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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 Adoption of the Share Option Incentive Scheme for 2023; and**
- (2) Proposed Adoption of the Employee Stock Ownership Scheme for 2023**

#### **Proposed adoption of the Share Option Incentive Scheme for 2023**

On 14 November 2023, the Board resolved to propose the adoption of the Share Option Incentive Scheme for 2023. The implementation of the Incentive Scheme will be subject to the review and approval of the SASAC of Longyan City and the consideration and approval of the Shareholders at the EGM and the Class Meetings. Prior to the convention of the EGM and the Class Meetings for approving the Incentive Scheme, the Company may make amendments to the Incentive Scheme upon the requests of the regulatory authorities in the PRC and/or Hong Kong.

#### **Proposed adoption of the Employee Stock Ownership Scheme for 2023**

On 14 November 2023, the Board resolved to propose the adoption of the Employee Stock Ownership Scheme for 2023. The implementation of the Employee Stock Ownership Scheme will be subject to the review and approval of the SASAC of Longyan City and the consideration and approval of the Shareholders at the EGM. Prior to the convention of the EGM for approving the Employee Stock Ownership Scheme, the Company may make amendments to the Employee Stock Ownership Scheme upon the requests of the regulatory authorities in the PRC and/or Hong Kong.

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

The Employee Stock Ownership Scheme constitutes a share scheme under Chapter 17 of the Listing Rules and shall be subject to the applicable disclosure requirements under Rule 17.12 of the Listing Rules. However, the Employee Stock Ownership Scheme does not involve granting awards that are to be satisfied by issue of new Shares. Therefore, the Employee Stock Ownership Scheme does not constitute a share scheme involving issue of new shares as referred to in Chapter 17 of the Listing Rules and the adoption of which will not be subject to Shareholders' approval. Pursuant to the PRC laws and regulations, the Employment Stock Ownership Scheme is subject to the consideration and approval of the Shareholders at the shareholders' general meeting.

The Incentive Scheme constitutes a share scheme under Chapter 17 of the Listing Rules and shall comply with the announcement and Shareholders' approval requirements.

Pursuant to Rule 17.03E of the Listing Rules, the exercise price of options must be at least the higher of: (i) the closing price of the shares as stated in the Hong Kong Stock Exchange's daily quotations sheet on the date of grant, which must be a business day; and (ii) the average closing price of the shares as stated in the Hong Kong Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant. Pursuant to Rule 19A.39C of the Listing Rules, the Hong Kong Stock Exchange may waive the exercise price requirement under Rule 17.03E for a share option scheme of a PRC issuer dually listed on the Hong Kong Stock Exchange and a PRC stock exchange, provided that: (i) the scheme involves only shares listed on the PRC stock exchange; and (ii) the scheme contains provisions to ensure that the exercise price of the options is no less than the prevailing market price of the relevant shares in the PRC stock exchange at the time of grant of the options. Taking into account that (i) the Share Options proposed to be granted involve A Shares only; and (ii) the Exercise Price is determined in accordance with the relevant laws and regulations of the PRC, the Company has applied for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with Rule 17.03E of the Listing Rules in respect of the Exercise Price of the Share Options that may be granted under the Incentive Scheme.

Pursuant to Rule 17.03(13) of the Listing Rules, the scheme document must include a provision for adjustment of the exercise or purchase price and/or the number of shares subject to options or awards granted under the scheme in the event of a capitalisation issue, rights issue, sub-division or consolidation of shares or reduction of capital. In addition to the events where adjustments to the Exercise Price are required under Rule 17.03(13) of the Listing Rules, the Incentive Scheme includes provisions for the Adjustment for Profit Distribution. On the basis that, among others, (i) the Company is a PRC issuer and that the Incentive Scheme involves issue of A Shares only; (ii) as advised by the Company's PRC legal adviser, adjustments to the Exercise Price of the Share Options granted under the Incentive Scheme in the event of profit distribution are required by the currently effective PRC law (i.e., article 48 of the Administrative Measures); (iii) the proposed adoption of the Incentive Scheme will be subject to the approval of the Shareholders at the EGM, whereby the H Shareholders will have the opportunity to fully consider and evaluate the terms of the Incentive Scheme based on its merits and the interest of the H Shareholders will not be prejudiced; and (iv) the aggregated number of Shares proposed to be granted under the Incentive Scheme is 42 million, representing only approximately 0.16% of the issued Shares of the Company as at the date of this announcement and therefore will not have a material dilutive impact on the Shares, the Company has applied for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with Rule 17.03(13) of the Listing Rule for the Adjustment for Profit Distribution.

Pursuant to Rule 14A.92(3)(a) of the Listing Rules, the grant of Share Options to the Connected Participants under the Incentive Scheme is fully exempt from Shareholders' approval, annual review and all disclosure

requirements.

As the Holders of the Employee Stock Ownership Scheme involve the executive Directors and Shen Shaoyang, Wang Chun and Liao Yuanhang, directors of subsidiaries of the Company, the participations of the abovementioned persons in the Employee Stock Ownership Scheme constitute Connected Transactions under Chapter 14A of the Listing Rules, and the relevant applicable percentage ratios (as defined in the Listing Rules) on an individual basis are less than 0.1%, thus they are fully exempt from Shareholders' approval, annual review and all disclosure requirements.

Chen Jinghe, Zou Laichang, Lin Hongfu, Lin Hongying, Xie Xionghui and Wu Jianhui, the Directors who are the Participants of the Incentive Scheme and the Target Holders of the Employee Stock Ownership Scheme, are considered to have material interests in the Incentive Scheme and the Employee Stock Ownership Scheme, and accordingly each of them abstained from voting in respect of the relevant resolutions to approve the proposed adoptions of the Incentive Scheme and the Employee Stock Ownership Scheme at the Board meeting. All remaining Directors (including all independent non-executive Directors) who are entitled to vote unanimously approved the above resolutions. The format and procedure for passing the resolutions were in compliance with the Company Law and the Articles of Association. Save for the above, no other Directors have or are deemed to have material interests in the above transactions. In addition, no other Directors abstained from voting on the remaining resolutions at the abovementioned Board meeting.

### **The EGM and the Class Meetings**

The EGM, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting will be convened and held for the purpose of, inter alia, considering and approving, by the Shareholders, the A Shareholders and the H Shareholders, the adoptions of the Incentive Scheme and the Employee Stock Ownership Scheme (if applicable) and related matters, respectively. Votes for all resolutions at the EGM, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting shall be taken by way of poll.

Pursuant to Rule 2.15 of the Listing Rules, any Shareholders who have a material interest in the Incentive Scheme shall abstain from voting on the resolutions to approve the adoption of the Incentive Scheme at the Shareholders' General Meetings, and any Shareholders who have a material interest in the Employee Stock Ownership Scheme shall abstain from voting on the resolutions to approve the adoption of the Employee Stock Ownership Scheme at the EGM. Accordingly, the Participants and their Associates shall abstain from voting on the resolutions relating to the adoption of the Incentive Scheme at the Shareholders' General Meetings, and the Target Holders and their Associates shall abstain from voting on the resolutions relating to the adoption of the Employee Stock Ownership Scheme at the EGM.

Save as disclosed above, no other Shareholders have to abstain from voting on the relevant resolutions to be proposed at the EGM, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting.

A circular containing further details of the proposed adoptions of the Incentive Scheme and the Employee Stock Ownership Scheme will be issued by the Company and dispatched to the H Shareholders in due course.

### **PROPOSED ADOPTION OF THE SHARE OPTION INCENTIVE SCHEME FOR 2023**

On 14 November 2023, the Board resolved to propose the adoption of the Share Option Incentive Scheme for 2023. The implementation of the Incentive Scheme will be subject to the review and approval of the SASAC of Longyan City and the consideration and approval of the Shareholders at the EGM and the Class Meetings. Prior to the convention of the EGM and the Class Meetings for approving the Incentive Scheme, the Company may make amendments to the Incentive Scheme upon the requests of the regulatory authorities in the PRC and/or Hong Kong.

