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**CHINA GOLD INTERNATIONAL RESOURCES CORP. LTD.**

**中國黃金國際資源有限公司**

*(a company incorporated under the laws of British Columbia, Canada with limited liability)*

(Hong Kong Stock code: 2099)

(Toronto Stock code: CGG)

**CONTINUING CONNECTED TRANSACTIONS  
AND MAJOR TRANSACTION**

**CONTINUING CONNECTED TRANSACTIONS AND MAJOR TRANSACTION**

On May 8, 2024, the Company and China Gold Finance entered into the 2024 Financial Services Agreement, pursuant to which China Gold Finance agreed to provide the PRC subsidiaries of the Company with a range of financial services including (a) the Deposit Service, (b) the Lending Services, (c) the Settlement Services and (d) the Other Financial Services, effective until December 31, 2026 from the date of its approval by the Independent Shareholders.

**IMPLICATIONS UNDER THE HONG KONG LISTING RULES**

As China Gold Finance is 51% directly owned by China National Gold, which is the ultimate controlling shareholder of the Company, and 49% directly owned by Zhongjin Gold, which is a non-wholly-owned subsidiary of China National Gold, China Gold Finance is a connected person to the Company and the transactions contemplated under the 2024 Financial Services Agreement constitute continuing connected transactions under Chapter 14A of the Hong Kong Listing Rules.

As the Lending Services (i) constitute financial assistance to be received by the Group from a connected person, (ii) will be provided on normal commercial terms or better (in particular, the interest rate payable by the Group to China Gold Finance for the Lending Services shall not be higher than (a) the benchmark lending rates prescribed by the PBC and (b) the lending rates offered by the Major PRC Commercial Banks and (iii) will not be secured by the assets of the Group (in particular, in the event that the Group is unable to repay the loan under the Lending Services, China Gold Finance will not be permitted to offset such outstanding loans against any deposits of the Group placed in China Gold Finance under the Deposit Service), the Lending Services are therefore fully exempt pursuant to Rule 14A.90 of the Hong Kong Listing Rules.

As the highest applicable percentage ratio pursuant to the Hong Kong Listing Rules in respect to the Settlement Services and the Other Financial Services does not exceed 0.1%, the Settlement Services and the Other Financial Services are exempt from the approval of Independent Shareholders pursuant to Rule 14A.76(1)(a) of the Hong Kong Listing Rules.

As the highest applicable percentage ratio pursuant to the Hong Kong Listing Rules in respect to the Deposit Service is higher than 25%, the Deposit Service constitutes a major and non-exempt continuing connected transaction and is subject to the approval of Independent Shareholders according to Chapters 14 and 14A of the Hong Kong Listing Rules.

In this respect, the Independent Board Committee was established to advise the Independent Shareholders as to whether (i) the terms of the Non-exempt Continuing Connected Transactions are fair and reasonable and on normal commercial terms or better, (ii) the Non-exempt Continuing Connected Transactions are conducted in the ordinary and usual course of business of the Group, (iii) the Non-exempt Continuing Connected

Transactions are conducted in the interests of the Group and the Shareholders as a whole, (iv) the Non-exempt Proposed Caps are fair and reasonable and in the interests of the Group and the Shareholders as a whole and (v) the Independent Shareholders should vote in favour of the Non-exempt Continuing Connected Transactions and the Non-exempt Proposed Caps having taken into account, among other things, the advice of TC Capital, the Independent Financial Adviser in this regard.

#### **IMPLICATIONS UNDER APPLICABLE CANADIAN SECURITIES LAWS**

As the Company is listed on the TSX, the Company is subject to MI 61-101 which, among other things, regulates related party transactions. Pursuant to MI 61-101, related party transactions are subject to formal valuation and minority shareholder approval requirements unless an exemption is available.

The Continuing Connected Transactions is a related party transactions for the Company for purposes of MI 61-101 by virtue of the relationship between the Company and CNG.

The 2024 Financial Services Agreement is exempt from the formal valuation requirements of MI 61-101 as the 2024 Financial Services Agreement involves deposits or lending services that are not subject to a valuation under MI 61-101.

The 2024 Financial Services Agreement is subject to the minority shareholder approval requirements of MI 61-101, which are to be satisfied by the approval of the Independent Shareholders.

The proposed maximum annual transaction amounts of the 2024 Financial Services Agreement is exempted from the approval of the minority shareholders in accordance with MI 61-101.

