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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)**

- (1) Proposed Non-public Issuance of A Shares;**
- (2) Connected Transaction – Subscription of A Shares by Minxi Xinghang;**
- (3) Connected Transaction – Subscription of A Shares Pursuant to the Employee Stock Ownership Scheme**

#### **Proposed Non-public Issuance of A Shares**

The Board proposes that the Company applies to the CSRC to issue not more than 1,553,398,058 A Shares (nominal value of RMB0.10 each) to not more than ten specific investors (including Minxi Xinghang, the Controlling Shareholder of the Company, and the Employee Stock Ownership Scheme), which would raise the gross proceeds of up to RMB4.8 billion. The proposed Non-public Issuance of A Shares will be subject to the approvals by the Shareholders at the EGM, the Class Meetings and the approval of the CSRC.

#### **Subscription of A Shares by Minxi Xinghang**

The Company entered into a “Conditional Share Subscription Agreement for the Non-public Issuance of A Shares” with Minxi Xinghang on 8 July 2016. It is proposed that Minxi Xinghang will subscribe for the A Shares of the Company in the Non-public Issuance with a subscription amount of RMB900 million and the number of A Shares proposed to be subscribed will not be more than 291,262,136. The A Shares to be subscribed by Minxi Xinghang cannot be transferred within 36 months from the date of the conclusion of the Non-public Issuance. After the lock-up period, those Shares will be listed for trading on the Shanghai Stock Exchange.

#### **Subscription of A Shares pursuant to the Employee Stock Ownership Scheme**

Pursuant to the Company Law of the PRC, the Securities Law of the PRC, Guiding Opinions on the Implementation of Employee Stock Ownership Scheme by Listed Companies on a Pilot Basis and the provisions of other relevant laws, regulations, regulatory documents and the Articles of Association, the

Company formulates Phase 1 of the Employee Stock Ownership Scheme of Zijin Mining Group Co., Ltd.\* (Draft) (Subscription Method under the Non-public Issuance of A Shares). Certain Directors, Supervisors, senior management and staff of the Company participated in the Employee Stock Ownership Scheme voluntarily pursuant to the laws and regulations. The proposed subscription amount of the Employee Stock Ownership Scheme under the Non-public Issuance will be RMB401.7 million and the amount to be subscribed will not be more than 130 million A Shares under the Non-public Issuance of A Shares. The Company entered into a “Conditional Share Subscription Agreement for the Non-public Issuance of A Shares” with the Employee Stock Ownership Scheme on 8 July 2016. The A Shares to be subscribed by the Employee Stock Ownership Scheme cannot be transferred within 36 months from the date of the conclusion of the Non-public Issuance. After the lock-up period, those Shares will be listed for trading on the Shanghai Stock Exchange.

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

As at the date of the announcement, Minxi Xinghang holds 5,671,353,180 A Shares, representing approximately 26.33% of the total Shares in issue (based on the number of Shares after deduction of the 32,070,000 H Shares repurchased from 9 June 2015 to 13 January 2016 which the cancellation was completed in Hong Kong but is pending the approval of the relevant PRC authorities). Minxi Xinghang is the Controlling Shareholder of the Company and a Connected Person of the Company. Under Chapter 14A of the Listing Rules, the subscription is a connected transaction and is subject to the reporting, announcement and independent Shareholders’ approval requirements under the Listing Rules.

The Employee Stock Ownership Scheme will be fully subscribed by certain Directors, Supervisors and senior management of the Company totaled 14 persons and salaried employees who have entered into formal employment contracts with and currently under employment of the Company or its subsidiaries. Under Chapter 14A of the Listing Rules, the Directors, Supervisors and chief executive of the Company are Connected Persons of the Company. Subscription of A Shares by such Directors, Supervisors and chief executive of the Company pursuant to the Employee Stock Ownership Scheme shall constitute a connected transaction and is subject to the reporting, announcement and independent Shareholders’ approval requirements under the Listing Rules.

An Independent Board Committee comprising of the independent non-executive Directors will be formed to advise the independent Shareholders on subscription of A Shares by Minxi Xinghang and subscription of A Shares pursuant to the Employee Stock Ownership Scheme. An independent financial adviser, in accordance with the Listing Rules, will be appointed to advise the Independent Board Committee and the independent Shareholders on the same. The Company will convene shareholders’ general meetings for the Shareholders to consider and, if thought fit, among other things, to approve subscription of A Shares by Minxi Xinghang and subscription of A Shares pursuant to the Employee Stock Ownership Scheme. The transactions shall be subject to the relevant reporting, announcement and independent Shareholders’

approval (where applicable) requirements pursuant to the Hong Kong Listing Rules. Minxi Xinghang and its Associates shall abstain from voting in respect of the resolutions relating to the subscription of A Shares by Minxi Xinghang, and the relevant Directors, Supervisors, chief executive and their Associates shall abstain from voting in respect of the resolutions relating to the Employment Stock Ownership Scheme.