The principal terms of the Incentive Scheme are set out below:

#### **I. Purposes of formulating the Incentive Scheme**

For the purposes of further promoting the establishment and improvement of the Company's long-term incentive mechanism, attracting and retaining outstanding talents, fully motivating the enthusiasm at work of the Company's employees, effectively aligning the interests of the Shareholders, the Company and the individual interests of the operators, and keeping all parties focused on the Company's long-term development, on the basis of fully safeguarding the Shareholders' interests, Zijin Mining proposed to implement equity interest incentives to integrate the management personnel of the Company closely with the Company's development, thereby ensuring the realisation of the Company's development strategies and business targets. The Incentive Scheme is formulated by the Company in accordance with the stipulations in relevant laws, regulations and regulatory documents including the Company Law, Securities Law, Administrative Measures, Trial Measures, Regulatory Notice as well as the Articles of Association.

#### **II. Principles for formulating the Incentive Scheme**

(I) Adhere to legal compliance, openness, transparency and strict adherence to relevant laws, regulations and provisions of the Articles of Association;

(II) Adhere to the combination of incentives and constraints and a proportional balance between risks and rewards, to fully motivate the enthusiasm of the Company's core employees;

(III) Adhere to a practical approach, initiate actions with caution, progress step by step, and constantly strive for improvement; and

(IV) Uphold the interests of the Shareholders, the Company and the employees, promote the preservation and appreciation of state-owned capital and facilitate the sustainable development of the Company.

### **III. Administrative institutions of the Incentive Scheme**

The shareholders' general meeting, as the highest authority of the Company, shall be responsible for considering and approving the implementation, amendment and termination of the Incentive Scheme. The shareholders' general meeting may, within its powers and authorities, authorise the Board to handle part of the matters relating to the Incentive Scheme.

The Board shall act as the executive and administrative institution for the Incentive Scheme and be responsible for the implementation of the Incentive Scheme. The Nomination and Remuneration Committee of the Board shall be responsible for drafting and revising the Incentive Scheme. Upon the consideration and approval by the Board, the Incentive Scheme shall be further submitted to the Shareholders' General Meetings for consideration. The Board may handle other matters relating to the Incentive Scheme within the scope of authorisation granted at the Shareholders' General Meetings. The Nomination and Remuneration Committee can make recommendations to the Board regarding the equity interests granted to the Participants and the satisfaction of the Exercise Conditions.

The Supervisory Committee shall act as the supervisory institution for the Incentive Scheme and be responsible for reviewing the list of Participants. It shall issue opinions as to whether the Incentive Scheme is beneficial to the sustainable development of the Company and whether there are any apparent prejudices to the interests of the Company and all Shareholders. It shall supervise the implementation of the Incentive Scheme as to whether it is in compliance with the relevant laws, administrative regulations, departmental rules and operational rules of the Shanghai Stock Exchange.

Independent Directors shall issue independent opinions as to whether the Incentive Scheme is beneficial to the sustainable development of the Company and whether there are any apparent prejudices to the interests of the Company and all Shareholders, and shall solicit voting rights by proxy from all Shareholders in respect of the Incentive Scheme.

Where amendments have been made to the Incentive Scheme by the Company before it is considered and approved at the Shareholders' General Meetings, independent Directors and the Supervisory Committee shall issue explicit opinions as to whether the amended Incentive Scheme is beneficial to the sustainable development of the Company and whether there are any apparent prejudices to the interests of the Company and all Shareholders.

Before the Company grants any equity interests to the Participants, independent Directors and the Supervisory Committee shall issue explicit opinions as to the satisfaction of the conditions of grant of the Participants which are prescribed in the Incentive Scheme. In the event of any discrepancies between the equity interests granted by the Company to the Participants and the arrangements under the Incentive Scheme, the independent Directors and the Supervisory Committee (where there are changes to the Participants) shall

issue explicit opinions at the same time.

Before the Participants exercise any equity interests, independent Directors and the Supervisory Committee shall issue explicit opinions as to whether the conditions stipulated in the Incentive Scheme for the Participants to exercise such equity interests have been satisfied.

#### **IV. Basis for determination and scope of the Participants**

##### ***I. Basis for determination of the Participants***

###### **(I) Legal basis for determination of the Participants**

The Participants under the Incentive Scheme are determined in accordance with the stipulations in relevant laws, regulations and regulatory documents including the Company Law, Securities Law, Administrative Measures, Trial Measures, Regulatory Notice as well as the Articles of Association, and taking into account the actual situation of the Company.

###### **(II) Basis for determination of the Participants by the positions held**

The Participants under the Incentive Scheme include the executive Directors and senior management of the Company.

##### ***II. Scope of the Participants***

The total number of Participants under the Incentive Scheme is 13, accounting for approximately 0.03% of the total number of employees of the Company (i.e., 48,836) as at the end of 2022. The Participants include the executive Directors and senior management of the Company;

The Participants under the Incentive Scheme do not include the independent Directors, the Supervisors and any Shareholders or actual controllers, whether individually or jointly, holding more than 5% of the Shares, or their respective spouses, parents and children.

All the abovementioned Participants shall maintain their employment with the Company or its subsidiaries and have entered into a labour contract or an appointment contract at the time they are granted the Share Options and within the appraisal period of the Incentive Scheme.

##### ***III. Verification of the Participants***

After the Incentive Scheme is considered and approved by the Board, the Company shall publicise the list of Participants internally in accordance with the regulations. The publicity period shall be at least 10 days.

The Supervisory Committee shall review the list of Participants and fully consider the feedback received during the publicity process. Details regarding the review of the Supervisory Committee on the list of Participants and the publicity shall be disclosed 5 days before the Incentive Scheme is considered at the Shareholders' General Meetings. Any adjustments to the list of Participants made by the Board shall also be

subject to verification of the Supervisory Committee.

## **V. Source, number and allocation of the incentives and the underlying Shares**

### ***I. The incentives***

The incentives adopted under the Incentive Scheme are Share Options.

### ***II. Source and type of the underlying Shares***

The source of the underlying Shares of the Share Options shall be the ordinary A Shares to be issued specifically by the Company to the Participants.

### ***III. Number of the underlying Shares***

The number of underlying Shares involved in the aggregated number of the Share Options proposed to be granted under the Incentive Scheme is 42 million, accounting for approximately 0.16% of the Company's total share capital as at the date of this announcement. The grant is a one-off grant with no reserved grant.

As at the date of this announcement, the Restricted A Share Incentive Scheme for 2020 (Revised Draft), which was considered and approved at the Company's third extraordinary general meeting in 2020, the third A Shareholders' class meeting in 2020 and the third H Shareholders' class meeting in 2020, was still under implementation. The total number of underlying Shares involved that are still within the validity period is 64.3320 million, accounting for approximately 0.24% of the Company's total share capital as at the date of this announcement.

As at the date of this announcement, the total number of Shares which may be issued in respect of all options and awards to be granted under the Incentive Scheme and any other schemes is 42 million, accounting for approximately 0.16% of the Company's total share capital and not exceeding 10% of the number of issued A Shares as at the date of this announcement. The number of the Shares involved in the interests granted (including those exercised and not exercised) under all incentive schemes during their validity period to any individual Participant of the Incentive Scheme shall not exceed 1% of the number of issued A Shares of the Company.

During the period from the announcement date of the Incentive Scheme to the completion of exercise of the Share Options by the Participants, in case of any conversion of capital reserve into share capital, bonus issue, share split, share consolidation, rights issue, etc. made by the Company, the number of the Share Options and the total number of the underlying Shares involved shall be adjusted accordingly.

### ***IV. Allocation among the individual Participants***

The allocation of the Share Options to be granted among the Participants under the Incentive Scheme is set out in the table below:

Name	Position	Number of Share Options to be granted (million)	Approximate proportion to the total number of Share Options to be granted	Approximate proportion to the current total share capital of the Company
Chen Jinghe	Chairman	6.00	14.29%	0.02%
Zou Laichang	Vice-chairman and president	5.10	12.14%	0.02%
Lin Hongfu	Director and standing vice-president	3.00	7.14%	0.01%
Lin Hongying	Director and vice-president	3.00	7.14%	0.01%
Xie Xionghui	Director and vice-president	3.00	7.14%	0.01%
Wu Jianhui	Director and vice-president	3.00	7.14%	0.01%
Shen Shaoyang	Vice-president	2.70	6.43%	0.01%
Long Yi	Vice-president	2.70	6.43%	0.01%
Que Chaoyang	Vice-president	2.70	6.43%	0.01%
Wu Honghui	Financial controller	2.70	6.43%	0.01%
Zheng Youcheng	Secretary to the Board	2.70	6.43%	0.01%
Wang Chun	Vice-president	2.70	6.43%	0.01%
Liao Yuanhang	Vice-president	2.70	6.43%	0.01%
<b>Total</b>		<b>42.00</b>	<b>100.00%</b>	<b>0.16%</b>

Notes:1. Any discrepancies between the last digits of the total number and those of the sum of individual items in the above table are due to rounding.

