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**致香港投資者通知：**發行人及擔保人（定義見下文）確認，債券（定義見下文）擬僅供專業投資者（定義見上市規則）購買，並已按此基準在香港聯合交易所有限公司上市。因此，發行人及擔保人確認，債券並不適合供香港的零售投資者作投資用途。投資者務請審慎考慮所涉及的風險。

刊登發售通函

**GOLD POLE CAPITAL COMPANY LIMITED**

**金極資本有限公司**

(「發行人」)

(一家於香港註冊成立的有限公司)

由



**Zijin Mining Group Co., Ltd.\***

**紫金礦業集團股份有限公司**

(「擔保人」)

(一家於中華人民共和國註冊成立的股份有限公司)

(股票代碼：2899)

**無條件及不可撤銷地擔保**

**於2029年到期的2,000,000,000美元1.0%有擔保可換股債券**

**(股票代碼：5034)**

本公告乃根據香港聯合交易所有限公司(「香港聯交所」)證券上市規則(「上市規則」)第37.39A條刊發。

茲提述發行人於2024年6月25日所刊登債券在香港聯交所上市的通告。

請參閱本公告隨附日期為2024年6月17日的發售通函(「發售通函」)，內容有關於2029年到期的2,000,000,000美元1.0%有擔保可換股債券(「債券」)。誠如發售通函所披露，債券擬僅供專業投資者(定義見上市規則第三十七章)購買，並已按此基準在香港聯交所上市。

發售通函並不構成在任何司法權區向公眾人士提呈發售任何證券的章程、通告、通函、小冊子或廣告，亦並不構成邀請公眾人士提出認購或購買任何證券的要約，且不在於邀請公眾人士提出認購或購買任何證券的要約。

2024年6月26日，香港

截至本公告之日，發行人董事會成員包括兩名董事張燕及劉永豪。

截至本公告之日，擔保人董事會成員包括執行董事陳景河先生(董事長)、鄒來昌先生、林泓富先生、林紅英女士、謝雄輝先生及吳健輝先生，非執行董事李建先生，以及獨立非執行董事何福龍先生、毛景文先生、李常青先生、孫文德先生、薄少川先生及吳小敏女士。

## IMPORTANT NOTICE

**THIS OFFERING IS AVAILABLE ONLY TO INVESTORS WHO ARE PERSONS OUTSIDE OF THE UNITED STATES.**

**IMPORTANT: You must read the following disclaimer before continuing.** The following disclaimer applies to the attached offering circular (the “**Offering Circular**”). You are therefore advised to read this disclaimer carefully before accessing, reading or making any other use of the attached Offering Circular. In accessing the attached Offering Circular, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from us as a result of such access. In order to review the attached Offering Circular or make an investment decision with respect to the securities, you must not be located in the United States.

**Confirmation of Your Representation:** The attached Offering Circular is being sent to you at your request and by accepting the e-mail and accessing the attached Offering Circular, you shall be deemed to represent to Morgan Stanley Asia Limited, CLSA Limited, UBS AG Hong Kong Branch and GF Securities (Hong Kong) Brokerage Limited (together, the “**Managers**”) that (1) you are not in the United States and, to the extent you purchase the securities described in the attached Offering Circular, you will be doing so pursuant to Regulation S under the U.S. Securities Act of 1993, as amended (the “**Securities Act**”) (2) the e-mail address that you gave us and to which this e-mail has been delivered is not located in the United States, its territories or possessions, (3) you consent to delivery of the attached Offering Circular and any amendments or supplements thereto by electronic transmission, (4) you (and any nominee and any person on whose behalf you are subscribing for the securities to which the attached Offering Circular relates) are not a “connected person” (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”)) of the issuer or the guarantor, which includes but is not limited to any director, chief executive or substantial shareholder of the issuer or the guarantor or any of their respective subsidiaries or any associate of any of them within the meaning of the Listing Rules, and (5) you (and any nominee and any person on whose behalf you are subscribing for the securities to which the attached Offering Circular relates) are, and will immediately after completion of the offering of such securities be, independent of and not acting in concert with, any of such connected persons in relation to the control of the issuer and the guarantor.

The attached Offering Circular has been made available to you in electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of transmission and consequently none of the Managers, the Trustee (as defined in the Offering Circular) or the Agents (as defined in the Offering Circular) or their respective holding companies, affiliates, subsidiaries, directors, officers, employees, agents, representatives and advisers (and any person who controls any of them) accepts any liability or responsibility whatsoever in respect of any discrepancies between the document distributed to you in electronic format and the hard copy version. We will provide a hard copy version to you upon request.

**Restrictions:** The attached Offering Circular is being furnished in connection with an offering exempt from registration under the Securities Act solely for the purpose of enabling a prospective investor to consider the purchase of the securities described herein.

**THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT, OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION AND THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES, EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS. THIS OFFERING IS MADE SOLELY IN OFFSHORE TRANSACTIONS PURSUANT TO THE SECURITIES ACT. NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO.**

Except with respect to eligible investors in jurisdictions where such offer or invitation is permitted by law, nothing in this electronic transmission constitutes an offer or an invitation by or on behalf of the issuer or guarantor of the securities or the Managers, the Trustee or the Agents or any of their respective directors, officers, employees, representatives, agents, advisers, affiliates or any person who controls any of them to subscribe for or purchase any of the securities described therein, and access has been limited so that it shall not constitute in the United States or elsewhere a general solicitation or general advertising (as those terms are used in Regulation D under the Securities Act) or directed selling efforts (within the meaning of Regulation S under the Securities Act). If a jurisdiction requires that the offering be made by a licenced broker or dealer and the Managers or any affiliate of the Managers is a licenced broker or dealer in that jurisdiction, the offering shall be deemed to be made by the Managers or such affiliate on behalf of the issuer in such jurisdiction.

You are reminded that you have accessed the attached Offering Circular on the basis that you are a person into whose possession this Offering Circular may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not nor are you authorised to deliver this document, electronically or otherwise, to any other person. If you have gained access to this transmission contrary to the foregoing restrictions, you are not allowed to purchase any of the securities described in the attached Offering Circular.

**Actions that You May Not Take:** If you receive this document by e-mail, you should not reply by e-mail to this announcement, and you may not purchase any securities by doing so. Any reply e-mail communications, including those you generate by using the “Reply” function on your e-mail software, will be ignored or rejected.

**YOU ARE NOT AUTHORISED TO AND YOU MAY NOT FORWARD OR DELIVER THE ATTACHED OFFERING CIRCULAR, ELECTRONICALLY OR OTHERWISE, TO ANY OTHER PERSON OR REPRODUCE SUCH OFFERING CIRCULAR IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THE ATTACHED OFFERING CIRCULAR IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.**

**You are responsible for protecting against viruses and other destructive items.** If you receive this document by e-mail, your use of this e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

# GOLD POLE CAPITAL COMPANY LIMITED

## 金極資本有限公司

(incorporated in Hong Kong with limited liability)

US\$2,000,000,000 1.0 per cent.  
Guaranteed Convertible Bonds due 2029  
unconditionally and irrevocably guaranteed by



**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)

(Shanghai Stock Exchange Stock Code: 601899; Hong Kong Stock Exchange Stock Code: 2899)

Issue Price: 100 per cent.

The US\$2,000,000,000 aggregate principal amount of 1.0 per cent. guaranteed convertible bonds due 2029 (the "Bonds", which term shall include, unless the context requires otherwise, any further bonds issued in accordance with the terms and conditions of the Bonds set out in "Terms and Conditions of the Bonds" (the "Conditions") and each of the Conditions, a "Condition") and consolidated and forming a single series therewith) will be issued by Gold Pole Capital Company Limited (金極資本有限公司) (the "Issuer"), a wholly-owned subsidiary of Zijin Mining Group Co., Ltd. (紫金礦業集團股份有限公司) (the "Guarantor"), a company incorporated under the laws of the People's Republic of China (the "PRC"). The PRC government (including the relevant state-owned assets supervision and administrative agency of Shanghai County (the "Shanghai County SASAC")) is not an obligor and shall under no circumstances have any obligation arising out of or in connection with the Bonds or the Guarantee (as defined below) in lieu of the Issuer or the Guarantor. The due payment of all sums expressed to be payable by the Issuer and the due performance by the Issuer of its obligations under the Trust Deed (as defined in the Conditions) and the Bonds will be unconditionally and irrevocably guaranteed (the "Guarantee") by the Guarantor. The issue price of the Bonds shall be 100 per cent. of the aggregate principal amount of the Bonds and the denomination of each Bond shall be US\$200,000 and integral multiples of US\$100,000 in excess thereof.

The Bonds will bear interest on their outstanding principal amount from and including 25 June 2024 (the "Issue Date") at the rate of 1.0 per cent. per annum payable semi-annually in arrear in equal instalments of U.S.\$500 per Calculation Amount (as defined in the Conditions) on 25 June and 25 December each year. The Bonds will, upon issue, constitute direct, unsubordinated, unconditional and (subject to Condition 3.1) unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference or priority among themselves. The payment obligations of the Issuer under the Bonds shall, save for such exceptions as may be provided by mandatory provisions of applicable law and subject to Condition 3.1, at all times rank at least equally with all of their respective other present and future direct, unsubordinated, unconditional and unsecured obligations.

All payments made by or on behalf of the Issuer (or, as the case may be, the Guarantor) in respect of the Bonds (or, in the case of the Guarantor, the Guarantee) will be made free and clear of, and will be made without deduction or withholding for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the PRC or Hong Kong or, in each case, any authority thereof or therein having power to tax, unless deduction or withholding of such taxes, duties, assessments or governmental charges is compelled by law to the extent described in "Terms and Conditions of the Bonds — Taxation".

The Guarantor will enter into a deed of guarantee (the "Deed of Guarantee") with Bank of China (Hong Kong) Limited (the "Trustee") on or around the Issue Date. The Guarantor undertakes that it will (i) within 15 Registration Business Days (as defined in the Conditions) after execution of the Deed of Guarantee, register or cause to be registered with the State Administration of Foreign Exchange or its local branch ("SAFE") the Deed of Guarantee in accordance with the Provisions on the Foreign Exchange Administration Rules on Cross-border Security (《跨境擔保外匯管理規定》) promulgated by SAFE on 12 May 2014 which came into effect on 1 June 2014 (the "Cross-border Security Registration") and its operating guidelines issued by SAFE, (ii) use its reasonable endeavours to complete the Cross-border Security Registration and obtain a registration record from SAFE on or before the Registration Deadline (being the day falling 120 Registration Business Days after the Issue Date) and (iii) comply with all applicable PRC laws and regulations in relation to the Guarantee.

With reference to the Administrative Measures for the Review and Registration of Medium- and Long-Term Foreign Debts of Enterprises (《企業中長期外債審核登記管理辦法》(國家發展和改革委員會令 第56號)) ("Order 56") issued by the PRC National Development and Reform Commission (the "NDRC") and effective from 10 February 2023, and any implementation rules, reports, certificates, approvals or guidelines as issued by the NDRC from time to time, the Guarantor has registered the issuance of the Bonds with the NDRC and obtained a certificate from the NDRC on 6 June 2024 evidencing such registration which remains valid and in full force and effect. The Guarantor will undertake to file or cause to be filed the requisite information and documents within the relevant prescribed timeframes after the Issue Date to the NDRC or its competent local counterparts in accordance with Order 56 and any implementation rules, reports, certificates, approvals or guidelines as issued by the NDRC from time to time (the "NDRC Post-Issuance Filing", which term for the avoidance of doubt, includes the Initial NDRC Post-Issuance Filing (as defined below)).

The Guarantor will undertake to file or cause to be filed with the China Securities Regulatory Commission (the "CSRC") within the relevant prescribed timeframes after the Issue Date the requisite information and documents in respect of the Bonds in accordance with the CSRC Filing Rules (as defined in the Conditions) (the "CSRC Post-Issuance Filings", which term for the avoidance of doubt, includes the Initial CSRC Post-Issuance Filing (as defined below)) and comply with the continuing obligations under the CSRC Filing Rules and any implementation rules as issued by the CSRC from time to time. The Guarantor shall file or cause to be filed (a) the initial NDRC Post-Issuance Filing with the NDRC or its competent local counterpart of the information and documents relating to the issue of the Bonds that are required to be filed in accordance with Order 56 within ten Registration Business Days after the Issue Date (the "Initial NDRC Post-Issuance Filing") and (b) the CSRC Filing Report (as defined in the Conditions) and other requisite information and documents in respect of the Bonds that are required to be filed with the CSRC within three Registration Business Days after the Issue Date in accordance with the CSRC Filing Rules (the "Initial CSRC Post-Issuance Filing").

Each Bond will, at the option of the holder, be convertible (unless previously redeemed, converted or purchased and cancelled) into H Shares (as defined in the Conditions) credit as fully paid at an initial conversion price of HK\$19.84 per Share (the "Conversion Price") during the Conversion Period (as defined in the Conditions). The Conversion Price is subject to adjustment in the circumstances described under "Terms and Conditions of the Bonds — Conversion". The Closing Price (as defined in the Conditions) of the H Shares on The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") on 17 June 2024 was HK\$16.32 per Share.