Pursuant to Rule 19A.39A of the Listing Rules, a circular containing further details of the proposed Non-public Issuance of A Shares, and the connected transactions under subscription of A Shares by Minxi Xinghang and subscription of A Shares pursuant to the Employee Stock Ownership Scheme, the letter from the Independent Board Committee and the letter from the independent financial adviser will be issued by the Company and dispatched to the Shareholders on or before 10 August 2016.

#### **Shareholders' general meetings**

An EGM will be convened by the Company and held for the purpose of, inter alia, considering and approving the proposed Non-public Issuance of A Shares, subscription of A Shares by Minxi Xinghang, subscription of A Shares pursuant to the Employee Stock Ownership Scheme and the related matters. Class Meetings will also be convened by the Company and held for the purpose of, inter alia, considering and approving the proposed Non-public Issuance of A Shares and the related matters.

**The proposed Non-public Issuance of A Shares, subscription of A Shares by Minxi Xinghang and subscription of A Shares pursuant to the Employee Stock Ownership Scheme may or may not proceed. Investors and Shareholders are advised to exercise caution when dealing in the Shares of the Company.**

#### **(1) Proposed Non-public Issuance of A Shares**

The Board proposes that the Company applies to the CSRC to issue not more than 1,553,398,058 A Shares (nominal value of RMB0.10 each) to not more than ten specific investors (including Minxi Xinghang, the Controlling Shareholder of the Company, and the Employee Stock Ownership Scheme), which would raise the gross proceeds of up to RMB4.8 billion. The proposed Non-public Issuance of A Shares will be subject to the approvals by the Shareholders at the EGM, the Class Meetings and the approval of the CSRC.

#### **Structure of the Non-public Issuance of A Shares**

Class and nominal value of the Shares to be issued	The Shares to be issued under the Non-public Issuance will be Renminbi-denominated ordinary shares (A Shares) with a nominal value of RMB0.10 each which will be listed in the PRC.
Methods and time of issuance	The entirety of the Renminbi-denominated ordinary shares (A Shares) in the Non-public Issuance will be issued to specific investors within 6 months

in due course after receiving the approval by the CSRC by way of Non-public Issuance.

Issuing objects and methods of subscription

The Non-public Issuance of A Shares is proposed to target not more than ten specified investors, including Minxi Xinghang, the Controlling Shareholder of the Company, and Phase 1 of the Employee Stock Ownership Scheme. Minxi Xinghang has undertaken to subscribe at the same price as other issuing objects by way of cash with a subscription amount of RMB900 million. Phase 1 of the Employee Stock Ownership Scheme has undertaken to subscribe at the same price as other issuing objects by way of cash with a subscription amount of RMB401.7 million. Other issuing objects include securities investment fund management companies, securities firms, trust investment companies, finance companies, insurance institutional investors, qualified offshore institutional investors, and other legal entities, natural persons or other legitimate investors in compliance with the stipulations of laws and regulations, which are, to the best knowledge of the Directors, third parties independent of the Company and its Connected Persons.

Subject to the Board being granted the authorisation at shareholders' general meetings of the Company, after obtaining the approval documents issued by the CSRC, issuing objects other than Minxi Xinghang and Phase 1 of the Employee Stock Ownership Scheme will be determined by price-oriented and time-oriented principles with reference to their subscription and quotation amount. All the issuing objects will subscribe the Shares in the Non-public Issuance at the same price in cash.

Subscription price and pricing principles

The base day for pricing of the Non-public Issuance is the announcement date of the resolution of the eighteenth meeting of the fifth Board. The subscription price shall not be less than 90% of the average trading price of the Company's A Shares in the 20 trading days preceding the base day for pricing (i.e. not less than RMB3.09 per Share). The final subscription price will be determined based on the provisions of relevant rules and regulations, price inquiry results, authorisation of the shareholders' general meetings and negotiation with the sponsor (the lead underwriter) after obtaining the approval documents issued by the CSRC on the Non-public Issuance. The minimum subscription price will be adjusted accordingly if any ex-rights or ex-dividends event such as distribution of dividends or

bonus shares, conversion of capital reserve into share capital, etc. occurs during the period from the base day for pricing to the date of the issuance.

Minxi Xinghang and Phase 1 of the Employee Stock Ownership Scheme will not participate in the price inquiry process of the Non-public Issuance of A Shares, and have undertaken to accept the pricing results and to subscribe shares at the same price as other investors.