2. The abovementioned “total share capital” is the total number of Shares as at the date of this announcement, i.e., 26,326,571,240.

In the implementation process of the Incentive Scheme, if any Participants do not comply with the stipulations in the Administrative Measures and the Incentive Scheme, the Company shall terminate their rights to participate in the Incentive Scheme and cancel the Share Options granted to them which are not yet exercised.

## VI. Time arrangement of the Incentive Scheme

### I. Validity Period of the Incentive Scheme

The Validity Period of the Incentive Scheme shall commence from the Grant Date of the Share Options to the date on which the exercise or cancellation of all the Share Options are completed, and shall not exceed 60 months.



## ***II. Grant Date***

The Grant Date of the Share Options shall be determined by the Board in accordance with the relevant regulations after the Incentive Scheme is considered and approved by the Board, the SASAC of Longyan City and at the Shareholders' General Meetings. The Grant Date shall be a trading day. Within 60 days from the date on which the Incentive Scheme is considered and approved at the Shareholders' General Meetings, the Company shall convene a Board meeting to grant the Share Options to the Participants and complete the announcement pursuant to the relevant regulations. If the Company fails to complete the aforesaid tasks within 60 days, it shall announce the reasons of the failure in a timely manner, and announce the termination of implementation of the Incentive Scheme. The Share Options of which the grant is not completed shall expire.

## ***III. Vesting Period***

The Vesting Period of the Share Options shall be the period between the Grant Date and the first Exercise Date of the Share Options. The Vesting Period under the Incentive Scheme shall be 24 months from the Grant Date of the Share Options.

## ***IV. Exercise Date***

After the corresponding Exercise Conditions have been satisfied, the Share Options can be exercised pursuant to the exercising arrangement under the Incentive Scheme. An Exercise Date shall be a trading day and shall not fall within any of the following periods:

1. within 30 days prior to the publication of annual and interim reports of the Company. Where there are any delays in the publication of such reports due to special circumstances, the period shall be 30 days prior to the original scheduled publication date to the day before the actual publication date;
2. within 10 days prior to the publication of the Company's quarterly reports, estimated operating results announcements or preliminary operating results announcements;
3. the period from the date of occurrence of any significant events which may have a material impact on the trading prices of the Company's Shares and their derivatives and investment decisions of investors or the date on which the relevant decision-making procedures begin to the disclosure date in accordance with laws; and
4. other periods as stipulated by the CSRC and the Shanghai Stock Exchange.

## ***V. Exercising arrangement***

The Share Options to be granted under the Incentive Scheme can be exercised by three batches after 24 months from the Grant Date of the Share Options. The exercising arrangement of the Share Options to be granted are set out in the table below:

<b>Exercising arrangement</b>	<b>Exercise Period</b>	<b>Proportion to be exercised</b>
First Exercise Period	Commencing from the first trading day after expiry of the 24-month period from the Grant Date and ending on the last trading day of the 36-month period from the Grant Date	1/3
Second Exercise Period	Commencing from the first trading day after expiry of the 36-month period from the Grant Date and ending on the last trading day of the 48-month period from the Grant Date	1/3
Third Exercise Period	Commencing from the first trading day after expiry of the 48-month period from the Grant Date and ending on the last trading day of the 60-month period from the Grant Date	1/3

Upon the Exercise Conditions of the Share Options are satisfied, the Company shall deal with the exercise of the Share Options which satisfied the Exercise Conditions for the Participants during the Exercise Periods.

For the Share Options which the Exercise Conditions for such period are not satisfied, they cannot be exercised or deferred to the subsequent period to be exercised, and the Share Options for such period shall be cancelled by the Company. After all the Exercise Periods of the Share Options end, the Share Options held by the Participants which have not been exercised shall not be exercised and shall be cancelled by the Company.

#### ***VI. Black-out periods***

A black-out period refers to the time interval during which the Participants are restricted from selling the Shares obtained after exercise of the Share Options. The provisions for black-out periods under the Incentive Scheme shall be implemented in accordance with the stipulations in the Company Law, Securities Law and other relevant laws, regulations, regulatory documents and the Articles of Association. Details of which are set out below:

1. If the Participant is a Director or a senior management of the Company, the number of Shares that may be transferred each year during the term of office of the Participant shall not exceed 25% of the total number of Shares held by such Participant. No Shares shall be transferred within 6 months after the Participant has left his or her office.
2. If the Participant is a Director or a senior management of the Company and sells any Shares purchased in the last 6 months, or purchases Shares in the 6 months following a disposal, all gains arising therefrom shall belong to the Company and be recovered by the Board.
3. If, during the Validity Period of the Incentive Scheme, there are any changes in the provisions of the Company Law, Securities Law and other relevant laws, regulations, regulatory documents and the Articles of Association regarding the transfer of the Shares held by a Director or a senior management of the

Company, the relevant Participants shall comply with the relevant amended provisions prevailing at the time of the share transfer.

## **VII. Exercise Price of the Share Options and its basis for determination**

### ***I. Exercise Price of the Share Options***

The Exercise Price of the Share Options of the Incentive Scheme is RMB12.00 per A Share, i.e., the Participants have the right to purchase A Shares of the Company at a price of RMB12.00 per A Share after satisfying the Exercise Conditions.

The Participants are not required to pay any funds for accepting the Share Options at the time of grant. The fund shall be paid to the designated fund account of the Company before exercise of the Share Options.

### ***II. Methods of determining the Exercise Price of the Share Options***

The Exercise Price of the Share Options to be granted under the Incentive Scheme shall not be lower than the nominal value of the Shares, and shall not be lower than the higher of:

- (1) the average trading price of the Company's A Shares on the trading day preceding the announcement date of the Draft of the Incentive Scheme, i.e., RMB11.87 per A Share; and
- (2) the average trading price of the Company's A Shares for the 20 trading days preceding the announcement date of the Draft of the Incentive Scheme, i.e., RMB12.00 per A Share.

## **VIII. Conditions of grant and Exercise Conditions of the Share Options**

### ***I. Conditions of grant of the Share Options***

The Company shall grant the Share Options to the Participants upon satisfaction of all of the following conditions of grant. Conversely, no Share Options shall be granted to the Participants if any of the following conditions of grant has not been satisfied:

#### **(I) There is no occurrence of any of the followings on 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.

#### **(II) There is no occurrence of any of the followings on the Participants:**

1. being deemed as an inappropriate candidate by the stock exchanges in the PRC in the most recent 12 months;
2. being deemed as an inappropriate candidate by the CSRC or any of its dispatch agencies in the most recent 12 months;
3. being imposed with administrative penalties or market access restrictions by the CSRC or any of its dispatch agencies due to material breach of laws and regulations in the most recent 12 months;
4. being prohibited from acting as a director or a senior management of a company under the Company Law;
5. being prohibited from participating in any equity incentives of a listed company under laws and regulations; or
6. any other circumstances as prescribed by the CSRC.

