retrieved to designated employees with qualifications to participate in the Employee Stock Ownership Scheme; or sell the underlying Shares corresponding to such units after the expiry of the lock-up period in due course, and the remaining funds (if any) after the return of the subscription amount shall belong to the Company.

Article 16 The Employee Stock Ownership Scheme shall not trade the Company's Shares during the following periods:

- (I) within 30 days prior to the publication of annual and interim reports of the Company. Where there are any delays in the publication of such reports due to special circumstances, the period shall be 30 days prior to the original scheduled publication date to the day before the actual publication date;
- (II) within 10 days prior to the publication of the Company's quarterly reports, estimated operating results announcements or preliminary operating results announcements;

- (III) the period from the date of occurrence of any significant events which may have a material impact on the trading prices of the Company's Shares and their derivatives or the date on which the relevant decision-making procedures begin to the disclosure date in accordance with laws;
- (IV) other periods as stipulated by the CSRC and the Shanghai Stock Exchange; and
- (V) other periods which trading of the Company's Shares is prohibited as stipulated in laws and regulations.

Chapter III Management for the Employee Stock Ownership Scheme

Section I Management model for the Employee Stock Ownership Scheme

Article 17 The Employee Stock Ownership Scheme shall be managed by the Company. Its internal supreme management authority shall be the Holders' Meeting. The Holders' Meeting shall be constituted by the entirety of the Holders of the Employee Stock Ownership Scheme.

Article 18 The Holders' Meeting shall elect the Management Committee, and shall authorise the Management Committee as a management body to be responsible for the day-to-day management affairs of the Employee Stock Ownership Scheme (including but not limited to reducing the number of the Company's Shares held by the Employee Stock Ownership Scheme after the expiry of the lock-up period and distribution of income and cash assets to the Holders on behalf of the Employee Stock Ownership Scheme), exercising shareholder rights on behalf of the Employee Stock Ownership Scheme, etc.

Article 19 The Board shall be responsible for compiling and amending the Draft of the Employee Stock Ownership Scheme and handle other relevant matters regarding the Employee Stock Ownership Scheme within the scope authorised at the shareholders' general meeting.

Section II Holders of the Employee Stock Ownership Scheme

Article 20 The Target Holders who make actual payments to subscribe for units of the Employee Stock Ownership Scheme shall become the Holders of the Employee Stock Ownership Scheme. Each unit of the Employee Stock Ownership Scheme shall have equal entitlement of lawful rights and interests.

Article 21 Rights of the Holders are as follows:

- (I) Be entitled to the rights and interests in proportion to the units of the Employee Stock Ownership Scheme held under their names;

APPENDIX 4 THE ADMINISTRATIVE POLICY OF THE EMPLOYEE STOCK OWNERSHIP SCHEME FOR 2023

- (II) Receive profit distribution and/or dividends (if any) attributable to the Employee Stock Ownership Scheme in proportion to the units held under their names during the period from the date of purchase to the date of disposal of the Shares;
- (III) Attend the Holders' Meetings in accordance with laws and be entitled to various rights specified in the Administrative Policy; and
- (IV) Other rights stipulated in laws, administrative regulations and departmental rules.

Article 22 Obligations of the Holders are as follows:

- (I) Within the duration period of the Employee Stock Ownership Scheme, all units under the Holders' names are deemed to be held by the Holders. The Holders are prohibited from holding any units on behalf of other persons;
- (II) Comply with the plan of the Employee Stock Ownership Scheme, fulfill all undertakings made for participating in the Employee Stock Ownership Scheme and pay the subscription amount as committed in full within the agreed period;
- (III) Bear the relevant expenses of the Employee Stock Ownership Scheme in proportion to the number of units of the Employee Stock Ownership Scheme held under their names;
- (IV) Bear the contingent risks of the Employee Stock Ownership Scheme in proportion to the number of units of the Employee Stock Ownership Scheme under their names;
- (V) Bear the statutory taxes and fees for share transactions associated with buying and selling the Shares under the Employee Stock Ownership Scheme, and other taxes incurred for participating in and receiving income derived from the Employee Stock Ownership Scheme pursuant to the national and other relevant laws and regulations, in proportion to the number of the Employee Stock Ownership Scheme held under their names; and
- (VI) Other obligations stipulated in the laws, administrative regulations, departmental rules and this Administrative Policy.

Section III The Holders' Meeting of the Employee Stock Ownership Scheme

Article 23 The Holders' Meeting is the internal supreme management authority of the Employee Stock Ownership Scheme. All the Holders are entitled to attend the Holders' Meeting.

The Holders can attend and vote at the Holders' Meetings in person or by delegating another Holder as their proxy. The Holders shall be responsible for the travelling and accommodation expenses for themselves and their proxy for attending the Holders' Meetings.

APPENDIX 4 THE ADMINISTRATIVE POLICY OF THE EMPLOYEE STOCK OWNERSHIP SCHEME FOR 2023

Article 24 The Holders' Meeting shall exercise the following functions and authorities:

- (I) Appointment and removal of any Management Committee members;
- (II) Amendment to, early termination and extension of the duration period of the Employee Stock Ownership Scheme;
- (III) Whether to participate in the fund raising activities of the Company, such as rights issue, additional issuance of Shares, convertible bond issuance, etc. within the duration period of the Employee Stock Ownership Scheme;
- (IV) Authorisation to the Management Committee to supervise the daily management of the Employee Stock Ownership Scheme;
- (V) Authorisation to the Management Committee to exercise the corresponding shareholder rights of the Shares held by the Employee Stock Ownership Scheme;
- (VI) Authorisation to the Management Committee to be responsible matters in relation to for the liquidation and asset distribution of the Employee Stock Ownership Scheme;
- (VII) Authorisation to the Management Committee to determine matters in relation to disqualification of the Holders pursuant to relevant provisions of the Employee Stock Ownership Scheme, and the treatment of the units held by the disqualified Holders, including changes in units held by the Holders;
- (VIII) Amendment to the Administrative Policy; and
- (IX) Other matters that are considered as necessary by the Management Committee for consideration at the Holders' Meeting.

Article 25 The first Holders' Meeting shall be convened and presided over by the chairman of the Company, at which Management Committee members shall be elected. Subsequent Holders' Meetings shall be convened by the Management Committee and presided over by the officer of the Management Committee. When the officer of the Management Committee is unable to perform his duties, he shall delegate a Management Committee member to preside over the meetings.

Article 26 To convene a Holders' Meeting, the Management Committee shall send out a written notice of meeting 5 days prior to the meeting to all Holders by direct delivery, post, facsimile, electronic mail, announcement on the website, poster at the workplace or other means.

APPENDIX 4 THE ADMINISTRATIVE POLICY OF THE EMPLOYEE STOCK OWNERSHIP SCHEME FOR 2023

Article 27 A written notice of meeting shall at least include the following details:

- (I) Time and venue of the meeting;
- (II) Way of convening the meeting;
- (III) Matters to be considered at the meeting;
- (IV) Convener and chairman of the meeting and the proposer(s) of extraordinary meeting and his (their) written proposal(s);
- (V) Meeting materials required for voting;
- (VI) Requirements for the Holders to attend the meeting in person or delegate another Holder to attend the meeting on their behalf;
- (VII) Contact persons and contact information; and
- (VIII) Date of issuance of the notice.

In case of emergencies, a Holders' Meeting can be convened by verbal notice, without being subject to the aforementioned advance notice time limit. The verbal meeting notice shall at least include the above points (I), (II) and (III) and an explanation on the emergency and necessity to convene a Holders' Meeting as soon as possible.

Article 28 Employees holding over 10% of the units of the Employee Stock Ownership Scheme in aggregate may submit an extraordinary proposal to the Holders' Meeting; and the extraordinary proposal shall be submitted to the Management Committee 3 days prior to the convention of the Holders' Meeting.

Article 29 In principle, the Holders' Meetings shall be held on-site and safe, economical and convenient methods, such as video, telephone, internet and other means shall be adopted to facilitate Holders' participation in the Holders' Meetings. Holders who participate in the Holders' Meetings through the above methods shall be deemed as present.

Article 30 Each unit of the Employee Stock Ownership Scheme held by the Holders is entitled to one vote. After each proposal has been fully discussed, the chairman shall invite Holders attending the meeting to vote in a timely manner. The chairman may also invite Holders attending the meeting to vote after all proposals for the meeting have been discussed. Voting shall be carried out by paper ballot.

Article 31 The Holders may choose to vote for, against or abstain in any resolutions. The Holders attending the meeting shall select one of the aforesaid voting options, and any vote with no option or more than one option indicated will be deemed as abstention. Any Holders who leave in the course of the meeting without indicating any voting options shall be deemed as abstained from voting. Any vote cast by the Holders after the voting period lapses shall not be counted.

APPENDIX 4 THE ADMINISTRATIVE POLICY OF THE EMPLOYEE STOCK OWNERSHIP SCHEME FOR 2023

Article 32 The chairman of the meeting shall announce the on-site voting results at the spot of the meeting. A proposed resolution shall only deemed as pass and become a valid resolution after being approved by more than half of the number of units held by the Holders attending the meeting, unless the consent of more than two-thirds of the number of units is required by the Employee Stock Ownership Scheme and the Administrative Policy.

Article 33 In the event that a resolution of the Holders' Meeting must be submitted to the Board and shareholders' general meeting of the Company for consideration, it shall be submitted to the Board and shareholders' general meeting of the Company for consideration in accordance with the provisions of the Articles of Association.

Article 34 The chairman of the meeting shall arrange for record taking of the Holders' Meeting.

Section IV Management Committee of the Employee Stock Ownership Scheme

Article 35 A Management Committee shall be established for the Employee Stock Ownership Scheme, which shall report to the Employee Stock Ownership Scheme and serve as a daily supervisory and administrative institution to manage the Employee Stock Ownership Scheme.

