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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)**

## **Announcement in relation to the Grant of Reserved Restricted A Shares to the Participants under the Incentive Scheme**

### **Important notes:**

- Grant Date of the Reserved Restricted A Shares: 15 November 2021.
- Number of the Reserved Restricted A Shares to be granted: 2,510,000 A Shares.
- Grant Price of the Reserved Restricted A Shares: RMB4.83 per A Share.

References are made to (i) the Announcement in relation to Proposed Adoption of the Restricted A Share Incentive Scheme and the Connected Transaction in relation to Grant of Restricted A Shares to the Connected Participants under the Incentive Scheme dated 17 November 2020; (ii) the Announcement in relation to Amendment to the Restricted A Share Incentive Scheme for 2020 (Draft) and Its Summary dated 11 December 2020; (iii) the announcements in relation to the poll results of the relevant resolutions in respect of the approval of the Restricted A Share Incentive Scheme at the extraordinary general meeting and the class meetings dated 29 December 2020 and 11 January 2021, respectively; (iv) the Announcement in relation to the Grant of Restricted A Shares to the Participants of the Incentive Scheme dated 13 January 2021 and (v) the Announcement in relation to Results of the Grant under the Restricted A Share Incentive Scheme for 2020 dated 1 February 2021 (the "Announcements"); and (vi) the circular dated 11 December 2020 (the "Circular") of Zijin Mining Group Co., Ltd.\* (the "Company"). Unless otherwise indicated, capitalised terms used in this announcement shall have the same meanings as defined in the Announcements and the Circular.

As the conditions of grant of the Company's 2020 Restricted A Shares under the reserved grant (the "Reserved Restricted A Shares") stipulated in the Company's Restricted A Share Incentive Scheme for 2020 (Revised Draft) (the "Incentive Scheme") have been satisfied, pursuant to the authorisation granted at the third extraordinary general meeting in 2020, the third A Shareholders' class meeting in 2020 and the third H Shareholders' class meeting in 2020 of the Company, the proposal in relation to the grant of the Reserved Restricted A Shares to the Participants under the Restricted A Share Incentive Scheme was considered and approved at the Company's eleventh extraordinary meeting in 2021 of the seventh term of the Board on 15 November 2021. The Board agreed on the Company's grant of 2,510,000 Restricted A Shares to 39 Participants, and that the Grant Date of the Restricted A Shares shall be 15 November 2021. Explanations on the relevant particulars are as follows:

## **I. Details of the grant under the Restricted A Share Incentive Scheme**

### **(I) Relevant approval procedures implemented**

1. On 17 November 2020, the Company convened the twenty-fourth extraordinary meeting in 2020 of the seventh term of the Board, at which the proposal in relation to the Restricted A Share Incentive Scheme for 2020 (Draft) and its summary of the Company, the proposal in relation to the Administrative Measures for Implementation of Appraisal for the Restricted A Share Incentive Scheme for 2020 of the Company and the proposal in relation to authorisation to the board of directors to handle all the matters relating to the Restricted A Share Incentive Scheme for 2020 of the Company were considered and approved. The Company's independent Directors issued their independent opinion on the Incentive Scheme.

2. On 17 November 2020, the Company convened the fourth extraordinary meeting in 2020 of the seventh term of the Supervisory Committee, at which the proposal in relation to the Restricted A Share Incentive Scheme for 2020 (Draft) and its summary of the Company, the proposal in relation to the Administrative Measures for Implementation of Appraisal for the Restricted A Share Incentive Scheme for 2020 of the Company and the proposal in relation to verification of the Participant list under the Restricted A Share Incentive Scheme for 2020 of the Company were considered and approved. The Supervisory Committee considered that the Incentive Scheme was beneficial to the Company's sustainable development and there was no apparent prejudice to the interests of the Company and all Shareholders.

3. On 20 November 2020, the Company issued the Announcement in relation to Approval of the State-owned Assets Supervision Authority on the Restricted A Share Incentive Scheme for 2020. The Company received the Approval in relation to Implementation of the Restricted A Share Incentive Scheme of Zijin Mining Group Co., Ltd.\* (Hang Cai Guo Zi [2020] No. 125) issued by the Longyan City Shanghang County Finance Bureau as forwarded by the Company's substantial shareholder, Minxi Xinghang State-owned Assets Investment Company Limited. Pursuant to the Approval in relation to Implementation of the Restricted A Share Incentive Scheme of Zijin Mining Group Co., Ltd.\* of the State-owned Assets Supervision and Administration Commission of Longyan City (Long Guo Zi [2020] No. 147) and the spirit of the special meeting on the relevant work of Shanghang County, the Shanghang County Finance Bureau agreed in principle that the Company could implement the Restricted A Share Incentive Scheme.