Number of A Shares to be issued

The maximum number of A Shares to be issued under the Non-public Issuance will be 1,553,398,058 (1,553,398,058 inclusive). Subject to the maximum number of Shares as mentioned above, the Board proposes the shareholders' general meetings grant to the Board such authority as necessary for determining the final number of Shares to be issued based on actual situation and negotiations with the sponsor (the lead underwriter). The total number of Shares to be issued will be adjusted correspondingly if any ex-rights or ex-dividends event such as distribution of dividends or bonus shares, conversion of capital reserve into share capital, etc. occurs during the period from the base day for pricing to the date of the issuance.

The maximum number of A Shares to be issued under the proposed Non-public Issuance of A Shares, being 1,553,398,058 Shares, represents (i) approximately 9.83% of the existing issued A Shares and approximately 7.21% of the existing total issued share capital of the Company as at the date of this announcement; and (ii) approximately 8.95% of the enlarged issued A Shares and approximately 6.73% of the enlarged total issued share capital of the Company upon completion of the proposed Non-public Issuance of A Shares.

Lock-up period

The lock-up periods for the Shares subscribed by Minxi Xinghang, Phase 1 of the Employee Stock Ownership Scheme and other specified investors under the Non-public Issuance of A Shares are 36 months, 36 months and 12 months from the date of the conclusion of the issuance respectively. Such Shares shall be dealt with according to the relevant rules of the CSRC and the Shanghai Stock Exchange after the expiry of the lock-up period.

Use of proceeds raised

The total amount of proceeds to be raised in the Non-public Issuance will not exceed RMB4.8 billion (issuance expenses inclusive) and are proposed to be used in the following projects:

No.	Name of project	Total investment (RMB'000)	Amount of proceeds intended to be used in the project (RMB'000)
1	Construction of the Kolwezi copper mine project in the DR Congo	3,861,880.9	3,395,804.1
2	Zijin Copper Company Limited's Capacity Expansion Project for Comprehensive Recovery of End Materials in Production	228,391.4	105,102.2
3	Supplementing working capital of the Company	1,341,316.1	1,299,093.7
Total		5,431,588.5	4,800,000.0

If the proceeds raised in the Non-public Issuance are less than the amount required for projects investment, the Company will seek the required portion through other means of financing. The Company will invest in the projects with other means of financing according to the actual development progress of the projects before the proceeds raised in the Non-public Issuance are in place, and the proceeds raised in the Non-public Issuance will be used to substitute the Company's funding after they are received into account. Within the scope of the aforementioned projects to be invested by the proceeds raised, the Board may make appropriate adjustments to their use of proceeds corresponding to the actual needs of the projects and in compliance with procedures as stipulated by relevant rules and regulations.

Proposal for arrangement of the accumulated distributable profits

The current and new Shareholders after the completion of the Non-public Issuance will rank *pari passu* to the entitlement of the accumulated distributable profits before the Non-public Issuance.

Place of listing

The Company will apply to the Shanghai Stock Exchange for the listing of and permission to deal in the A Shares to be issued.

Validity period of the resolutions                      The resolutions in relation to the Non-public Issuance will be valid within 12 months from the date of considering and approving the resolutions at the shareholders' general meetings of the Company.

## **(2) Subscription of A Shares by Minxi Xinghang**

The Company entered into a “Conditional Share Subscription Agreement for the Non-public Issuance of A Shares” with Minxi Xinghang on 8 July 2016. It is proposed that Minxi Xinghang will subscribe for the A Shares of the Company in the Non-public Issuance with a subscription amount of RMB900 million and the number of A Shares proposed to be subscribed will not be more than 291,262,136. The A Shares to be subscribed by Minxi Xinghang cannot be transferred within 36 months from the date of the conclusion of the Non-public Issuance. After the lock-up period, those Shares will be listed for trading on the Shanghai Stock Exchange.

## **(3) Subscription of A Shares pursuant to the Employee Stock Ownership Scheme**

Pursuant to the Company Law of the PRC, the Securities Law of the PRC, Guiding Opinions on the Implementation of Employee Stock Ownership Scheme by Listed Companies on a Pilot Basis and the provisions of other relevant laws, regulations, regulatory documents and the Articles of Association, the Company formulates Phase 1 of the Employee Stock Ownership Scheme of Zijin Mining Group Co., Ltd.\* (Draft) (Subscription Method under the Non-public Issuance of A Shares). Certain Directors, Supervisors, senior management and staff of the Company participated in the Employee Stock Ownership Scheme voluntarily pursuant to the laws and regulations. The proposed subscription amount of the Employee Stock Ownership Scheme under the Non-public Issuance will be RMB401.7 million and the amount to be subscribed will not be more than 130 million A Shares under the Non-public Issuance of A Shares. The Company entered into a “Conditional Share Subscription Agreement for the Non-public Issuance of A Shares” with the Employee Stock Ownership Scheme on 8 July 2016. The A Shares to be subscribed by the Employee Stock Ownership Scheme cannot be transferred within 36 months from the date of the conclusion of the Non-public Issuance. After the lock-up period, those Shares will be listed for trading on the Shanghai Stock Exchange.