Article 36 The Management Committee comprises 9 members, with 1 officer and 3 deputy officers. All Management Committee members shall be elected by the Holders' Meeting. The officer and deputy officers of the Management Committee shall be elected by more than half of the Management Committee members. The term of office of the Management Committee members shall be the same as the duration period of the Employee Stock Ownership Scheme.

Article 37 The Management Committee members have the following fiduciary duties to the Employee Stock Ownership Scheme in accordance with laws, administrative regulations and the Administrative Policy:

- (I) Not to take advantage of their positions and authorities to accept bribes or other illegal income; not to occupy any properties of the Employee Stock Ownership Scheme;
- (II) Not to misappropriate funds of the Employee Stock Ownership Scheme;
- (III) Not to open any accounts under his or her own name or other people's names with the assets or funds of the Employee Stock Ownership Scheme as the deposits without the consent of the Holders' Meeting;

APPENDIX 4 THE ADMINISTRATIVE POLICY OF THE EMPLOYEE STOCK OWNERSHIP SCHEME FOR 2023

- (IV) Not to breach the regulations of the Administrative Policy to lend the funds of the Employee Stock Ownership Scheme to other persons or provide guarantee for other persons with the properties of the Employee Stock Ownership Scheme without the consent of the Holders' Meeting;
- (V) Not to take advantage of their positions and authorities to jeopardise the interests of the Employee Stock Ownership Scheme;
- (VI) Not to disclose business secrets related to the Employee Stock Ownership Scheme without authorisation; and
- (VII) Discharge other obligations stipulated in laws, administrative regulations, departmental rules and this Administrative Policy.

Article 38 Any Management Committee members who breach the fiduciary duties and cause losses to the Employee Stock Ownership Scheme shall be liable for compensation.

Article 39 The Management Committee shall exercise the following duties and authorities:

- (I) Convene Holders' Meetings in accordance with this Administrative Policy and execute resolutions passed at the Holders' Meetings;
- (II) Carry out daily administration and supervision of the Employee Stock Ownership Scheme on behalf of all Holders;
- (III) Exercise shareholder rights of the Shares held by the Employee Stock Ownership Scheme on behalf of all Holders;
- (IV) Be responsible for the coordination between the Board, the Supervisory Committee and shareholders' general meeting of the Company;
- (V) Manage the allocation of benefits and interests of the Employee Stock Ownership Scheme;
- (VI) Determine the attribution of units of the Employee Stock Ownership Scheme which have been given up for subscription or mandatorily transferred;
- (VII) Register for the inheritance of the units of the Employee Stock Ownership Scheme;
- (VIII) Be responsible for Share reduction arrangement of the Employee Stock Ownership Scheme; and
- (IX) Other responsibilities as authorised by the Holders' Meeting.

APPENDIX 4 THE ADMINISTRATIVE POLICY OF THE EMPLOYEE STOCK OWNERSHIP SCHEME FOR 2023

Article 40 The officer of the Management Committee shall exercise the following duties and authorities:

- (I) Preside over the Holders' Meetings, convene and preside over the Management Committee meetings;
- (II) Supervise and inspect the execution of resolutions passed at the Holders' Meetings and the Management Committee meetings; and
- (III) Other duties and authorities as delegated by the Management Committee.

Article 41 The Management Committee meetings shall be convened occasionally by the officer of the Management Committee. Notice of meeting shall be sent out to all Management Committee members 3 days prior to the convention of the meeting. In principle, Management Committee meetings shall be held on-site. On the basis that all members have the opportunity to fully express their opinions, and with the consent of the convener, the meeting may also be convened through video, telephone, facsimile, electronic mail or other means. The Management Committee meetings may also be convened simultaneously through on-site and other means.

Article 42 If proposed by the Holders with over 10% of units in aggregate or over one-third of the Management Committee members, an extraordinary Management Committee meeting can be convened. The officer of the Management Committee shall convene and preside over a Management Committee meeting within 5 days upon receiving the proposal.

Article 43 A notice of the Management Committee meeting shall include the following items:

- (I) Time and venue of the meeting and the convention method;
- (II) Reasons for convening the meeting and topics for discussion; and
- (III) Date of issuing the notice.

In case of emergencies, a Management Committee meeting can be convened by verbal notice, without being subject to the aforementioned advance notice time limit. The verbal meeting notice shall at least include the above point (I) and an explanation on the emergency and necessity to convene a Management Committee meeting as soon as possible.

APPENDIX 4 THE ADMINISTRATIVE POLICY OF THE EMPLOYEE STOCK OWNERSHIP SCHEME FOR 2023

Article 44 A Management Committee meeting shall only be held when more than half of the members are present. Meeting resolutions shall become effective only upon obtaining approval from more than half of all Management Committee members. Management Committee meetings shall implement a one person, one vote system.

Article 45 Voting for resolutions of the Management Committee meetings can be conducted by way of open ballot, or by raising hands, electronic mail or other lawful methods.

Article 46 Management Committee members shall attend the Management Committee meetings in person; any member who cannot attend a meeting in person shall delegate another Management Committee member as his proxy in writing to attend the meeting on his behalf. A power of attorney shall be signed by the authoriser with the name of the proxy, and the matters, scope and validity period of the authorisation shall be specified. The Management Committee member attending the meeting on behalf of the authoriser shall exercise the rights of a Management Committee member within the scope of authorisation.

If a Management Committee member does not attend or delegate another member as his proxy to attend a Management Committee meeting, he will be deemed as abstained from voting at such meeting.

Article 47 The Management Committee shall take minutes of the matters discussed and decision made in the meetings, and all Management Committee members attending the meetings shall sign on the minutes.

Article 48 Minutes of the Management Committee meetings shall include the following items:

- (I) Time, venue and name of the convener of the meeting;
- (II) Attendance of the Management Committee members;
- (III) The agenda; and
- (IV) Way of voting for each resolution and the respective voting results (stating clearly the number of votes for, against and abstain).

Article 49 Resolutions resolved at the Management Committee meetings and the minutes shall be submitted to the Board for record retention.

**Chapter IV Assets of the Employee Stock Ownership Scheme and disposal of the rights
and interests**

Section I Assets of the Employee Stock Ownership Scheme

Article 50 Asset composition of the Employee Stock Ownership Scheme:

- (I) Corresponding rights and interests in the Company's Shares;
- (II) Cash deposits and the interests generated therefrom; and
- (III) Assets arising from other investments in the scheme.

Article 51 The assets under the Employee Stock Ownership Scheme are independent from the assets of the Company. The Company shall not include the assets of the Employee Stock Ownership Scheme into its own assets. The properties and profits generated from the management, utilisation, etc. of the Employee Stock Ownership Scheme shall be included into the assets of the Employee Stock Ownership Scheme.

Section II Distribution methods of rights and interests of the Employee Stock Ownership
Scheme within the duration period

Article 52 No income distribution shall be carried out during the lock-up period in principle.

Article 53 In the event of conversion of capital reserve into share capital and distribution of bonus shares by the Company during the lock-up period, the new Shares obtained shall be locked up, and shall not be disposed of in the secondary market or transferred by other means. Such Shares shall be locked up for the same period as the corresponding Shares. When the Company implements profit distribution, the cash dividends derived from the Shares of the Company held by the Employee Stock Ownership Scheme can be distributed within the duration period of the Employee Stock Ownership Scheme.

Article 54 Upon the expiry of the lock-up period, the Management Committee of the Employee Stock Ownership Scheme shall determine the method of disposal of the Underlying Shares, i.e., the Management Committee gradually realises the assets of the Employee Stock Ownership Scheme and distributes them to the Holders based on their performance appraisal results; or the Management Committee submits an application to the securities registration and settlement institution to transfer the Underlying Shares to the personal accounts of the Holders based on their performance appraisal results in accordance with relevant laws and regulations, and the Holders can handle the Shares on their own discretion. If transfer to personal accounts is restricted by laws and regulations, the Management Committee shall realise such portion of assets on a uniform basis and distribute them to the Holders based on their performance appraisal results.

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Section III Disposal policy of units of the Employee Stock Ownership Scheme held by the Target Holders

Article 55 Within the duration period of the Employee Stock Ownership Scheme, unless otherwise specified by laws, regulations, rules or approved by the Holders' Meeting, the Holders shall not transfer units of the Employee Stock Ownership Scheme they hold, and shall not use such units as collateral, pledge, guarantee, or for debt repayment. Apart from the distribution and liquidation procedures specified in the Employee Stock Ownership Scheme, the Holders shall not request any distributions of assets related to the Employee Stock Ownership Scheme.

Article 56 Within the duration period of the Employee Stock Ownership Scheme, no changes shall be made to the rights and interests of the Holders in the event of any of the following situations:

- (I) Change of job position. Within the duration period, no changes shall be made to the rights and interests of the Holders if they are still eligible to participate in the Employee Stock Ownership Scheme after their job positions are changed.
- (II) Loss of working capacity. Within the duration period, no changes shall be made to the rights and interests of the Holders in the event of loss of working capacity.
- (III) Retirement. Within the duration period, no changes shall be made to the rights and interests of the Holders in the event that the Holders has reached the statutory retirement age and retired.
- (IV) Death. Within the duration period, no changes shall be made to the rights and interests of the Holders in the event of death. The Holders' rights and interests shall be inherited by their lawful inheritors, who shall not be subject to the constraints of qualifications for participation in the Employee Stock Ownership Scheme.
- (V) Other situations determined by the Management Committee.