Unless previously redeemed, converted or purchased and cancelled, the Issuer will redeem each Bond at its principal amount, together with accrued and unpaid interest thereon on 25 June 2029 (the "Maturity Date"). The Issuer may, having given not less than 30 nor more than 60 days' notice to the Trustee, the Principal Agent and the Bondholders (which notice shall be irrevocable) redeem all but not some only of the Bonds at their principal amount, together with accrued and unpaid interest thereon to but excluding the date fixed for redemption (the "Tax Redemption Date"), if the Issuer satisfies the Trustee immediately prior to the giving of such notice that (i) the Issuer (or if the Guarantee was called, the Guarantor) has or will become obliged to pay Additional Tax Amounts (as defined in the Conditions), as a result of any change in, or amendment to, the laws or regulations of the PRC or Hong Kong or, in each case, any political subdivision or any authority thereof or therein having power to tax, or any change in the general application or official interpretation of such laws or regulations (including a decision by a court of competent jurisdiction), which change or amendment becomes effective on or after 17 June 2024, and (ii) such obligation cannot be avoided by the Issuer (or, as the case may be, the Guarantor) taking reasonable measures available to it. The Issuer may, having given not less than 30 nor more than 60 days' notice to Bondholders, the Trustee and the Principal Agent (which notice will be irrevocable), redeem all but not some only of the Bonds at their principal amount, together with accrued and unpaid interest thereon to but excluding the date fixed for redemption: (i) at any time after 9 July 2027 but prior to the Maturity Date, provided that no such redemption may be made unless the Closing Price of an H Share translated into U.S. dollars at the Prevailing Rate (as defined in the Conditions) applicable to each H Share Stock Exchange Business Day (as defined in the Conditions), for any 20 H Share Stock Exchange Business Days within a period of 30 consecutive H Share Stock Exchange Business Days, the last of such H Share Stock Exchange Business Day shall occur not more than 10 days prior to the date upon which notice of such redemption is given, was, for each such 20 H Share Stock Exchange Business Days, at least 130 per cent. of the Conversion Price (translated into U.S. dollars at the Fixed Exchange Rate (as defined in the Conditions)) then in effect. If there shall occur an event giving rise to a change in the Conversion Price during any such 30 consecutive H Share Stock Exchange Business Day period, appropriate adjustments for the relevant days approved by an Independent Financial Advisor (as defined in the Conditions) shall be made for the purpose of calculating the Closing Price (as defined in the Conditions) of the H Shares for such days; or (ii) at any time the aggregate principal amount of the Bonds outstanding is less than 10 per cent. of the aggregate principal amount originally issued (including any Bonds issued pursuant to Condition 15). The holder of each Bond will have the right at such holder's option, to require the Issuer to redeem all or some only of such holder's Bonds on the Put Option Date (as defined in the Conditions) at their principal amount on the Put Option Date, together with accrued and unpaid interest to but excluding the Put Option Date. The holder of each Bond will also have the right at such holder's option, to require the Issuer to redeem all or some only of such holder's Bonds on the Relevant Event Put Date (as defined in the Conditions) at their principal amount as at the Relevant Event Put Date (as defined in the Conditions), together with accrued and unpaid interest to but excluding the Relevant Event Put Date (as defined in the Conditions) following the occurrence of either (a) a Change of Control; (b) a Delisting; (c) a H Share Suspension in Trading or (d) a No Registration Event (capitalised terms each as defined in the Conditions). See "Terms and Conditions of the Bonds — Redemption, Purchase and Cancellation".

Application will be made to the Hong Kong Stock Exchange for (i) the listing of, and permission to deal in, the Bonds on the Hong Kong Stock Exchange by way of debt issuances to professional investors (as defined in Chapter 37 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules")) ("Professional Investors") only; and (ii) the listing of, and permission to deal in, the H Shares issuable on conversion, and such permissions are expected to become effective on 26 June 2024 and when such H Shares are issued, respectively. This Offering Circular is for distribution to Professional Investors only.

**Notice to Hong Kong investors:** The Issuer and the Guarantor confirm that the Bonds are intended for purchase by Professional Investors only and will be listed on the Hong Kong Stock Exchange on that basis. Accordingly, the Issuer and the Guarantor confirm that the Bonds are not appropriate as an investment for retail investors in Hong Kong. Investors should carefully consider the risks involved.

The Hong Kong Stock Exchange has not reviewed the contents of this Offering Circular, other than to ensure that the prescribed form disclaimer and responsibility statements, and a statement limiting distribution of this Offering Circular to Professional Investors only have been reproduced in this Offering Circular. Listing of the Bonds on the Hong Kong Stock Exchange is not to be taken as an indication of the commercial merits or credit quality of the Bonds or the Issuer or the Guarantor, or quality of disclosure in this Offering Circular. Hong Kong Exchanges and Clearing Limited and the Hong Kong Stock Exchange take no responsibility for the contents of this Offering Circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Offering Circular.

Investing in the Bonds and the H Shares involves certain risks. Investors should be aware that there are risks relating to the exercise of Conversion Rights of the Bonds, and there are various other risks relating to the Bonds, the Issuer, the Guarantor, its business and its jurisdiction of operations which investors should familiarise themselves with before making an investment in the Bonds. See "Risk Factors" beginning on page 21.

The Bonds, the Guarantee and the H Shares to be issued upon conversion of the Bonds have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act") and, or other securities laws and, subject to certain exceptions, may not be offered or sold within the United States. The Bonds are being offered and sold only outside the United States in reliance on Regulation S under the Securities Act ("Regulation S"). For a description of these and certain further restrictions on offers and sales of the Bonds and the H Shares to be issued upon conversion of the Bonds and the distribution of this Offering Circular, see "Subscription and Sale".

The Bonds will be represented by beneficial interests in a global certificate (the "Global Certificate") in registered form, which will be registered in the name of a nominee of, and shall be deposited on the Issue Date, with a common depositary for, Euroclear Bank SA/NV ("Euroclear") and Clearstream Banking S.A. ("Clearstream"). Beneficial interests in the Global Certificate will be shown on, and transfers thereof will be effected only through, records maintained by Euroclear and Clearstream. Except as described in the Global Certificate, definitive certificates for Bonds will not be issued in exchange for interests in the Global Certificate. See "Summary of Provisions relating to the Bonds while in Global Form".

Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers  
Morgan Stanley CITIC Securities

Joint Bookrunner and Joint Lead Manager

UBS AG Hong Kong Branch

Joint Lead Manager

GF Securities (Hong Kong) Brokerage Limited

The date of this Offering Circular is 17 June 2024

**This Offering Circular does not constitute an offer to sell to, or a solicitation of an offer to buy from, any person in any jurisdiction to whom it is unlawful to make the offer or solicitation in such jurisdiction. Neither the delivery of this Offering Circular nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the Issuer's or the Guarantor's affairs since the date of this Offering Circular or that the information contained in this Offering Circular is correct as of any time after that date.**

**PRIIPs REGULATION/PROHIBITION OF SALES TO EEA RETAIL INVESTORS —**

The Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); and (ii) a customer within the meaning of Directive 2016/97 (as amended, the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the “**PRIIPs Regulation**”) for offering or selling the Bonds or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

**UK PRIIPs REGULATION/PROHIBITION OF SALES TO UK RETAIL INVESTORS**

— The Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (the “**UK**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the “**EUWA**”); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the “**FSMA**”) and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently, no key information document required by the PRIIPs Regulation as it forms part of domestic law by virtue of the EUWA (the “**UK PRIIPs Regulation**”) for offering or selling the Bonds or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Bonds or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

**Singapore SFA Product Classification** — In connection with Section 309B of the Securities and Futures Act 2001 of Singapore (the “**SFA**”) and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the “**CMP Regulations 2018**”), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Bonds are ‘prescribed capital markets products’ (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

This Offering Circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Issuer, the Guarantor, the Bonds and the Guarantee. Each of the Issuer and the Guarantor accepts full responsibility for the

accuracy of the information contained in this document and confirms, having made all reasonable enquiries, that to the best of its knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

Each of the Issuer and the Guarantor, having made all reasonable enquiries, confirms that: (i) this Offering Circular contains all information with respect to the Issuer, the Guarantor and their respective subsidiaries and affiliates (collectively, the “**Group**”) and to the Bonds, the Shares and the Guarantee which is material in the context of the issue and offering of the Bonds (including all information required by applicable laws or which, according to the particular nature of the Issuer, the Guarantor, of the Bonds, the Shares and the Guarantee, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profits and losses, and prospects of the Issuer, the Guarantor and the Group and of the rights attaching to the Bonds, the H Shares and the Guarantee); (ii) the statements contained in this Offering Circular relating to the Issuer, the Guarantor and the Group are in every material particular true and accurate and not misleading in any material respect; (iii) the opinions and intentions expressed in this Offering Circular with regard to the Issuer, the Guarantor and the Group are honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions; (iv) there are no other facts in relation to the Issuer, the Guarantor and the Group or the Bonds, the H Shares or the Guarantee the omission of which would, in the context of the issue and offering of the Bonds, make any statement in this Offering Circular misleading in any material respect; and (v) each of the Issuer and the Guarantor has made all reasonable enquiries to ascertain such facts and to verify the accuracy of all such information and statements. Each of the Issuer and the Guarantor accepts responsibility accordingly.

This Offering Circular is highly confidential. The Issuer and the Guarantor are providing it solely for the purpose of enabling the investors to consider a purchase of the Bonds. Investors should read this Offering Circular before making a decision whether to purchase the Bonds. Investors must not use this Offering Circular for any other purpose, or disclose any information in this Offering Circular to any other person.

The Issuer and the Guarantor have prepared this Offering Circular and are jointly and severally responsible for its contents. Investors are responsible for making their own examination of the Group and their own assessment of the merits and risks of investing in the Bonds. By purchasing the Bonds, investors will be deemed to have acknowledged that they have made certain acknowledgements, representations and agreements as set forth under the section entitled “*Subscription and Sale*” below.

No representation or warranty, express or implied, is made by Morgan Stanley Asia Limited, CLSA Limited, UBS AG Hong Kong Branch or GF Securities (Hong Kong) Brokerage Limited (together, the “**Managers**”), the Trustee, the Agents (each as defined in the Conditions) or any of their holding companies, affiliates, subsidiaries, directors, officers, employees, agents, representatives or advisers (or any person who controls any of them) as to the accuracy, completeness or sufficiency of the information contained in this Offering Circular, and nothing contained in this Offering Circular is, or shall be relied upon as, a promise, representation or warranty by the Managers, the Trustee, the Agents or any of their respective holding companies, affiliates, subsidiaries, directors, officers, employees, agents, representatives or advisers (or any person who controls any of them). None of the Managers, the Trustee, the Agents or any of their respective holding companies, affiliates, subsidiaries, directors, officers, employees, agents, representatives or advisers (or any person who controls any of them) has independently verified any of the information

contained in this Offering Circular and none of them can give any assurance that this information is accurate, truthful or complete. This Offering Circular is not intended to provide the basis of any credit or other evaluation nor should it be considered as a recommendation by the Issuer, the Guarantor, the Managers, the Trustee or the Agents or any of their respective holding companies, affiliates, subsidiaries, directors, officers, employees, agents, representatives or advisers (or any person who controls any of them) that any recipient of this Offering Circular should purchase the Bonds. Each potential purchaser of the Bonds should determine for itself the relevance of the information contained in this Offering Circular and its purchase of the Bonds should be based upon such investigations with its own tax, legal and business advisers as it deems necessary. To the fullest extent permitted by law, none of the Managers, the Trustee, the Agents or any of their respective holding companies, affiliates, subsidiaries, directors, officers, employees, agents, representatives or advisers (or any person who controls any of them) accepts any responsibility for the contents of this Offering Circular or for any other statement, made or purported to be made by the Managers, the Trustee or the Agents (or any of their respective holding companies, affiliates, subsidiaries, directors, officers, employees, agents, representatives or advisers (or any person who controls any of them)) or on any of their behalf in connection with the Group, the Bonds, the Guarantee or the H Shares. Each of the Managers, the Trustee, the Agents and their respective holding companies, affiliates, subsidiaries, directors, officers, employees, agents, representatives and advisers (and any person who controls any of them) accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Offering Circular or any such statement.

In making an investment decision, investors must rely on their own examination of the Group and the terms of the offering, including the merits and risks involved. See “*Risk Factors*” for a discussion of certain factors to be considered in connection with an investment in the Bonds.

Each person receiving this Offering Circular acknowledges that: (i) such person has been afforded an opportunity to request from the Issuer and the Guarantor and to review, and has received, all additional information considered by it to be necessary to verify the accuracy of, or to supplement, the information contained herein; (ii) such person has not relied on the Managers, the Trustee or the Agents or any of their respective holding companies, affiliates, subsidiaries, directors, officers, employees, agents, representatives or advisers (or any person who controls any of them) in connection with any investigation of the accuracy of such information or its investment decision; (iii) no person has been authorised to give any information or to make any representation concerning the Group, the Bonds, the Guarantee or the H Shares (other than as contained herein and information given by the Issuer’s or the Guarantor’s duly authorised officers and employees in connection with investors’ examination of the Group and the terms of the offering of the Bonds) and, if given or made, any such other information or representation should not be relied upon as having been authorised by the Issuer, the Guarantor, the Managers, the Trustee or the Agents or any of their respective holding companies, affiliates, subsidiaries, directors, officers, employees, agents, representatives or advisers (or any person who controls any of them); (iv) such person (and any nominee and any person on whose behalf such person is subscribing for the Bonds) is not a “connected person” (as defined in the Listing Rules) of the Issuer or the Guarantor, which includes but is not limited to any director, chief executive or substantial shareholder of the Issuer or the Guarantor or any of their respective subsidiaries or any associate of any of them within the meaning of the



Listing Rules; and (v) such person (and any nominee and any person on whose behalf such person is subscribing for the Bonds) is, and will immediately after completion of the offering of the Bonds be, independent of and not acting in concert with, any of such connected persons in relation to the control of the Issuer or the Guarantor.

None of the Issuer, the Guarantor or the Managers is making an offer to sell the Bonds, in any jurisdiction except where an offer or sale is permitted. The distribution of this Offering Circular and the offering of the Bonds may in certain jurisdictions be restricted by law. Persons into whose possession this Offering Circular comes are required by the Issuer, the Guarantor and the Managers to inform themselves about and to observe any such restrictions. For a description of the restrictions on offers, sales and resales of the Bonds and distribution of this Offering Circular, see “*Subscription and Sale*” below.