4. From 20 November 2020 to 30 November 2020, the Company publicised the proposed Participant list internally. On 22 December 2020, the Supervisory Committee issued the Verification Opinion of the Supervisory Committee and Notification on the Participant List of Restricted A Share Incentive Scheme for 2020 of Zijin Mining Group Co., Ltd.\*.

5. On 11 December 2020, the Company convened the twenty-fifth extraordinary meeting in 2020 of the seventh term of the Board, at which the proposal in relation to the Restricted A Share Incentive Scheme for 2020 (Revised Draft) and its summary of the Company was considered and approved. The Company's independent Directors issued their independent opinion on the Incentive Scheme.

6. On 11 December 2020, the Company convened the fifth extraordinary meeting in 2020 of the seventh term of the Supervisory Committee, at which the proposal in relation to the Restricted A Share Incentive

Scheme for 2020 (Revised Draft) and its summary of the Company was considered and approved. The Supervisory Committee considered that the Incentive Scheme was beneficial to the Company's sustainable development and there was no apparent prejudice to the interests of the Company and all Shareholders.

7. On 29 December 2020, the Company convened the third extraordinary general meeting in 2020 and the third A Shareholders' class meeting in 2020, at which the proposal in relation to the Restricted A Share Incentive Scheme for 2020 (Revised Draft) and its summary of the Company, the proposal in relation to the Administrative Measures for Implementation of Appraisal for the Restricted A Share Incentive Scheme for 2020 of the Company and the proposal in relation to authorisation to the board of directors to handle all the matters relating to the Restricted A Share Incentive Scheme for 2020 of the Company were considered and approved. The Company also issued the Self-inspection Report on Transactions of the Company's Shares by Persons with Inside Information Pursuant to the Restricted A Share Incentive Scheme for 2020 of Zijin Mining Group Co., Ltd.\*. On 11 January 2021, the Company convened the third H Shareholders' class meeting in 2020, at which the abovementioned proposals were considered and approved.

8. Pursuant to the authorisation granted to the Board under the proposal in relation to authorisation to the board of directors to handle all the matters relating to the Restricted A Share Incentive Scheme considered and approved at the third extraordinary general meeting in 2020, the third A Shareholders' class meeting in 2020 and the third H Shareholders' class meeting in 2020 of the Company, the Company convened the first extraordinary meeting in 2021 of the seventh term of the Board and the first extraordinary meeting in 2021 of the seventh term of the Supervisory Committee on 13 January 2021, at which proposal in relation to the First Grant of Restricted A Shares to the Participants under the Incentive Scheme was considered and approved. The Company's independent Directors issued independent opinion on the relevant matters, whilst the Supervisory Committee reviewed the granting arrangement under the Incentive Scheme and issued its verification opinion.

9. On 28 January 2021, the Company completed the registration of the Shares under the First Grant of the Restricted A Share Incentive Scheme for 2020, and issued the Announcement in relation to Results of the Grant under the Restricted A Share Incentive Scheme for 2020 of Zijin Mining Group Co., Ltd.\* on the website of the Shanghai Stock Exchange on 2 February 2021.

10. On 15 November 2021, the Company convened the eleventh extraordinary meeting in 2021 of the seventh term of the Board and the second extraordinary meeting in 2021 of the seventh term of the Supervisory Committee, at which the proposal in relation to the grant of Reserved Restricted A Shares to the Participants under the Incentive Scheme was considered and approved. The independent Directors issued their independent opinion on the relevant matters. It was considered that the conditions of grant have been satisfied, the qualifications of the Participants are lawful and valid, and the Grant Date determined complies with the relevant regulations. The Supervisory Committee verified the Participant list on the Grant Date and issued its verification opinion.

## **(II) The Board's relevant explanations on whether the conditions of grant have been satisfied**

Pursuant to the relevant stipulations of the Measures for the Administration of Equity Incentives of Listed Companies (the "Administrative Measures") and the conditions of grant of the Restricted A Shares under the Incentive Scheme, the conditions of grant of the Restricted A Shares to the Participants are as follows:

1. There is no occurrence of any of the following on the part of 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.

2. There is no Participant who:

- (1) has been deemed as an inappropriate candidate by the Stock Exchange in the last 12 months;
- (2) has been deemed as an inappropriate candidate by the CSRC or any of its dispatch agencies in the last 12 months;
- (3) has been imposed with administrative penalties or a ban from entry into the securities market by the CSRC or any of its dispatch agencies due to material breach of laws and regulations in the last 12 months;
- (4) is prohibited from acting as a director or a member of the senior management of a company under the Company Law;
- (5) is not allowed to participate in any equity incentives of a listed company under laws and regulations; or
- (6) falls under any other circumstances as prescribed by the CSRC.