Article 57 Within the duration period, if a Holder is deemed as no longer qualified for participating in the Employee Stock Ownership Scheme by the Management Committee due to any situations listed below, the Management Committee has the right to disqualify such Holder from participating in the Employee Stock Ownership Scheme, the Underlying Shares corresponding to his unlocked units shall be sold and liquidated in due course, and the earnings shall be allocated by the Management Committee. The Underlying Shares corresponding to the units which have not been unlocked shall be retrieved by the Management Committee, and an amount equals to the sum of original subscription amount plus the interest income under the deposit rate of the People's Bank of China for the same period shall be returned to the individual. The Management Committee can transfer the units of the Employee Stock Ownership Scheme retrieved to designated qualified transferees, and the consideration for the

APPENDIX 4 THE ADMINISTRATIVE POLICY OF THE EMPLOYEE STOCK OWNERSHIP SCHEME FOR 2023

transfer shall be equal to the sum of original subscription amount of the unlocked units paid by such Holder plus the interest income under the deposit rate of the People's Bank of China for the same period. If the transferees cannot be determined, the Underlying Shares corresponding to such units shall be sold by the Management Committee within 12 months from the date on which the Underlying Shares were transferred to the Employee Stock Ownership Scheme in due course, and the gains shall belong to the Company:

- (I) Either a Holder or the Company (including its branches and subsidiaries) unilaterally proposes to terminate, or both parties mutually terminate the labour contract, the labour contract expires or other circumstances which terminate the labour contract;
- (II) Where a Holder is subject to criminal liability or resigns without permission (without the consent, approval of or mutual agreement with the Company), the date of disqualifying the Holder from participating in the Employee Stock Ownership Scheme (the "Disqualification Date") shall be the date on which the Holder is held criminally liable or resigns without permission;
- (III) Where a Holder violates the Company's prohibition and causes substantial negative consequence to the Company or is involved in other actions as determined by the Company as severe disciplinary violations, the Disqualification Date shall be the date on which the Holder is determined by the Company as having committed severe disciplinary violation;
- (IV) Where a Holder violates the regulations and policies of the Company, and the violation is deemed severe, the Disqualification Date shall be the date on which the Holder violates the regulations and policies of the Company;
- (V) Where the labour contract of a Holder is terminated by the Company or its subsidiary due to violation of laws, administrative rules or the regulations and policies of the Company, the Disqualification Date shall be the date on which the labour contract of the Holder is terminated;
- (VI) Where a Holder makes substantial mistake that disqualifies him from participating in the Employee Stock Ownership Scheme, the Disqualification Date shall be the date on which he is disqualified from participating in the Employee Stock Ownership Scheme.

Article 58 Upon the expiration of the lock-up period and within the duration period of the Employee Stock Ownership Scheme, the Company's Shares held by the Employee Stock Ownership Scheme shall be in principle reduced on a uniform basis or dispose of by other lawful means by the Management Committee. The Management Committee shall distribute the assets of the Employee Stock Ownership Scheme to the Holders according to the portion of units held in accordance with the relevant provisions of the Employee Stock Ownership

APPENDIX 4 THE ADMINISTRATIVE POLICY OF THE EMPLOYEE STOCK OWNERSHIP SCHEME FOR 2023

Scheme. In exceptional circumstances, a Holder may submit an application to the Management Committee to request a separate reduction of the Company's Shares corresponding to the number of units he holds and exit from the Employee Stock Ownership Scheme. Upon approval by the Management Committee, the Management Committee shall reduce the Company's Shares corresponding to the rights and interests held by such Holder in the secondary market in due course according to the actual situation, and distribute the proceeds obtained after deducting all costs and expenses to the Holder pursuant to the laws. Such Holder shall exit the Employee Stock Ownership Scheme automatically at the same time, and shall be no longer entitled to any other rights and interests under the Employee Stock Ownership Scheme. Prior to receiving the distributable funds, the Holder shall comply with the Management Committee's requirements to provide corresponding written confirmation documents. After the distribution is completed, any relevant outstanding taxes or fees shall be borne by the Holder.

Article 59 When the duration period of the Employee Stock Ownership Scheme expires or if the Employee Stock Ownership Scheme is early terminated, the Holders' Meeting shall authorise the Management Committee to liquidate the scheme after deduction of the relevant taxes, fees and other expenses pursuant to laws within 15 working days from the expiry date or termination date, and arrange for allocation according to the proportion of units held by the Holders.

Article 60 For any other matters not specified, the disposal method of the units of the Employee Stock Ownership Scheme held by the Holders shall be determined through negotiation between the Company and the Management Committee.

Chapter V Amendments, extension and termination of the Employee Stock Ownership Scheme

Article 61 Amendments to the Employee Stock Ownership Scheme after its establishment include, but are not limited to, methods of subscription and obtaining the Shares by the Holders, basis for determination of the Holders, disqualification of Holders, adding Holders, change in the number of units held by the Holders, early termination of the Employee Stock Ownership Scheme and other changes.

Within the duration period of the Employee Stock Ownership Scheme, any amendments to the Employee Stock Ownership Scheme shall only be implemented with the consent of more than two-thirds of the number of units held by the Holders attending the Holders' Meeting and submission to the Board of the Company for consideration and approval.

APPENDIX 4 THE ADMINISTRATIVE POLICY OF THE EMPLOYEE STOCK OWNERSHIP SCHEME FOR 2023

Article 62 Before the expiry of the duration period of the Employee Stock Ownership Scheme, if consent is given by more than two-thirds of the number of units held by the Holders attending the Holders' Meeting and submission to the Board of the Company for consideration and approval, the duration period of the Employee Stock Ownership Scheme can be extended.

Article 63 The Employee Stock Ownership Scheme shall be automatically terminated if it is not effectively extended after expiry.

After the expiry of the lock-up period of the Employee Stock Ownership Scheme, the Employee Stock Ownership Scheme shall be subject to early termination if all assets held by the Employee Stock Ownership Scheme are cash and cash equivalents and upon consideration and approval at the Holders' Meeting.

In addition to the abovementioned automatic termination and early termination, the Employee Stock Ownership Scheme can be terminated upon the approval of more than two-thirds of the number of units held by the Holders attending the Holders' Meeting and submission to the Board of the Company for consideration and approval.

Chapter VI Ways of participation in the Company's fund raising by the Employee Stock Ownership Scheme

Article 64 When the Company raises funds by rights issue, issuance of new Shares, convertible bond issuance or other means within the duration period of the Employee Stock Ownership Scheme, the Management Committee shall discuss whether the Employee Stock Ownership Scheme shall participate and the funding solution, and table such matter to the Holders' Meeting for consideration.

Chapter VII Supplemental provisions

Article 65 The Policy shall come into effect and be implemented upon the consideration and approval of the "Employee Stock Ownership Scheme for 2023 (Draft) of Zijin Mining Group Co., Ltd.*" and the Policy at the Company's shareholders' general meeting.

Article 66 Matters not covered by the Policy shall be resolved through separate negotiations among the Board of the Company, the Management Committee of the Employee Stock Ownership Scheme and the Holders.

Article 67 The Policy shall be interpreted by the Board of the Company.

Zijin Mining Group Co., Ltd.*
15 November 2023

Should there be any discrepancy, the Chinese version of this appendix shall prevail.

Zijin Mining Group Co., Ltd.*

Proposal in relation to Amendments to the Rules on Work for Independent Directors

To all Shareholders,

On 14 April 2023, the General Office of the State Council issued the Opinion on Reform of Independent Directors' Rules of Listed Companies. On 4 August 2023, the CSRC issued the Measures for the Management of Independent Directors of Listed Companies, and the Shanghai Stock Exchange correspondingly issued the Rules for Listing of Stocks and Guidelines No. 1 for Self-regulation of Listed Companies – Standard Operation. Pursuant to the requirements of the abovementioned documents and the actual situation of the Company, the Company proposes to undertake adaptive amendments to the Rules on Work for Independent Directors. Details are as follows:

Number	Before amendment	After amendment
1	Article 2 Independent directors are directors who neither undertake other posts in the Company other than directorship nor have any relations with the Company and its substantial shareholders that may hinder their independent and objective judgment.	Article 2 Independent directors are directors who neither undertake other posts in the Company other than directorship nor have any direct or indirect interests with the Company, its substantial shareholders and actual controllers , and relations that may hinder their independent and objective judgment.
2	Article 3 The independent directors shall have fiduciary and diligent duties to the Company and all the shareholders. The independent directors shall faithfully discharge their duties and protect the interests of the Company in accordance with the relevant laws, regulations, standard documents and the Articles of Association and shall pay particular attention to protecting the lawful interests of the minority shareholders against any harm.	Article 3 The independent directors shall have fiduciary and diligent duties to the Company and all the shareholders. The independent directors shall faithfully discharge their duties, participate in decision-making, provide supervision, checks and balances and offer professional advice to the board of directors , protect the interests of the Company and the lawful interests of the minority shareholders in accordance with the relevant laws, regulations, standard documents and the Articles of Association.