Major contents of the Employee Stock Ownership Scheme are set out below:

### **Objectives of the Employee Stock Ownership Scheme**

- 1) To establish and perfect the benefit sharing mechanism between labour and owners;
- 2) to further improve the corporate governance structure, advocate sustainable development both for the corporation and individuals, and provide effective incentives to the management and employees of the Company;
- 3) to attract excellent talents for management and key personnel for operation, balance the long-term and near-term benefits of the Company, and propel longer term, more sustainable and healthier development of

the Company.

### **Overview of participants and their unit portions under the Employee Stock Ownership Scheme**

The total number of employees to participate in the Employee Stock Ownership Scheme does not exceed 3,200. Their list and unit allocation are as follows:

<b>No.</b>	<b>Holder</b>	<b>Amount of contribution (RMB)</b>	<b>Approximate percentage of the total number of unit of the Employee Stock Ownership Scheme</b>	<b>Proposed maximum number of A Shares to be subscribed (based on the lowest issuance price RMB3.09/Share)</b>
1	Directors, Supervisors and senior management (totalled 14 persons)	64,890,000	16.15%	21,000,000
2	Other employees	336,810,000	83.85%	109,000,000
	Total	401,700,000	100.00%	130,000,000

### **Source of funds of the Employee Stock Ownership Scheme**

Source of funds of the Employee Stock Ownership Scheme will be the legitimate salary, self-financing funds and funds raised in other manners in compliance with the laws and regulations of the Company's employees participating in the Employee Stock Ownership Scheme.

The total amount of capital to be raised through the Employee Stock Ownership Scheme will be RMB401.7 million, which every RMB1.00 for one unit. The subscription price for each unit will be RMB1.00. The minimum subscription amount for individual employee will be 10,000 units. For subscription over 10,000 units, the number of units to be subscribed will be the multiple of 10,000. The total number of underlying shares corresponding to the portion of the Employee Stock Ownership Scheme to be held by any individual shall not exceed 1% of the Company's total number of share capital. The final number of units to be held by the holders of the Employee Stock Ownership Scheme will be subject to the actual contribution paid to the corresponding units.

After obtaining the approval documents from the CSRC regarding the Non-public Issuance, the holders of the Employee Stock Ownership Scheme shall pay off the subscription amount in full within the time period



according to the payment instructions of the Company, unless otherwise specified by the CSRC regarding to the payment of the Non-public Issuance of A Shares.

If the holders of the Employee Stock Ownership Scheme fail to pay off their subscription amount on time and in full, it shall be deemed a waiver of the respective subscription rights and other eligible employees can apply to subscribe for the corresponding abandoned units. If the application number exceeds the number of the abandoned units, the management committee of the Employee Stock Ownership Scheme will determine the candidates and specific number of units to be subscribed.

#### **Source of Shares for the Employee Stock Ownership Scheme**

The Shares to be subscribed by the Employee Stock Ownership Scheme are derived from the Non-public Issuance of A Shares. The Employee Stock Ownership Scheme confirms not to participate in the price inquiry process of the Non-public Issuance, and has undertaken to subscribe at the final issuance price under the price inquiry results. The subscription amount of the Employee Stock Ownership Scheme under the Non-public Issuance will be RMB401.7 million.

#### **Duration of the Employee Stock Ownership Scheme**

The lock-up period of the Employee Stock Ownership Scheme is the lock-up period of the underlying Shares to be acquired through the Non-public Issuance of A Shares, which is 36 months beginning from the time that the Company announces that the underlying Shares have been registered under the Employee Stock Ownership Scheme.

The duration of the Employee Stock Ownership Scheme is 48 months, beginning from the date which the Company announces that the underlying Shares have been registered under the Employee Stock Ownership Scheme. The Employee Stock Ownership Scheme will end automatically after the expiry of the duration.

#### **Management of the Employee Stock Ownership Scheme**

The Employee Stock Ownership Scheme will be managed by the Company. Its internal supreme management authority will be the holders' meeting. The holders' meeting will be constituted by all holders of the current Employee Stock Ownership Scheme. It will authorise a management committee to be its management organisation to take charge of daily management of the current Employee Stock Ownership Scheme (including but not limited to reduce the number of Shares held by the Employee Stock Ownership Scheme when the lock-up period expires and make distribution of income and cash assets on behalf of the Employee Stock Ownership Scheme), and to exercise shareholders' rights on behalf of all the holders, etc.