The Bonds have not been approved or recommended by any Hong Kong, the PRC or other regulatory authority. Furthermore, the contents of this Offering Circular have not been reviewed by any Hong Kong, the PRC or other regulatory authority. The foregoing authorities have not passed upon or endorsed the merits of the offering or confirmed the accuracy or determined the adequacy of this Offering Circular. Neither the Issuer nor the Guarantor is making any representation to the investors regarding the legality of an investment in the Bonds by the investors under any legal, investment or similar laws or regulations. Investors should not consider any information in this Offering Circular to be legal, business or tax advice. Investors should consult their own professional advisers for legal, business, tax and other advice regarding an investment in the Bonds.

No person is authorised to give any information or to make any representation not contained in this Offering Circular and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of the Issuer, the Guarantor, the Managers, the Trustee or the Agents or any of their respective holding companies, affiliates, subsidiaries, directors, officers, employees, agents, representatives or advisers (or any person who controls any of them). The delivery of this Offering Circular at any time does not imply that the information contained in it is correct as at any time subsequent to its date.

The Bonds are not intended to be initially placed and may not be initially placed to any connected person. Each holder of the Bonds (and the beneficial owners of the Bonds, if applicable) will be deemed to have represented to the Issuer, the Guarantor and the Managers that it is not a connected person of the Issuer or the Guarantor, and will not after completion of the subscription of the Bonds be a connected person of the Issuer or the Guarantor. Each prospective investor will be deemed to have agreed with the Issuer, the Guarantor and the Managers that it may, to the extent required by the Listing Rules and/or the Hong Kong Stock Exchange and/or the SFC and/or the Shanghai Stock Exchange and/or the CSRC, disclose information about such potential investor (including but not limited to its name, company registration number and the number of Bonds allotted to it) to certain parties.

Where acting as agent on behalf of a disclosed or undisclosed client when purchasing, or making or accepting an offer to purchase, any Bonds (or any beneficial interests therein) from the Issuer and/or the Managers, the foregoing representations, warranties, agreements and undertakings will be given by and be binding upon both of their agent and their underlying client.

**Notice to capital market intermediaries and prospective investors pursuant to paragraph 21 of the Hong Kong SFC Code of Conduct — Important Notice to Prospective Investors:**

Prospective investors should be aware that certain intermediaries in the context of this offering of the Bonds, including certain Managers, are “capital market intermediaries” (together, the “CMIIs”) subject to Paragraph 21 of the Code of Conduct for Persons Licenced by or Registered with the Securities and Futures Commission (the “SFC Code”). This notice to prospective investors is a summary of certain obligations the SFC Code imposes on such CMIIs, which require the attention and cooperation of prospective investors.

Certain CMIIs may also be acting as “overall coordinators” (together, the “OCs”) for this offering and are subject to additional requirements under the SFC Code.

Prospective investors who are the directors, employees or major shareholders of the Issuer, the Guarantor, a CMI or its group companies would be considered under the SFC Code as having an association (an “Association”) with the Issuer, the Guarantor, the CMI or the relevant group company. Prospective investors associated with the Issuer, the Guarantor or any CMI (including its group companies) should specifically disclose this when placing an order for the Bonds and should disclose, at the same time, if such orders may negatively impact the price discovery process in relation to this offering. Prospective investors who do not disclose their Associations are hereby deemed not to be so associated. Where prospective investors disclose their Associations but do not disclose that such order may negatively impact the price discovery process in relation to this offering, such order is hereby deemed not to negatively impact the price discovery process in relation to this offering.

Prospective investors should ensure, and by placing an order prospective investors are deemed to confirm, that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e. two or more corresponding or identical orders placed via two or more CMIIs). If a prospective investor is an asset management arm affiliated with any Manager, such prospective investor should indicate when placing an order if it is for a fund or portfolio where the Manager or its group company has more than 50% interest, in which case it will be classified as a “proprietary order” and subject to appropriate handling by CMIIs in accordance with the SFC Code and should disclose, at the same time, if such “proprietary order” may negatively impact the price discovery process in relation to this offering. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not a “proprietary order”. If a prospective investor is otherwise affiliated with any Manager, such that its order may be considered to be a “proprietary order” (pursuant to the SFC Code), such prospective investor should indicate to the relevant Manager when placing such order. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not a “proprietary order”. Where prospective investors disclose such information but do not disclose that such “proprietary order” may negatively impact the price discovery process in relation to this offering, such “proprietary order” is hereby deemed not to negatively impact the price discovery process in relation to this offering.

Prospective investors should be aware that certain information may be disclosed by CMIIs (including private banks) which is personal and/or confidential in nature to the prospective investor. By placing an order, prospective investors are deemed to have understood and consented to the collection, disclosure, use and transfer of such information by the Managers and/or any other third parties as may be required by the SFC Code, including to

the Issuer, the Guarantor, any OCs, relevant regulators and/or any other third parties as may be required by the SFC Code, it being understood and agreed that such information shall only be used for the purpose of complying with the SFC Code, during the book building process for this offering. Failure to provide such information may result in that order being rejected.

## **INDUSTRY AND MARKET DATA**

Market data and certain industry forecasts used in this Offering Circular have been obtained from both public and private sources, market research, publicly available information and industry publications. Although each of the Issuer and the Guarantor believes the information to be reliable, it has not been independently verified by the Issuer, the Guarantor, the Managers, the Trustee, the Agents or their respective holding companies, affiliates, subsidiaries, directors, officers, employees, agents, representatives and advisers (and any person who controls any of them) and none of the Issuer, the Guarantor, the Managers, the Trustee, the Agents or their respective holding companies, affiliates, subsidiaries, directors, officers, employees, agents, representatives and advisers (and any person who controls any of them) makes any representation as to the accuracy or completeness of such information. In addition, third-party information providers may have obtained information from market participants and such information may not have been independently verified. In making an investment decision, each investor must rely on its own examination of the Issuer, the Guarantor, the Group and the terms of the offering, the Bonds, the Guarantee and the H Shares, including the merits and risks involved. Where information has been sourced from a third party, each of the Issuer and the Guarantor confirms that this information has been accurately reproduced and that, as far as the Issuer or and the Guarantor is aware and is able to ascertain from information published by third parties, no facts have been omitted which would render the reproduced information to be inaccurate or misleading.

## **DOCUMENTS INCORPORATED BY REFERENCE**

The following documents are incorporated by reference in this Offering Circular: audited consolidated financial statements (including the notes to the financial statements) in the annual reports of the Guarantor for the years ended 31 December 2022 and 2023 which contained the consolidated financial information of the Guarantor for the years ended 31 December 2021, 2022 and 2023.

Copies of these documents can be downloaded from the website of the Hong Kong Stock Exchange at <http://www.hkexnews.hk> and the website of the Guarantor at [www.zijinmining.com](http://www.zijinmining.com) (the other contents of these websites do not form part of this Offering Circular).

The audited consolidated financial statements of the Guarantor as at and for the years ended 31 December 2022 and 2023 (collectively, the “**Guarantor’s Consolidated Financial Statements**”), which are incorporated by reference in this Offering Circular, were prepared and presented in accordance with the Accounting Standards for Business Enterprises in China (“**PRC GAAP**”) and have been audited by Ernst & Young Hua Ming LLP (“**EY**”), the independent auditor of the Guarantor in accordance with the Auditing Standards for Chinese Certified Accountants.

PRC GAAP is substantially in line with International Financial Reporting Standards (“IFRS”), except for certain modifications which reflect the PRC’s unique circumstances and environment. See “*Summary of Certain Material Differences Between PRC GAAP and IFRS*”.

## CERTAIN DEFINITIONS, CONVENTIONS AND CURRENCY PRESENTATION

We have prepared this Offering Circular using a number of conventions, which the investors should consider when reading the information contained herein.

The term the “Issuer” is referring to Gold Pole Capital Company Limited 金極資本有限公司, the term the “Company” or the “Guarantor” is referring to Zijin Mining Group Co., Ltd. (紫金礦業集團股份有限公司) and the term the “Group” is referring to the Guarantor and its subsidiaries taken as a whole. The terms “we”, “us”, “our” and words of similar import are referring to the Guarantor or the Group, as the context requires.

In this Offering Circular, the terms “associate,” “close associate,” “connected person,” “core connected person,” “connected transaction,” and “substantial shareholder” shall have the meanings given to such terms in the Listing Rules, unless the context otherwise requires.

In this Offering Circular, unless otherwise specified or the context otherwise requires, references to “China” or the “PRC” are to the People’s Republic of China and, for the purpose of this Offering Circular only, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan; and references to “Hong Kong” are to the Hong Kong Special Administrative Region of the PRC.

All references in this Offering Circular to “U.S. dollars” and “US\$” are to United States dollars; all references to “HK dollars” and “HK\$” are to Hong Kong dollars; and all references to “RMB” or “Renminbi” are to Renminbi, the official currency of the PRC.

References to “NDRC” are to the National Development and Reform Commission of the PRC.

References to “PBOC” are to the People’s Bank of China, the central bank of the PRC.

References to “PRC government” are to the central government of the PRC, including all political subdivisions (including provincial, municipal and other regional or local governmental entities) and instrumentalities thereof, or where the context requires, any of them.

References in this Offering Circular to accounting periods are based on the Guarantor’s fiscal year, which ends on 31 December.

We record and publish our financial statements in Renminbi. Unless otherwise stated in this Offering Circular, all translations from Renminbi amounts to U.S. dollars were made at the rate of RMB7.0999 to US\$1.00, the exchange rate set forth in the H.10 statistical release of the Federal Reserve Board on 29 December 2023. All such translations in this Offering Circular are provided solely for your convenience and no representation is made that the Renminbi amounts referred to herein have been, could have been or could be converted into U.S. dollars at any particular rate or at all. For further information relating to the exchange rates, see the section entitled “*Exchange Rate*”.

Certain amounts and percentage figures included in this Offering Circular have been subject to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them. Any discrepancies in any table or chart between the total shown and the sum of the amounts listed are due to rounding.

The English names of PRC nationals, entities, departments, facilities, laws, regulations, certificates, titles and the like are translations of their Chinese names and are included for identification purposes only. In the event of any inconsistency, the Chinese name prevails.

## FORWARD-LOOKING STATEMENTS

This Offering Circular includes “forward-looking statements”. All statements other than statements of historical fact contained in this Offering Circular, including, without limitation, those regarding our future financial position and results of operations, strategy, plans, objectives, goals and targets, future developments in the markets where we participate or are seeking to participate, and any statements preceded by, followed by or that include the words “believe”, “expect”, “aim”, “intend”, “will”, “may”, “anticipate”, “seek”, “should”, “estimate”, “target” or similar expressions or the negative thereof, are forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other factors, some of which are beyond our control, which may cause its actual results, performance or achievements, or industry results to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. These forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we will operate in the future. Important factors that could cause our actual results, performance or achievements to differ materially from those in the forward-looking statements include, among others, the following:

- general political and economic conditions, including those related to the PRC;
- our ability to successfully implement our business plans and strategies;
- future developments, trends and conditions in the industry and markets in which we operate or into which we intend to expand;
- our business operations and prospects;
- our capital expenditure plans;
- the actions and developments of our competitors;
- our financial condition and performance;
- capital market developments;
- our dividend policy;
- any changes in the laws, rules and regulations of the central and local governments in the PRC and other relevant jurisdictions and the rules, regulations and policies of the relevant governmental authorities relating to all aspects of our business and our business plans;
- various business opportunities that we may pursue; and
- those other risks identified in the “*Risk Factors*” section of this Offering Circular.

Any forward-looking statement speaks only as of the date on which it is made, and we do not undertake any obligation to update any forward-looking statement or statements to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. New factors emerge from time to time and it is not possible for us to predict which will arise. In addition, we cannot access the impact of each

factor on its business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.



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## SUMMARY

*The summary below is intended only to provide a limited overview of information described in more detail elsewhere in this Offering Circular. As it is a summary, it does not contain all the information that may be important to investors. Terms defined elsewhere in this Offering Circular shall have the same meanings when used in this summary. Prospective investors should therefore read this Offering Circular in its entirety, including “Risk Factors”, to determine whether an investment in the Bonds is appropriate.*

### OVERVIEW

The Group is a large multinational mining group principally engaged in the exploration, mining, processing, refining and sales of gold, copper, zinc (lead), lithium, silver, molybdenum and other metallic mineral resources globally. The Group is also engaged in the research, design and application of mining engineering, aiming to provide the materials that improve living standards in a low carbon future. Under the “ZIJIN” brand, the Group produces gold bullion of 99.99% and 99.95% purity, copper cathodes and zinc bullion, among others.

The Company was incorporated on 6 September 2000 with the approval of the People’s Government of Fujian Province as a joint stock limited company in China, with Minxi Xinghang State-owned Assets Investment Company Limited, Shanghang County Jinshan Trading Company Limited, Xinhudu Industrial Group Company Limited, Fujian Xinhudu Engineering Company Limited, Xiamen Hengxing Group Company Limited, Fujian Xinhudu Department Store Company Limited, Fujian Gold Group Company Limited and Fujian Minxi Geologist as its promoters.

In December 2003, the Company was listed on the Hong Kong Stock Exchange. The Company was the first Mainland China gold production enterprise listed overseas. In April 2008, the Company was listed on the Shanghai Stock Exchange. As at 31 December 2023, the registered capital of the Company was RMB2,632,657,124; the number of its issued shares was 26,326,571,240, comprising 5,736,940,000 H Shares, representing about 21.79% of its total issued shares, and 20,589,631,240 A Shares, representing about 78.21% of its total issued shares. As at 31 December 2023, approximately 23.11% of the total issued shares of the Company were held by Minxi Xinghang State-owned Assets Investment Company Limited.

As at 17 May 2024, the Company had a total of 26,325,988,940 shares (with nominal value of RMB0.1 each), of which 5,736,940,000 shares were H shares listed on the Hong Kong Stock Exchange (representing about 21.79% of the total issued shares), and 20,589,048,940 shares were A shares listed on the Shanghai Stock Exchange (representing about 78.21% of the total issued shares).