Number	Before amendment	After amendment
3	Article 4 An independent director is appointed by the Company may in principle concurrently act as an independent director of five listed companies at most, and shall ensure sufficient time and energy to be devoted to efficiently discharging his duties as independent director.	Article 4 An independent director appointed by the Company may in principle concurrently act as an independent director of three listed companies in the PRC at most, and shall ensure sufficient time and energy to be devoted to efficiently discharging his duties as independent director.
4	<p>Article 7 If there is any circumstance where an independent director is not qualified as an independent director or otherwise unfit for discharging his duties as an independent director, thereby causing the number of independent directors to be below the quorum, the Company shall fill any deficiency in the number of independent directors in accordance with the provisions within three months after failing to meet the requirement.</p> <p>Article 8 Any independent director and person proposed to be an independent director shall participate in the training organized by CSRC and its authorized institutions and organizations in accordance with the requirements of CSRC.</p>	Deleted
5	<p>Article 9 Any person acting as an independent director shall have the qualifications that are suitable for discharging of his duties and powers:</p> <p>(IV) he shall have 5 years or more legal or financial experience or other experience necessary to discharge his duties as an independent director;</p>	<p>Article 9 Any person acting as an independent director shall have the qualifications that are suitable for discharging of his duties and powers:</p> <p>(IV) he shall have 5 years or more legal or financial experience or other experience necessary to discharge his duties as an independent director;</p>

Number	Before amendment	After amendment
	(V) he shall meet other requirements stipulated in the laws and regulations and the Articles of Association.	(V) he shall have good personal character and no major adverse records of dishonesty or misconduct, etc.; and (VI) he shall meet other requirements stipulated in the laws and regulations, the Articles of Association and stock exchanges.
6	<p>Article 10 Candidates for independent directors shall not have any of the following adverse records:</p> <p>(I) being imposed any administrative penalties by the CSRC in the recent three years;</p> <p>(II) during the period in which a stock exchange has announced that he/she is unsuitable to serve as a director of a listed company;</p> <p>(III) having received a public censure from or public statement of criticism have been circulated by any stock exchanges for more than two times in the recent three years;</p> <p>(IV) failed to attend two consecutive board of directors meetings or failed to attend more than one-third of the board of directors meetings in person within a year during the period serving as an independent director; or</p> <p>(V) provided any independent opinions which are obviously contradictory to the fact during the period serving as an independent director.</p>	<p>Article 10 Candidates for independent directors shall not have any of the following adverse records:</p> <p>(I) being imposed any administrative penalties by the CSRC or criminal penalties from judicial authorities due to violations of securities and futures laws in the recent 36 months;</p> <p>(II) being investigated by the CSRC or judicial authorities for alleged violations of securities and futures laws and no definitive conclusions or opinions have been reached;</p> <p>(III) during the period in which a stock exchange has announced that he/she is unsuitable to serve as a director of a listed company;</p> <p>(IV) having received a public censure from or public statement of criticism have been circulated by any stock exchanges for more than three times in the recent thirty-six months;</p>

Number	Before amendment	After amendment
		<p>(V) within twelve months from the time the board of directors proposes to convene a general meeting to remove his directorship due to his failure to attend two consecutive board of directors meetings in person and delegate other independent directors to attend on his behalf during his previous tenure as an independent director;</p> <p>(VI) provided any independent opinions which are obviously contradictory to the fact during the period serving as an independent director; or</p> <p>(VII) other circumstances recognized by the CSRC, the Shanghai Stock Exchange and the Hong Kong Stock Exchange.</p>
7	<p>Article 11 The following persons shall not be appointed as independent directors:</p> <p>(I) employees of the Company or its subsidiaries, their immediate family members and major social associates; natural person shareholders who directly or indirectly hold more than 1% of the issued shares of the Company or who rank in the top ten shareholders of the Company, as well as their immediate family members;</p> <p>(II) employees of those shareholders who directly or indirectly hold more than 5% of the issued shares of the Company or who rank in the top five shareholders of the Company, as well as their immediate family members;</p>	<p>Article 11 The following persons shall not be appointed as independent directors:</p> <p>(I) employees of the Company or its subsidiaries, their immediate family members and major social associates; natural person shareholders who directly or indirectly hold more than 1% of the issued shares of the Company or who rank in the top ten shareholders of the Company, as well as their immediate family members;</p> <p>(II) employees of those shareholders who directly or indirectly hold more than 5% of the issued shares of the Company or who rank in the top five shareholders of the Company, as well as their immediate family members;</p>

Number	Before amendment	After amendment
	<p>(III) persons who fall within the above two categories in the preceding year;</p> <p>(IV) persons who provide financial, legal and consulting services to the Company or its subsidiaries;</p> <p>(V) other persons as stipulated in the laws, administrative regulations, departmental rules and other requirements;</p> <p>(VI) other persons provided in the Articles of Association;</p> <p>(VII) other persons who have been identified by the CSRC or the regulatory authorities of the places where the Company's securities are listed as not being suitable to act as independent directors.</p> <p>Immediate family members in the preceding clauses refer to spouse, parents, children and so on; major social associates refer to siblings, father and mother of spouse, spouses of sons and daughters, spouses of siblings, siblings of spouse and so on.</p>	<p>(III) employees of the subsidiaries of the Company's controlling shareholders or actual controllers, as well as their immediate family members;</p> <p>(IV) personnel who have significant business relations with the Company, its controlling shareholders, actual controllers or their respective subsidiaries or personnel serving in units with significant business relations and their controlling shareholders or actual controllers;</p> <p>(V) personnel who provide financial, legal, consulting, underwriting and other services to the Company, its controlling shareholders, actual controllers or their respective subsidiaries, including but not limited to all members of project teams, personnel involved in reviewing at various levels, signatories on reports, partners, directors, senior management and key responsible individuals of the intermediary institutions which provide services;</p> <p>(VI) persons who fall within the above five categories in the preceding year; or</p> <p>(VII) other individuals who do not meet the independence requirements as specified by laws, administrative regulations, regulations of the CSRC, business rules of securities exchanges and provisions of the Articles of Association.</p>

Number	Before amendment	After amendment
		<p>Immediate family members in the preceding clauses refer to spouse, parents, children and so on; major social associates refer to siblings, father and mother of spouse, spouses of sons and daughters, spouses of siblings, siblings of spouse and so on.</p> <p>Subsidiaries of the controlling shareholders or the actual controllers of the Company do not include enterprises that are controlled by the same state-owned asset management institution as the Company but do not have any connected relationships with the Company in accordance with the relevant regulations.</p> <p>Independent directors shall conduct a self-assessment of their independence every year and submit the self-assessment results to the board of directors. The board of directors shall conduct an annual assessment of the independence of the current independent directors and provide specific opinions, which shall be disclosed simultaneously with the annual report.</p>
8	Article 12 The board, the supervisory committee and shareholders individually or jointly holding more than 1% of the issued shares of the Company may nominate independent directors for election at a general meeting.	Article 12 The board, the supervisory committee and shareholders individually or jointly holding more than 1% of the issued shares of the Company may nominate independent directors for election at a general meeting.

Number	Before amendment	After amendment
		<p data-bbox="876 278 1359 497">Investor protection institutions established in accordance with the laws can publicly request shareholders to entrust them with the right to nominate independent directors.</p> <p data-bbox="876 544 1359 878">The nominators specified in the first paragraph shall not nominate individuals who have any conflicts of interest with them or individuals who may have other close relationships that could potentially affect the independent discharge of duties as independent director candidates.</p>
9	<p data-bbox="381 891 863 1459">Article 14 Person nominating a candidate for independent director shall fully understand the occupation, academic qualification, title and detailed working experience including all part-time jobs of the candidate and give opinion on his/her qualification and independence for acting as an independent director. The candidate for independent directorship shall make an open announcement as to the absence of any relationship between the Company and him/her which may possibly affect his/her independent and objective judgment.</p> <p data-bbox="381 1506 863 1687">The board of directors shall disclose the above in accordance with the requirements before a shareholders' general meeting for the election of independent directors.</p>	<p data-bbox="876 891 1359 1459">Article 14 Person nominating a candidate for independent director shall fully understand the occupation, academic qualification, title and detailed working experience including all part-time jobs of the candidate and give opinion on his/her qualification and independence for acting as an independent director. The candidate for independent directorship shall make an open announcement as to the absence of any relationship between the Company and him/her which may possibly affect his/her independent and objective judgment.</p> <p data-bbox="876 1506 1359 1725">The nomination and remuneration committee of the board of directors of the Company shall conduct a review of the nominee's qualifications and form a clear review opinion.</p> <p data-bbox="876 1772 1359 1959">The board of directors shall disclose the above in accordance with the requirements before a shareholders' general meeting for the election of independent directors.</p>

Number	Before amendment	After amendment
		<p>The Company shall submit the materials relating to the candidates for independent directors to the CSRC and its agencies and the stock exchanges which the Company's stocks are listed on. If the board of directors of the Company disagrees with relevant circumstances of the candidates, a written opinion from the board of directors shall be submitted at the same time.</p> <p>If any stock exchanges which the Company's stocks are listed on have any disagreements with a candidate for independent director, such person can be a candidate for director, but cannot be a candidate for independent director. When convening a shareholders' general meeting for election of independent directors, the Company shall explain whether any stock exchanges which the Company's stocks are listed on have any disagreements with the candidates for independent directors.</p> <p>If two or more independent directors are going to be elected at a general meeting of the Company, cumulative voting shall be adopted. The voting results of minority shareholders shall be individually counted and disclosed.</p>

Number	Before amendment	After amendment
10	<p>Article 15 The term of office for independent directors is the same as other directors, and the term is renewable upon re-election when it expires, but the renewed term may not be more than six years.</p>	<p>Article 15 The term of office for independent directors is the same as other directors, and the term is renewable upon re-election when it expires, but the renewed term may not be more than six years. If an independent director has served the Company continuously for six years, he shall not be nominated as a candidate for an independent director of the Company within 36 months from the occurrence of such fact.</p>
11	<p>Article 16 If an independent director fails to attend three consecutive board of directors meetings in person, the board of directors shall therefore recommend his removal to a general meeting.</p> <p>Unless in the above circumstances and in circumstances as specified by the Company Law where a person is prohibited from acting as an independent director, no independent director may be removed before his term of office expires without cause. In case of early removal, the Company shall disclose it by way of special disclosure. If the removed independent director considers that he is removed by the Company improperly, he may make an open declaration.</p>	<p>Article 16 If an independent director fails to attend two consecutive board of directors meetings in person and does not delegate another independent director to attend on his behalf, the board of directors shall propose to convene a general meeting to remove his independent directorship within thirty days from the occurrence of such fact.</p> <p>Unless in the above circumstances and in circumstances as specified by the Company Law where a person is prohibited from acting as an independent director, no independent director may be removed before his term of office expires without cause. In case of early removal, the Company shall disclose the reasons and basis in a timely manner. If the removed independent director has any objections, the Company shall disclose such matter in a timely manner.</p>