Upon careful verification, the Board is of the view that there is no occurrence of any of the abovementioned circumstances on the part of the Company and the Participants, and the conditions of grant of the Reserved Restricted A Shares under the Incentive Scheme have been satisfied. The Board agreed on the Company's grant of Restricted A Shares to the Participants who satisfied the conditions of grant.

### **(III) Details of the grant of Reserved Restricted A Shares**

1. Grant Date of the Restricted A Shares: 15 November 2021;

2. Grant Price of the Restricted A Shares: RMB4.83 per A Share;

3. Source of the Restricted A Shares: the ordinary shares (A Shares) denominated in Renminbi issued specifically by the Company to the Participants.

4. The total number of the Participants to be granted the Restricted A Shares is 39. The number of the Restricted A Shares to be granted is 2,510,000. The specific allocation of the Restricted A Shares is set out in the table below:

<b>Participants under the Incentive Scheme</b>	<b>Total number of the Restricted A Shares to be granted (Million Shares)</b>	<b>Approximate proportion to the total number of the Restricted A Shares under the Incentive Scheme</b>	<b>Approximate proportion to the total share capital</b>
Senior and middle-level management and core employees	2.51	2.51%	0.01%
Total	2.51	2.51%	0.01%

#### 5. Validity period, Lock-Up Periods and unlocking arrangement of the Incentive Scheme

The validity period of the Incentive Scheme is from the date of registration of the Restricted Shares under the First Grant to the date when all the Restricted Shares which have been granted to the Participants are unlocked or repurchased and cancelled, and shall not exceed 72 months in any event.

The Lock-up Period of the Reserved Restricted A Shares to be granted under the Incentive Scheme shall be 24 months from the completion date of registration of the Reserved Restricted A Shares. The Restricted Shares granted to the Participants under the Incentive Scheme shall not be transferred, pledged or used for repayment of debt during the Lock-up Periods.

The Unlocking Periods of the Reserved Restricted A Shares of the Incentive Scheme and the arrangement for each Unlocking Period are set out in the table below:

<b>Phase of unlocking</b>	<b>Unlocking Period</b>	<b>Percentage of Restricted Shares to be unlocked</b>
The First Unlocking Period	Commencing from the first trading day after the expiry of the 24-month period from the date of completion of registration of the Restricted Shares being granted respectively and ending on the last trading day of the 36-month period from the date of completion of registration of the Restricted Shares being granted respectively	33%
The Second Unlocking Period	Commencing from the first trading day after the expiry of the 36-month period from the date of completion of registration of the Restricted Shares being granted respectively and ending on the last trading day of the 48-month period from the date of completion of registration of the Restricted Shares being granted respectively	33%
The Third Unlocking Period	Commencing from the first trading day after the expiry of the 48-month period from the date of completion of registration of the Restricted Shares being granted respectively and ending on	34%

	the last trading day of the 60-month period from the date of completion of registration of the Restricted Shares being granted respectively	
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## 6. Unlocking Conditions of the Restricted Shares

Performance appraisal targets at company and individual levels for each year are set out below:

<b>Unlocking Period</b>	<b>Performance appraisal targets</b>
The First Unlocking Period for the Restricted Shares granted under the First Grant and the reserved grant	<ul style="list-style-type: none"> <li>(1) On the basis of the operating results for 2019, the annual compound growth rate of net profit for 2021 shall not be lower than 25% as well as the industry average level or the 75th percentile of the benchmarking enterprises;</li> <li>(2) On the basis of the operating results for 2019, the annual compound growth rate of return on net assets for 2021 shall not be lower than 10% as well as the industry average level or the 75th percentile of the benchmarking enterprises;</li> <li>(3) Debt-to-asset ratio as at the end of 2021 shall not be higher than 65%;</li> <li>(4) Performance appraisal of such Participant for 2021 shall be grade B or above</li> </ul>
The Second Unlocking Period for the Restricted Shares granted under the First Grant and the reserved grant	<ul style="list-style-type: none"> <li>(1) On the basis of the operating results for 2019, the annual compound growth rate of net profit for 2022 shall not be lower than 25% as well as the industry average level or the 75th percentile of the benchmarking enterprises;</li> <li>(2) On the basis of the operating results for 2019, the annual compound growth rate of return on net assets for 2022 shall not be lower than 10% as well as the industry average level or the 75th percentile of the benchmarking enterprises;</li> <li>(3) Debt-to-asset ratio as at the end of 2022 shall not be higher than 65%;</li> <li>(4) Performance appraisal of such Participant for 2022 shall be grade B or above</li> </ul>
The Third Unlocking Period for the Restricted Shares granted under the First Grant and the reserved grant	<ul style="list-style-type: none"> <li>(1) On the basis of the operating results for 2019, the annual compound growth rate of net profit for 2023 shall not be lower than 25% as well as the industry average level or the 75th percentile of the benchmarking enterprises;</li> <li>(2) On the basis of the operating results for 2019, the annual compound growth rate of return on net assets for 2023 shall not be lower than 10% as well as the industry average level or the 75th percentile of the benchmarking enterprises;</li> <li>(3) Debt-to-asset ratio as at the end of 2023 shall not be higher than 65%;</li> <li>(4) Performance appraisal of such Participant for 2023 shall be grade B or above</li> </ul>

Note: For the abovementioned indicators, net profit refers to net profit attributable to owners of the parent after deduction of non-recurring profits and losses; return on net assets refers to the weighted average return on net assets after deduction of non-recurring profits and losses. The calculation of the abovementioned

appraisal indicators shall exclude the incentive costs incurred by the implementation of the Incentive Scheme. During the validity period of the Incentive Scheme, in case of allotment of 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.

## **II. Explanations on whether there is any discrepancy between the grant and the Incentive Scheme approved at the Shareholders' General Meetings**

Pursuant to the Announcement on the Implementation of Annual Equity Distribution for 2020 issued by the Company, on the basis of the Company's total number of Shares (26,327,602,240), the Company paid a final cash dividend of RMB0.12 per Share (tax included). The implementation of such profit distribution proposal has been completed. Pursuant to the relevant stipulations of the Measures for the Administration of Equity Incentives of Listed Companies and the Incentive Scheme, the Grant Price (including that of the Reserved Restricted A Shares) of the Incentive Scheme shall be adjusted accordingly. The Grant Price has been adjusted from RMB4.95 per A Share to RMB4.83 per A Share. Apart from the abovementioned adjustment, the content of the grant is the same as the related content of the Incentive Scheme considered and approved at the third extraordinary general meeting in 2020, the third A Shareholders' class meeting in 2020 and the third H Shareholders' class meeting in 2020 of the Company.

## **III. Impact of the grant of the Restricted A Shares on the Company's operating capacity and financial position**

In accordance with the provisions of the Accounting Standard for Business Enterprises No. 11 - Share-based Payments and the relevant provisions regarding fair value measurement in the Accounting Standard for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments, the grant of the Restricted A Shares under the Incentive Scheme by the Company will cause certain impact on the Company's financial positions and operating results for the relevant financial years. The Board has determined the Grant Date of the Reserved Restricted A Shares under the Incentive Scheme to be 15 November 2021. The incentive costs shall be recognised at the fair value of the Restricted A Shares on the Grant Date. Such costs shall be recognised in phases based on the unlocking proportions during the implementation of the Incentive Scheme in recurring profit or loss. The estimated impact of the Reserved Restricted A Shares under the Incentive Scheme on the accounting costs incurred in each accounting period is as follows:

<b>Number of the Reserved Restricted A Shares to be granted (Million Shares)</b>	<b>Total amortisation costs (RMB)</b>	<b>2021 (RMB)</b>	<b>2022 (RMB)</b>	<b>2023 (RMB)</b>	<b>2024 (RMB)</b>	<b>2025 (RMB)</b>
2.51	14,382,300	862,938	5,177,628	4,782,115	2,540,873	1,018,746

Note: The above results do not represent the final accounting costs. In addition to the Grant Date, the Grant Price and the number of Shares to be granted, accounting costs are affected by the actual number of effective and expired equity instruments. The abovementioned effect on the Company's operating results is subject to the amounts disclosed in the annual report audited by the accounting firm.

#### **IV. Explanations on details regarding the trading of the Company's Shares before 6 months of the Grant Date by the Directors and senior management who participate in the Incentive Scheme**

Upon verification, the Participants to be granted the Reserved Restricted A Shares under the Incentive Scheme do not include the Company's Directors and senior management.