## ***II. Exercise Conditions of the Share Options***

In addition to satisfying the aforementioned conditions, the Share Options granted to the Participants shall only be exercised when all of the following conditions are satisfied:

### **(I) Performance appraisal requirements at company and individual levels**

The appraisal period for the Incentive Scheme is the three accounting years from 2024 to 2026. Appraisal shall be conducted in each accounting year. Performance appraisal targets for the Share Options granted at company and individual levels for each year are set out below:

<b>Exercise Period</b>	<b>Performance appraisal targets</b>
First Exercise Period	(1) On the basis of the operating results for 2022, the growth rate of operating income for 2024 shall not be lower than 10% as well as the industry average level or the 75th percentile of the benchmarking enterprises; (2) the return on net assets ratio for 2024 shall not be lower than 12% as well as the industry average level or the 75th percentile of the benchmarking enterprises; (3) debt-to-asset ratio as at the end of 2024 shall not be higher than 65%; and (4) performance appraisal results of such Participant for 2024 shall be grade B or above.
Second Exercise Period	(1) On the basis of the operating results for 2022, the growth rate of operating income for 2025 shall not be lower than 15% as well as the industry average level or the 75th percentile of the benchmarking enterprises; (2) the return on net assets ratio for 2025 shall not be lower than 12% as well as the industry average level or the 75th percentile of the benchmarking enterprises; (3) debt-to-asset ratio as at the end of 2025 shall not be higher than 65%; and (4) performance appraisal results of such Participant for 2025 shall be grade B or above.
Third Exercise Period	(1) On the basis of the operating results for 2022, the growth rate of operating income for 2026 shall not be lower than 20% as well as the industry average level or the 75th percentile of the benchmarking enterprises; (2) the return on net assets ratio for 2026 shall not be lower than 12% as well as the

	industry average level or the 75th percentile of the benchmarking enterprises; (3) debt-to-asset ratio as at the end of 2026 shall not be higher than 65%; and (4) performance appraisal results of such Participant for 2026 shall be grade B or above.
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- Notes:1. Return on net assets ratio refers to the weighted average return on net assets after deduction of audited non-recurring profit or loss. The calculation of the abovementioned appraisal indicators shall exclude the incentive costs incurred by the implementation of the Incentive Scheme;
2. 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.

During each Exercise Period, if the Company's performance level for that period fails to meet the performance appraisal targets, all the Share Options held by the Participants corresponding to the appraisal year shall not be exercised and shall be cancelled by the Company.

If the Share Options held by the Participants planned to be exercised during the period cannot be exercised or cannot be fully exercised due to the reason of individual's appraisal, the Share Options which fail to satisfy the Exercise Conditions cannot be deferred and shall be cancelled by the Company on a uniform basis.

## (II) Selection of benchmarking enterprises

In order to ensure comparability of the performance indicators for the Company's Share Option Incentive Scheme, the benchmarking enterprises selected by the Company for the grant and exercise of the Share Options are relatively large-scale mining enterprises in China primarily engaged in gold, lithium, copper, lead and zinc products. Details are as follows:

Number	Category	Stock code	Stock abbreviation
1	Gold	600489.SH	Zhongjin Gold
2	Gold	600547.SH	Shandong Gold
3	Lithium	000792.SZ	Qinghai Salt Lake Industry
4	Lithium	002460.SZ	Ganfeng Lithium
5	Lithium	002466.SZ	Tianqi Lithium
6	Copper	000630.SZ	Tongling Nonferrous Metals
7	Copper	000878.SZ	Yunnan Copper
8	Copper	600362.SH	Jiangxi Copper
9	Copper, lead and zinc	601168.SH	Western Mining
10	Lead and zinc	600497.SH	Chihong Zn&Ge

If there are significant changes in the principal business of or extreme values with significant deviation in the sample companies within the same industry or benchmarking enterprises during the annual appraisal process,

the Board will remove or replace such samples in the year-end appraisal.

## **IX. Methods of and procedures for adjusting the Share Options**

### ***I. Methods of adjusting the number of the Share Options***

Before the Participants exercise the Share Options, in case of any conversion of capital reserve into share capital, bonus issue, share split, rights issue, share consolidation, etc. made by the Company, the number of the Share Options shall be adjusted accordingly. The adjustment methods are set out below:

#### **(I) Conversion of capital reserve into share capital, bonus issue and share split**

$$Q = Q_0 \times (1 + n)$$

Where:  $Q_0$  represents the number of the Share Options before the adjustment;  $n$  represents the ratio of conversion of capital reserve into share capital, bonus issue or share split per Share (i.e., increase in the number of Shares for each Share held upon conversion of capital reserve into share capital, bonus issue or share split);  $Q$  represents the number of the Share Options after the adjustment.

#### **(II) Rights issue**

$$Q = Q_0 \times P_1 \times (1 + n) / (P_1 + P_2 \times n)$$

Where:  $Q_0$  represents the number of the Share Options before the adjustment;  $P_1$  represents the closing price on the record date;  $P_2$  represents the price of the rights issue;  $n$  represents the ratio of the rights issue (i.e., the ratio of the number of Shares issued under the rights issue to the Company's total share capital before the rights issue);  $Q$  represents the number of the Share Options after the adjustment.

#### **(III) Share consolidation**

$$Q = Q_0 \times n$$

Where:  $Q_0$  represents the number of the Share Options before the adjustment;  $n$  represents the share consolidation ratio (i.e., 1 Share will be consolidated into  $n$  Share);  $Q$  represents the number of the Share Options after the adjustment.

#### **(IV) Issuance of new Shares**

In case of issuance of new Shares by the Company, the number of the Share Options shall not be adjusted.

### ***II. Methods of adjusting the Exercise Price of the Share Options***

Before the Participants exercise the Share Options, in case of any conversion of capital reserve into share capital, bonus issue, share split, rights issue, share consolidation, profit distribution, etc. made by the Company, the Exercise Price of the Share Options shall be adjusted accordingly. The adjustment methods are set out below:

**(I) Conversion of capital reserve into share capital, bonus issue and share split**

$$P = P_0 \div (1 + n)$$

Where:  $P_0$  represents the Exercise Price before the adjustment;  $n$  represents the ratio of conversion of capital reserve into share capital, bonus issue or share split per Share;  $P$  represents the Exercise Price after the adjustment.

**(II) Rights issue**

$$P = P_0 \times (P_1 + P_2 \times n) \div [P_1 \times (1 + n)]$$

Where:  $P_0$  represents the Exercise Price before the adjustment;  $P_1$  represents the closing price on the record date;  $P_2$  represents the price of the rights issue;  $n$  represents the ratio of the rights issue (i.e., the ratio of the number of Shares issued under the rights issue to the Company's total share capital before the rights issue);  $P$  represents the Exercise Price after the adjustment.

**(III) Share consolidation**

$$P = P_0 \div n$$

Where:  $P_0$  represents the Exercise Price before the adjustment;  $n$  represents the share consolidation ratio;  $P$  represents the Exercise Price after the adjustment.

**(IV) Profit distribution**

$$P = P_0 - V$$

Where:  $P_0$  represents the Exercise Price before the adjustment;  $V$  represents the dividend per Share;  $P$  represents the Exercise Price after the adjustment.  $P$  shall remain larger than 1 after the adjustment for profit distribution.

**(V) Issuance of new Shares**

In case of issuance of new Shares by the Company, the Exercise Price of the Share Options shall not be adjusted.

***III. Adjustment procedures for the Incentive Scheme***

When the foregoing circumstances occur, the Board shall consider and approve the proposals relating to adjustments to the number and the Exercise Price of the Share Options under the authorisation granted to the Board at the Shareholders' General Meetings of the Company. The Company shall engage a legal adviser to provide professional opinions to the Board on whether such adjustments are in compliance with the provisions of the Administrative Measures, the Articles of Association and the Incentive Scheme. Upon consideration

and approval of the Board over the adjustment proposals, the Company shall disclose the Board resolutions in a timely manner and the opinion of the legal adviser at the same time.

## **X. Accounting treatment of the Share Options**

### ***I. Accounting treatment for the Incentive Scheme***

Pursuant to the relevant provisions of Accounting Standard for Business Enterprises No. 11 - Share-based Payments and Accounting Standard for Business Enterprises No. 22 - Financial Instruments: Recognition and Measurement published by the Ministry of Finance of the PRC, the Company shall follow the below accounting treatment methods to measure and account for the costs of the Incentive Scheme.

#### **(I) Accounting treatment for the Grant Date**

As the Share Options cannot be exercised on the Grant Date, no related accounting treatment is required. The Company shall use the Black-Scholes model to determine the fair value of Share Options on the Grant Date.

#### **(II) Accounting treatment within the Vesting Period**

For the costs of the Share Options under the Incentive Scheme, on each date of statement of financial position within the Vesting Period, the Company shall make the best estimation on the number of Share Options which can be exercised, and recognise the services received in the relevant periods in the corresponding costs of assets or expenses for the current period based on the fair value of the Share Options on the Grant Date, and recognise capital reserve - other capital reserve at the same time.

#### **(III) Accounting treatment after the Exercise Date**

No adjustment shall be made to the costs, expenses and total owners' equity which have been already recognised.

#### **(IV) Exercise Date**

Share capital and share premium shall be recognised based on the status of exercise, and the capital reserve recognised during the Vesting Period shall be transferred.