Number	Before amendment	After amendment
12	<p>Article 17 An independent director may resign before his term of office expires. In resigning his duties, an independent director shall tender a resignation to the board of directors in writing and specify any matter which is related to his resignation or which he considers necessary to bring to the attention of the Company's shareholders and creditors.</p> <p>If the resignation of an independent director causes the number or proportion of independent directors to fall below the minimum requirements of the Rules for the Independent Directors of Listed Companies, the resignation of such independent director shall be effective only after the succeeding independent director has filled his vacancy.</p>	<p>Article 17 An independent director may resign before his term of office expires. In resigning his duties, an independent director shall tender a resignation to the board of directors in writing and specify any matter which is related to his resignation or which he considers necessary to bring to the attention of the Company's shareholders and creditors. The Company shall disclose the reasons for the resignation of the independent director and matters of concern.</p> <p>If the resignation of an independent director results in the number or proportion of independent directors in the board of directors or its specialised committees to fall below the minimum requirements of the Measures for the Management of Independent Directors of Listed Companies or there will be a lack of accounting professional among the independent directors, the independent director who proposes to resign shall continue to discharge his duties until the appointment date of a new independent director. The Company shall complete the by-election process within sixty days from the date on which the independent director submits his resignation.</p>

Number	Before amendment	After amendment
13		<p data-bbox="876 283 1356 783">Article 18 Independent directors who fail to meet the stipulations in paragraphs 1 or 2 of Article 9 of the Rules shall immediately cease to discharge their duties and resign from their positions. If they fail to submit their resignation, the board of directors shall immediately remove the independent directors from their positions in accordance with the regulations after it becomes aware or shall have become aware of such fact.</p> <p data-bbox="876 836 1356 1551">If the resignation or removal from position of an independent director due to circumstances specified in the preceding paragraphs will result in the number or the proportion of independent directors in the board of directors or its specialised committees failing to meet the requirements of the Measures for the Management of Independent Directors of Listed Companies or the Articles of Association, or there is a lack of accounting professional among the independent directors, the Company shall complete the by-election process within sixty days from the date on which the abovementioned events occur.</p>

Number	Before amendment	After amendment
14		<p data-bbox="876 283 1359 346">Article 19 Independent directors shall discharge the following duties:</p> <p data-bbox="876 400 1359 591">(I) participating in the decision-making of the board of directors and express explicit opinions on the matters considered;</p> <p data-bbox="876 644 1359 1112">(II) supervising potential material conflicts of interest between the Company and its controlling shareholders, actual controllers, directors and senior management, promoting the decision-making of the board of directors to meet the overall interests of the listed company and protecting the lawful rights and interests of minority shareholders;</p> <p data-bbox="876 1166 1359 1432">(III) providing professional and objective advice on the operation and development of the Company and promoting the improvement of the decision-making level of the board of directors; and</p> <p data-bbox="876 1485 1359 1666">(IV) discharging other duties stipulated in the laws, administrative regulations, rules of the CSRC and the Articles of Association.</p>

Number	Before amendment	After amendment
15	<p>Article 18 To fully make use of his role, an independent director shall have the following special functions and powers in addition to those conferred by the Company Law, the Securities Law, other relevant laws, regulations, standard documents and the Articles of Association:</p> <p>(I) to, after obtaining recognition of the independent directors, submit to the board of directors for discussion of matters relating to material connected transactions. The independent directors may, before making a judgment, engage an intermediary to issue an independent financial report for them to rely upon in making the judgment;</p> <p>(II) to propose to the board of directors to engage or remove an accounting firm;</p> <p>(III) to propose to the board of directors to convene an extraordinary general meeting;</p> <p>(IV) to propose the calling of a board meeting;</p> <p>(V) to engage an external auditing or advisory organ independently;</p> <p>(VI) to collect voting rights from shareholders before the convening of a general meeting;</p> <p>(VII) to organize the annual examinations of the executive and non-executive directors of the Company.</p>	<p>Article 20: To fully make use of his role, an independent director shall have the following special functions and powers in addition to those conferred by the Company Law, the Securities Law, other relevant laws, regulations, standard documents and the Articles of Association:</p> <p>(I) to propose to the board of directors to convene an extraordinary general meeting;</p> <p>(II) to propose the calling of a board meeting;</p> <p>(III) to engage intermediaries to independently carry out audit, consultation or verification on specific matters of the Company;</p> <p>(IV) to solicit voting rights publicly from shareholders pursuant to the laws;</p> <p>(V) to express independent opinions on matters that may prejudice the interests of the Company or minority shareholders; and</p> <p>(VI) discharging other duties stipulated in the laws, administrative regulations, rules of the CSRC and the Articles of Association.</p>

Number	Before amendment	After amendment
	<p>Article 19 The independent directors shall seek the consent of more than half of the independent directors in exercising their functions and powers under sections (I), (II), (III), (IV) and (VI) of Article 18.</p> <p>The independent directors, after obtaining the unanimous approval of all the independent directors, can engage an external auditing or advisory organ independently to audit or advice on the specific matters of the Company. The relevant fees shall be borne by the Company.</p> <p>Article 20 Where any proposal by an independent director under the provisions of Article 18 is rejected or his function and power cannot be exercised normally, the Company shall make disclosure accordingly.</p>	<p>The independent directors shall seek the consent of more than half of the independent directors in exercising their functions and powers under sections (I), (II) and (III) of the preceding paragraph.</p> <p>If the independent directors exercise the duties stipulated in paragraph 1, the Company shall disclose such matter in a timely manner. If the abovementioned duties cannot be discharged in a normal manner, the Company shall disclose the specific circumstances and reasons.</p>
16		<p>Article 21 The following matters shall be submitted to the board of directors for consideration after the consent of a majority of all the independent directors of the Company is obtained:</p> <p>(I) connected transactions that shall be disclosed;</p> <p>(II) proposals for modifying or waiving the undertakings between the Company and the connected parties;</p> <p>(III) decisions made and measures taken regarding the acquisition by the board of directors of a listed company being acquired; and</p> <p>(IV) other matters stipulated in the laws, administrative regulations, rules of the CSRC and the Articles of Association.</p>

Number	Before amendment	After amendment
17	<p>Article 21 Apart from performing the above-mentioned functions and powers, the independent directors shall also provide independent advice to the board of directors or at the shareholders' general meeting:</p> <p>(I) nomination and removal of directors;</p> <p>(II) engagement or removal of senior management;</p> <p>(III) determining the remuneration of the directors, senior management of the Company;</p> <p>(IV) substantial connected transactions;</p> <p>(V) matters that in the opinion of independent directors may prejudice the interests of the minority shareholders;</p> <p>(VI) other matters stipulated under relevant laws, regulations, standard documents, the Articles of Association or the requirements of the CSRC or stock exchanges.</p>	Deleted

Number	Before amendment	After amendment
18		<p data-bbox="876 283 1359 666">Article 24 The Company shall regularly or occasionally hold meetings which are attended by the independent directors only (the “Special Meetings of Independent Directors”). The matters set forth in paragraphs (I) to (III) of Article 20 and Article 21 of the Rules shall be considered at the Special Meetings of Independent Directors.</p> <p data-bbox="876 719 1359 868">The Special Meetings of Independent Directors can study and discuss other matters of the Company if necessary.</p> <p data-bbox="876 921 1359 1187">Minutes of the Special Meeting of Independent Directors shall be prepared pursuant to the regulations. The opinions of the independent directors shall be recorded in the minutes, and the minutes shall be confirmed.</p> <p data-bbox="876 1240 1359 1623">The Special Meetings of Independent Directors shall be convened and presided over by the convener of independent directors. If the convener of independent directors fails to or is unable to discharge his duties, two or more independent directors can convene a meeting by themselves and elect a representative to preside over the meeting.</p> <p data-bbox="876 1676 1359 1825">The Company shall provide convenience and support for the convention of the Special Meetings of Independent Directors.</p>

Number	Before amendment	After amendment
		<p data-bbox="876 272 1356 783">Article 25: Prior to the convention of a board of directors meeting, independent directors may communicate with the secretary to the board of directors and inquire about the matters to be considered, request for supplementary materials and provide opinions and suggestions. The board of directors and the relevant personnel shall carefully study the questions, requests and opinions raised by independent directors and provide timely feedback on the implementation of amendments to the proposals, etc.</p> <p data-bbox="876 825 1356 1155">Article 26 Independent directors shall attend the board of directors meetings in person. If the independent directors are unable to attend a meeting in person for any reasons, they shall review the meeting materials in advance, form a clear opinion, and delegate other independent directors in writing to attend the meeting on their behalf.</p> <p data-bbox="876 1198 1356 1910">Article 27 Independent directors shall continuously monitor the implementation of board of directors resolutions concerning matters stipulated in the Measures for the Management of Independent Directors of Listed Companies. If there are any violations of the laws, administrative regulations, rules of the CSRC, business rules of the stock exchanges and provisions of the Articles of Association, or there are any violations of the resolutions of the general meetings and the board of directors, they shall report to the board of directors in a timely manner, and may request the Company to provide a written explanation. If there are any disclosable matters, the Company shall make disclosure in a timely manner.</p>