#### **V. Funding arrangement for the Participants to subscribe the Restricted A Shares and pay the individual income tax**

The Participants shall arrange their own funds for the subscription of the Restricted A Shares and payment of individual income tax. The Company undertakes not to provide loans or financial assistance in any other forms, including guarantee for loans, to the Participants for the purpose of obtaining the Restricted A Shares under the Incentive Scheme.

#### **VI. Opinion of the Supervisory Committee**

The Supervisory Committee has verified the eligibility for the conditions of grant of the Participants whom are determined to be granted. The Supervisory Committee is of the view that: the personnel included in the Participant list to be granted on the Grant Date of the Incentive Scheme have satisfied the conditions stipulated under the relevant laws, regulations and regulatory documents, and are within the scope of Participants defined under the Incentive Scheme by the Company. Their qualifications for being the Participants under the Incentive Scheme are lawful and valid. The Supervisory Committee agreed the Grant Date of the Reserved Restricted A Shares under the Incentive Scheme for 2020 of the Company to be 15 November 2021, and agreed on the Company's grant of 2,510,000 Restricted A Shares to the 39 Participants who have satisfied the conditions of grant. As the Company has completed the implementation of the profit distribution proposal for the year ended 31 December 2020 (a final cash dividend of RMB0.12 per Share), the Supervisory Committee agreed on the adjustment of the Grant Price of the Reserved Restricted A Shares under the Restricted A Share Incentive Scheme for 2020.

#### **VII. Opinion of the independent Directors**

- (I) Pursuant to the authorisation granted at the third extraordinary general meeting in 2020, the third A Shareholders' class meeting in 2020 and the third H Shareholders' class meeting in 2020 of the Company, the Board has determined the Grant Date of the Reserved Restricted A Shares under the Incentive Scheme of the Company to be 15 November 2021. The Grant Date complies with the relevant provisions of grant date in the Administrative Measures and the Incentive Scheme of the Company.
- (II) The Participants to be granted the Reserved Restricted A Shares have complied with the provisions regarding eligibility of Participants as stipulated in the Administrative Measures and other relevant laws, regulations and regulatory documents, and are within the scope of Participants as defined in the Incentive Scheme. Their qualifications for being the Participants under the Incentive Scheme are lawful and valid.
- (III) Both the Company and the Participants have not been prohibited from the grant of Restricted A Shares, and the conditions of grant stipulated in the Company's Restricted A Share Incentive Scheme have been satisfied.



- (IV) The Company has no plan or arrangement to provide loans, guarantee for loans or financial assistance in any other forms to the Participants.
- (V) The implementation of the Restricted A Share Incentive Scheme by the Company is favourable for further enhancing the governance structure and incentive mechanism of the Company as well as reinforcing the sense of responsibility and mission of the Company's management team and core employees in the Company's pursuit of sustainable and healthy development. The Incentive Scheme is beneficial to the Company's sustainable development and will not prejudice the interests of the Company and all Shareholders.

In view of the above, the independent Directors unanimously agreed that the Grant Date of the Reserved Restricted A Shares under the Incentive Scheme of the Company to be 15 November 2021. As the Company has completed the implementation of the profit distribution proposal for the year ended 31 December 2020, the independent Directors agreed on the Company's adjustment of the Grant Price of the Reserved Restricted A Shares, and the grant of 2,510,000 Restricted A Shares to the 39 Participants at RMB4.83 per A Share.

#### **VIII. Conclusion of the legal opinion letter**

Fujian Zenith Law Firm is of the view that: as at the issue date of the legal opinion, the approvals and authorisations necessary at this stage for the matters relating to the grant of the Reserved Restricted A Shares under the Incentive Scheme of the Company have been obtained. The conditions of grant of the Reserved Restricted A Shares under the Incentive Scheme have been satisfied, and the relevant provisions stipulated in the Administrative Measures, the Trial Measures, other relevant laws, regulations and regulatory documents as well as the Incentive Scheme have been complied with. The Company is obliged to handle the matters relating to the registration procedures of the grant of the Reserved Restricted A Shares in compliance with the laws, and fulfill its information disclosure obligations accordingly.

**The Participants under the Incentive Scheme to be granted the Reserved Restricted A Shares are not the Connected Persons as defined under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") of the Company. Accordingly, the grant of the Reserved Restricted A Shares to the Participants does not constitute a connected transaction of the Company under Chapter 14A of the Listing Rules.**

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

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

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

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

15 November 2021, Fujian, the PRC

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