As at 17 June 2024, the market capitalisation of the Company was approximately HK\$478 billion.

### Position in the industry

In 2023, the Group ranked 284th in the list of public companies of Forbes’ Global 2000, 6th among the listed metal mining companies and 1st among the global gold companies on the list. It also ranked 373rd on the Fortune Global 500 list and 51st on the Fortune China 500

list, placing it at the forefront of global mining companies in terms of comprehensive strength. The Company was also recognised as one of the 2023 Forbes China ESG Innovation Enterprises.

The Group possesses a world-class diversified asset portfolio of copper, gold, lithium, molybdenum and other minerals, enabling the Group to effectively cope with macroeconomic risks and driving the Group to achieve sustained and robust financial performance growth. The Group's resources volume and production capacity of copper and gold rank the top in China and top 10 globally. As at 31 December 2023, the Group owned approximately 74.56 million tonnes of copper resources, approximately 2,997.53 tonnes of gold resources, approximately 10.68 million tonnes of zinc (lead) resources, approximately 13.47 million tonnes of lithium (lithium carbonate equivalent) resources, approximately 3.06 million tonnes of molybdenum resources and approximately 14,739.29 tonnes of silver resources. Leveraging its advantages in self-initiated technology and engineering capabilities, the Group is expected to become one of the world's most important producers of lithium, molybdenum and silver in the next five years. As at 31 December 2023, the Company became the only mining company in China and Asia to surpass the remarkable milestone of producing over 1 million tonnes of mine-produced copper, ranking among the top five globally; the Company's gold resources and production capacity rank first among major publicly listed mining companies in China and Asia, and within the top ten globally; and the Company was the largest mine-produced zinc producer in China, the second-largest in Asia, and ranks among the top four globally.

As at 31 December 2023, the Group has more than 30 large and ultra-large mineral resource development bases in 15 overseas countries and 17 provinces (autonomous regions) in China.

The quality of the Group's overseas assets is good. The resources and output of the Group's overseas mines exceeded those of the Group's domestic mines, providing significant contributions to the Group's profit. As at 31 December 2023, the Group's overseas mines' copper, gold, zinc (lead) and lithium carbonate resources accounted for 75%, 67%, 23% and 82% of the Group's total resources of the respective product. The Group's overseas mine-produced copper, mine-produced gold and mine-produced zinc (lead) output accounted for 56%, 64% and 45% of the Group's total output of the respective product. In 2023, the total profit before elimination contributed by the Group's overseas projects accounted for 45% of the Group's total profit before elimination.

## **RECENT DEVELOPMENTS**

### **Unaudited and unreviewed quarterly results of the consolidated Group as at and for the three months ended 31 March 2024**

On 22 April 2024, the Company announced the unaudited results of the consolidated Group for the three months ended 31 March 2024 on the website of the Hong Kong Stock Exchange (the *2024 First Quarterly Results*). The 2024 First Quarterly Results have been prepared in accordance with the Accounting Standards for Business Enterprises (*ABSE*) issued by the Ministry of Finance of the People's Republic of China, and the Application Guidance for ABSE, interpretations and other relevant regulations issued and revised thereafter. The 2024 First Quarterly Results are not included in and do not form part of this Offering Circular and were prepared by the Company's management and has not been reviewed or audited by EY, its independent auditor. The 2024 First Quarterly Results may

be subject to potential adjustments. Adjustments to the 2024 First Quarterly Results may be made when the Company's year-end audit is performed, which could result in significant differences from the preliminary financial information set out in the 2024 First Quarterly Results. The 2024 First Quarterly Results should not be relied upon by the potential investors. (See "*Risk Factors — Risks relating to the Group's business — The Guarantor published and may continue to publish periodical financial information in the PRC and/or on the website of the Hong Kong Stock Exchange pursuant to applicable PRC regulatory rules and the listing rules of the Hong Kong Stock Exchange. Investors should be cautious and not place undue reliance on the financial information other than that disclosed in this Offering Circular.*"). Potential investors must exercise caution when using the Group's 2024 First Quarterly Results to evaluate the consolidated Group's financial condition, results of operations and prospects.

As at 31 March 2024, the Group's receivables financing significantly decreased primarily due to collection of the Group's bills receivable upon maturity, as compared to the same as at 31 December 2023. As at 31 March 2024, the Group's short-term borrowings increased primarily due to the increase in trading related borrowing and gold leasing, as compared to the same as at 31 December 2023. As at 31 March 2024, the Group's held for trading financial liabilities increased primarily due to the increase in the Group's gold leasing, as compared to the same as at 31 December 2023. As at 31 March 2024, the Group's taxes payable increased primarily due to the increase in the Group's corporate income tax, as compared to the same as at 31 December 2023. As at 31 March 2024, the Group's current portion of non-current liabilities increased primarily due to the increase in the Group's long-term borrowings due within one year, as compared to the same as at 31 December 2023. For the three months ended 31 March 2024, the Group's taxes and surcharges increased primarily due to the increase in the Group's resource tax and income from mine-produced gold, as compared to the three months ended 31 March 2023.

### **Upgrade and Expansion Project of Phase 2 of the Julong Copper Mine**

On 23 February 2024, the Company announced on the Hong Kong Stock Exchange that Tibet Julong Copper Co., Ltd. (***Julong Copper***), a subsidiary of the Company, was approved to expand upon its existing mining and processing project of 150 thousand tonnes/day by adding a new production scale of 200 thousand tonnes/day through upgrade and expansion, thus forming a total production scale of 350 thousand tonnes/day. It is expected that the construction will complete and the production will commence by the end of 2025. Open-pit mining method will be adopted, and the mine's service life is 36 years. The estimated total investment amount is approximately RMB17.46 billion, which will be self-financed by Julong Copper.

### **STRENGTHS**

The Group believes that the following represent the Group's key strengths:

- A large-scale global leading company with diversified, future facing and resilient metals portfolio and world-leading position in reserve base and production in major metals;
- Sustainable high growth through bolt-on acquisition expansion and organic development initiatives;

- Highly efficient operating model with low cost supported by leading technologies;
- Sound financial performance;
- Prudent financial management capabilities to reduce financial risks;
- Connection to unimpeded financing channels and prudent financial management; and
- Highly experienced and committed international management team with visionary leadership and proven execution capabilities.

## **STRATEGIES**

The Group aims to continue to strengthen its industry leading position and expand its business operations. Its strategies consist of the following principal elements:

- Continue to strategically conduct bolt-on resources acquisitions globally;
- Continue to conduct exploration and achieve organic development;
- Continue to focus on high-standard ESG practise and improve ESG performance;
- Continue to promote technological innovation;
- Continue to maintain a balance between business expansion and prudent risk control; and
- Continue to integrate its culture with local practise across its international framework.

## THE OFFERING

*The following contains summary information about the Bonds. Some of the terms described below are subject to important limitations and exceptions. Words and expressions defined in “Terms and Conditions of the Bonds” and “Provisions relating to the Bonds in Global Form” shall have the same meanings in this summary. For a more complete description of the terms of the Bonds, see “Terms and Conditions of the Bonds” in this Offering Circular.*

<b>Issuer</b>	Gold Pole Capital Company Limited 金極資本有限公司
<b>Guarantor</b>	Zijin Mining Group Co., Ltd. (紫金礦業集團股份有限公司)
<b>Issue</b>	U.S. dollar-denominated 1.0 per cent. guaranteed convertible bonds due 2029 in an aggregate principal amount of US\$2,000,000,000, convertible into the Guarantor’s fully-paid ordinary H-shares of a nominal value of RMB0.1 each.
<b>A Share(s)</b>	The ordinary domestic shares of RMB0.1 each issued by the Guarantor which are traded in Renminbi on The Shanghai Stock Exchange (Stock Code: 601899).
<b>H Share(s)</b>	The ordinary foreign shares with a nominal value of RMB0.1 each issued by the Guarantor which are traded in HK dollars on the Hong Kong Stock Exchange (Stock Code: 2899).
<b>Interest</b>	The Bonds will bear interest on their outstanding principal amount from and including the Issue Date, at the rate of 1.0 per cent. per annum. Interest on the Bonds is payable semi-annually in arrear in equal instalments of U.S.\$500 per Calculation Amount (as defined in the Conditions) on 25 June and 25 December in each year.
<b>Issue Price</b>	100 per cent. of the principal amount of the Bonds.
<b>Issue Date</b>	25 June 2024
<b>Maturity Date</b>	25 June 2029
<b>Form and Denomination</b>	The Bonds will be issued in registered form in the specified denomination of US\$200,000 each and integral multiples of US\$100,000 in excess thereof.
<b>Guarantee</b>	The due payment of all sums expressed to be payable by the Issuer under the Trust Deed and the Bonds will be unconditionally and irrevocably guaranteed by the Guarantor.

**Status**

The Bonds will constitute direct, unsubordinated, unconditional and (subject to Condition 3.1) unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference or priority among themselves. The payment obligations of the Issuer under the Bonds and of the Guarantor under the Guarantee shall, save for such exceptions as may be provided by mandatory provisions of applicable law and subject to Condition 3.1, at all times rank at least equally with all of their respective other present and future direct, unsubordinated, unconditional and unsecured obligations.

**Negative Pledge**

So long as any Bond remains outstanding (as defined in the Trust Deed), neither the Issuer nor the Guarantor shall, and the Issuer and the Guarantor shall procure that none of their respective Subsidiaries other than a Listed Subsidiary and Subsidiaries of a Listed Subsidiary will, create or permit to subsist any Security Interest upon the whole or any part of its respective present or future undertaking, assets or revenues (including uncalled capital) to secure any Relevant Indebtedness or to secure any guarantee of Relevant Indebtedness without at the same time or prior thereto (i) securing the Bonds equally and rateably therewith to the satisfaction of the Trustee or (ii) providing such other security for the Bonds as may be approved by an Extraordinary Resolution (as defined in the Trust Deed) of Bondholders.

**Taxation**

All payments made by or on behalf of the Issuer (or, as the case may be, the Guarantor) in respect of the Bonds (or, in the case of the Guarantor, the Guarantee) will be made free and clear of, and will be made without deduction or withholding for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the PRC or Hong Kong or, in each case, any authority thereof or therein having power to tax, unless deduction or withholding of such taxes, duties, assessments or governmental charges is compelled by law. Where such withholding or deduction is made by the Issuer or the Guarantor (as the case may be) by or within the PRC up to and including the aggregate rate applicable on 17 June 2024 (the “**Applicable Rate**”), the Issuer or the Guarantor (as the case may be) will increase the amounts paid by it to the extent required, so that the net amount received by Bondholders equals the amounts which would otherwise have been receivable by them had no such withholding or deduction been required.

If the Issuer or the Guarantor (as the case may be) is required to make a deduction or withholding in respect of PRC tax in excess of the Applicable Rate, or any Hong Kong deduction or withholding is required, in such event the Issuer or the Guarantor (as the case may be) shall pay such additional amounts (“**Additional Tax Amounts**”) as will result in receipt by the Bondholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no Additional Tax Amounts shall be payable in respect of any Bond or the Guarantee in the circumstances set out in Condition 8 (*Taxation*).

**Conversion Right and  
Conversion Period**

Subject to and upon compliance with the Conditions, the right of a Bondholder to convert any Bond into H Shares is called the “**Conversion Right**”. At any time (subject to any applicable fiscal or other laws or regulations and as provided in the Conditions) on or after the 41st day after the Issue Date up to the close of business (at the place where the Certificate evidencing such Bond is deposited for conversion) on the date falling 10 days prior to the Maturity Date (both days inclusive) or if such Bond shall have been called for redemption by the Issuer before the Maturity Date, then up to the close of business (at the place aforesaid) on a date no later than 10 days (both days inclusive and at the place aforesaid) prior to the date fixed for redemption thereof; provided that no Conversion Right may be exercised in respect of a Bond where the holder shall have exercised its right to require the Issuer to redeem or repurchase such Bond pursuant to Condition 7.4 or Condition 7.5 or during a Restricted Conversion Period (both dates inclusive). See “*Terms and Conditions of the Bonds — Conversion — Conversion Right*”.

**Conversion Price**

HK\$19.84 per Share, subject to adjustment for, among other things, consolidation, subdivision or re-classification of the H Shares, capitalisation of profits or reserves of the Ordinary Shares, capital distributions of the Ordinary Shares, rights issues of the Ordinary Shares or options over the Ordinary Shares at less than 95% of the Current Market Price, rights issues of other securities, issues at less than 95% of the Current Market Price, other issues at less than 95% of the Current Market Price, modification of rights of conversion etc. at less than 95% of the Current Market Price, other offers to Ordinary Shareholders and other events as described in Condition 5.3.



**Redemption for  
Taxation Reasons**

At any time the Issuer may, having given not less than 30 nor more than 60 days' notice to the Trustee, the Principal Agent and the Bondholders (which notice shall be irrevocable) redeem all but not some only of the Bonds at their principal amount, together with accrued and unpaid interest thereon to but excluding the date fixed for redemption, if the Issuer satisfies the Trustee immediately prior to the giving of such notice that (i) the Issuer (or if the Guarantee was called, the Guarantor) has or will become obliged to pay Additional Tax Amounts as provided or referred to in Condition 8 as a result of any change in, or amendment to, the laws or regulations of the PRC or Hong Kong or, in each case, any political subdivision or any authority thereof or therein having power to tax, or any change in the general application or official interpretation of such laws or regulations (including a decision by a court of competent jurisdiction), which change or amendment becomes effective on or after 17 June 2024, and (ii) such obligation cannot be avoided by the Issuer (or, as the case may be, the Guarantor) taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer (or, as the case may be, the Guarantor) would be obliged to pay such Additional Tax Amounts were a payment in respect of the Bonds then due.