Number	Before amendment	After amendment
19	Article 26 In principle, an independent director of the Company shall work for the Company for not less than 15 effective working days every year, in which not less than 10 working days shall be dedicated to on-site work.	Article 28 An independent director of the Company shall work for the Company on-site for not less than 15 working days every year.
20	Article 29 Any information provided to the independent directors by the Company shall be kept by the Company and the independent directors for at least 5 years.	Article 40 The work records of the independent directors and the information provided to the independent directors by the Company shall be kept for at least 10 years.
21	<p>Article 37 Independent directors shall submit a work report to the Company's annual general meeting. The work report shall include the following contents:</p> <p>(I) attendance at board of directors meetings and shareholders' general meetings in the previous year, including reasons of and the number of times for not attending such meetings in person;</p> <p>(II) the situations of expressing opinions and participating in voting at the board of directors meetings, including the situations and reasons for abstention from voting or voting against the proposals;</p> <p>(III) investigations on the Company's production and operation, system development, implementation of board of directors resolutions, etc., discussions with the Company's management, and on-site investigations on the Company's major investments, production and project construction;</p> <p>(IV) work performed to protect the legitimate rights and interests of public shareholders;</p> <p>(V) participation in trainings;</p> <p>(VI) other work performed as independent directors in accordance with the relevant laws, administrative regulations, departmental rules, regulatory documents, self-regulatory rules and the Articles of Association; and</p>	<p>Article 38 Independent directors shall submit a work report to the Company's annual general meeting. The work report shall include the following contents:</p> <p>(I) attendance at board of directors meetings and shareholders' general meetings in the previous year, including reasons of and the number of times for not attending such meetings in person;</p> <p>(II) the situations of expressing opinions and participating in voting at the board of directors meetings, including the situations and reasons for abstention from voting or voting against the proposals;</p> <p>(III) the situations of participation in the meetings of specialised committees of the board of directors and the Special Meetings of Independent Directors;</p> <p>(IV) the exercise of special powers by independent directors as stipulated in the Measures for the Management of Independent Directors of Listed Companies;</p> <p>(V) significant matters, methods and results of communication with the internal audit institution and the accounting firm responsible for audit services of the Company regarding the financial and business conditions of the Company;</p> <p>(VI) communication and interaction with minority shareholders;</p>

Number	Before amendment	After amendment
	<p>(VII) self-examination conclusions on whether the independence requirements are still met and whether there are any changes in the declarations and undertakings of the candidates of directors.</p>	<p>(VII) time and contents of the on-site work of the Company;</p> <p>(VIII) investigations on the Company's production and operation, system development, implementation of board of directors resolutions, etc., discussions with the Company's management, and on-site investigations on the Company's major investments, production and project construction;</p> <p>(IX) work performed to protect the legitimate rights and interests of public shareholders;</p> <p>(X) participation in trainings;</p> <p>(XI) other work performed as independent directors in accordance with the relevant laws, administrative regulations, departmental rules, regulatory documents, self-regulatory rules and the Articles of Association; and</p> <p>(XII) self-examination conclusions on whether the independence requirements are still met and whether there are any changes in the declarations and undertakings of the candidates of directors.</p> <p>The annual work report of independent directors shall be disclosed no later than the time the Company issues a notice of annual general meeting.</p>

Number	Before amendment	After amendment
22	Article 38 Independent directors shall record the situation of discharge of duties in writing in the “Work Records of Independent Directors”, which shall be signed and confirmed by themselves and submitted to the Company for archive together with the materials of the annual general meeting.	Article 39 Independent directors shall record the situation of discharge of duties in writing in the “Work Records of Independent Directors”, the information obtained during the discharge of duties, relevant meeting records and communication records with the personnel of the Company and intermediary institutions shall form part the work records , which shall be signed and confirmed by themselves and submitted to the Company for archive together with the materials of the annual general meeting.
23		Article 41 Independent directors shall continuously enhance their understanding of securities laws, regulations and rules, and improve their capabilities to discharge duties.

For details, please refer to the Rules on Work for Independent Directors disclosed by the Company on the Shanghai Stock Exchange website dated 28 October 2023.

The abovementioned proposal was considered and approved at the fifth meeting of the eighth term of the Board of the Company, and is hereby tabled to the shareholders’ general meeting for the Shareholders’ consideration.

Zijin Mining Group Co., Ltd.*
Board of Directors
22 November 2023

* *The English name of the Company is for identification purpose only*

Should there be any discrepancies, the Chinese version of this appendix shall prevail.

Zijin Mining Group Co., Ltd.***Proposal in relation to Development of Futures and Derivative Trading
Businesses of Subsidiaries**

To all Shareholders,

In order to fully leverage the synergies between the financial sector and main businesses of the Company and reducing market volatility risks associated with the Company's cross-border investments and investments in industry chain, on the premise of not affecting the Company's normal operations and ensuring effective risk control, the Company proposes to authorise its subsidiaries in the financial sector to use a portion of idle funds to engage in futures and derivative trading businesses to generate certain amount of investment income, improve the capital utilisation efficiency and create greater returns to the Company and its Shareholders.

I. TRANSACTION AMOUNT

The Company authorises its subsidiaries in the financial sector to use no more than RMB300 million and USD100 million (or the equivalent amount in foreign currencies) as trading margins, premiums, etc. to carry out other futures and derivative businesses. The maximum loss limit is RMB30 million and USD5 million (or the equivalent amount in foreign currencies). The investment scope includes futures, options, over-the-counter derivatives and other derivative products related to domestic and overseas equity-linked investments, commodities, foreign exchange, fixed income and other major asset classes. The funds can be rolled over within the aforementioned limit.

II. SOURCE OF FUNDS

The source will be the Company's self-owned funds and will not involve proceeds raised.

III. METHODS OF TRADING**(I) Trading platforms:**

Exchanges: Based on the Company's actual operational needs, the Company proposes to carry out futures and derivative trading businesses through recognised domestic and overseas exchanges such as the Shanghai Stock Exchange, Shenzhen Stock Exchange, Shanghai Futures Exchange, China Financial Futures Exchange and Shanghai Gold Exchange.

Over-the-counter trading partners: The Company proposes to carry out over-the-counter futures and derivative trading businesses with financial institutions (non-affiliated entities), such as securities firms and commercial banks possessing qualifications for derivative trading business operations, as approved by regulatory authorities.

Given that the Company produces gold, copper and other mineral products overseas, in order to mitigate price volatility risks, certain futures and derivative businesses of the Company are proposed to be carried out overseas. The Company's overseas futures and derivative businesses will be carried out through professional financial institutions including exchanges, major commercial banks and investment banks in developed regions such as Europe and North America. Political, credit and other risks are basically manageable.

(II) Trading types: Major products of the Company's mining and refining operations, supply chain business, as well as products related to securities held by the Company.

(III) Trading instruments: These include but not limited to futures, forwards, options, return swaps, over-the-counter options, foreign exchange forwards, swaps, currency swaps, interest rate swaps, etc.

IV. AUTHORISATION PERIOD

The authorisation will be effective from the date of consideration and approval at the Company's shareholders' general meeting to the date of the 2023 annual general meeting.

V. IMPLEMENTATION ENTITIES

Depending on the situation of business implementation, the implementation entities will be the subsidiaries in the financial sector of the Company.

VI. TRADING RISK ANALYSIS

The aim of the Company's futures and derivative trading is always reducing fluctuation risks associated with price, exchange rates, interest rates, etc. The Company prioritises risk control while aiming to generate certain amount of investment income. However, due to the nature of futures and derivative trading, there will still be certain risks involved when carrying out such businesses, mainly as follows:

(I) Market risk

Affected by various factors including domestic and international economic policies and situations, fluctuations in exchange rates and interest rates and volatility in the securities market, there will be a certain level of uncertainty regarding the security of the Company's funds and returns when the underlying assets have significant market price volatilities. The Company will intervene in a timely and appropriate manner based on the economic situation and changes in the financial market.

(II) Liquidity risk

The redemption, sale and realisation of investment income of investment products are influenced by corresponding product price factors. The relevant provisions in trading settlement rules and agreements shall be complied with. Compared to monetary funds, there is a certain level of liquidity risk. If the Company fails to timely replenish the margins, it may face forced closures and incur losses.

(III) Credit risk

The development of financial derivative business involves risk of default due to the inability to fulfill contract obligations upon maturity. The Company will prudently select trading counterparties and financial derivative products, and conduct financial derivative trading business with qualified financial institutions to minimise credit risk to the largest extent possible.

(IV) Operational risk

Financial derivative trading business requires a high level of expertise and involves a high degree of complexity. When carrying out trading, operational risks may arise if the personnel fail to follow the prescribed trading procedures or do not fully understand the information of the investment products.

(V) Legal risk

Changes in relevant laws or violations of relevant legal regulations by trading counterparties may result in the inability for contracts to be properly executed, leading to losses of the Company.

VII. RISK CONTROL MEASURES

- (I) Using the financial regulatory laws and regulations of the PRC as the basis for compliant development, the Company and its subsidiaries will adhere to the principle of prudent investment, strengthen market analysis and research, comply with the allocation principle of major asset classes, establish a complete risk management organisational structure and carry out comprehensive risk management work. The Company has established a relatively sound process for futures and derivatives. The authorised institutions of the Company and its subsidiaries will strictly make decisions on futures and derivative trading within the scope authorised at the shareholders' general meeting.
- (II) The Company and its subsidiaries have formulated the Management Policy of Bulk Commodity Hedging, Management Policy of Capital, Implementation Rules for Futures Hedging, Management Policy of Comprehensive Risk Management and

other systems related to work management and business operations, which stipulate in detail the risk control, approval procedures, subsequent management, etc. of futures and derivative businesses in order to strictly implement investment rules and stop-loss mechanism, plan and utilise margins in a reasonable manner and effectively prevent risks in trading business. The Company has established a professional team responsible for futures and derivative businesses, and strengthened the professional knowledge trainings of relevant personnel at the same time to enhance their professional competence.

- (III) The financial business risk management of the Company and its subsidiaries follows the principles of comprehensiveness, independence, matching of rights and responsibilities, consistency, timeliness and effectiveness. In the process of risk identification, assessment, response, reporting, supervision and control and evaluation of management system, attention is given to the interrelationships and mutual influences among various steps, as well as cyclical interaction. When changes occur in the internal environment, market environment, regulatory environment, etc., updates and improvements will be made in a timely manner. At the same time, information technology is adopted to ensure effective implementation of risk control.