### ***II. Fair value of the Share Options and its determination method***

Pursuant to Accounting Standard for Business Enterprises No. 22 - Financial Instruments: Recognition and Measurement, the Company adopts the Black-Scholes model as the pricing model to assess the fair value of the Share Options, using 14 November 2023 as the valuation date to preliminarily estimate the fair value of the Share Options (formal estimation will be made at the time of grant). The specific parameters are selected as below:

1. Price of the underlying Shares: RMB11.86 per A Share (assuming the closing price of A Share on the Grant Date is RMB11.86 per A Share)
2. Validity Period: 24, 36 and 48 months (based on the period commencing from the Grant Date to the first



Exercise Date for each respective period)

3. Historical volatility ratio: 15.03%, 14.81% and 16.44% (adopting the annualised volatility ratios of the Shanghai Stock Exchange Composite Index for the corresponding periods)
4. Risk-free interest rate: 2.10%, 2.75% and 2.75% (adopting the respective benchmark interest rates for RMB deposits of financial institutions during the corresponding periods as formulated by the People's Bank of China)

### ***III. Amortisation method for the costs of the Share Options***

The Company shall determine the final costs of the Share Options under the Incentive Scheme in accordance with the fair value of the Share Options as at the Grant Date by using relevant valuation tools. Such costs shall be recognised throughout the implementation of the Incentive Scheme for the respective periods. The incentive costs incurred by the Incentive Scheme shall be recognised in the recurring profit or loss.

Assuming the Grant Date falls in November 2023, pursuant to the requirements of the Chinese accounting standards, the impact of the Share Options to be granted under the Incentive Scheme on the accounting costs for each period is set out in the table below:

<b>Total costs to be amortised (RMB million)</b>	<b>2023 (RMB million)</b>	<b>2024 (RMB million)</b>	<b>2025 (RMB million)</b>	<b>2026 (RMB million)</b>	<b>2027 (RMB million)</b>
68.4888	1.9274	23.1286	22.4423	14.2635	6.7271

Notes: 1. Any discrepancies between the last digits of the abovementioned total amount and that of the sum of individual items are due to rounding;

2. The above figures are the preliminary estimated results based on the current information of the Company as the assumptions. In addition to the Grant Date, the Exercise Price and the number of Share Options to be exercised, accounting costs is related to the actual number of the effective and lapsed equity interests. The impact of the abovementioned items to the operating results of the Company is subject to the annual audit reports issued by the accounting firm.

Based on the current information, without taking into account the positive impact of the Incentive Scheme on the operating results of the Company, the Company estimates that the amortisation of the costs of the Incentive Scheme will have an impact on the net profit of each year during the Validity Period, yet the effect will not be substantial. Taking into consideration the positive impact of the Incentive Scheme generated to the Company's operation and development, such as motivating the management team and the core team, improving the operational efficiency and reducing the operating costs, it is expected that the benefits generated from the improved operating results of the Company bring by the Incentive Scheme will exceed the increase in costs incurred.

## **XI. Respective rights and obligations of the Company and the Participants**

### ***I. Rights and obligations of the Company***

- (I) The Company shall have the rights to interpret and execute the Incentive Scheme, and shall appraise the performance of the Participants based on the provisions of the Incentive Scheme. If any Participants fail to satisfy the Exercise Conditions required under the Incentive Scheme, the Company shall cancel the Share Options which have not yet been exercised held by such Participants in accordance with the stipulations as set out in the Incentive Scheme;
- (II) The Company undertakes not to provide any loans or any other forms of financial assistance, including guarantee for loans, to the Participants for the purpose of obtaining the Share Options under the Incentive Scheme;
- (III) The Company shall withhold and pay individual income tax and other taxes payable by the Participants in accordance with the relevant provisions of tax laws and regulations of the PRC;
- (IV) The Company shall perform its reporting, information disclosure and other obligations under the Incentive Scheme in a timely manner in accordance with the relevant requirements;
- (V) The Company shall actively assist the Participants who have satisfied the Exercise Conditions to exercise the rights in accordance with the relevant provisions of the Incentive Scheme, the CSRC, the Shanghai Stock Exchange, China Securities Depository and Clearing Corporation Limited, etc. However, the Company shall not be responsible for any losses incurred by the Participants in the case that the Participants cannot exercise the rights at his/her own wishes by reasons relating to the CSRC, the Shanghai Stock Exchange or China Securities Depository and Clearing Corporation Limited;
- (VI) The Company's determination of the Participants under the Incentive Scheme does not imply that the Participants have the rights to continue their services in the Company, and does not constitute any commitments made by the Company regarding the employment term of employees. The employment relationships between the Company and the Participants shall remain the same as stipulated in the labour contracts or appointment contracts entered into between the Company and the Participants; and
- (VII) Other relevant rights and obligations as stipulated in the laws and regulations.

### ***II. Rights and obligations of the Participants***

- (I) The Participants shall fulfill the requirements of their positions as expected by the Company, and shall work with diligence and responsibility, strictly observe professional conducts, and make due contributions to the development of the Company;
- (II) The Participants have the right to and are obligated to exercise their rights in accordance with the provisions of the Incentive Scheme and the share option grant agreement, and shall comply with the

relevant obligations specified in the Incentive Scheme;

- (III) The source of funds of the Participants shall be the lawful funds self-raised by the Participants;
- (IV) The Share Options which have been granted to the Participants shall not be pledged or used to repay debts before exercise. Participants shall not be entitled to voting right, decision-making right, dividend right, transfer right and the right arising on a liquidation of the Company before exercise of the Share Options;
- (V) Any gains obtained by the Participants under the Incentive Scheme are subject to individual income tax and other taxes according to the PRC tax laws and regulations. Where the Participants leave the office before discharging the tax obligations incurred from the Incentive Scheme according to the laws, they shall pay the unpaid individual income tax to the Company before leaving office, and the Company shall discharge the tax obligations on their behalf;
- (VI) The Participants shall undertake that, where there are any false representations or misleading statements contained in, or material omissions from the disclosure documents of the Company and as a result of which the conditions of grant or exercising arrangements are not satisfied, the Participants shall return to the Company all gains obtained under the Incentive Scheme when it is confirmed that the relevant disclosure documents of the Company contain false representations, misleading statements or material omissions;
- (VII) Upon consideration and approval of the Incentive Scheme at the Shareholders' General Meetings, the Company shall enter into a share option grant agreement with every Participant in which the respective rights and obligations of each party as well as other relevant matters under the Incentive Scheme shall be explicitly stipulated; and
- (VIII) Other relevant rights and obligations as stipulated in the laws, regulations and the Incentive Scheme.

### **PROPOSED ADOPTION OF THE EMPLOYEE STOCK OWNERSHIP SCHEME FOR 2023**

On 14 November 2023, the Board resolved to propose the adoption of the Employee Stock Ownership Scheme for 2023. The implementation of the Employee Stock Ownership Scheme will be subject to the review and approval of the SASAC of Longyan City and the consideration and approval of the Shareholders at the EGM. Prior to the convention of the EGM for approving the Employee Stock Ownership Scheme, the Company may make amendments to the Employee Stock Ownership Scheme upon the requests of the regulatory authorities in the PRC and/or Hong Kong.

The principal terms of the Employee Stock Ownership Scheme are set out below:

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

Pursuant to the provisions of relevant laws, rules, regulatory documents including the Company Law, Securities Law, Guiding Opinions as well as the Articles of Association, the Company formulated the Employee Stock Ownership Scheme for 2023 (Draft) of Zijin Mining Group Co., Ltd.\*, and sought the opinion of the employees through the labour union. Certain Directors, senior management and employees of the Company who satisfy the conditions can participate in the Employee Stock Ownership Scheme in a voluntary, lawful and compliant manner and hold the Shares of the Company, for the following purposes:

- (I) establishing and improving the risk and benefit sharing mechanism between the employees, the Shareholders, the Company and other stakeholders;
- (II) further improving the corporate governance structure, advocating the concept of common sustainable development for the Company and individuals, and effectively motivating the enthusiasm of the management and employees of the Company; and
- (III) attracting and retaining outstanding management talents and key business personnel, balancing the long-term and near-term benefits of the Company, attracting various kinds of talents in a more flexible way so as to better propel the long-term, sustainable and healthy development of the Company.