#### **DESPATCH OF INFORMATION CIRCULAR**

An information circular containing, among other things, (i) further details of the Continuing Connected Transactions, (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders; (iii) a letter of advice from TC Capital to the Independent Board Committee and the Independent Shareholders; (iv) a notice of the Shareholders' Meeting, and (v) other information required under the Hong Kong Listing Rules and the Canadian Securities Laws, will be dispatched to the Shareholders on or around June 6, 2024 as more time is needed to finalise the content of the information circular.

## CONTINUING CONNECTED TRANSACTIONS AND MAJOR TRANSACTION

### The 2024 Financial Services Agreement

On May 8, 2024, the Company and China Gold Finance entered into the 2024 Financial Services Agreement pursuant to which China Gold Finance agreed to provide the PRC subsidiaries of the Company with a range of financial services including (a) the deposit service (the “**Deposit Service**”); (b) lending services (including loans, bill acceptance, bill discount, entrustment loans, guarantee, etc.) (the “**Lending Services**”); (c) settlement services (the “**Settlement Services**”) and (d) other financial services including financial and financing advisory, credit certification and related consultation and agency services and other services approved by the CBIRC (the “**Other Financial Services**”), effective until December 31, 2026 from the date of its approval by the Independent Shareholders.

#### A. Key terms of the 2024 Financial Services Agreement

**Date:** May 8, 2024

**Parties:** (a) the Company; and  
(b) China Gold Finance

**Subject Matter:** China Gold Finance agreed to provide the PRC subsidiaries of the Company with a range of financial services including (a) the Deposit Service, (b) the Lending Services, (c) the Settlement Services and (d) the Other Financial Services

**Term:** From the date of the approval by the Independent Shareholders and up to and including December 31, 2026

**Pricing Basis:** Under the 2024 Financial Services Agreement, the pricing of each type of the financial services is determined as follows:

##### The Deposit Service

The interest rates payable by China Gold Finance to the Group for the Deposit Service shall not be lower than (a) the benchmark deposit rates prescribed by the PBC and (b) the deposit rates payable by the Industrial and Commercial Bank of China, Agricultural Bank of China, the Bank of China and the China Construction Bank (the “**Major PRC Commercial Banks**”) for comparable deposits.

##### The Lending Services

The interest rates payable by the Group to China Gold Finance for the Lending Services shall not be higher than (a) the benchmark lending rates prescribed by the PBC and (b) the lending rates offered by the Major PRC Commercial Banks for comparable loans.

##### The Settlement Services

The fee for the Settlement Services, if being charged by China Gold Finance, shall not be higher than the fees publicly quoted by the Major PRC Commercial Banks.

##### The Other Financial Services

The fee for the Other Financial Services, if being charged by China Gold Finance, shall comply with the regulations set by the PBC, the National Administration of Financial Regulation of the PRC or other applicable regulatory authorities’ benchmark and shall not be higher than the fees publicly quoted by the Major PRC Commercial Banks.

**Conditions Precedent:** The 2024 Financial Services Agreement will take effect upon (i) the fulfilment of the compliance with the requirement of Independent Shareholders' approval under MI 61-101 and the Hong Kong Listing Rules and (ii) the Company having withdrawn in full its deposits, which are subject to the court order issued by the Tibet Intermediate Court on May 24, 2023, placed with China Gold Finance (the "**Frozen Deposits**").

B. The 2024-2026 Deposit Caps

The maximum daily balance (including any interest accrued therefrom) set for the Deposit Service shall be (i) RMB2,600 million from the date of approval of the 2024 Financial Services Agreement to December 31, 2024, (ii) RMB3,000 million for the year ending December 31, 2025 and (iii) RMB3,400 million for the year ending December 31, 2026.

For the avoidance of doubt, as disclosed in the announcement of the Company dated December 29, 2023, the Company will only place further deposits with China Gold Finance after the Frozen Deposits have been withdrawn. As at the date of this announcement, the Legal Proceedings (as defined in the said announcement) are still ongoing and the Court Order (as defined in the said announcement) has not yet expired or otherwise ceased. The Company will withdraw the Frozen Deposits in full upon expiry or cessation of the Court Order (including any extension thereof) and will provide an update as and when there is any material development concerning the Frozen Deposits.

For the three years ended December 31, 2023, the highest daily deposit balance (including accumulative settlement interest) of the Group during the term of the financial services agreement dated May 5, 2021 between the Company and China Gold Finance was approximately RMB3,562 million. For more details, please refer to the circular of the Company dated June 8, 2023.