**Major contents of the Conditional Share Subscription Agreement for the Non-public Issuance of A Shares entered into by the Company and Minxi Xinghang and the Employee Stock Ownership Scheme respectively on 8 July 2016 are set out below:**

#### (1) Parties to the Agreements

Parties to the two Agreements include (i) the Company and Minxi Xinghang; and (ii) the Company and Phase 1 of the Employee Stock Ownership Scheme.

#### (2) Subscription amount and quantity

Pursuant to the Agreement between the Company and Minxi Xinghang, Minxi Xinghang, as the subscriber, agrees to subscribe the A shares to be issued by the Company in the Non-public Issuance of A Shares at the subscription price under the Agreement with a subscription amount of RMB900 million.

Pursuant to the Agreement between the Company and Phase 1 of the Employee Stock Ownership Scheme, Phase 1 of the Employee Stock Ownership Scheme, as the subscriber, agrees to subscribe the A shares to be issued by the Company in the Non-public Issuance of A Shares at the subscription price under the Agreement with a subscription amount of RMB401.7 million.

#### (3) Pricing principles

The issuance price shall not be less than 90% of the average trading price of the Company's A Shares in the 20 trading days preceding the announcement date of the resolutions of the eighteenth meeting of the fifth term of the Board of the Company, which is RMB3.09 per Share. The final issuance price will be determined based on the provisions of relevant rules and regulations, price inquiry results, authorisation of the shareholders' general meetings and negotiation with the sponsor (the lead underwriter) after obtaining the approval documents issued by the CSRC on the Non-public Issuance. The minimum subscription price will be adjusted accordingly if any ex-rights or ex-dividends event such as distribution of dividends or bonus shares, conversion of capital reserve into share capital, etc. occurs during the period from the base day for pricing to the date of the issuance.

The subscribers confirm not to participate in the price inquiry process of the Non-public Issuance, and have undertaken to accept the price inquiry results and will subscribe at the same price as other investors.

#### (4) Method of subscription

The subscribers will subscribe the Shares of the Non-public Issuance in cash.

#### (5) Lock-up period

The lock-up period for the Shares of the Non-public Issuance to be subscribed by the subscribers is 36 months from the date of the completion of the Non-public issuance. Those Shares cannot be transferred within 36 months.

#### (6) Payment method

After obtaining the approval documents from the CSRC regarding the Non-public Issuance, the subscribers shall make subscription payment in full for subscribing Shares of the Non-public Issuance according to the payment date stated on the payment notice issued by the Company and the sponsor (the lead underwriter) to the account which the sponsor (the lead underwriter) opened specifically for the Non-public Issuance. After completion of capital verification, the sponsor (the lead underwriter) will transfer the amount after deduction of the sponsor fee and underwriting fee to the Company's account opened specifically for fund raising.

#### (7) Conditions for the Agreements to take effect

The Agreements take effect when all of the following conditions are satisfied:

1. The Agreements being signed by the legal representatives or their authorised agent of both parties and being affixed the common seal of both parties;
2. Resolutions related to the Non-public Issuance being considered and approved by the Board meeting and shareholders' general meeting of the Company;
3. The state-owned assets management departments with authority approved the Non-public Issuance of the Company and the transactions;
4. The CSRC approves the Company for the Non-public Issuance.

#### (8) Breach of contract

1. Except for the force majeure, either party fails to fulfill its obligations under the Agreement or there are false or serious mistakes in the made commitment, representations, warranties, etc., such party should be recognised as the breaching party. The breaching party shall bear the responsibility of breaching the contract pursuant to the law and the terms under the Agreement, make comprehensive and full compensation to the observant party, and take responsibility for the protection of rights fees incurred from the breach of contract for the observant party (including but not limited to litigation costs, attorneys' fees and other reasonable expenses) as well as the litigation fee and compensation fee against and to any third-party (including litigation costs, attorneys' fees and other reasonable expenses).

2. Either party which breaches the contract shall be liable for the responsibility of breaching the contract, the liability will not be exempted due to the expiration or termination of the Agreement.

The transactions have been considered and approved by the eighteenth meeting of the fifth Board, at which connected Directors namely Chen Jinghe, Wang Jianhua, Qiu Xiaohua, Lan Fusheng, Zou Laichang, Fang Qixue, Lin Hongfu and Li Jian abstained from voting. Independent Directors have preapproved the transactions, and they have also issued independent opinions of consent on the transactions. The transactions are subject to approval at the shareholders' general meeting. Any party in interest in the transactions will abstain from voting in respect of the resolutions relating to the transactions. The implementation of the Non-public Issuance is also subject to the authorisation of the CSRC.

