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福建紫金礦業股份有限公司

Fujian Zijin Mining Industry Co., Ltd.*

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

(Stock Code: 2899)

PAYMENT OF FINAL DIVIDEND AND ISSUE OF NEW SHARES BY CONVERSION OF THE SURPLUS RESERVE FUND

The board of directors of the Company announces that a final dividend for the year ended 31 December, 2003 of RMB0.15 (equivalent to approximately HK\$0.14130) per share and 10 new shares for every 10 existing shares of the Company shall be paid to Shareholders whose names appeared on the register of members of the Company at close of business on 27 April, 2004. Holders of the H Shares who are entitled to the payment of final dividend and the Conversion H Shares shall receive the same on 25 June, 2004 by ordinary post at their own risk. Dealing in the Conversion H Shares are expected to commence on 28 June, 2004.

Reference is made to the announcement of results for 2003 made by the Company on 6 April, 2004 (the “**Announcement**”) and a further announcement dated 28 May, 2004 on the resolutions passed at the annual general meeting of the Company held on 28 May, 2004 (the “**AGM**”), which include, among others, the approval on the payment of final dividend and the issue of new shares by conversion of the surplus reserve fund.

PAYMENT OF FINAL DIVIDEND

Fujian Zijin Mining Industry Co., Ltd. (the “**Company**”) shall pay a final dividend of Renminbi (“**RMB**”) 0.15 (equivalent to approximately HK\$0.14130) per share, for the year ended 31 December 2003, on 25 June, 2004. The payment shall be made to the shareholders of the Company (the “**Shareholders**”) whose names appeared on the register of members of the Company at close of business on 27 April, 2004. Dividends payable to holders of H shares of the Company (“**H Share(s)**”) shall be paid in Hong Kong dollars (“**HK\$**”). The conversion of RMB to HK\$ shall be calculated on the average price of the middle price of the conversion of RMB to HK\$ announced by the People's Bank of China one calendar week preceding 25 June, 2004, which is RMB1.0615 to HK\$1.00.

Accordingly, the amount of final dividend payable for each H Share is HK\$0.14130. Such final dividend shall be paid by Bank of China (Hong Kong) Trustees Limited, the Company's receiving agent in Hong Kong, and shall be mailed by Computershare Hong Kong Investor Services Limited to the holders of H Shares who are entitled to receive the same by ordinary post at their own risk on 25 June, 2004.

ISSUE OF NEW SHARES BY CONVERSION OF THE SURPLUS RESERVE FUND

As stated in the Announcement, an amount of RMB131,413,091 in the Company's surplus reserve fund shall be converted into 1,314,130,910 shares of RMB0.1 each in the registered capital of the Company ("**Conversion Shares**") on the basis of 1,314,130,910 Shares in issue as at 31 December, 2003. Pursuant to a special mandate granted at the AGM for approval of the Conversion Shares, the Company shall issue additional new shares on the basis of 10 new shares for every 10 existing shares to Shareholders whose names appeared on the register of members of the Company at close of business on 27 April, 2004. In which, 400,544,000 H Shares of RMB0.1 each ("**Conversion H Shares**") shall be issued to the holders of H Shares.

Ranking of shares

The Conversion Shares, where as to domestic shares of the Company ("**Domestic Shares**") shall rank pari passu in all respects with the existing Domestic Shares, and where as to H Shares, shall rank pari passu in all respects with the existing H Shares.

Listing and dealings

Application has been made to the listing committee of The Stock Exchange of Hong Kong Limited ("**Stock Exchange**") for listing of, and permission to deal in, the Conversion H Shares, on the Stock Exchange. Subject to the granting of approval by the Stock Exchange, the Conversion H Shares shall be accepted as eligible securities by Hong Kong Securities Clearing Company Limited ("**HKSCC**") for deposit, clearance and settlement in the Central Clearing and Settlement System established and operated by HKSCC ("**CCASS**"). All necessary arrangement shall be made for the Conversion H Shares to be admitted into CCASS. All activities under CCASS are subject to the general rules of CCASS and CCASS operational procedures in effect from time to time.

It is expected that certificates for the Conversion H Shares shall be posted to those entitled thereto at their own risk on 25 June, 2004. In the case of joint shareholdings, the certificates for the Conversion H Shares shall be posted to the address of the first named member on the register of members of the Company in respect of such joint shareholding.

Dealings in the Conversion H Shares are expected to commence on 28 June, 2004 and shall be subject to Hong Kong stamp duty.

LIST OF DIRECTORS OF THE COMPANY

As at the date of this announcement, the directors of the Company are as follows:

Executive Directors

Chen Jinghe (*the Chairman*)

Liu Xiaochu

Luo Yingnan

Lan Fusheng

Rao Yimin

Non-executive Director

Ke Xiping

Independent non-executive Directors

Yang Dali

Yao Lizhong

Loong Ping Kwan

By order of the board of directors
Fujian Zijin Mining Industry Co., Ltd.
Chen Jinghe
Chairman

Fujian, the People's Republic of China, 24 June, 2004

** for identification purpose only*

Please also refer to the published version of this announcement in The Standard.