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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)**

## **A Shareholder's Proposal**

### **Announcement in relation to Absorption and Merger of a Wholly-owned Subsidiary**

#### **Description of the procedure for proposing additional resolution**

Zijin Mining Group Co., Ltd.\* (the "Company") issued a notice on 4 July 2015 regarding the convention of shareholders' general meetings. Minxi Xinghang State-owned Assets Investment Company Limited, a shareholder solely or jointly holding 26.3% of the Company's shares, proposed an additional resolution on 28 July 2015 and submitted it in writing to the convener of the shareholders' general meeting. The convener of the shareholders' general meeting hereby makes an announcement pursuant to the relevant provisions of the "Rules Governing the Shareholders' General Meeting of Listed Companies".

#### **1. Overview**

In order to realise the joint and integrated development between the Zijinshan copper mine, which is held by the Company, and its neighboring Luoboling copper mine, which is held by Shanghang Jinshan Mining Co., Ltd., a wholly-owned subsidiary of the Company, optimise corporate management structure and improve operating efficiency, the Company convened an extraordinary meeting of the fifth term of the board of directors (the "Board") on 28 July 2015 and the "Resolution in relation to Absorption and Merger of a Wholly-owned Subsidiary, Shanghang Jinshan Mining Co., Ltd." was considered and voted by means of tele-communication. All 12 directors of the Company participated in the voting and approved the resolution unanimously. The resolution is subject to consideration at the shareholders' general meeting.

#### **2. Basic information of the merging party**

Company name: Zijin Mining Group Co., Ltd.\*

Type of company: Joint stock limited company (listed)

Registered address: 1 Zijin Road, Shanghang County, Fujian Province, the PRC

Legal representative: Chen Jinghe

Registered capital: RMB2,157,281,365

Scope of business: exploration of minerals, mining and processing of gold ores; gold refinery; mining and processing of copper ores; copper refinery; integration service on information and technology systems; consultation service on information and technology; sales of jewellery and ornaments, crafts and art products, mineral products, machinery and equipment, chemical products (excluding dangerous chemical products and precursor chemical products of poisons), hydropower generation; investment in mining industry, hotel industry and construction industry; foreign trade; land transportation of general goods; land transportation of hazardous goods. Open pit mining of copper and gold ores; research and development of mining engineering technology, mining machinery and equipment specifically for use in metallurgy; manufacture of mining machinery and equipment specifically for use in metallurgy (only for branches). (Items which require approvals under the law shall be subject to the approval from relevant departments before the commencement of business)

As at 31 March 2015, total assets of the Company amounted to RMB75,156,250,000, total liabilities amounted to RMB41,568,910,000, equity attributable to owners of the parent amounted to RMB28,421,760,000, debt ratio was 55.31%, realised sales income amounted to RMB15,895,830,000 and net profits amounted to RMB414,980,000 (the above financial data are unaudited).

### **3. Basic information of the merged party**

Company name: Shanghang Jinshan Mining Co., Ltd. (“Jinshan Mining”)

Type of company: Limited liability company (invested by a sole legal person)

Registered address: Room 1303, 13/F., Zijin Headquarters Building, 1 Zijin Road, Lincheng Town, Shanghang County, Fujian Province, the PRC

Legal representative: Zhang Jinzhang

Registered capital: RMB100,000,000

Scope of business: Sales of mineral products, mining machinery and equipment (excluding design of licensed operating projects). (Items which require approvals under the law shall be subject to the approval from relevant departments before the commencement of business)

As at 31 March 2015, total assets of Jinshan Mining amounted to RMB119,610,000, total liabilities amounted to RMB14,810,000, net assets amounted to RMB104,800,000 and debt ratio was 12.4%. For the period from January to March 2015, the realised sales income and net profits were both zero. (the above financial data are unaudited).

#### **4. Method and scope of the absorption and merger and relevant arrangements**

1. After absorbing and merging Jinshan Mining, the Company will maintain its operation. The independent legal person status of Jinshan Mining will be cancelled. The merger does not involve changes in share capital and shareholders of the Company; the registered capital of the Company and Jinshan Mining before the merger was RMB2,157,281,365 and RMB100 million respectively, the registered capital of the Company after the absorption and merger will be RMB2,157,281,365;
2. Upon completion of the merger, the Company will entitle to or be liable for all of Jinshan Mining's assets, liabilities and equity. All of Jinshan Mining's business and employees will be taken over or absorbed by the Company. Liabilities and debts of both parties to the merger will be borne by the Company after the merger;
3. Both parties to the merger will enter into an absorption and merger agreement;
4. Both parties to the merger will prepare balance sheets and list of assets and carry out the procedures to notify creditors and make announcements;
5. Both parties to the merger will complete the matters related to assets transfer together and deal with the formalities regarding change of ownership and change of business registration;
6. Both parties to the merger will perform other procedures as stipulated in laws and regulations or regulatory requirements.

#### **5. Impacts of absorbing and merging a subsidiary on the Company**

The absorption and merger help optimise management structure and improve operating efficiency of the Company. Since Jinshan Mining is a wholly-owned subsidiary of the Company, its financial statements have already been included into the consolidated financial statements of the Company. Therefore, the absorption and merger will not affect the profit or loss of the Company for the current period and will not impair the interests of the shareholders, especially those of the minority

shareholders.

**Investors and shareholders are advised by the Board to exercise caution when dealing in the shares of the Company.**

As at the date of this announcement, the Board of Directors of the Company comprises Messrs. Chen Jinghe (Chairman), Wang Jianhua, Qiu Xiaohua, Lan Fusheng, Zou Laichang, Fang Qixue and Lin Hongfu as executive directors, Mister. Li Jian as non-executive director, and Messrs. Lu Shihua, Ding Shida, Qiu Guanzhou, and Sit Hoi Wah, Kenneth as independent non-executive directors.

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

28 July 2015, Fujian, the PRC

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