## **Implications under the Listing Rules**

As at the date of the announcement, Minxi Xinghang holds 5,671,353,180 A Shares, representing approximately 26.33% of the total Shares in issue (based on the number of Shares after deduction of the 32,070,000 H Shares repurchased from 9 June 2015 to 13 January 2016 which the cancellation was completed in Hong Kong but is pending the approval of the relevant PRC authorities). Minxi Xinghang is the Controlling Shareholder of the Company and a Connected Person of the Company. Under Chapter 14A of the Listing Rules, the subscription is a connected transaction and is subject to the reporting, announcement and independent Shareholders' approval requirements under the Listing Rules.

The Employee Stock Ownership Scheme will be fully subscribed by certain Directors, Supervisors and senior management of the Company totaled 14 persons and salaried employees who have entered into formal employment contracts with and currently under employment of the Company or its subsidiaries. Under Chapter 14A of the Listing Rules, the Directors, Supervisors and chief executive of the Company are Connected Persons of the Company. Subscription of A Shares by such Directors, Supervisors and chief executive of the Company pursuant to the Employee Stock Ownership Scheme shall constitute a connected transaction and is subject to the reporting, announcement and independent Shareholders' approval requirements under the Listing Rules.

An Independent Board Committee comprising of the independent non-executive Directors will be formed to advise the independent Shareholders on subscription of A Shares by Minxi Xinghang and subscription of A Shares pursuant to the Employee Stock Ownership Scheme. An independent financial adviser, in accordance with the Listing Rules, will be appointed to advise the Independent Board Committee and the independent Shareholders on the same. The Company will convene shareholders' general meetings for the Shareholders to consider and, if thought fit, among other things, to approve subscription of A Shares by Minxi Xinghang and subscription of A Shares pursuant to the Employee Stock Ownership Scheme. The transactions shall be subject to the relevant reporting, announcement and independent Shareholders' approval (where applicable) requirements pursuant to the Hong Kong Listing Rules. Minxi Xinghang and its Associates shall abstain from voting in respect of the resolutions relating to subscription of A Shares by Minxi Xinghang, and the relevant Directors, Supervisors, chief executive and their Associates shall abstain from voting in respect of the resolutions relating to the Employee Stock Ownership Scheme.

Pursuant to Rule 19A.39A of the Listing Rules, a circular containing further details of the proposed Non-public Issuance of A Shares, and the connected transactions under subscription of A Shares by Minxi Xinghang and subscription of A Shares pursuant to the Employee Stock Ownership Scheme, the letter from the Independent Board Committee and the letter from the independent financial adviser will be issued by the Company and dispatched to the Shareholders on or before 10 August 2016.

## **Reasons for and benefits of the Non-public Issuance of A Shares, subscription of A Shares by Minxi Xinghang and subscription of A Shares pursuant to the Employee Stock Ownership Scheme**

The Company expects to obtain supports from the capital market through the Non-public Issuance of A Shares for pushing forward and implementing the Company's development strategies proactively. The participation of subscription of the Non-public Issuance of A Shares by the Employee Stock Ownership Scheme at the same time is beneficial to the establishment and perfection of the benefit and risk sharing mechanism of the employees and all Shareholders of the Company, raising employees' cohesiveness and the Company's competitiveness. The Non-public Issuance of A Shares can raise the Company's abilities in operation and repayment of debts, optimise the financial structure and strengthen the ability in sustaining profitability.

In order to support the long-term development of the Company and in a favorable view of the development prospect of the projects to be invested by the proceeds raised in the Non-public Issuance, Minxi Xinghang decided to participate in the Non-public Issuance. The participation of Minxi Xinghang in the Non-public Issuance is beneficial to the smooth implementation of the Non-public Issuance and helps promote the continuation of the Company's long-term strategy.

### **Information of the Company**

The Company is principally engaged in mining, production, refining and sales of gold and other mineral resources in the PRC.

### **Information of Minxi Xinghang**

Minxi Xinghang is a state-owned limited company incorporated in the PRC whose principal activities are operation and management of state-owned assets within the authorised scope and project investment. It is the Controlling Shareholder of the Company currently holding 26.33% equity interest in the Company.

### **Information of the Employee Stock Ownership Scheme**

The Employee Stock Ownership Scheme is a stock ownership scheme for the Company's employees formulated by the Company pursuant to the Company Law of the PRC, the Securities Law of the PRC, Guiding Opinions on the Implementation of Employee Stock Ownership Scheme by Listed Companies on a Pilot Basis and the provisions of other relevant laws, regulations, regulatory documents and the Articles of Association.