The 2024-2026 Deposit Caps are principally determined by the expected cash position of the Group during the same period and in particular took reference to the cash position of the Group of approximately USD428 million (equivalent to approximately RMB3,094 million) as at December 31, 2022 (i.e. extracted from the last audited financial statements of the Group before suspension of operations of the Jiama Mine in March 2023) as well as the increase in gold and copper prices since 2022. Having considered the above, the Directors (excluding INEDs who will form their view after considering the advice of the Independent Financial Adviser) are of the view that the 2024-2026 Deposit Caps is fair and reasonable.

C. Reasons for and benefits of entering into the 2024 Financial Services Agreement

The reasons for and benefits of entering into the 2024 Financial Service Agreement mainly include:

- (i) offering to the Group a ready financial service provider;
- (ii) the counter-party risk of China Gold Finance is expected to be lower than that of the Major PRC Commercial Banks;
- (iii) the better understanding of China Gold Finance to the operations of the Group shall allow the Group to receive a more expedient and efficient services than those rendered by the PBC and the Major PRC Commercial Banks; and
- (iv) in particular with respect to the Deposit Service, allowing the Group to generate more interest income by depositing its idle cash to China Gold Finance than depositing the same to the PBC and the Major PRC Commercial Banks.

#### D. Internal Control Measures

The Company has adopted the following internal control measures in relation to the 2024 Financial Services Agreement and the transactions contemplated thereunder:

- (i) the Group will obtain quotations from the PBC and the Major PRC Commercial Banks for the relevant financial services before it conducts business with China Gold Finance. These quotations together with the quotation of China Gold Finance will be submitted to the financial controller of the Company for review and to decide whether or not to accept the financial services of China Gold Finance;
- (ii) the Company has established a continuing connected transaction working group, which comprises members from divisions of accounting and regulatory compliance, led by CFO to review and obtain approval from INEDs in respect of all the continuing connected transactions and monitor on a monthly and quarterly basis the reconciliation to the daily balances for the Deposit Service. The working group will also monitor the daily balance for the Deposit Service to ensure that such amount is within the deposit cap approved by the Independent Shareholders. Each deposit will be reviewed by the responsible person to make sure it does not exceed the deposit cap approved by the Independent Shareholders before the deposit is made. China Gold Finance is also asked to provide the daily balance under the deposit account to the Company for tracking;
- (iii) arranging regular trainings for our employees, including those responsible for finance and internal audit functions, to strengthen their knowledge of the Hong Kong Listing Rules and improve their awareness of the importance of compliance with the relevant Hong Kong Listing Rules;
- (iv) enhancing more robust supervision over the transaction amounts incurred under the continuing connected transactions of the Group. For example, when the daily deposit balance reaches 95% or more of the 2024-2026 Deposit Caps at any time, the matter shall promptly be reported to the CFO, who will instruct the continuing connected transaction working group of the Company to make a withdrawal and/or refrain from placing further deposits with China Gold Finance for a period of time;
- (v) the Group's internal audit function will monitor the effectiveness and adequacy of the relevant internal control system, and make recommendations and reports to the audit committee of the Company on a regular basis; and
- (vi) the transactions contemplated under the 2024 Financial Services Agreement will be subject to the annual review requirements pursuant to Rules 14A.55 to 14A.59 of the Hong Kong Listing Rules.

#### E. Opinion of the Directors

The Board (excluding INEDs who will form their view after considering the advice of the Independent Financial Adviser) considers that (i) the terms of the Non-exempt Continuing Connected Transactions are fair and reasonable and on normal commercial terms or better, (ii) the Non-exempt Continuing Connected Transactions are conducted in the ordinary and usual course of business of the Group, (iii) the Non-exempt Continuing Connected Transactions are conducted in the interests of the Group and the Shareholders as a whole, and (iv) the Non-exempt Proposed Caps are fair and reasonable and in the interests of the Group and the Shareholders as a whole.