If the Issuer gives a notice of redemption pursuant to Condition 7.3, each Bondholder will have the right to elect that such holder's Bond(s) shall not be redeemed and that the provisions of Condition 8 shall not apply in respect of any payment of principal or interest to be made in respect of such Bond(s) which falls due after the relevant Tax Redemption Date, whereupon no Additional Tax Amounts shall be payable in respect thereof pursuant to Condition 8 and payment of all amounts shall be made subject to the deduction or withholding of the taxation required to be withheld or deducted by the government of the PRC or Hong Kong or, in each case, any authority thereof or therein having power to tax. See "*Terms and Conditions of the Bonds — Redemption, Purchase and Cancellation — Redemption for Taxation Reasons*".

**Redemption at the  
Option of the Issuer**

The Issuer may, having given not less than 30 nor more than 60 days' notice to the Bondholders, the Trustee and the Principal Agent (which notice will be irrevocable), redeem all but not some only of the Bonds at their principal amount, together with accrued and unpaid interest thereon to but excluding the date fixed for redemption:

- (i) at any time after 9 July 2027 but prior to the Maturity Date, provided that no such redemption may be made unless the Closing Price of an H Share translated into U.S. dollars at the Prevailing Rate applicable to each H Share Stock Exchange Business Day, for any 20 H Share Stock Exchange Business Days within a period of 30 consecutive H Share Stock Exchange Business Days, the last of such H Share Stock Exchange Business Day shall occur not more than 10 days prior to the date upon which notice of such redemption is given, was, for each such 20 H Share Stock Exchange Business Days, at least 130 per cent. of the Conversion Price (translated into U.S. dollars at the Fixed Exchange Rate) then in effect. If there shall occur an event giving rise to a change in the Conversion Price during any such 30 consecutive H Share Stock Exchange Business Day period, appropriate adjustments for the relevant days approved by an Independent Financial Advisor shall be made for the purpose of calculating the Closing Price of the H Shares for such days; or
- (ii) if at any time the aggregate principal amount of the Bonds outstanding is less than 10 per cent. of the aggregate principal amount originally issued (including any Bonds issued pursuant to Condition 15).

See “*Terms and Conditions of the Bonds — Redemption, Purchase and Cancellation — Redemption at the Option of the Issuer*”.

**Redemption at the  
Option of the  
Bondholders**

The holder of each Bond will have the right at such holder's option, to require the Issuer to redeem all or some only of that holder's Bonds on 25 June 2027 (the "**Put Option Date**") at their principal amount on the Put Option Date, together with accrued and unpaid interest to but excluding the Put Option Date. To exercise such right, the holder of the relevant Bond must complete, sign and deposit at the specified office of any Paying Agent during normal business hours (being between 9.00 a.m. (Hong Kong time) and 3.00 p.m. (Hong Kong time), Monday to Friday except for public holidays) a duly completed and signed notice, substantially in the form scheduled to the Agency Agreement, obtainable from the specified office of any Paying Agent, together with the Certificate evidencing the Bonds to be redeemed not earlier than 60 days and not later than 30 days prior to the Put Option Date. See "*Terms and Conditions of the Bonds — Redemption, Purchase and Cancellation — Redemption at the Option of the Bondholders*".

**Redemption for  
Relevant Events**

Following the occurrence of either (a) a Change of Control; (b) a Delisting; (c) an H Share Suspension in Trading or (d) a No Registration Event, the holder of each Bond will have the right at such holder's option, to require the Issuer to redeem all or some only of such holder's Bonds on the Relevant Event Put Date at their principal amount as at the Relevant Event Put Date, together with accrued and unpaid interest to but excluding the Relevant Event Put Date. See "*Terms and Conditions of the Bonds — Redemption, Purchase and Cancellation — Redemption for Relevant Events*".

**Final Redemption at  
Maturity**

Unless previously redeemed, converted or purchased and cancelled as provided in the Conditions, the Issuer will redeem each Bond at its principal amount, together with accrued and unpaid interest thereon on the Maturity Date. See "*Terms and Conditions of the Bonds — Redemption, Purchase and Cancellation — Maturity*".

**Lock-up**

Each of the Issuer and the Guarantor has agreed in the Subscription Agreement that neither the Issuer, the Guarantor nor any person acting on its or their behalf will (a) issue, offer, sell, contract to sell, pledge, encumber or otherwise dispose of or grant options, issue warrants or offer rights entitling persons to subscribe or purchase any interest in any Shares or securities of the same class as the Bonds or the H Shares or any securities convertible into, exchangeable for or which carry rights to subscribe or purchase the Bonds, the H Shares or securities of the same class as the Bonds, the H Shares or other instruments representing interests in the Bonds, the H Shares or other securities of the same class as them, (b) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of the ownership of the H Shares, (c) enter into any transaction with the same economic effect as, or which is designed to, or which may reasonably be expected to result in, or agree to do, any of the foregoing, whether any such transaction of the kind described in (a), (b) or (c) is to be settled by delivery of the H Shares or other securities, in cash or otherwise or (d) announce or otherwise make public an intention to do any of the foregoing, in any such case without the prior written consent of the Managers between the date of the subscription Agreement and the date which is 90 days after the Issue Date (both dates inclusive); except for (i) the Bonds and the New Shares issued on conversion of the Bonds; (ii) the issuance of the 251,900,000 new H Shares pursuant to the placing agreement entered into among the Guarantor and the Managers on 18 June 2024; and (iii) Shares issued pursuant to exercise of the share options granted under the share option, share award, restricted share or employee share incentive schemes or plans publicly disclosed by the Company in its 2023 annual report (the “**Share Schemes**”). For the purpose of this paragraph, “**Shares**” means (i) ordinary shares with a nominal value of RMB0.1 each issued by the Guarantor to investors which are traded in HK dollars on the Hong Kong Stock Exchange; (ii) ordinary shares with a nominal value of RMB0.1 each issued by the Guarantor and which are traded in Renminbi on the Shanghai Stock Exchange and (iii) any other fully-paid and non-assessable shares of any class or classes of the ordinary shares of the Guarantor authorised after the date hereof which have no preference in respect of dividends or of amounts payable in the event of any voluntary or involuntary liquidation or dissolution of the Guarantor.

<b>Events of Default</b>	For a description of certain events of default that will permit the Bonds to become immediately due and repayable at their principal amount, together with any accrued and unpaid interest up to but excluding the date of payment (subject as provided in the Conditions and without prejudice to the right of Bondholders to exercise the Conversion Right in respect of their Bonds in accordance with Condition 5), see “ <i>Terms and Conditions of the Bonds — Events of Default</i> ”.
<b>Further Issues</b>	The Issuer may from time to time, without the consent of the Bondholders, create and issue further bonds having the same terms and conditions as the Bonds in all respects (or in all respects except for the issue date and the timing for complying with the requirements set out in the Conditions in relation to the Initial NDRC Post-Issuance Filing, the Initial CSRC Post-Issuance Filing and the Cross-border Security Registration) and so that such further issue shall be consolidated and form a single series with the Bonds. See “ <i>Terms and Conditions of the Bonds — Further Issues</i> ”.
<b>Clearing Systems</b>	The Bonds will be represented by beneficial interests in the Global Certificate, which will be registered in the name of a nominee of, and deposited on the Issue Date with a common depository for, Euroclear and Clearstream. Beneficial interests in the Global Certificate will be shown on, and transfers thereof will be effected only through, records maintained by Euroclear and Clearstream. Except as described the Global Certificate, definitive certificates for Bonds will not be issued in exchange for interests in the Global Certificate.
<b>Governing Law</b>	The Bonds, the Trust Deed, the Deed of Guarantee and the Agency Agreement and any non-contractual obligations arising out of or in connection with them will be governed by, and shall be construed in accordance with, English law.
<b>Trustee</b>	Bank of China (Hong Kong) Limited
<b>Principal Agent and Conversion Agent</b>	Bank of China (Hong Kong) Limited
<b>Registrar and Transfer Agent</b>	Bank of China (Hong Kong) Limited
<b>Listing</b>	Application will be made to the Hong Kong Stock Exchange for (i) the listing of, and permission to deal in, the Bonds by way of debt issues to Professional Investors only; and (ii) the listing of, and permission to deal in, the H Shares issuable on conversion, and such permissions are expected to become effective on 26 June 2024 and when such H Shares are issued, respectively.
<b>Use of Proceeds</b>	See section entitled “ <i>Use of Proceeds</i> ”.

<b>Risk Factors</b>	For a discussion of certain risk factors that should be considered in evaluating an investment in the Bonds, see “ <i>Risk Factors</i> ”.
<b>Selling Restrictions</b>	There are certain restrictions on the offer, sale and transfer of the Bonds and the H Shares to be issued upon conversion of the Bonds in certain jurisdictions including the United States and Hong Kong. For a description of the restrictions on the distribution of this Offering Circular or any offering material and the offering, sale or delivery of the Bonds and the H Shares to be issued upon conversion of the Bonds, see “ <i>Subscription and Sale</i> ”.
<b>Legal Entity Identifier</b>	254900UYUS22SGHTR751
<b>ISIN</b>	XS2849520650
<b>Common Code</b>	284952065
<b>Concurrent Equity Placement</b>	On or about the date of the Subscription Agreement, the Guarantor entered into a placing agreement (the “ <b>Placing Agreement</b> ”) with the Managers to procure purchasers for an equity placement of 251,900,000 H Shares issued by the Guarantor at a placement price of HK\$15.50 per H Share. (the “ <b>Concurrent Equity Placement</b> ”). The Concurrent Equity Placement was conducted concurrently with the offering of the Bonds but the completion of the issuance of the Bonds and the H Shares under the Concurrent Equity Placement are not inter-conditional. The closing date for the Concurrent Equity Placement was 25 June 2024.
<b>Delta Placement</b>	Concurrent with the offering of the Bonds and the Concurrent Equity Placement, the Managers may facilitate sales of existing H Shares notionally underlying the Bonds by buyers of the Bonds who wish to sell such H Shares in short sales to purchasers procured by the Managers in order to hedge the market risk to which buyers of the Bonds are exposed with respect to the Bonds that they acquire in the offering of the Bonds (the “ <b>Delta Placement</b> ”).

## SUMMARY CONSOLIDATED FINANCIAL INFORMATION

*The consolidated financial information of the Guarantor as at and for the years ended 31 December 2021, 2022 and 2023 included in this Offering Circular has been extracted from the audited consolidated financial statements as at and for the years ended 31 December 2022 and 2023, respectively, of the Guarantor, which have been audited by EY, the independent auditor of the Guarantor in accordance with the Auditing Standards for Chinese Certified Public Accountants. The audited consolidated financial statements of the Guarantor as at and for the years ended 31 December 2022 and 2023 have been prepared and presented in accordance with PRC GAAP. PRC GAAP is substantially in line with IFRS, except for certain modifications which reflect the PRC's unique circumstances and environment. For a summary of the material differences, see "Summary of Certain Material Differences between PRC GAAP and IFRS".*

*The summary financial information set out below and in this Offering Circular should be read in conjunction with, and is qualified in its entirety by reference to, the Guarantor's audited financial statements as at and for the years ended 31 December 2022 and 2023 (including the notes thereto), both of which are incorporated by reference in this Offering Circular.*

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	For the year ended 31 December			
	2021	2022	2023	2023
	<i>(RMB)</i>	<i>(RMB)</i>	<i>(RMB)</i>	<i>(US\$)</i>
<b>OPERATING INCOME</b> . . . . .	225,102,488,592	270,328,998,459	293,403,242,878	41,324,982,447
Less: Operating costs . . . . .	190,351,121,555	227,784,282,577	247,024,066,519	34,792,612,082
Taxes and surcharges . . . . .	3,459,679,898	4,267,630,167	4,850,142,201	683,128,241
Selling expenses . . . . .	412,272,620	619,893,797	766,391,252	107,943,950
Administrative expenses . . . . .	5,308,536,279	6,264,990,220	7,522,988,740	1,059,590,803
Research and development expenses . . . . .	770,661,326	1,231,551,616	1,566,908,894	220,694,502
Finance expenses . . . . .	1,496,475,674	1,904,994,525	3,268,491,732	460,357,432
Including: Interest expenses . . .	2,111,953,389	3,444,817,054	4,923,443,575	693,452,524
Interest income . . . . .	761,083,060	1,353,854,350	1,942,652,632	273,616,901
Add: Other income . . . . .	350,771,492	484,638,917	541,738,816	76,302,316
Investment income . . . . .	1,691,601,136	2,874,143,505	3,490,901,336	491,683,170
Including: Share of profits of associates and joint ventures . . . . .	1,627,111,396	3,743,044,810	3,697,642,136	520,802,002
Losses on changes in fair value . .	(231,864,044)	(255,492,467)	(18,623,744)	(2,623,099)
(Credit impairment losses) . . . . .	578,093,599	(329,409,918)	(133,716,566)	(18,833,584)
Impairment losses on assets . . . . .	(598,022,432)	(78,711,813)	(385,330,847)	(54,272,715)
Losses on disposal of non-current assets . . . . .	(7,815,800)	(5,217,763)	37,310,469	5,255,070
<b>OPERATING PROFIT</b> . . . . .	25,086,505,191	30,945,606,018	31,936,533,004	4,498,166,594
Add: Non-operating income . . . . .	178,088,257	108,391,606	120,048,593	16,908,491
Less: Non-operating expenses . . . . .	470,782,956	1,061,146,651	769,110,228	108,326,910
<b>PROFIT BEFORE TAX</b> . . . . .	24,793,810,492	29,992,850,973	31,287,471,369	4,406,748,175
Less: Income tax expenses . . . . .	5,194,172,140	5,225,640,850	4,747,871,900	668,723,771
<b>NET PROFIT</b> . . . . .	19,599,638,352	24,767,210,123	26,539,599,469	3,738,024,404
Classification according to the continuity of operation				
Net profit from continuing operations .	19,599,638,352	24,767,210,123	26,539,599,469	3,738,024,404
Attributable to:				
Owners of the parent . . . . .	15,672,870,591	20,042,045,977	21,119,419,571	2,974,608,033
Non-controlling interests . . . . .	3,926,767,761	4,725,164,146	5,420,179,898	763,416,372
<b>OTHER COMPREHENSIVE INCOME, NET OF TAX</b>				
Other comprehensive income after tax attributable to owners of the parent, net of tax . . . . .	1,396,857,624	2,851,922,108	3,870,604,979	545,163,309
Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods				
Changes in fair value of other equity instrument investments . . . . .	2,891,407,259	(354,595,573)	2,701,152,758	380,449,409
Changes arising from the re-measurement of defined benefit plan . . . . .	(34,585,795)	3,344,740	10,818,710	1,523,783