VIII. ACCOUNTING POLICIES AND PRINCIPLES

The Company accounts for its proposed futures and derivative businesses and presents the relevant items in the statement of financial position and statement of profit or loss in accordance with the Accounting Standard for Business Enterprises No. 22 – Financial Instruments: Recognition and Measurement, Accounting Standard for Business Enterprises No. 37 – Financial Instruments: Presentation and Disclosures, Accounting Standard for Business Enterprises No. 39 – Measurement at Fair Value, Accounting Standard for Business Enterprises No. 24 – Hedging and other relevant regulations and guidelines published by the Ministry of Finance of the PRC.

IX. IMPACT ON THE COMPANY

On the premise of not affecting the Company's normal operations and ensuring effective risk control, the moderate investments of the Company's subsidiaries in the financial sector will not hinder the normal operations of the Company's main businesses and are beneficial in fully leveraging the Company's advantages in relevant licences, platform resources and the investment functions of the financial sector. It can improve the capital utilisation efficiency. Additionally, the Company and its subsidiaries conduct futures and derivative trading businesses within authorised periods and predetermined limits. Relevant systems have been formulated, which provide clear guidelines on operational principles, approval authority, operational procedures and subsequent management of specific business activities. These measures effectively regulate trading behaviour, ensure risk control, and do not involve any circumstances that would prejudice the interests of all the Company's Shareholders.

The abovementioned proposal was considered and approved at the fifth meeting of the eighth term of the Board of the Company, and is hereby tabled to the shareholders' general meeting for the Shareholders' consideration.

Zijin Mining Group Co., Ltd.*
Board of Directors
22 November 2023

* *The English name of the Company is for identification purpose only*

Should there be any discrepancies, the Chinese version of this appendix shall prevail.

NOTICE OF THE FIRST EXTRAORDINARY GENERAL MEETING IN 2023

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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)

Notice of the First Extraordinary General Meeting in 2023

NOTICE IS HEREBY GIVEN THAT the first extraordinary general meeting in 2023 (the “EGM”) of Zijin Mining Group Co., Ltd.* (the “Company”) will be held at 9:30 a.m. on Friday, 8 December 2023, at the conference room at 41/F., Tower B, Zhonghang Zijin Plaza, No. 1811 Huandao Road East, Siming District, Xiamen City, Fujian Province, the People's Republic of China (the “PRC”) to consider, approve and authorise the following matters:

SPECIAL RESOLUTIONS

1. To consider and approve the proposal in relation to the Share Option Incentive Scheme for 2023 (Draft) and its summary of the Company;
2. To consider and approve the proposal in relation to the Administrative Measures for Implementation of Appraisal for the Share Option Incentive Scheme for 2023 of the Company;
3. To consider and approve the proposal to the shareholders' general meetings in relation to the authorisation to the board of directors to handle matters relating to the Share Option Incentive Scheme for 2023 of the Company;

ORDINARY RESOLUTIONS

4. To consider and approve the proposal in relation to the Employee Stock Ownership Scheme for 2023 (Draft) and its summary of the Company;
5. To consider and approve the proposal in relation to the Administrative Policy of the Employee Stock Ownership Scheme for 2023 of the Company;
6. To consider and approve the proposal to the shareholders' general meeting in relation to the authorisation to the board of directors to handle matters relating to the Employee Stock Ownership Scheme for 2023 of the Company;

NOTICE OF THE FIRST EXTRAORDINARY GENERAL MEETING IN 2023

7. To consider and approve the profit distribution proposal of the Company for the six months ended 30 June 2023;
8. To consider and approve the proposal in relation to amendments to the Rules on Work for Independent Directors;
9. To consider and approve the proposal in relation to adjustments to allowances of independent Directors, non-executive Director and external Supervisor of the eighth term; and
10. To consider and approve the proposal in relation to development of futures and derivative trading businesses of subsidiaries.

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

22 November 2023, Fujian, the PRC

Notes:

- (A) **The Company's register of H Shares members will be closed from 1 December 2023 (Friday) to 8 December 2023 (Friday) (both days inclusive), during such period no transfer of H Shares will be registered. Holders of H Shares whose names appear on the H Share register of members on 8 December 2023 (Friday, being the record date) will be entitled to attend and vote at the EGM to be convened on 8 December 2023 (Friday) at the conference room at 41/F., Tower B, Zhonghang Zijin Plaza, No. 1811 Huandao Road East, Siming District, Xiamen City, Fujian Province, the PRC. In order to be qualified for attending and voting at the EGM, all documents on transfers of H Shares must be lodged with the Registrar of H Shares of the Company no later than 4:30 p.m. on 30 November 2023 (Thursday).**

The address of the Hong Kong Registrar of H Shares is:

Computershare Hong Kong Investor Services Limited
Shops 1712-1716,
17th Floor, Hopewell Centre,
183 Queen's Road East,
Wanchai,
Hong Kong

- (B) Holders of H Shares who intend to attend the EGM must complete and return the reply slip for the EGM in writing to the Secretariat of the Board of Directors or Registrar of H Shares of the Company – Computershare Hong Kong Investor Services Limited, the address is: 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong on or before 6 December 2023 (Wednesday).

Details of the office of the Secretariat of the Board of Directors are as follows:

41/F., Tower B, Zhonghang Zijin Plaza,
No.1811 Huandao Road East, Siming District,
Xiamen City, Fujian Province,
the People's Republic of China
Tel: (86)592-2933650
Fax: (86)592-2933580

NOTICE OF THE FIRST EXTRAORDINARY GENERAL MEETING IN 2023

- (C) Holders of H Shares who have the right to attend and vote at the EGM are entitled to appoint one or more proxies (whether or not a member) in writing to attend and vote on their behalf. For those shareholders who appoint more than one proxy, such proxies can only exercise their voting rights by way of polls.
- (D) The instrument appointing a proxy must be in writing and signed by the appointer or his/her attorney duly authorised in writing. In the event that such instrument is signed by an attorney of the appointer, an authorisation instrument that authorises such signatory shall be notarised.
- (E) To be valid, the proxy form (and if the proxy form is signed by a person under a power of attorney or other authority on behalf of the appointer, then together with such power of attorney or other authority) must be deposited at the Registrar of H Shares of the Company – Computershare Hong Kong Investor Services Limited no later than 24 hours before the specified time for the holding of the EGM (i.e., no later than 9:30 a.m. on 7 December 2023 (Thursday), Hong Kong time). The address is: 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong.
- (F) In accordance with the relevant provisions of the Measures for the Administration of Equity Incentives of Listed Companies issued by the China Securities Regulatory Commission, Mr. He Fulong, an independent non-executive director, as the soliciting party, solicits voting rights from all shareholders in connection with (1) the proposal in relation to the Share Option Incentive Scheme for 2023 (Draft) and its summary of the Company; (2) the proposal in relation to the Administrative Measures for Implementation of Appraisal for the Share Option Incentive Scheme for 2023 of the Company; and (3) the proposal to the shareholders’ general meetings in relation to the authorisation to the board of directors to handle matters relating to the Share Option Incentive Scheme for 2023 of the Company, which will be tabled to the EGM and the Second H Shareholders’ Class Meeting in 2023 of the Company (the “**Second H Shareholders’ Class Meeting**”) for consideration.

Mr. He Fulong has prepared the proxy forms for solicitation (the “**Proxy Form(s) for Solicitation**”) for the purposes of the appointment of him as proxy at the EGM and the Second H Shareholders’ Class Meeting respectively. If you intend to appoint Mr. He Fulong to act as your proxy and vote on your behalf at the EGM, please complete the Proxy Form for Solicitation for the EGM. To be valid, the Proxy Form for Solicitation for the EGM (and if the Proxy Form for Solicitation for the EGM is signed by a person under a power of attorney or other authority on behalf of the appointer, then together with such power of attorney or other authority) must be deposited at the Registrar of H Shares of the Company – Computershare Hong Kong Investor Services Limited no later than 24 hours before the specified time for the holding of the EGM (i.e. no later than 9:30 a.m. on 7 December 2023 (Thursday), Hong Kong time). The address is: 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong.

If a shareholder repeatedly authorises the soliciting party about solicitation of voting rights, but the contents of authorisation are different, the last Proxy Form for Solicitation signed by the shareholder shall be valid. If it is impossible to determine the time of signing, the Proxy Form for Solicitation last received shall be valid. If it is impossible to determine the order of the Proxy Forms for Solicitation which have been received, the soliciting party will seek confirmation of the appointing party by way of enquiry. If it is still impossible to confirm the contents of authorisation, the appointment of proxy will be invalid.

After the shareholder has authorised the solicitation of votes to the soliciting party, the shareholder may attend the meeting in person or by proxy.

If the following circumstances occur after the Proxy Form for Solicitation has been confirmed as valid, the soliciting party can handle as follows:

1. After authorising the solicitation of votes to the soliciting party, if the shareholder expressly revokes the authorisation to the soliciting party in writing before the deadline for on-site registration at the meeting, the authorisation to the soliciting party shall be deemed invalid automatically;
 2. If the shareholder has authorised the solicitation of votes to someone other than the soliciting party to register for and attend the meeting and expressly revokes the authorisation to the soliciting party in writing before the deadline for on-site registration at the meeting, the authorisation to the soliciting party shall be deemed invalid automatically;
 3. Shareholders shall specify their voting instructions in respect of the matters for which the solicitation of votes has been authorised to the soliciting party in the Proxy Form for Solicitation, and choose only one option from “For”, “Against” and “Abstain”. If more than one option is selected or no option is selected, the proxy form for solicitation shall be deemed invalid.
- (G) If a proxy is appointed to attend the EGM on behalf of a shareholder, the proxy must indicate its identification document and the authorisation instrument with the date of issue and duly signed by the proxy and its legal representative, and in the case of legal representative of legal person shareholders, such legal representative must show its own identification document and valid document to identify its identity as legal representative. If a legal person shareholder appoints a company’s representative other than its legal representative to attend the EGM, such representative must show its own identification document and the authorisation instrument bearing the company chop of the legal person shareholder and duly signed by its legal representative.