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

### **I. Basis for determination of the Holders**

The Company has determined the list of Target Holders of the Employee Stock Ownership Scheme in accordance with the relevant provisions of the Company Law, Securities Law, Guiding Opinions, Guidelines No. 1 and other relevant laws, regulations, regulatory documents and the Articles of Association, and taking into account the actual situation.

The Target Holders of the Employee Stock Ownership Scheme shall be the employees who have entered into a labour contract or an appointment contract with the Company or its subsidiaries under the scope of consolidated financial statements (including branches, wholly and non-wholly owned subsidiaries). Among which, Shareholders holding 5% or more of the Company's Shares shall not participate in the Employee Stock Ownership Scheme.

In the event of any of the following circumstances, employees shall not become the Holders of the Employee Stock Ownership Scheme:

- (1) being publicly condemned or declared as an inappropriate candidate by stock exchanges in the PRC in the most recent 3 years;
- (2) being imposed with administrative penalties by the CSRC due to material breach of laws and regulations in the most recent 3 years;
- (3) causing severe impairment to the Company's interests, reputation and image due to leakage of national

or corporate secrets, corruption, theft, misappropriation, bribe accepting, bribe offering, negligence of duty, malfeasance or other acts in violation of national laws and regulations, or violating public order, professional morals and ethics in the most recent 3 years;

- (4) being deemed by the Board as employees who shall not become the Holders of the Employee Stock Ownership Scheme; or
- (5) any other circumstances as stipulated in relevant laws, regulations or regulatory documents that such employees shall not become the Holders of the Employee Stock Ownership Scheme.

## II. Scope of the Holders

(I) The Holders of the Employee Stock Ownership Scheme shall be:

- (1) the executive Directors and senior management of the Company;
- (2) the core technical personnel and key personnel of the Company; and
- (3) other personnel that the Board considers they are necessary to be incentivised.

(II) Target Holders and specific details of the units of the Employee Stock Ownership Scheme to be subscribed

The total number of employees participating in the Employee Stock Ownership Scheme shall not exceed 2,747. Among which, the total number of the executive Directors and senior management of the Company is 13, and the total number of units of the Employee Stock Ownership Scheme to be subscribed by them shall not exceed 18.4380 million, accounting for 5.20% of the total units of the Employee Stock Ownership Scheme. The total number of other employees proposed to subscribe for the Employee Stock Ownership Scheme is 2,734, and the proposed total number of units of the Employee Stock Ownership Scheme to be subscribed by them shall be 336.0420 million, accounting for 94.80% of the total units of the Employee Stock Ownership Scheme. The number of Shares corresponding to the units of the Employee Stock Ownership Scheme of any individual Holders shall not exceed 0.5 million, representing approximately 0.002% of the current total share capital of the Company.

The list of Holders of the Employee Stock Ownership Scheme and allocation of the units are set out in the table below:

<b>Name</b>	<b>Position</b>	<b>Maximum number of units to be subscribed and held (million)</b>	<b>Proportion to the total number of units</b>
Chen Jinghe	Chairman	2.2680	0.64%
Zou Laichang	Director and president	1.8900	0.53%
Lin Hongfu	Director and standing vice-president	1.5120	0.43%
Lin Hongying	Director and vice-president	1.5120	0.43%
Xie Xionghui	Director and vice-president	1.5120	0.43%

<b>Name</b>	<b>Position</b>	<b>Maximum number of units to be subscribed and held (million)</b>	<b>Proportion to the total number of units</b>
Wu Jianhui	Director and vice-president	1.5120	0.43%
Shen Shaoyang	Vice-president	1.1760	0.33%
Long Yi	Vice-president	1.1760	0.33%
Que Chaoyang	Vice-president	1.1760	0.33%
Wu Honghui	Financial controller	1.1760	0.33%
Zheng Youcheng	Secretary to the Board	1.1760	0.33%
Wang Chun	Vice-president	1.1760	0.33%
Liao Yuanhang	Vice-president	1.1760	0.33%
Other senior and middle-level management, core employees, etc. (2,734 persons)		336.0420	94.80%
<b>Total</b>		<b>354.4800</b>	<b>100.00%</b>

The Board of the Company can adjust the list of Target Holders and units of subscription based on the actual subscription situation of the employees. The final Holders of the Employee Stock Ownership Scheme and the number of units held by them shall be subject to the number of units corresponding to the actual subscription amount paid by the employees.

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

The total amount of funds proposed to be raised under the Employee Stock Ownership Scheme shall not exceed RMB354.4800 million. Each RMB1 is equivalent to one unit. The source of funds for the Company's employees to participate in the Employee Stock Ownership Scheme shall be derived from their lawful salary, as well as their self-financing funds and funds raised in other lawful and compliant ways, excluding derivative embedded structured products. The Company shall not grant any Shares to the Holders without consideration, or provide any kinds of financial assistance to the Holders including payment on behalf, provision of guarantee and loans. The Holders shall not accept any loans or financial assistance from other enterprises which have business relationship with the Company's production and operation.

The Holders shall pay the subscription amount in full based on the units to be subscribed for before the Underlying Shares are transferred to the Employee Stock Ownership Scheme. If the Holders fail to pay their subscription amount on time and in full, it shall be deemed as voluntary give-up of their respective subscription rights. The Board of the Company can adjust the list of Target Holders and their number of units of subscription based on the actual subscription situation of employees. The final number and list of the Target Holders and the number of units of the Employee Stock Ownership Scheme to be subscribed for shall be determined based on the actual subscription situation of the employees.

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

The source of Shares of the Employee Stock Ownership Scheme shall be the repurchased ordinary A Shares in the specific securities account for repurchase of the Company (the “Underlying Shares”).

On 21 October 2022, the Company convened the thirteenth meeting of the seventh term of the Board, at which the proposal in relation to the plan of repurchasing shares through centralised price bidding for employee stock ownership scheme or share incentive was considered and approved. As the A Share price of the Company consistently exceeded the maximum repurchase price set in the repurchase plan during the repurchase period, on 19 October 2023, the Company convened the thirteenth extraordinary meeting in 2023 of the eighth term of the Board, at which the proposal in relation to the extension of implementation period for share repurchase and the adjustment to the maximum repurchase price was considered and approved. The Company extended the repurchase period by 6 months, i.e., the end of the repurchase period was extended from 20 October 2023 to 19 April 2024. As at 7 November 2023, the Company had accumulatively repurchased 42,200,000 A Shares through centralised price bidding, representing 0.16% of the Company’s total share capital. The highest repurchase price was RMB12.68 per A Share and the lowest repurchase price was RMB7.89 per A Share. The total amount paid was RMB499,789,882 (excluding transaction expenses). The implementation of the repurchase plan was completed.

During the period from the date of Board resolutions announcement to the transfer date of the repurchased A Shares to the Employee Stock Ownership Scheme through non-trading transfer or other means as permitted under laws and regulations, in case of any conversion of capital reserve into share capital, bonus issue, profit distribution and other ex-right and ex-dividend events of the Company, corresponding adjustments shall be made to the number and price of the Underlying Shares.

The number of Underlying Shares involved in the Employee Stock Ownership Scheme shall not exceed 42.20 million, accounting for approximately 0.16% of the Company’s current share capital. After implementation of the Employee Stock Ownership Scheme, the accumulated number of Shares which may be issued under all effective employee stock ownership schemes of the Company shall not exceed 10% of the total share capital of the Company. The number of the Underlying Shares corresponding to the units of the Employee Stock Ownership Scheme held by any individual Holders shall not exceed 1% of the total share capital of the Company. The total number of the Shares held by the Employee Stock Ownership Scheme does not include the Shares acquired by the employees before the initial public offering of the Company, purchased in the secondary market on their own and obtained from stock ownership schemes.

#### **Purchase price of the Shares and basis for price determination**

Upon the consideration and approval of the Employee Stock Ownership Scheme at the shareholders’ general meeting, the Employee Stock Ownership Scheme shall obtain the Underlying Shares through non-trading transfer or other means as permitted under laws and regulations, and hold the Underlying Shares through the specific securities account for repurchase of the Company. The consideration is RMB8.40 per A Share, which shall not be lower than the higher of:

1. 70% of the average trading price of the Company's A Shares on the trading day preceding the announcement date of the Draft of the Employee Stock Ownership Scheme, i.e., RMB8.31 per A Share; and
2. 70% of the average trading price of the Company's A Shares for the 20 trading days preceding the announcement date of the Draft of the Employee Stock Ownership Scheme, i.e., RMB8.40 per A Share;

During the period from the base day for pricing to the transfer date of the Underlying Shares to the Employee Stock Ownership Scheme, in case of any profit distribution, bonus issue, conversion of capital reserve into share capital and other ex-right and ex-dividend events of the Company's Shares, corresponding adjustments shall be made to the abovementioned consideration.