	<b>For the year ended 31 December</b>			
	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2023</b>
	<i>(RMB)</i>	<i>(RMB)</i>	<i>(RMB)</i>	<i>(US\$)</i>
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods				
Other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods under the equity method . . . . .	9,685,755	(38,994,447)	21,016,535	2,960,117
Changes in fair value of receivables financing . . . . .	(19,668,721)	(1,502,455)	2,164,392	304,848
Provision for credit impairment losses on receivables financing . . . . .	—	4,921,131	2,833,062	399,028
Hedging costs — forward elements . .	(21,942,636)	17,601,229	40,726,639	5,736,227
Exchange differences arising from translation of financial statements denominated in foreign currencies .	(1,428,038,238)	3,221,147,483	1,091,892,883	153,789,896
Other comprehensive income/(loss) attributable to non-controlling interests, net of tax . . . . .	(454,731,066)	777,394,246	384,282,364	54,125,039
<b>Subtotal of other comprehensive income, net of tax . . . . .</b>	<b>942,126,558</b>	<b>3,629,316,354</b>	<b>4,254,887,343</b>	<b>599,288,348</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR . . . . .</b>	<b>20,541,764,910</b>	<b>28,396,526,477</b>	<b>30,794,486,812</b>	<b>4,337,312,753</b>
Attributable to:				
Owners of the parent . . . . .	17,069,728,215	22,893,968,085	24,990,024,550	3,519,771,342
Non-controlling interests . . . . .	3,472,036,695	5,502,558,392	5,804,462,262	817,541,411
Earnings per share				
Basic earnings per share . . . . .	0.60	0.76	0.80	0.11
Diluted earnings per share . . . . .	0.60	0.76	0.80	0.11

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31 December			
	2021	2022	2023	2023
	(RMB)	(RMB)	(RMB)	(US\$)
<b>CURRENT ASSETS</b>				
Cash and cash equivalents . . . . .	14,221,780,252	20,243,737,052	18,448,716,808	2,598,447,416
Held for trading financial assets . . .	2,935,224,582	5,093,808,339	5,307,044,685	747,481,610
<i>Including: Derivative financial assets</i>	<i>152,644,244</i>	<i>46,793,246</i>	<i>353,193,503</i>	<i>49,746,264</i>
Bills receivable . . . . .	—	729,421,153	553,119,452	77,905,245
Trade receivables . . . . .	2,445,223,101	7,916,964,606	7,777,908,320	1,095,495,475
Receivables financing . . . . .	1,958,255,180	2,991,548,914	2,798,769,858	394,198,490
Prepayments . . . . .	1,782,420,666	3,795,206,862	2,677,321,890	377,092,901
Other receivables . . . . .	1,385,716,898	3,656,110,491	2,834,011,778	399,162,210
Inventories . . . . .	19,308,800,678	28,103,963,625	29,289,613,313	4,125,355,753
Contract assets . . . . .	—	1,227,197,810	1,143,837,782	161,106,182
Held for sale assets . . . . .	—	—	26,351,841	3,711,579
Current portion of non-current assets	8,923,967	693,448,118	708,232,962	99,752,526
Other current assets . . . . .	3,017,948,117	5,193,052,562	6,063,611,366	854,041,799
<b>TOTAL CURRENT ASSETS</b> . . . . .	<b><u>47,064,293,441</u></b>	<b><u>79,644,459,532</u></b>	<b><u>77,628,540,055</u></b>	<b><u>10,933,751,187</u></b>
<b>NON-CURRENT ASSETS</b>				
Debt investments . . . . .	468,136,162	321,929,780	379,661,490	53,474,202
Long-term equity investments . . . . .	9,628,231,895	25,066,936,465	31,632,272,017	4,455,312,331
Other equity instrument investments .	9,415,646,061	10,545,595,648	13,719,080,444	1,932,292,067
Other non-current financial assets . .	62,500,000	—	—	—
Investment properties . . . . .	117,472,940	448,776,949	327,295,982	46,098,675
Fixed assets . . . . .	55,597,154,905	72,746,422,792	81,465,916,360	11,474,234,336
Construction in progress . . . . .	18,548,053,400	21,866,653,969	35,926,774,177	5,060,180,309
Right-of-use assets . . . . .	217,034,588	332,279,217	334,369,349	47,094,938
Intangible assets . . . . .	47,531,349,824	68,279,910,055	67,891,999,037	9,562,388,067
Goodwill . . . . .	314,149,588	717,723,949	692,156,206	97,488,163
Long-term deferred assets . . . . .	1,724,516,259	2,060,315,229	2,534,183,746	356,932,315
Deferred tax assets . . . . .	1,325,642,796	1,647,300,510	2,079,296,604	292,862,801
Other non-current assets . . . . .	16,580,496,264	22,365,835,375	28,394,160,545	3,999,233,869
Total non-current assets . . . . .	<u>161,530,384,682</u>	<u>226,399,679,938</u>	<u>265,377,165,957</u>	<u>37,377,592,073</u>
<b>TOTAL ASSETS</b> . . . . .	<b><u>208,594,678,123</u></b>	<b><u>306,044,139,470</u></b>	<b><u>343,005,706,012</u></b>	<b><u>48,311,343,260</u></b>
<b>CURRENT LIABILITIES</b>				
Short-term borrowings . . . . .	18,229,100,791	23,666,315,501	20,989,471,669	2,956,305,253
Held for trading financial liabilities .	156,812,356	540,503,475	1,688,823,180	237,865,770
<i>Including: Derivative financial liabilities</i>	<i>156,812,356</i>	<i>540,503,475</i>	<i>1,688,823,180</i>	<i>237,865,770</i>
Bills payable . . . . .	394,380,588	1,735,484,847	1,855,810,350	261,385,421
Trade payables . . . . .	7,442,318,423	11,757,464,637	14,428,441,602	2,032,203,496
Receipts in advance . . . . .	—	88,648,941	86,862,972	12,234,394
Contract liabilities . . . . .	671,955,151	7,412,075,704	6,163,764,972	868,148,139
Employee benefits payable . . . . .	1,604,671,386	2,251,480,559	2,826,433,455	398,094,826
Taxes payable . . . . .	4,040,386,486	3,144,610,780	3,437,761,165	484,198,533
Other payables . . . . .	7,614,396,670	9,847,711,138	13,926,373,967	1,961,488,749
Held for sale liabilities . . . . .	—	—	12,857,294	1,810,912
Current portion of non-current liabilities . . . . .	9,470,350,520	7,645,305,535	18,028,890,491	2,539,316,116
Other current liabilities . . . . .	678,088,310	3,080,302,719	736,941,988	103,796,108
<b>Total current liabilities</b> . . . . .	<b><u>50,302,460,681</u></b>	<b><u>71,169,903,836</u></b>	<b><u>84,182,433,105</u></b>	<b><u>11,856,847,717</u></b>

	As at 31 December			
	2021	2022	2023	2023
	(RMB)	(RMB)	(RMB)	(US\$)
<b>NON-CURRENT ASSETS</b>				
Long-term borrowings . . . . .	36,126,816,893	68,819,578,332	77,530,909,080	10,920,000,152
Bonds payable . . . . .	14,247,474,590	23,870,516,058	25,286,676,862	3,561,553,946
<i>Including: Preference shares . . . . .</i>	<i>956,355,139</i>	<i>1,044,689,738</i>	<i>1,062,404,958</i>	<i>149,636,609</i>
Lease liabilities . . . . .	184,195,155	222,586,249	81,012,179	11,410,327
Long-term payables . . . . .	2,359,167,215	3,272,675,848	3,434,886,729	483,793,677
Long-term employee benefits payable	79,059,540	72,193,443	63,429,262	8,933,825
Provisions . . . . .	3,696,917,863	3,877,025,144	4,306,965,597	606,623,417
Deferred income . . . . .	397,491,581	700,660,386	628,719,334	88,553,266
Deferred tax liabilities . . . . .	6,342,164,459	7,482,000,554	7,470,695,107	1,052,225,399
Other non-current liabilities . . . . .	1,961,759,602	2,101,554,115	1,657,182,439	233,409,265
Total non-current liabilities . . . . .	<u>65,395,046,898</u>	<u>110,418,790,129</u>	<u>120,460,476,589</u>	<u>16,966,503,273</u>
<b>TOTAL LIABILITIES . . . . .</b>	<b><u>115,697,507,579</u></b>	<b><u>181,588,693,965</u></b>	<b><u>204,642,909,694</u></b>	<b><u>28,823,350,990</u></b>
<b>EQUITY</b>				
Share capital . . . . .	2,633,011,224	2,632,931,224	2,632,657,124	370,802,001
Capital reserve . . . . .	25,205,642,523	25,551,506,136	25,866,060,607	3,643,158,440
<i>Less: Treasury shares . . . . .</i>	<i>475,709,598</i>	<i>488,538,909</i>	<i>778,090,664</i>	<i>109,591,778</i>
Other comprehensive income . . . . .	2,209,428,323	5,061,350,431	8,960,434,573	1,262,050,814
Special reserve . . . . .	113,281,545	60,634,043	187,666,512	26,432,275
Surplus reserve . . . . .	1,367,003,719	1,367,003,719	1,367,003,719	192,538,447
Retained earnings . . . . .	39,981,710,325	54,757,893,854	69,270,211,452	9,756,505,226
Equity attributable to owners of the parent . . . . .	71,034,368,061	88,942,780,498	107,505,943,323	15,141,895,424
Non-controlling interests . . . . .	21,862,802,483	35,512,665,007	30,856,852,995	4,346,096,846
<b>TOTAL EQUITY . . . . .</b>	<b><u>92,897,170,544</u></b>	<b><u>124,455,445,505</u></b>	<b><u>138,362,796,318</u></b>	<b><u>19,487,992,270</u></b>
<b>TOTAL LIABILITIES AND OWNERS' EQUITY . . . . .</b>	<b><u>208,594,678,123</u></b>	<b><u>306,044,139,470</u></b>	<b><u>343,005,706,012</u></b>	<b><u>48,311,343,260</u></b>

## CONSOLIDATED STATEMENT OF CASH FLOWS

	For the year ended 31 December			
	2021	2022	2023	2023
	<i>(RMB)</i>	<i>(RMB)</i>	<i>(RMB)</i>	<i>(US\$)</i>
<b>I. CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Cash receipts from sale of goods and rendering of services . . . . .	236,345,807,492	282,341,075,714	321,076,708,367	45,222,708,541
Other cash receipts relating to operating activities . . . . .	661,491,512	1,114,083,875	1,600,744,944	225,460,210
Subtotal of cash inflows from operating activities . . . . .	237,007,299,004	283,455,159,589	322,677,453,311	45,448,168,750
Cash payments for goods purchased and services received . . . . .	(190,504,168,608)	(226,346,266,450)	(255,015,105,235)	(35,918,126,345)
Cash payments to and on behalf of employees . . . . .	(7,151,063,210)	(9,171,126,231)	(9,834,755,858)	(1,385,196,391)
Payments of various types of taxes and surcharges . . . . .	(9,642,377,246)	(12,848,281,558)	(15,904,175,966)	(2,240,056,334)
Other cash payments relating to operating activities . . . . .	(3,637,452,339)	(6,410,982,990)	(5,063,350,237)	(713,157,965)
Subtotal of cash outflows from operating activities . . . . .	(210,935,061,403)	(254,776,657,229)	(285,817,387,296)	(40,256,537,035)
Net cash flows from operating activities . . . . .	26,072,237,601	28,678,502,360	36,860,066,015	5,191,631,715
<b>II. CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Cash receipts from disposals and recovery of investments . . . . .	1,659,859,836	4,014,341,742	2,684,945,701	378,166,693
Cash receipts from investment income . . . . .	593,774,292	1,408,491,399	1,287,179,020	181,295,373
Net cash receipts from disposals of fixed assets, intangible assets and other non-current assets . . . . .	17,352,639	137,120,931	99,817,285	14,058,971
Other cash receipts relating to investing activities . . . . .	244,036,360	397,532,056	2,416,952,549	340,420,647
Subtotal of cash inflows from investing activities . . . . .	2,515,023,127	5,957,486,128	6,488,894,555	913,941,683
Cash payments for purchase or constructions of fixed assets, intangible assets and other non-current assets . . . . .	(20,148,568,080)	(24,794,352,673)	(30,428,663,664)	(4,285,787,640)
Cash payments for investments . . . . .	(4,528,283,903)	(19,715,859,914)	(7,153,269,146)	(1,007,516,887)
Net cash payments for acquisition of subsidiaries and other business units . . . . .	(46,289,222)	(12,027,065,336)	(2,770,371,201)	(390,198,623)
Other cash payments relating to investing activities . . . . .	(1,556,833,400)	(401,160,000)	(101,200,000)	(14,253,722)
Subtotal of cash outflows from investing activities . . . . .	(26,279,974,605)	(56,938,437,923)	(40,453,504,011)	(5,697,756,871)
Net cash flows used in investing activities . . . . .	(23,764,951,478)	(50,980,951,795)	(33,964,609,456)	(4,783,815,188)