### **Ancillary matters relating to the proposed Non-public Issuance of A Shares**

***Whether the Non-public Issuance leads to changes in the right of control of the Company***

The total number of A Shares to be issued in the Non-public Issuance will not exceed 1,553,398,058 Shares. As at the date of this announcement, the Controlling Shareholder of the Company, Minxi Xinghang holds 5,671,353,180 Shares, representing approximately 26.33% of the total Shares in issue. Based on the maximum number of A Shares to be issued in the Non-public Issuance, Minxi Xinghang, the Controlling Shareholder of the Company, will hold approximately 25.82% of the Shares after completion of the Non-public Issuance, and is still the Controlling Shareholder of the Company. Therefore, the Non-public Issuance will not lead to a change in the right of control of the Company and is in line with the provision as stipulated in Article 38(4) of the “Administrative Measures for the Issuance of Securities by Listed Companies”.

***Procedures of approval for the Non-public Issuance***

Matters related to the Non-public Issuance of A Shares have been considered and approved by the eighteenth meeting of the fifth term of the Board convened on 8 July 2016. According to the provisions of relevant laws and regulations, the Non-public Issuance will be subject to the approvals by shareholders’ general meetings and the CSRC.

***Authorisation to be granted to the Board***

Subject to approval by the Shareholders at the EGM and the Class Meetings, the Board shall be authorised to make such decisions, sign 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 proposed Non-public Issuance of A Shares.

***Shareholders’ approvals to be sought at the EGM and the Class Meetings***

The proposed Non-public Issuance of A Shares is subject to approval by way of special resolutions by the Shareholders at the EGM and the Class Meetings. Such resolutions will, in compliance with and as legally required under relevant PRC laws and regulations, be effective for a period of 1 year from the date of the EGM and the Class Meetings.

The EGM and the Class Meetings will be held to consider and, if thought fit, approve, among other things, the proposed Non-public Issuance of A Shares and to authorise the Board to determine and deal with at its discretion and with full authority, matters relating to the proposed Non-public Issuance of A Shares (including but not limited to the specific timing of the issue, number of A Shares to be issued, methods of issuance, pricing method, subscription price and face value, issuing objects and the number and proportion of A Shares to be issued to each issuing object).

***Equity financing activities in the past 12 months***

The Company has not conducted any equity financing activities in the past 12 months before the date of this

announcement.

***Relevant risks of the Non-public Issuance of A Shares***

The Non-public Issuance of A Shares is subject to certain relevant risks, including but not limited to risk of price fluctuation in bulk commodities, risk of implementing the projects to be invested by the proceeds raised in the Non-public Issuance, risk of economic benefits of the projects to be invested by the proceeds raised in the Non-public Issuance, risk of dilution in return on net assets after the completion of issuance of Shares, production safety risk, risks associated with environmental protection, risk of share price fluctuation, implementation risk and approval risk of overseas project, etc. When evaluating the Non-public Issuance of A Shares of the Company, investors should take the aforementioned risk factors into due consideration.

***Effects of the Non-public Issuance of A Shares on the shareholding structure of the Company***

Assuming that a total of 1,553,398,058 A Shares (nominal value of RMB0.10 each) will be issued under the Non-public Issuance of A Shares and the Company will not issue and allot any Shares prior to the proposed Non-public Issuance of A Shares, the shareholding structure as at the date of this announcement and the expected shareholding structure immediately after the completion of the Non-public Issuance of A Shares of the Company are set out and summarised as follows:

	As at the announcement date			Immediately after the completion of the proposed Non-public Issuance of A Shares, subscription of A Shares by Minxi Xinghang and subscription of A Shares pursuant to the Employee Stock Ownership Scheme		
	Number of Shares	Approximate percentage of the total issued A Share capital	Approximate percentage of the total issued share capital of the Company	Number of Shares	Approximate percentage of the total issued A Share capital	Approximate percentage of the total issued share capital of the Company
Minxi Xinghang	5,671,353,180	35.89%	26.33%	5,962,615,316	34.35%	25.82%
The Employee Stock Ownership Scheme	-	-	-	130,000,000	0.75%	0.56%
Other Issuing objects	-	-	-	1,132,135,922	6.52%	4.90%
Other A Shareholders	10,132,450,470	64.11%	47.04%	10,132,450,470	58.38%	43.88%
H Shareholders	5,736,940,000	-	26.63%	5,736,940,000	-	24.84%
	<u>21,540,743,650</u>	<u>100%</u>	<u>100%</u>	<u>23,094,141,708</u>	<u>100%</u>	<u>100%</u>

Note: (1) Based on the number of Shares after deduction of the 32,070,000 H Shares repurchased from 9

June 2015 to 13 January 2016 which the cancellation was completed in Hong Kong but is pending the approval of the relevant PRC authorities.