NOTICE OF THE FIRST EXTRAORDINARY GENERAL MEETING IN 2023

- (H) Completion and delivery of the proxy form will not preclude a holder of H Shares from attending and voting in person at the EGM if he/she so wishes.
- (I) The EGM is expected to last for a half day, and shareholders attending the EGM will be responsible for their own travelling and accommodation expenses.

EXPECTED TIMETABLE

Year 2023 (*Note*)

Latest time for lodging documents on	
transfer of shares	30 November (Thursday) 4:30 p.m.
Book closure period (both days inclusive)	1 December (Friday) to 8 December (Friday)
Record date	8 December (Friday)
EGM	8 December (Friday)
Announcement on results of the EGM	8 December (Friday)
Register of members re-opens	11 December (Monday)
Cum-rights date, ex-rights date, book closure period and delivery of dividends.	To be announced

Note: All times refer to Hong Kong local times

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

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NOTICE OF THE SECOND H SHAREHOLDERS' CLASS MEETING IN 2023

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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)

Notice of the Second H Shareholders' Class Meeting in 2023

NOTICE IS HEREBY GIVEN THAT the second H Shareholders' class meeting in 2023 (the "Second H Shareholders' Class Meeting") of Zijin Mining Group Co., Ltd.* (the "Company") will be held at 11 a.m. on Friday, 8 December 2023, at the conference room at 41/F., Tower B, Zhonghang Zijin Plaza, No. 1811 Huandao Road East, Siming District, Xiamen City, Fujian Province, the People's Republic of China (the "PRC") to consider, approve and authorise the following matters:

SPECIAL RESOLUTIONS

1. To consider and approve the proposal in relation to the Share Option Incentive Scheme for 2023 (Draft) and its summary of the Company;
2. To consider and approve the proposal in relation to the Administrative Measures for Implementation of Appraisal for the Share Option Incentive Scheme for 2023 of the Company; and
3. To consider and approve the proposal to the shareholders' general meetings in relation to the authorisation to the board of directors to handle matters relating to the Share Option Incentive Scheme for 2023 of the Company.

By order of the Board of Directors

Zijin Mining Group Co., Ltd.*

Chen Jinghe

Chairman

22 November 2023, Fujian, the PRC

NOTICE OF THE SECOND H SHAREHOLDERS' CLASS MEETING IN 2023

Notes:

- (A) **The Company's register of H Shares members will be closed from 1 December 2023 (Friday) to 8 December 2023 (Friday) (both days inclusive), during such period no transfer of H Shares will be registered. Holders of H Shares whose names appear on the H Share register of members on 8 December 2023 (Friday, being the record date) will be entitled to attend and vote at the Second H Shareholders' Class Meeting to be convened on 8 December 2023 (Friday) at the conference room at 41/F., Tower B, Zhonghang Zijin Plaza, No. 1811 Huandao Road East, Siming District, Xiamen City, Fujian Province, the PRC. In order to be qualified for attending and voting at the Second H Shareholders' Class Meeting, all documents on transfers of H Shares must be lodged with the Registrar of H Shares of the Company no later than 4:30 p.m. on 30 November 2023 (Thursday).**

The address of the Hong Kong Registrar of H Shares is:

Computershare Hong Kong Investor Services Limited
Shops 1712-1716,
17th Floor, Hopewell Centre,
183 Queen's Road East,
Wanchai,
Hong Kong

- (B) Holders of H Shares who intend to attend the Second H Shareholders' Class Meeting must complete and return the reply slip for the Second H Shareholders' Class Meeting in writing to the Secretariat of the Board of Directors or Registrar of H Shares of the Company – Computershare Hong Kong Investor Services Limited, the address is: 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong on or before 6 December 2023 (Wednesday).

Details of the office of the Secretariat of the Board of Directors are as follows:

41/F., Tower B, Zhonghang Zijin Plaza,
No.1811 Huandao Road East, Siming District,
Xiamen City, Fujian Province,
the People's Republic of China
Tel: (86)592-2933650
Fax: (86)592-2933580

- (C) Holders of H Shares who have the right to attend and vote at the Second H Shareholders' Class Meeting are entitled to appoint one or more proxies (whether or not a member) in writing to attend and vote on their behalf. For those shareholders who appoint more than one proxy, such proxies can only exercise their voting rights by way of polls.
- (D) The instrument appointing a proxy must be in writing and signed by the appointer or his/her attorney duly authorised in writing. In the event that such instrument is signed by an attorney of the appointer, an authorisation instrument that authorises such signatory shall be notarised.
- (E) To be valid, the proxy form (and if the proxy form is signed by a person under a power of attorney or other authority on behalf of the appointer, then together with such power of attorney or other authority) must be deposited at the Registrar of H Shares of the Company – Computershare Hong Kong Investor Services Limited no later than 24 hours before the specified time for the holding of the Second H Shareholders' Class Meeting (i.e., no later than 11 a.m. on 7 December 2023 (Thursday), Hong Kong time). The address is: 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
- (F) In accordance with the relevant provisions of the Measures for the Administration of Equity Incentives of Listed Companies issued by the China Securities Regulatory Commission, Mr. He Fulong, an independent non-executive director, as the soliciting party, solicits voting rights from all shareholders in connection with (1) the proposal in relation to the Share Option Incentive Scheme for 2023 (Draft) and its summary of the Company; (2) the proposal in relation to the Administrative Measures for Implementation of Appraisal for the Share Option Incentive Scheme for 2023 of the Company; and (3) the proposal to the shareholders' general meetings in relation to the authorisation to the board of directors to handle matters relating to the Share Option Incentive Scheme for 2023 of the Company, which will be tabled to the first extraordinary general meeting in 2023 of the Company (the "EGM") and the Second H Shareholders' Class Meeting for consideration.

Mr. He Fulong has prepared the proxy forms for solicitation (the "**Proxy Form(s) for Solicitation**") for the purposes of the appointment of him as proxy at the EGM and the Second H Shareholders' Class Meeting respectively. If you intend to appoint Mr. He Fulong to act as your proxy and vote on your behalf at the Second H Shareholders' Class Meeting, please complete the Proxy Form for Solicitation for the Second H Shareholders' Class Meeting. To be valid, the Proxy Form for Solicitation for the Second H Shareholders'

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Class Meeting (and if the Proxy Form for Solicitation for the Second H Shareholders' Class Meeting is signed by a person under a power of attorney or other authority on behalf of the appointer, then together with such power of attorney or other authority) must be deposited at the Registrar of H Shares of the Company – Computershare Hong Kong Investor Services Limited no later than 24 hours before the specified time for the holding of the Second H Shareholders' Class Meeting (i.e. no later than 11 a.m. on 7 December 2023 (Thursday), Hong Kong time). The address is: 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

If a shareholder repeatedly authorises the soliciting party about solicitation of voting rights, but the contents of authorisation are different, the last Proxy Form for Solicitation signed by the shareholder shall be valid. If it is impossible to determine the time of signing, the Proxy Form for Solicitation last received shall be valid. If it is impossible to determine the order of the Proxy Forms for Solicitation which have been received, the soliciting party will seek confirmation of the appointing party by way of enquiry. If it is still impossible to confirm the contents of authorisation, the appointment of proxy will be invalid.

After the shareholder has authorised the solicitation of votes to the soliciting party, the shareholder may attend the meeting in person or by proxy.

If the following circumstances occur after the Proxy Form for Solicitation has been confirmed as valid, the soliciting party can handle as follows:

1. After authorising the solicitation of votes to the soliciting party, if the shareholder expressly revokes the authorisation to the soliciting party in writing before the deadline for on-site registration at the meeting, the authorisation to the soliciting party shall be deemed invalid automatically;
 2. If the shareholder has authorised the solicitation of votes to someone other than the soliciting party to register for and attend the meeting and expressly revokes the authorisation to the soliciting party in writing before the deadline for on-site registration at the meeting, the authorisation to the soliciting party shall be deemed invalid automatically;
 3. Shareholders shall specify their voting instructions in respect of the matters for which the solicitation of votes has been authorised to the soliciting party in the Proxy Form for Solicitation, and choose only one option from "For", "Against" and "Abstain". If more than one option is selected or no option is selected, the proxy form for solicitation shall be deemed invalid.
- (G) If a proxy is appointed to attend the Second H Shareholders' Class Meeting on behalf of a shareholder, the proxy must indicate its identification document and the authorisation instrument with the date of issue and duly signed by the proxy and its legal representative, and in the case of legal representative of legal person shareholders, such legal representative must show its own identification document and valid document to identify its identity as legal representative. If a legal person shareholder appoints a company's representative other than its legal representative to attend the Second H Shareholders' Class Meeting, such representative must show its own identification document and the authorisation instrument bearing the company chop of the legal person shareholder and duly signed by its legal representative.
- (H) Completion and delivery of the proxy form will not preclude a holder of H Shares from attending and voting in person at the Second H Shareholders' Class Meeting if he/she so wishes.
- (I) The Second H Shareholders' Class Meeting is expected to last for a half day, and shareholders attending the Second H Shareholders' Class Meeting will be responsible for their own travelling and accommodation expenses.

NOTICE OF THE SECOND H SHAREHOLDERS' CLASS MEETING IN 2023

EXPECTED TIMETABLE

Year 2023 (*Note*)

Latest time for lodging documents on transfer of shares	30 November (Thursday) 4:30 p.m.
Book closure period (both days inclusive)	1 December (Friday) to 8 December (Friday)
Record date	8 December (Friday)
Second H Shareholders' Class Meeting	8 December (Friday)
Announcement on results of the Second H Shareholders' Class Meeting	8 December (Friday)
Register of members re-opens	11 December (Monday)

Note: All times refer to Hong Kong local times

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

* *The English name of the Company is for identification purpose only*

Should there be any discrepancies, the Chinese version of this notice shall prevail.