	For the year ended 31 December			
	2021	2022	2023	2023
	(RMB)	(RMB)	(RMB)	(US\$)
<b>III. CASH FLOWS FROM FINANCING ACTIVITIES:</b>				
Cash receipts from capital contributions . . . . .	2,758,563,637	773,716,919	235,205,511	33,128,003
<i>Including: Cash receipts from capital contributions from non-controlling shareholders of subsidiaries . . . . .</i>	<i>2,271,586,367</i>	<i>773,716,919</i>	<i>235,205,511</i>	<i>33,128,003</i>
Cash receipts from borrowings . . . . .	31,135,822,496	59,999,303,556	57,836,352,283	8,146,079,844
Cash receipts from the gold leasing business . . . . .	11,266,182,767	7,410,869,428	8,069,975,449	1,136,632,269
Cash receipts from issuance of bonds and ultra short-term financing bonds . . . . .	6,300,000,000	14,700,000,000	7,250,000,000	1,021,141,143
Other cash receipts relating to financing activities . . . . .	97,243,423	159,894,460	907,359,885	127,798,967
Subtotal of cash inflows from financing activities . . . . .	51,557,812,323	83,043,784,363	74,298,893,128	10,464,780,226
Cash repayments of borrowings . . . . .	(20,418,950,527)	(27,253,353,338)	(45,612,964,497)	(6,424,451,682)
Cash repayments of the gold leasing business . . . . .	(12,800,751,471)	(11,162,092,237)	(6,312,902,985)	(889,153,789)
Cash repayments of bonds and ultra short-term financing bonds . . . . .	(10,284,479,263)	(5,000,000,000)	(5,500,000,000)	(774,658,798)
Cash payments for distribution of dividends or profits or settlement of interest expenses. . . . .	(7,336,876,536)	(11,475,070,934)	(15,174,567,428)	(2,137,293,121)
<i>Including: Payments for distribution of dividends or profits to non-controlling shareholders of subsidiaries. . . . .</i>	<i>(2,215,461,529)</i>	<i>(2,869,964,968)</i>	<i>(3,081,218,357)</i>	<i>(433,980,529)</i>
Other cash payments relating to financing activities . . . . .	(693,434,139)	(895,291,073)	(7,515,446,487)	(1,058,528,499)
Subtotal of cash outflows from financing activities . . . . .	(51,534,491,936)	(55,785,807,582)	(80,115,881,397)	(11,284,085,888)
Net cash flows from financing activities . . . . .	23,320,387	27,257,976,781	(5,816,988,269)	(819,305,662)
<b>IV. EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS. . . . .</b>	<b>(486,027,541)</b>	<b>1,079,885,983</b>	<b>947,320,199</b>	<b>133,427,259</b>
<b>V. NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS . . . . .</b>	<b>1,844,578,969</b>	<b>6,035,413,329</b>	<b>(1,974,211,511)</b>	<b>(278,061,876)</b>
Add: Opening balance of cash and cash equivalents . . . . .	11,786,686,240	13,631,265,209	19,666,678,538	2,769,993,738
<b>VI. CLOSING BALANCE OF CASH AND CASH EQUIVALENTS. . . . .</b>	<b>13,631,265,209</b>	<b>19,666,678,538</b>	<b>17,692,467,027</b>	<b>2,491,931,862</b>

## RISK FACTORS

*This Offering Circular contains forward-looking statements relating to events that involve risks and uncertainties. Prospective investors should carefully consider the risk factors set forth below, as well as the other information contained elsewhere in this Offering Circular. The risks described below are not the only ones that may affect the Company or the Bonds. Additional risks and uncertainties that we are not aware of or that we currently believe are immaterial may also adversely affect our financial condition or results of operations. If any of the possible events described below occur, our financial condition or results of operations could be materially and adversely affected. In such case, we may not be able to satisfy our obligations under the Bonds, and investors could lose all or part of their investment.*

### RISKS RELATING TO THE GROUP'S BUSINESS

#### **Volatility in metal prices could adversely affect the Group's business, financial condition and results of operations**

Gold, together with copper, are the major income sources of the Group.

There are many factors influencing the price of gold, including, among others, U.S Federal Reserve's monetary policy, geopolitical conflicts, general global economic conditions (in particular, the economic conditions of the United States), inflationary expectations, fluctuations in the exchange rate of the US dollar, fluctuations in the stock and other financial investment markets and other political, military, social and economic contingencies. These factors are beyond the control of the Group. Changes in the price of gold as a result of these factors may adversely affect the business, financial condition and results of operations of the Group. Due to escalation of geopolitical conflicts, increased expectations of interest rate cuts by major central banks worldwide and continued gold purchases by central banks, in 2023, the LBMA spot gold price closed at USD2,062 per ounce, representing an increase of 12% from the beginning of the year, setting a record for the highest closing price for the year; and the average price of gold in 2023 was USD1,941 per ounce, representing an 8% increase from 2022, also hitting a new historical high. Although the price of gold remained high in 2023, there can be no assurance of the risk of volatility in gold prices in the future. The gold prices in recent years have been gradually increasing and have generally had a positive impact on the Group's financial performance. However, there is no assurance that the prices will remain at such levels and any decrease in the price of gold may materially and adversely affect the Group's business, financial condition and results of operations.

The price of copper has experienced fluctuations in response to the changing resource availability, government policies, costs of production, trade disputes with target markets, global and regional economic conditions, demand in end markets for products in which the commodities are used, technological developments, including commodity substitutions, fluctuations in global production capacities and the level of global inventories, many of which are beyond the Group's control. For example, at the beginning of 2023, driven by the expectations of a shift in the Federal Reserve's interest rate policy and the economic recovery worldwide, the price of copper reached its highest level of the year at USD9,550 per tonne. Subsequently, the Federal Reserve maintained a hawkish stance and the demand rebounded less than expected, causing the central level of copper price to shift downward. In the second half of 2023, market participants focused on geopolitical risks and became risk-averse, pursuing safe-haven assets, including the US dollar and gold, while selling off

risky assets. As a result, the prices of non-ferrous metals were under pressure in general, and the copper price reached its yearly low point of USD7,856 per tonne in October. At the end of 2023, there was a noticeable slowdown in both U.S. inflation and employment data, reinforcing expectations of interest rate cuts, coupled with the obvious increase in disruptions of overseas mining supply and a continuous decline in London Metal Exchange (LME) inventories, the price of copper rebounded and briefly surpassed USD8,700 per tonne. Changes in the price of copper may result in substantial impacts on the Group's operating results. Decline in copper price may result in greater pressure on the Group's production and operation.

Other metal products including zinc (lead), lithium, silver and molybdenum are also important to the income of the Group. Changes in the prices of these products may negatively affect the Group's operating results. Decline in product prices may result in greater pressure on the Group's production and operation.

**The Group's businesses are susceptible to downturns in the general economy and industries in which the Group operates or which the Group serves**

The Group's business is susceptible to economic and market conditions in the jurisdictions where it operates. A reduction in demand or supply could materially and adversely affect the Group's business, financial condition and results of operations. Demand for the Group's primary products of gold, copper, zinc (lead), lithium, silver, molybdenum and other non-ferrous metals depends on the general economy, level of activity and growth in the industries which the Group serves, such as traditional industries, new energy industries, real estate industry, infrastructure investment industry and automobile industry. Development of the relevant industries is subject to various factors, including but not limited to market fluctuations of the prices of commodities, macroeconomic policies, general political or economic conditions, technological development, government investment plans, fluctuations in global production capacity and consumer spending, many of which are beyond the Group's control. Unfavourable global financial or economic conditions could materially and adversely affect the Group's sales volume.

In addition, global macroeconomic events since 2011, such as the easing of monetary policy by various governments worldwide, the sovereign debt crisis in Europe, the withdrawal of the United Kingdom from the European Union and the U.S.-Sino trade tensions have had an adverse effect on the global economy. Furthermore, the global outbreak of the Coronavirus Disease 2019 (**COVID-19**) and the efforts to constrain it have negatively impacted the global economy and financial markets, causing a global recession. In the past year, geopolitical influences intensified and global economic growth further slowed down. Intensified geopolitical tension has brought uncertainties to the global economy as well as significant volatilities in the global financial market. Uncertainties about future economic conditions make it challenging for the Group to forecast its results of operations, make business decisions and identify risks that may affect its business, which may in turn materially and adversely affect the Group's business, financial condition and results of operations. Any severe or prolonged slowdown in the global economy may materially and adversely affect the market conditions in the jurisdictions where the Group operates, which may in turn materially and adversely affect the Group's business, financial condition and results of operations.

**The Group is subject to laws, rules and regulations with respect to environmental matters and the treatment and discharge of hazardous wastes and materials**

The production and operations of the Group are subject to the laws, rules and regulations with respect to environmental matters and the treatment and discharge of hazardous wastes and materials imposed by the relevant governmental authorities of countries and regions where the Group operates. One of the main environmental issues in the gold and non-ferrous metal mining industry is wastewater management. The wastewater discharges from the Group's operations have strictly complied with the local statutory standards for environmental releases of the countries and regions where the Group operates. However, extraordinarily heavy rainfalls or other natural disasters could result in the pollution of the local water system or damage to the ecological system by waste residue or wastewater. In addition, the Group may be involved in environmental incidents from time to time even though the Group continues to carry out prudent environmental protection measures. If any environmental incidents occur in the future, the operations of the Group may be interrupted and the business, financial condition and results of operations, as well as reputation of the Group, may be materially and adversely affected.

Furthermore, with the development of the economy in the jurisdiction where the Group operates, improvements in the living standards of the population have heightened awareness of the need for environmental protection. If higher environmental protection standards were to be imposed by authorities in the jurisdictions where the Group operates in the future, the operating costs of the Group may increase. Moreover, there is no assurance that the Group will obtain all the required environmental approvals or there will be no material delay in obtaining or renewing such approvals or that the Group will be able to comply with all of the heightened standards. Failure to do so may subject the Group to penalties and liabilities under relevant laws and regulations in the jurisdictions where the Group operates, including but not limited to warnings, fines, suspension of production and closure of the facility that fails to comply with the relevant environmental standards.

**The Group has an increased level of indebtedness and may incur additional indebtedness in the future**

The Group has financed a portion of its capital requirements through bank and other borrowings and expects to continue to do so in the foreseeable future. For the years ended 31 December 2021, 2022 and 2023, the Group's debt asset ratio was 55.47%, 59.33% and 59.66%, respectively. The increased level of indebtedness could negatively affect the Group's operations, including, but not limited to, reducing its cash flow available for working capital, capital expenditures and other general corporate purposes as a result of the Group's debt servicing obligations, limiting its flexibility in planning for or reacting to the changes in the Group's businesses and the industry; and limiting its ability to obtain additional financing and potentially increasing the Group's financing costs.

The Group's ability to meet its payment and other obligations under its outstanding debt depends on the Group's ability to generate cash flows in the future or to obtain external financing. There is no assurance that the Group's business will generate sufficient cash flows from operations to satisfy its obligations under its outstanding debt and to fund other liquidity needs. If the Group is not able to generate sufficient cash flows to meet such obligations, the Group may need to refinance or restructure its debt, reduce or delay capital investments, or seek additional equity or debt financing. The ability of the Group to obtain future external financing involves a number of uncertainties including its future operational



results, financial condition, cash flow, general economic conditions, interest rates, credit availability from banks and other creditors, and the liquidity of capital markets in the jurisdictions where the Group operates. There can be no assurance that additional external financing, either on a short-term or on a long-term basis, will be made available or, if available, that such financing will be obtained on terms favourable to the Group. If the Group fails to obtain adequate funds to serve its debt obligations and to satisfy its operations or development plans, the Group's business, financial condition and results of operations could be materially and adversely affected.

### **The Group's businesses and operations require significant capital resources on an ongoing basis**

The exploration and mining of mineral resources requires substantial capital investments. The Group's primary capital expenditure is on investment in new construction and production, process optimization and expansion, and overseas resource management and acquisitions. In recent years, the Group has promoted the resource control strategy and has prioritised optimising and improving the existing processes. As a result, the Group's capital expenditure has experienced year-on-year growth. The Group's net cash flow used in investing activities in 2022 and 2023 was RMB50.98 billion and RMB33.96 billion respectively. As at 31 December 2023, the amount of capital commitments relating to the acquisition and construction of property, plant, machinery and equipment and mining assets was RMB5.50 billion, compared to RMB2.21 billion as at 31 December 2022. The Group's capital expenditures in recent years and in the future are expected to remain at a high level, which may impact the Group's financing arrangements in the future.

### **The Group is subject to risks relating to inventory**

As at 31 December 2023, the Group's inventory amounted to approximately RMB29.29 billion, primarily comprising raw materials of RMB11.22 billion, work in process of RMB14.69 billion and finished goods of RMB3.38 billion. Having an appropriate level of finished goods inventory is crucial in meeting volatile market demand and an appropriate level of raw materials inventory is pivotal in minimising the effect of the volatility of raw materials prices. The Group's inventories mainly consist of precious metals and non-ferrous metals such as gold and copper, which are essential to the Group's operations. However, any sudden decrease in the market demand and the corresponding unanticipated drop in the sales and the prices of the relevant goods or any failure of the Group in successfully maintaining the flexibility in its raw materials and spare parts supply arrangements could cause the Group's inventory to accumulate or depreciate in value, which may adversely affect the Group's businesses, financial condition and results of operations. The Group reviews its inventory from time to time and makes provisions when it deems necessary. As at 31 December 2023, the Group had RMB202.32 million of provisions for decline in value of inventories. A significant depreciation of the Group's inventory value may exceed its provisions and could materially and adversely affect the Group's businesses, financial condition and results of operations.

### **The Group is subject to risks relating to diversified business operations**

The Group is principally engaged in the exploration, mining, processing, refining and sales of gold, copper, zinc, lithium, silver, molybdenum and other metallic mineral resources globally. While focusing on improving its leading market position in the mining and metals industry, the Group also develops ancillary businesses including trading to support its core

businesses. It may be difficult for the Group to concentrate on the in-depth development of these ancillary businesses and such ancillary businesses might be less profitable than the Group's core business.