## **Duration period, lock-up period of and appraisal setting under the Employee Stock Ownership Scheme**

### **I. Duration period of the Employee Stock Ownership Scheme**

The duration period of the Employee Stock Ownership Scheme shall be 48 months, commencing from the date on which the Employee Stock Ownership Scheme is considered and approved at the shareholders' general meeting and the Company announces that the last batch of the Underlying Shares has been transferred to the Employee Stock Ownership Scheme. If the sale of the Underlying Shares is restricted due to relevant laws, administrative regulations, departmental rules and regulatory documents, or there is a lack of market liquidity for the Company's Shares which results in the failure of full realisation of the Underlying Shares before the expiry of the duration period, the duration period of the Employee Stock Ownership Scheme can be extended accordingly upon consideration and approval at the Holders' Meeting and the subsequent consideration and approval by the Board.

### **II. Lock-up period of the Employee Stock Ownership Scheme**

The lock-up period of the Underlying Shares obtained by the Employee Stock Ownership Scheme shall be 12 months, commencing from the date on which the Company announces that the last batch of the Underlying Shares has been transferred to the Employee Stock Ownership Scheme. Upon the expiry of the lock-up period, the Management Committee shall distribute the units determined in accordance with the annual performance indicators of the Company and individual performance appraisal results within the lock-up period to the Holders.

The Underlying Shares obtained by the Employee Stock Ownership Scheme, the Shares obtained through distribution of bonus issue, conversion of capital reserve into share capital, etc. by the Company and the cash dividend obtained from holding the Company's Shares shall also comply with the abovementioned lock-up arrangement.

### **III. Appraisal requirements under the Employee Stock Ownership Scheme**

The actual number of the Shares under the Employee Stock Ownership Scheme which can be unlocked by



the Holders shall be linked to annual performance indicators of the Company and individual performance appraisal results during the lock-up period. The appraisal requirements and the proportion to be unlocked are as follows:

<b>Appraisal requirements</b>	(1) Return on net assets ratio of the Company for 2024 shall not be lower than 12%; (2) performance appraisal results of the Holders for 2024 shall be grade B or above.	
<b>Individual performance appraisal results</b>	Pass	Fail
<b>Proportion to be unlocked</b>	100%	0%

If the performance appraisal indicators of the Employee Stock Ownership Scheme at the company level have not been satisfied, the Underlying Shares corresponding to the appraisal year shall not be unlocked and shall be retrieved and sold within the duration period after the date of unlock in due course by the Management Committee. The lower of the subscription amount and the sale amount shall be returned to the Holders after sale in due course. If there are profits after returning the amount to the Holders, such profit shall belong to the Company.

If the units to be unlocked corresponding to the appraisal year of the Holders cannot be unlocked due to the reason of individual performance appraisal results, the Management Committee shall retrieve such units and return the amount based on the lower of the subscription amount and the sale amount to the Holders. The Management Committee can allocate the units retrieved to designated employees with qualifications to participate in the Employee Stock Ownership Scheme; or sell the Underlying Shares corresponding to such units after the expiry of the lock-up period in due course, and the remaining funds (if any) after the return of the subscription amount shall belong to the Company.

### **Management model for the Employee Stock Ownership Scheme**

The Employee Stock Ownership Scheme shall be managed by the Company. Its internal supreme management authority shall be the Holders' Meeting. The Holders' Meeting shall be constituted by the entirety of the Holders of the Employee Stock Ownership Scheme. The Holders' Meeting shall elect the Management Committee, and shall authorise the Management Committee as a management body to be responsible for the day-to-day management affairs of the Employee Stock Ownership Scheme (including but not limited to reducing the number of the Company's Shares held by the Employee Stock Ownership Scheme after the expiry of the lock-up period and distribution of income and cash assets to Holders on behalf of the Employee Stock Ownership Scheme), exercising shareholder rights on behalf of the Employee Stock Ownership Scheme, etc. The Board shall be responsible for compiling and amending the Draft of the Employee Stock Ownership Scheme. The Board shall also handle other relevant matters regarding the

Employee Stock Ownership Scheme within the scope authorised at the shareholders' general meeting.

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

The Employee Stock Ownership Scheme constitutes a share scheme under Chapter 17 of the Listing Rules and shall be subject to the applicable disclosure requirements under Rule 17.12 of the Listing Rules. However, the Employee Stock Ownership Scheme does not involve granting awards that are to be satisfied by issue of new Shares. Therefore, the Employee Stock Ownership Scheme does not constitute a share scheme involving issue of new shares as referred to in Chapter 17 of the Listing Rules and the adoption of which will not be subject to Shareholders' approval. Pursuant to the PRC laws and regulations, the Employee Stock Ownership Scheme is subject to the consideration and approval of the Shareholders at the shareholders' general meeting.

The Incentive Scheme constitutes a share scheme under Chapter 17 of the Listing Rules and shall comply with the announcement and Shareholders' approval requirements.

Pursuant to Rule 17.03E of the Listing Rules, the exercise price of options must be at least the higher of: (i) the closing price of the shares as stated in the Hong Kong Stock Exchange's daily quotations sheet on the date of grant, which must be a business day; and (ii) the average closing price of the shares as stated in the Hong Kong Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant. Pursuant to Rule 19A.39C of the Listing Rules, the Hong Kong Stock Exchange may waive the exercise price requirement under Rule 17.03E for a share option scheme of a PRC issuer dually listed on the Hong Kong Stock Exchange and a PRC stock exchange, provided that: (i) the scheme involves only shares listed on the PRC stock exchange; and (ii) the scheme contains provisions to ensure that the exercise price of the options is no less than the prevailing market price of the relevant shares in the PRC stock exchange at the time of grant of the options. Taking into account that (i) the Share Options proposed to be granted involve A Shares only; and (ii) the Exercise Price is determined in accordance with the relevant laws and regulations of the PRC, the Company has applied for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with Rule 17.03E of the Listing Rules in respect of the Exercise Price of the Share Options that may be granted under the Incentive Scheme.

Pursuant to Rule 17.03(13) of the Listing Rules, the scheme document must include a provision for adjustment of the exercise or purchase price and/or the number of shares subject to options or awards granted under the scheme in the event of a capitalisation issue, rights issue, sub-division or consolidation of shares or reduction of capital. In addition to the events where adjustments to the Exercise Price are required under Rule 17.03(13) of the Listing Rules, the Incentive Scheme includes provisions for adjustment to the Exercise Price in the event of profit distribution (the "Adjustment for Profit Distribution"). On the basis that, among others, (i) the Company is a PRC issuer and that the Incentive Scheme involves issue of A Shares only; (ii) as advised by the Company's PRC legal adviser, adjustments to the Exercise Price of the Share Options granted under the Incentive Scheme in the event of profit distribution are required by the currently effective PRC law (i.e.,

article 48 of the Administrative Measures); (iii) the proposed adoption of the Incentive Scheme will be subject to the approval of the Shareholders at the EGM, whereby the H Shareholders will have the opportunity to fully consider and evaluate the terms of the Incentive Scheme based on its merits and the interest of the H Shareholders will not be prejudiced; and (iv) the aggregated number of Shares proposed to be granted under the Incentive Scheme is 42 million, representing only approximately 0.16% of the issued Shares of the Company as at the date of this announcement and therefore will not have a material dilutive impact on the Shares, the Company has applied for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with Rule 17.03(13) of the Listing Rule for the Adjustment for Profit Distribution.

Pursuant to Rule 14A.92(3)(a) of the Listing Rules, the grant of Share Options to the Connected Participants under the Incentive Scheme is fully exempt from Shareholders' approval, annual review and all disclosure requirements.