(2) Based on the lowest issuance price RMB3.09/Share.

**The proposed Non-Public Issuance of A Shares, subscription of A Shares by Minxi Xinghang and subscription of A Shares pursuant to the Employee Stock Ownership Scheme may or may not proceed. Investors and Shareholders are advised to exercise caution when dealing in the Shares of the Company.**

### **Resumption of trading in A Shares**

Reference is made to the announcement dated 6 July 2016 in respect of the Company's contemplation of the Non-public Issuance of A Shares. Trading in the A Shares has been suspended with effect from 7 July 2016 pending the publication of the announcement in respect of the proposed Non-public Issuance of A Shares by the Company on the Shanghai Stock Exchange. The Company has applied to the Shanghai Stock Exchange for the resumption of trading in the A Shares with effect from 11 July 2016.

### **General information**

An EGM will be convened by the Company and held for the purpose of, inter alia, considering and approving the proposed Non-public Issuance of A Shares, subscription of A Shares by Minxi Xinghang, subscription of A Shares pursuant to the Employee Stock Ownership Scheme and the related matters. Class Meetings will also be convened by the Company and held for the purpose of, inter alia, considering and approving the proposed Non-public Issuance of A Shares and the related matters. The above items are subject to obtaining any approval, endorsement or registration (if applicable) from or with the relevant authorities.

This announcement is made in compliance with the disclosure requirements under the Hong Kong Listing Rules, and does not constitute an offer or an invitation to induce an offer by any person to acquire, subscribe for or purchase the A Shares.

**This announcement is published in both Chinese and English. In the case of any discrepancies, the Chinese version shall prevail over its English version.**

### **Definitions**

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



“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)”	holders of A Share(s)
“A Shareholders’ Class Meeting”	the class meeting of the A Shareholders proposed to be convened by the Company to consider and, if thought fit, approve, among other things, the Non-public Issuance of A Shares and the related matters
“Agreement(s)”	Conditional Share Subscription Agreement for the Non-public Issuance of A Shares entered into by the Company, Minxi Xinghang and the Employee Stock Ownership Scheme respectively on 8 July 2016
“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 Hong Kong Listing Rules
“Board”	the board of Directors of the Company
“Circular”	the circular to be dispatched to the Shareholders in relation to the proposal for convention of the EGM, the A Shareholders’ Class meeting and the H Shareholders’ Class Meeting (if applicable) for the consideration and approval of, among other things, the proposed Non-public Issuance of A Shares, subscription of A Shares by Minxi Xinghang, subscription of A Shares pursuant to the Employee Stock Ownership Scheme and the related matters
“Class Meetings”	the A Shareholders’ Class Meeting and the H Shareholders’ Class Meeting
“Company”	Zijin Mining Group Co., Ltd.* (紫金礦業集團股份有限公司), a joint stock limited company incorporated in the PRC
“Connected Person(s)”	has the meaning ascribed thereto under the Hong Kong Listing Rules

“Controlling Shareholder”	has the meaning ascribed thereto under the Hong Kong Listing Rules
“CSRC”	China Securities Regulatory Commission
“Director(s)”	the director(s) of the Company
“DR Congo”	The Democratic Republic of the Congo
“EGM”	the extraordinary general meeting proposed to be convened by the Company to consider and, if thought fit, approve, among other things, the Non-public Issuance of A Shares, subscription of A Shares by Minxi Xinghang and subscription of A Shares pursuant to the Employee Stock Ownership Scheme
“Employee Stock Ownership Scheme”, “Phase 1 of the Employee Stock Ownership Scheme”	Phase 1 of the Employee Stock Ownership Scheme of Zijin Mining Group Co., Ltd.*
“Group”	the Company and its subsidiaries
“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 class meeting of the H Shareholders proposed to be convened by the Company to consider and, if thought fit, approve, among other things, the Non-public Issuance of A Shares and the related matters
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Listing Rules”, “Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Minxi Xinghang”	Minxi Xinghang State-owned Assets Investment Company Limited, a state-owned limited company incorporated in the PRC. It is the Controlling Shareholder of the Company currently holding 26.33% equity interest in the Company
“Non-public Issuance”	the proposal of the Company to target not more than ten specific investors to issue and allot not more than 1,553,398,058 A Shares (nominal value of RMB0.10 each) which are intended to be listed on the Shanghai 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
“Shanghai Stock Exchange”	Shanghai Stock Exchange of the PRC
“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)
“Shareholder(s)”	the shareholder(s) of the Company including A Shareholder(s) and H Shareholder(s)
“Supervisor(s)”	the supervisor(s) of the Company
“%”	per cent

**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, Zhu Guang, 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*

Fujian, the PRC, 8 July 2016

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