### **PARTIES INVOLVED IN THE CONTINUING CONNECTED TRANSACTIONS**

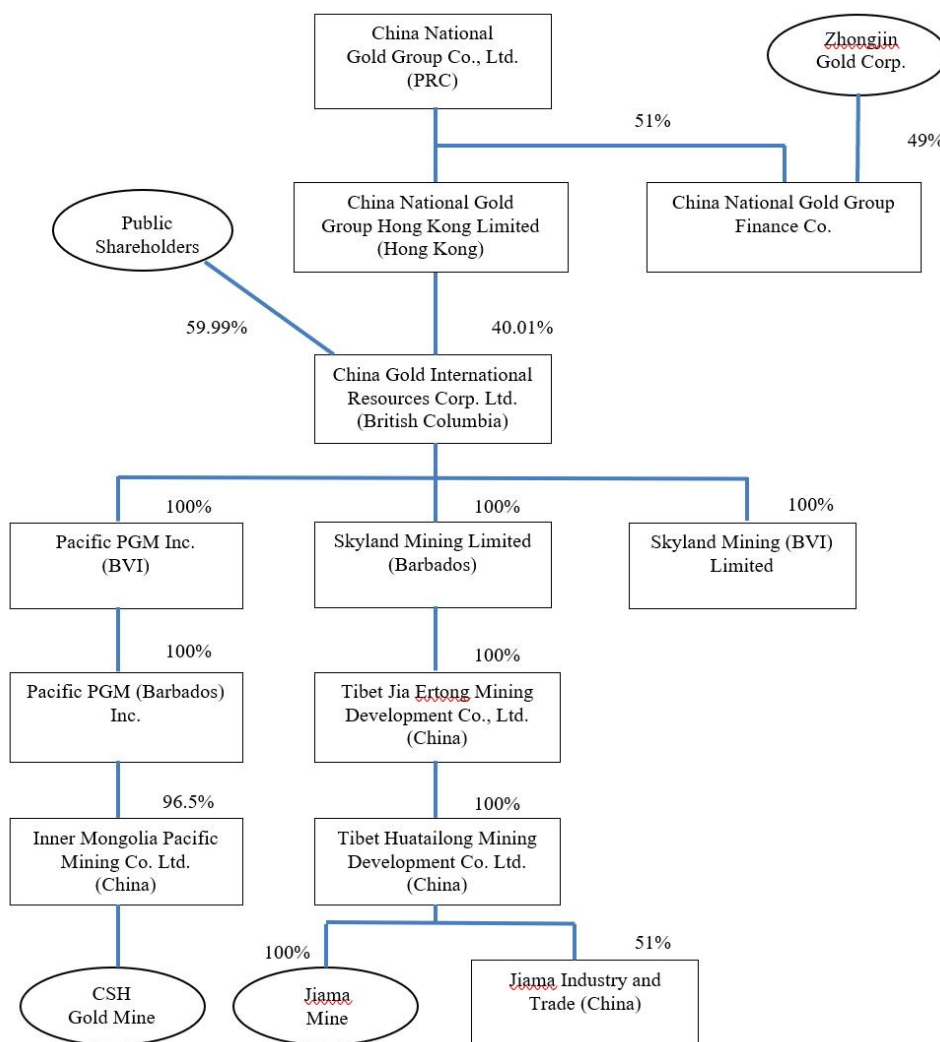
#### The Company

The Company is a gold and base metal mining company incorporated in British Columbia, Canada and principally engaged in operation, acquisition, development and exploration of gold and base metal properties. The Company's principal mining operations are the CSH Mine located in Inner Mongolia, China and the Jiama Mine located in Tibet, China.

## China Gold Finance

The establishment of China Gold Finance is approved by the CBIRC and the approved scope of business of China Gold Finance includes: (i) the provision of financial and financing consultation services, credit evaluation and related consultation and agency business to the members of China National Gold (the “**Member Companies**”); (ii) the provision of assistance to the Member Companies in the collection and payment of transaction funds; (iii) the provision of approved insurance agency services; (iv) the provision of guarantees to the Member Companies; (v) the handling of entrusted loans among the Member Companies; (vi) the handling of bill acceptance and discount for the Member Companies; (vii) the handling of internal transfer settlements among the Member Companies and formulation of corresponding settlement and liquidation plans; (viii) the absorption of deposits from the Member Companies; (ix) the provision of loans and financing leases to the Member Companies; (x) the engagement in interbank borrowing and lending; (xi) the investment in fixed income securities; (xii) the underwriting of corporate bonds of the Member Companies; (xiii) the operation of cross-border fund centralisation business; and (xiv) the provision of spot foreign exchange services. China National Gold is a state-owned enterprise which is [a large-scale comprehensive gold-focused industrial group integrating mineral exploration, mining, mineral processing and smelting, product refining, processing and sales, scientific research and development, engineering and construction.

The following chart illustrates the relationship between the Company and China Gold Finance.