As the Holders of the Employee Stock Ownership Scheme involve the executive Directors and Shen Shaoyang, Wang Chun and Liao Yuanhang, directors of subsidiaries of the Company, the participations of the abovementioned persons in the Employee Stock Ownership Scheme constitute Connected Transactions under Chapter 14A of the Listing Rules, and the relevant applicable percentage ratios (as defined in the Listing Rules) on an individual basis are less than 0.1%, thus they are fully exempt from Shareholders' approval, annual review and all disclosure requirements. Save for the above fully exempt Connected Transactions, the participations of other Holders in the Employee Stock Ownership Scheme do not constitute Connected Transactions under Chapter 14A of the Listing Rules. In case of reallocation of any units of the Employee Stock Ownership Scheme to any Connected Persons and such a reallocation constitutes a Connected Transaction under Chapter 14A of the Listing Rules, the Company will comply with the relevant requirements under Chapter 14A of the Listing Rules.

Chen Jinghe, Zou Laichang, Lin Hongfu, Lin Hongying, Xie Xionghui and Wu Jianhui, the Directors who are the Participants of the Incentive Scheme and the Target Holders of the Employee Stock Ownership Scheme, are considered to have material interests in the Incentive Scheme and the Employee Stock Ownership Scheme, and accordingly each of them abstained from voting in respect of the relevant resolutions to approve the proposed adoptions of the Incentive Scheme and the Employee Stock Ownership Scheme at the Board meeting. All remaining Directors (including all independent non-executive Directors) who are entitled to vote unanimously approved the above resolutions. The format and procedure for passing the resolutions were in compliance with the Company Law and the Articles of Association. Save for the above, no other Directors have or are deemed to have material interests in the above transactions. In addition, no other Directors abstained from voting on the remaining resolutions at the abovementioned Board meeting.

### **The EGM and the Class Meetings**

The EGM, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting will be convened and held for the purpose of, inter alia, considering and approving, by the Shareholders, the A Shareholders and

the H Shareholders, the adoptions of the Incentive Scheme and the Employee Stock Ownership Scheme (if applicable) and related matters, respectively. Votes for all resolutions at the EGM, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting shall be taken by way of poll.

Pursuant to Rule 2.15 of the Listing Rules, any Shareholders who have a material interest in the Incentive Scheme shall abstain from voting on the resolutions to approve the adoption of the Incentive Scheme at the Shareholders' General Meetings, and any Shareholders who have a material interest in the Employee Stock Ownership Scheme shall abstain from voting on the resolutions to approve the adoption of the Employee Stock Ownership Scheme at the EGM. Accordingly, the Participants and their Associates shall abstain from voting on the resolutions relating to the adoption of the Incentive Scheme at the Shareholders' General Meetings, and the Target Holders and their Associates shall abstain from voting on the resolutions relating to the adoption of the Employee Stock Ownership Scheme at the EGM.

Save as disclosed above, no other Shareholders have to abstain from voting on the relevant resolutions to be proposed at the EGM, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting.

A circular containing further details of the proposed adoptions of the Incentive Scheme and the Employee Stock Ownership Scheme will be issued by the Company and dispatched to the H Shareholders in due course.

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

## **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)”	holder(s) 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, adoption of the Incentive Scheme and the related matters
“Administrative Measures”	Measures for the Administration of Equity Incentives of Listed Companies
“announcement date of the Draft of the Incentive Scheme”	15 November 2023
“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 Listing Rules
“Board” or “Board of Directors”	the board of Directors of the Company
“Class Meetings”	the A Shareholders’ Class Meeting and the H Shareholders’ Class Meeting
“Company” or “Zijin Mining”	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 with limited liability
“Company Law”	the Company Law of the PRC
“Connected Participant(s)”	the Participant(s) who is/are Connected Person(s) of the Group
“Connected Person(s)”	has the meaning ascribed thereto under the Listing Rules
“Connected Transaction(s)”	has the meaning ascribed thereto under the Listing Rules
“CSRC”	China Securities Regulatory Commission
“Depository and Clearing Corporation”	China Securities Depository and Clearing Corporation Limited Shanghai Branch
“Director(s)”	the director(s) of the Company
“Draft of the Employee Stock Ownership Scheme”	the Employee Stock Ownership Scheme for 2023 (Draft) of Zijin Mining Group Co., Ltd.*
“Draft of the Incentive Scheme”	the Share Option Incentive Scheme for 2023 (Draft) of Zijin Mining Group Co., Ltd.*
“EGM”	the extraordinary general meeting proposed to be convened by the Company to consider and, if thought fit, approve, among other things, adoptions of the Incentive Scheme, the Employee Stock Ownership Scheme and the related matters
“Employee Stock Ownership Scheme”	the Employee Stock Ownership Scheme for 2023 of Zijin Mining Group Co., Ltd.*
“exercise”	the act of exercising the Share Options held by the Participants pursuant to the Incentive Scheme
“Exercise Conditions”	the conditions required to be fulfilled for the Participants to exercise the Share Options
“Exercise Date”	the date on which the Participants can commence the exercise, i.e., the effective date, which shall be a trading day
“Exercise Period(s)”	the period(s) during which the Share Options held by the Participants can be exercised after the Exercise Conditions prescribed under the Incentive Scheme are satisfied
“Exercise Price”	the price for the Participants to purchase the Shares as determined at the time when the Company grants the Share Options to them
“Grant Date”	the date on which the Company grants the Share Options to the Participants,

	which shall be a trading day
“Group”	the Company and its subsidiaries
“Guidelines No. 1”	Guidelines No. 1 of the Shanghai Stock Exchange for Self-regulation of Listed Companies - Standard Operation
“Guiding Opinions”	Guiding Opinions on the Implementation of Employee Stock Ownership Scheme by Listed Companies on a Pilot Basis
“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, adoption of the Incentive Scheme and the related matters
“Holders’ Meeting(s)”	the Holders’ meeting(s) of the Employee Stock Ownership Scheme for 2023 of the Company
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Incentive Scheme” or “Share Option Incentive Scheme”	the Share Option Incentive Scheme for 2023 of Zijin Mining Group Co., Ltd.*
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Management Committee”	the management committee of the Employee Stock Ownership Scheme for 2023 of the Company
“Nomination and Remuneration Committee”	the nomination and remuneration committee of Zijin Mining Group Co., Ltd.*
“Participant(s)”	the personnel to be granted the Share Options pursuant to the Incentive Scheme
“PRC” or “China”	the People’s Republic of China
“Regulatory Notice”	Notice on Issues concerning Regulating the Implementation of the Equity Incentive System of State-owned Listed Companies
“RMB”	Renminbi, the lawful currency of the PRC
“SASAC of Longyan City”	the State-owned Assets Supervision and Administration Commission of the People’s Government of Longyan City
“Securities Law”	the Securities Law of the PRC
“senior management”	the president, vice-presidents, financial controller, secretary to the Board and

	other senior management personnel as stipulated in the Articles of Association of Zijin Mining
“Shanghai Stock Exchange” or “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)
“Share Option(s)”	incentive(s) under the Incentive Scheme, which is/are the right(s) to be granted by Zijin Mining to the Participants to purchase a certain number of A Shares at a predetermined price and conditions within a certain period of time in the future
“Shareholder(s)”	the shareholder(s) of the Company including A Shareholder(s) and H Shareholder(s)
“Shareholders’ General Meetings”	the EGM and the Class Meetings
“Supervisor(s)”	the supervisor(s) of the Company
“Supervisory Committee”	the supervisory committee of the Company
“Target Holder(s)” or “Holder(s)”	target participant(s) who participate(s) in the subscription of the Employee Stock Ownership Scheme
“Trial Measures”	the Trial Measures on Implementation of Equity Incentive Schemes by State-owned Listed Companies (Domestic)
“Underlying Share(s)”	the ordinary A Share(s) of the Company proposed to be granted under the Employee Stock Ownership Scheme
“Validity Period”	the period from the Grant Date of the Share Options to the date on which the exercise or cancellation of the Share Options are completed
“Vesting Period”	the period from the Grant Date to the Exercise Date of the Share Options
“%”	per cent

**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), Zou Laichang, Lin Hongfu, Ms. Lin Hongying, Messrs. Xie Xionghui and Wu Jianhui as executive directors, Mister Li Jian as non-executive director, and Messrs. He Fulong, Mao Jingwen, Li Changqing, Suen Man Tak, Bo Shao Chuan and Ms. Wu Xiaomin as independent non-executive directors.

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

14 November 2023, Fujian, the PRC

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