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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)

CLARIFICATION ON A CONNECTED TRANSACTION
ESTABLISHMENT OF AN ASSOCIATE COMPANY

With reference to the Company's announcement on 9 September 2005 relating to a formation of an associate company, the relevant parties — Master Achieve, Zijin Investment, and Minxi Xinghang signed a formal joint venture Agreement on 20 October 2005 for the application of establishment of the associate company. Since the formal joint venture Agreement had made a few amendments to the terms of the agreement which announced on 9 September 2005, the Board wishes to announce by way of clarification that such amendments have been made.

This announcement is made pursuant to rule 13.09 of the Listing Rules.

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1. A change of the associate company's proposal name

By virtue of the Agreement signed on 20 October 2005, the proposed name of the associate company has been changed from Fujian Shanghang Jinyi Copper Co., Ltd. (福建省上杭縣金藝銅業有限公司) to Fujian Jinyi Copper Products Company Limited (福建金藝銅業有限公司).

2. A change of the associate company's registered capital

According to the Agreement dated 20 October 2005, the registered capital of the associate company has been changed from RMB40,500,000 (HK\$38,942,307 equivalent) to RMB40,000,000 (HK\$38,461,538 equivalent). Master Achieve maintains the shareholding

percentage of Jinyi at 45% and the cash capital contribution has been changed from RMB18,225,000 (HK\$17,524,038 equivalent) to RMB18,000,000 (HK\$17,307,693 equivalent). Zijin Investment maintains the shareholding percentage of Jinyi at 40% and the cash capital contribution has been changed from RMB16,200,000 (HK\$15,576,923 equivalent) to RMB16,000,000 (HK\$15,384,615 equivalent). Minxi Xinghang maintains the shareholding percentage of Jinyi at 15% and the cash capital contribution has been changed from RMB6,075,000 (HK\$5,841,346 equivalent) to RMB6,000,000 (HK\$5,769,230 equivalent).

3. A change of the board of the associate company

According to the Agreement dated 20 October 2005, the board will comprise of 5 directors. Master Achieve's nomination in the board will be changed from 2 persons to 3 persons. Zijin Investment's nomination in the board will be changed from 2 persons to 1 person. Minxi Xinghang maintains the right to nominate 1 person to the board. Since Master Achieve has expertise in production and trading of copper pipes and all the shareholders of Jinyi considers that Master Achieve's controlling status in the board of Jinyi would benefit the development of Jinyi.

DEFINITIONS

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

“Agreement”	An agreement signed on 20 October 2005 between Master Achieve, Zijin Investment, and Minxi Xinghang for the application of opening of Jinyi
“Board”	the board of Directors
“Company”	Zijin Mining Group Co., Ltd.*, a joint stock limited company incorporated in the People's Republic of China with limited liability
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange

“Master Achieve”	Master Achieve Enterprise Ltd., a limited company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of Hua Yi Copper Holdings Ltd., Hua Yi Copper Holdings Ltd. is a listed company in Hong Kong Stock Exchange
“PRC”	The People’s Republic of China, but for the purpose of this announcement, excludes Hong Kong, Macau SAR and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Jinyi”	Fujian Jinyi Copper Products Company Limited, is a proposed company to be formed in the PRC with limited liability
“Shareholder(s)”	the shareholder(s) of the Company
“Zijin Investment”	Fujian Zijin Investment Co., Ltd., a non-wholly-owned subsidiary (owns 99.815% equity interest) of the Company, a limited company incorporated in the PRC with limited liability
“Minxi Xinghang”	Minxi Xinghang State-owned Assets Investment Co., Ltd., a state-owned limited company incorporated in the PRC with limited liability, a substantial shareholder of the Company and currently owns 32.04% shareholding
“%”	per cent

Note: For the purpose of this announcement, unless otherwise specified, amounts denominated in Renminbi have been translated for the purpose of illustration only into Hong Kong dollars at the exchange rate of HK\$1.00 = RMB1.04.

As at the date of this announcement, the Board of Directors of the Company comprises Messrs. Chen Jinghe (Chairman), Liu Xiaochu, Luo Yingnan, Lan Fusheng, and Roa Yimin as executive directors, Mr. Ke Xiping as non-executive director, and Messrs. Yang Dali, Yao Lizhong, and Loong Ping Kwan as independent non-executive directors.

By Order of the Board of Directors
Zijin Mining Group Company Limited*
Chen Jinghe
Chairman

2 November 2005 Fujian, China.

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

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