## **IMPLICATIONS UNDER THE HONG KONG LISTING RULES**

As China Gold Finance is 51% directly owned by China National Gold, which is the ultimate controlling shareholder of the Company, and 49% directly owned by Zhongjin Gold, which is a non-wholly-owned subsidiary of China National Gold, China Gold Finance is a connected person to the Company and the transactions contemplated under the 2024 Financial Services Agreement constitute continuing connected transactions under Chapter 14A of the Hong Kong Listing Rules.

As the Lending Services (i) constitute financial assistance to be received by the Group from a connected person, (ii) will be provided on normal commercial terms or better (in particular, the interest rate payable by the Group to China Gold Finance for the Lending Services shall not be higher than (a) the benchmark lending rates prescribed by the PBC and (b) the lending rates offered by the Major PRC Commercial Banks and (iii) will not be secured by the assets of the Group (in particular, in the event that the Group are unable to repay the loan under the Lending Services, China Gold Finance will not be permitted to offset such outstanding loans against any deposits of the Group placed in China Gold Finance under the Deposit Service), the Lending Services are therefore fully exempt pursuant to Rule 14A.90 of the Hong Kong Listing Rules.

As the highest applicable percentage ratio pursuant to the Hong Kong Listing Rules in respect to the Settlement Services and the Other Financial Services does not exceed 0.1%, the Settlement Services and the Other Financial Services are exempt from the approval of Independent Shareholders pursuant to Rule 14A.76(1)(a) of the Hong Kong Listing Rules.

As the highest applicable percentage ratio pursuant to the Hong Kong Listing Rules in respect to the Deposit Service is higher than 25%, the Deposit Service constitutes a major and non-exempt continuing connected transaction and is subject to the approval of Independent Shareholders according to Chapters 14 and 14A of the Hong Kong Listing Rules.

In this respect, the Independent Board Committee was established to advise the Independent Shareholders as to whether (i) the terms of the Non-exempt Continuing Connected Transactions are fair and reasonable and on normal commercial terms or better, (ii) the Non-exempt Continuing Connected Transactions are conducted in the ordinary and usual course of business of the Group, (iii) the Non-exempt Continuing Connected Transactions are conducted in the interests of the Group and the Shareholders as a whole, (iv) the Non-exempt Proposed Caps are fair and reasonable and in the interests of the Group and the Shareholders as a whole and (v) the Independent Shareholders should vote in favour of the Non-exempt Continuing Connected Transactions and the Non-exempt Proposed Caps having taken into account, among other things, the advice of TC Capital, the Independent Financial Adviser in this regard.

TC Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the Non-exempt Continuing Connected Transactions, the transactions contemplated thereunder and the 2024-2026 Deposit Caps.

China National Gold, the ultimate controlling Shareholder of the Company, and its respective associates (as defined in the Hong Kong Listing Rules) will abstain from voting on the ordinary resolution(s) approving the Continuing Connected Transactions and the Non-exempt Proposed Caps at the Shareholders' Meeting.

Each of Mr. Junhu Tong (Chairman, chief executive officer and executive Director), Mr. Yuanhui Fu, Mr. Weibin Zhang, Ms. Na Tian (each of the foregoing being an executive Director) and Mr. Wanming Wang (non-executive Director) are considered to have a material interest in the Continuing Connected Transaction by virtue of their being officers or affiliates of CNG. All of them abstained from voting on the relevant resolutions at the Board meeting to approve the Continuing Connected Transactions. All the remaining Directors have confirmed at such Board meeting that they have no material interest in the Continuing Connected Transactions.

## **IMPLICATIONS UNDER APPLICABLE CANADIAN SECURITIES LAWS**

As the Company is listed on the TSX, the Company is subject to MI 61-101 which, among other things, regulates related party transactions. Pursuant to MI 61-101, related party transactions are subject to

formal valuation and minority shareholder approval requirements unless an exemption is available.

The Continuing Connected Transactions is a related party transactions for the Company for purposes of MI 61-101 by virtue of the relationship between the Company and CNG.

The 2024 Financial Services Agreement is exempt from the formal valuation requirements of MI 61-101 as the 2024 Financial Services Agreement involves deposits or lending services that are not subject to a valuation under MI 61-101.

The 2024 Financial Services Agreement is subject to the minority shareholder approval requirements of MI 61-101, which are to be satisfied by the approval of the Independent Shareholders.

The proposed maximum annual transaction amounts of the 2024 Financial Services Agreement is exempted from the approval of the minority shareholders in accordance with MI 61-101.

## **DESPATCH OF INFORMATION CIRCULAR**

An information circular containing, among other things, (i) further details of the Continuing Connected Transactions, (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders; (iii) a letter of advice from TC Capital to the Independent Board Committee and the Independent Shareholders; (iv) a notice of the Shareholders' Meeting, and (v) other information required under the Hong Kong Listing Rules and the Canadian Securities Laws, will be dispatched to the Shareholders on or around June 6, 2024 as more time is needed to finalise the content of the information circular.

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

|                                     |  |
|-------------------------------------|--|
| “2024 Financial Services Agreement” | the agreement dated May 8, 2024 entered into between the Company and China Gold Finance pursuant to which China Gold Finance agreed to provide the PRC subsidiaries of the Company a range of financial services;  |
| “2024-2026 Deposit Caps”            | the maximum daily balance (including any interest accrued therefrom) set for the Deposit Service of RMB2,600 million from the date of approval of the 2024 Financial Services Agreement by the independent Shareholders to December 31, 2024, of RMB3,000 million for the year ending December 31, 2025 and of RMB3,400 million for the year ending December 31, 2026; |
| “Board”                             | the board of Directors of the Company;   |
| “CBIRC”                             | the China Banking and Insurance Regulatory Commission;   |
| “China Gold Finance”                | China National Gold Group Finance Co., Ltd.;   |
| “China National Gold” or “CNG”      | China National Gold Group Co., Ltd. (formerly known as China National Gold Group Corporation);   |
| “CNGGHK” or “China Gold Hong Kong”  | China National Gold Group Hong Kong Limited;   |
| “Company”                           | China Gold International Resources Corp. Ltd.;   |
| “connected person(s)”               | has the same meaning ascribed thereto under the Hong Kong Listing Rules;   |
| “Continuing Connected               | the transactions contemplated under the 2024 Financial Services  |



|   |  |
|---|--|
| Transactions”                                   | Agreement;   |
| “CSH Mine”                                      | a gold mine located in Inner Mongolia Autonomous Region, the PRC in which the Company ultimately holds 96.5% interest;   |
| “Directors”, each a “Director”                  | the directors of the Company;  |
| “Group”   | the Company and its subsidiaries;  |
| “HK\$”  | Hong Kong dollars, the lawful currency of Hong Kong;   |
| “Hong Kong”                                     | Hong Kong Special Administrative Region of the PRC;  |
| “Hong Kong Listing Rules”                       | the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange;   |
| “Hong Kong Stock Exchange” or “HKEX”            | The Stock Exchange of Hong Kong Limited;   |
| “Independent Board Committee”                   | an independent committee of the Board comprising all of the INEDs;   |
| “Independent Financial Adviser” or “TC Capital” | TC Capital International Limited, a licensed corporation to carry on Type 1 (dealing in securities) and Type 6 (advising on corporate finance) of the regulatory activities under the SFO, being the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Non-exempt Continuing Connected Transactions and the Non-exempt Proposed Caps; |
| “Independent Shareholders”                      | the Shareholders other than China National Gold and any of its associates;   |
| “INED”  | independent non-executive Director of the Company;   |
| “Jiama Mine”                                    | a copper-gold polymetallic mine located in Tibet Autonomous Region, the PRC in which the Company ultimately holds 100% interest;   |
| “MI 61-101”                                     | Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions;  |
| “Non-exempt Continuing Connected Transactions”  | the Deposit Service contemplated under the 2024 Financial Services Agreement;  |
| “Non-exempt Proposed Caps”                      | the 2024-2026 Deposit Caps;  |
| “Share(s)”                                      | share(s) of the Company;   |
| “Shareholder(s)”                                | holder(s) of Share(s);   |
| “Toronto Stock Exchange” or “TSX”               | The Toronto Stock Exchange of Toronto, Canada;   |
| “Zhongjin Gold”                                 | Zhongjin Gold Corporation Limited; and   |
| “%”   | percent.   |

By order of the Board  
**China Gold International Resources Corp. Ltd.**  
**Mr. Junhu Tong**  
*Chairman and Chief Executive Officer*

Hong Kong, May 8, 2024

*As at the date of this announcement, the Board of Directors of the Company comprises Mr. Junhu Tong, Mr. Yuanhui Fu, Mr. Weibin Zhang and Ms. Na Tian as Executive Directors, Mr. Wanming Wang as Non-Executive Director, and Mr. Y.B. Ian He, Mr. Wei Shao, Ms. Ruixia (Rane) Han and Mr. Bielin Shi as Independent Non-Executive Directors.*