**The Group is subject to uncertainty in the results of exploration for resources and competition for resources in acquisitions**

Resources and reserves are non-renewable, and the exploration of new and potential resources is crucial to a mining enterprise. Exploration of mineral resources bears uncertainties, and therefore substantial expenses may be incurred from initial drilling to production. There is also no assurance that any exploration can lead to the discovery of economically feasible reserves. If the Group fails to replenish its mineral resource levels in existing or new mining areas, the Group may not be able to maintain the current metals production levels after the remaining usable life of the existing mining areas lapses.

As the Group primarily engages in the exploration, mining, processing, refining and sales of gold, copper, zinc, lithium, silver, molybdenum and other metallic mineral resources globally, the sustainable development of the Group relies on its ability to expand upstream resources by acquiring exploration and mining rights worldwide and its ability to replenish resources reserve with quality ores. Further, other mining enterprises may compete with the Group in terms of acquiring mining resources. Such competition may make it more difficult for the Group to acquire new resources. There is no assurance that the Group will be able to continue acquiring mining resources in the future. As a result, the Group's business, financial condition, results of operations and the sustainable development of the Group may be adversely affected.

**The Group is subject to licence period of mining rights**

In relation to mining operations in the jurisdictions where the Group operates, the Group may be required to obtain or renew mining rights for conducting mining activities in a specific mining area during the relevant licence period. There is no assurance that the Group will be able to exploit the entire mineral resources of any of its mine during the initial licence period. The Group may need to apply to the relevant authorities for an extension in respect of these mining rights upon expiry. However, if the Group fails to renew its mining rights upon expiry or it cannot effectively utilise the resources within the licence period specified in the relevant mining rights, the Group's business, financial condition and results of operations may be adversely affected.

**The Group's operation is subject to government approvals, permits and licences**

Under applicable laws of certain jurisdictions where the Group operates, the Group is required to obtain certain government approvals, permits and licences for each of its mines. There is no assurance that the Group will obtain such approvals, permits and licences in a timely manner in the future or at all. Any failure to obtain or any delay in obtaining or retaining any required government approvals, permits or licences could subject the Group to a variety of administrative penalties or other government actions and adversely impact its business operations.

In addition, the Group's mining licences in certain jurisdictions where it operates are subject to annual review by government authorities. During annual reviews, the Group has to provide relevant mining reports for the relevant authorities to consider whether the

mining activities of the Group in the past year have been in compliance with the relevant laws and regulations. If the Group does not pass the annual review, it may be penalised, given a deadline to rectify the situation, or its mining licence may be suspended or revoked. Should the Group's mining licence be suspended or revoked or the Group has to incur additional significant costs to rectify non-compliances, the Group's business, financial condition and results of operations would be materially and adversely affected.

**The Group is subject to uncertainties relating to overseas projects and further overseas acquisitions**

The Group has acquired and will continue to acquire interests in overseas projects as part of its development plan. As at 31 December 2023, the Group's overseas assets amounted to RMB144.3 billion, representing 42% of the total assets. In 2023, the Group's overseas resources of copper, gold, zinc (lead) and lithium carbonate resources accounted for 75%, 67%, 23% and 82% of the Group's total resources respectively and the Group's overseas mine-produced copper, mine-produced gold and mine-produced zinc (lead) output accounted for 56%, 64% and 45% of the Group's total output respectively. The operational, regulatory, financial, legal as well as cultural challenges presented as a result of these overseas projects and acquisitions could be significantly different from that of operating a business in the PRC. There is a risk that the Group may not assimilate operations, technologies, production procedures and management of employees of these overseas projects. There may also be difficulties for the Group to ensure compliance with the local environmental and labour laws and regulations. The Group has acquired overseas mining resources located in Australia, Serbia, Tajikistan, Russia, Kyrgyzstan, the Democratic Republic of Congo, Peru, Papua New Guinea and other countries. The complexities of international political, economic and other conditions in the jurisdictions where the overseas projects relate may increase the risk profile of the Group. In addition, uncertainties in the international political environment and domestic politics may impact the operation of the Group. There is no assurance that the Group can effectively acquire or manage the overseas projects to expand or sustain its business development. In the event that the Group is unable to successfully acquire or manage overseas projects, it may materially and adversely affect the Group's business, financial condition and results of operations.

**The Group may experience high costs or difficulties when implementing its strategic acquisitions and investments and establishing joint ventures and is subject to risks relating to failure to successfully implement these strategies and integrate them with existing business**

The Group has entered and may from time to time enter into strategic acquisitions and investments with third parties in the mining industry if suitable opportunities arise. The Group has established joint ventures and may establish more joint ventures with third parties if the Group believes that the joint venture will complement its expansion strategies. The Group may also make strategic divestiture of its assets or restructure its business operations. The Group may raise additional financing through the divestiture of its stakes in any business. Any strategic acquisition, investment and joint ventures with third parties could subject the Group to a number of risks, including risks associated with sharing proprietary information and a reduction or loss of control of operations that are material to the business. Moreover, strategic acquisitions, investments and joint ventures may be expensive to implement and subject the Group to the risk of non-performance by a counterparty, which may in turn lead to monetary losses that may materially and adversely affect the business of the Group. If the Group cannot successfully integrate acquisitions,

investments, joint ventures and other partnerships on a timely basis, the Group may be unable to generate sufficient revenue to offset acquisition costs, may incur costs in excess of what the Group anticipates, and the expectations of future results of operations and synergies of the Group may not be achieved. In addition, the results of operations may be materially and adversely affected if the Group is unable to improve the efficiency of its operations. Acquisitions involve substantial risks, including, but not limited to:

- unforeseen difficulties in integrating operations, accounting systems and personnel;
- diversion of financial and management resources from existing operations;
- uncertainty as to whether investment opportunities or initiatives are identified and assessed accurately in terms of the likely benefits, commercial viability and technical feasibility of such initiatives;
- insufficiency of experience in managing or operating such investments, which may increase the need to recruit additional personnel with suitable experience and/or cause the investments to fail to achieve the intended commercial benefits or the level of economic returns or at all;
- failure to attract and retain management and key employees;
- unforeseen difficulties related to entering geographic regions or markets where the Group does not have prior experience;
- failure to obtain sufficient equity or debt financing;
- potential undisclosed liabilities, litigation or other proceedings;
- the loss of key customers or suppliers;
- disagreement with partners; and
- uncertainty of financial condition of the joint venture partners.

Any of the above risks could expose the Group to additional legal and other costs and expenses which could have a material adverse effect on the business of the Group.

**Business in foreign countries and regions that are subject to foreign economic, regulatory, social and political uncertainties and sanctions**

As at 31 December 2023, the Group's business covers sixteen countries and regions in the world, including some developing countries. See "*Description of the Group*" for details of the Group's overseas business. The Group conducts its business in some countries in Asia, Africa, South America and Oceania, where economic, regulatory, social and political conditions are often subject to instability and uncertainties. Its business is therefore subject to constantly changing international economic, regulatory, social and political conditions,

as well as local conditions in the jurisdictions in which the Group conducts business. Conducting business in the international marketplaces also exposes the Group to a number of risks, including:

- political risks, including risks of loss due to civil unrest, acts of terrorism, acts of war, regional and global political or military tensions, discordant local communities, and strained or altered foreign relations;
- economic, financial and market instability and credit risks, including those relating to potential deterioration of the credit markets and other economic conditions in other countries;
- changes in foreign government regulations or policies;
- dependence on foreign governments or entities controlled by such foreign governments for electricity, water, telecommunications, transportation, other utilities and/or infrastructural needs;
- unfamiliarity with local operating and market conditions, which could result in unfavourable consequences such as inaccurate bidding prices for projects;
- lack of understanding of local construction, taxation, labour, customs and other laws, regulations, standards and other requirements;
- risks and uncertainties associated with using foreign workers and subcontractors in connection with the Group's overseas operations, including adverse labour conditions or strikes;
- preferential treatments or corrupt business practises;
- increased taxes or adverse tax policies;
- trade protectionism, trade restrictions or embargoes;
- sanctions (economic or otherwise) imposed by certain countries or self-regulated organisations against the Group's transactions with other countries, individuals or entities which may limit its ability to conduct business with such countries, individuals or entities, or to obtain funding for certain overseas projects;
- stringent environmental protection laws;
- expropriation and nationalisation of the Group's assets in foreign countries;
- lack of a well-developed or independent legal system in the foreign countries in which the Group operates or conducts business, which may create difficulties in the enforcement of contractual or legal rights;
- foreign currency controls and fluctuations; and
- natural disaster.

In some of the high-risk locations where the Group has employees, business or operations, it may incur additional costs in safeguarding its personnel and assets, and its measures aimed at protecting its personnel and assets overseas may not always be sufficient and effective. To the extent that the Group's overseas business or operations are affected by unexpected and adverse foreign economic, regulatory, social and political conditions, it may experience project disruptions, losses of assets and personnel and other indirect losses that could adversely affect its business, financial condition and results of operations.

**The Group may not be able to achieve the Group's production estimates**

The Group's estimates of future production for the mining operations are subject to change. Failure to achieve the Group's production estimates could have a material and adverse effect on the future cash flow, business, financial condition and results of operations of the Group. Actual production may vary from estimates for a variety of reasons, including risks and hazards of the types discussed elsewhere in this Offering Circular, and those set out below:

- actual ore mined varying from estimates in grade, tonnage, metallurgical and other characteristics;
- lower than estimated recovery rate;
- mining dilution;
- pit wall failures or cave-ins;
- industrial accidents;
- equipment failures;
- natural incidents such as inclement weather conditions, floods, blizzards, droughts, rockslides and earthquakes;
- encountering of unusual or unexpected geological conditions;
- changes in power costs and potential power shortages;
- shortages of principal supplies needed for operation, including explosives, fuels, equipment parts and lubricating oil;
- any litigations; and
- restrictions imposed by governmental authorities.

Such occurrences could result in damage to the Group's mining assets, interruptions in production, personal injury or death, damage to the Group's property or the property of others, monetary losses and legal liabilities. These factors may cause a mineral deposit that has been mined profitably in the past to become unprofitable. New mining operations frequently experience unexpected problems during the initial development phase. Delays can often occur in the commencement of production. Any of such incidents could adversely affect the Group's business, financial condition and results of operations.

### **The Group is subject to concerns on internal controls**

The Group has grown exponentially both in terms of size and operations since its listings of H shares in 2003 and A shares in 2008. The rapid expansion presented challenges relating to the internal control of the Group, especially that the Group now has worldwide operations in different mining sectors producing gold and other non-ferrous metals. As at 31 December 2023, the Group had over 50,000 employees and a number of subsidiaries and jointly controlled entities worldwide. As such, an effective internal control system is essential to safeguard the integrity of the Group's business and its financial results. The Group's internal control activities basically covered all operational processes and effectively ensured the normal progress of the Group's operations and management. However, there is no assurance that such internal control activities will be absolutely effective or that material deficiencies in the Group's internal control system will not be discovered in the future. The Group's efforts to maintain its internal controls have required, and in the future may require, increased costs and significant management time and commitment. If the Group fails to maintain effective internal controls in the future, then the Group's business, financial condition, results of operations and reputation, as well as the accuracy of its financial reports, may be materially and adversely affected.

### **The Group may not be able to detect and prevent fraud or other misconduct committed by the employees, representatives, agents, customers or other third parties of the Group**

The Group may be exposed to fraud or other misconduct committed by its employees, representatives, agents, customers, or other third parties that could subject it to litigation, financial losses and sanctions imposed by governmental authorities, as well as affect its reputation. While the Group's internal control procedures are designed to monitor its operations and ensure overall compliance, such procedures may not be able to identify all incidents of non-compliance or suspicious transactions in a timely manner, if at all. Furthermore, it is not always possible to detect and prevent fraud and other misconduct, and the precautions the Group takes to prevent and detect such activities may not be effective. For example, in 2023, 64 employees of the Group were subject to legal or disciplinary actions due to corruption, and there were 16 instances where the Group's contracts with business partners were terminated due to corruption-related violations. There is no assurance that fraud or other misconduct will not occur in the future. If such fraud or other misconduct does occur, it may cause negative publicity and could adversely affect the Group's business, financial condition and results of operations.

Recently, there are media articles that have made a number of allegations against the Group with respect to its interests in Manono Lithium SAS, including reports of certain payments made by the Group in connection with the acquisition of interests relating to Manono Lithium SAS. The Group has made several announcements asserting the untruthfulness of such allegations and will continue to defend its interests in Manono Lithium SAS. As at the date of this Offering Circular, the Group is not aware of any enquiries or investigations by any relevant regulators, agencies or authorities in relation to these allegations. Any such adverse media coverage of the Group may have a material adverse effect on the Group's reputation, thereby affecting the Group's business, financial condition and results of operations.

In addition, please refer to '*— The Group is subject to risks relating to litigation and regulatory investigation proceedings*' in the Offering Circular.

### **The Group is subject to government regulations on the mining industry**

The mining production of the Group is subject to various government policies and regulations relating to exploration, development, production, taxation, labour standards, vocational health and safety, waste treatment, environmental monitoring, protection and control, operation management and other issues. Any changes to these policies and regulations may increase the operating costs of the Group and may adversely affect the Group's business, financial condition and results of operations.

### **The Group is subject to risks relating to litigation and regulatory investigation proceedings**

The Company and its subsidiaries face risks of lawsuits and arbitration claims in the ordinary course of its respective business. For example, there is an ongoing dispute between the Company and AVZ Minerals Limited relating to, *inter alia*, certain rights over Manono Lithium Mine. The Group believes that this ongoing dispute would not have a material adverse effect on the liquidity, business, financial condition, results of operations and prospects of the Group. The Company and its subsidiaries may also be subject to inquiries, investigations and proceedings by regulatory and other governmental agencies in the ordinary course of its business. Although the Group takes an active approach in defending claims and investigations, such investigations and litigations may have or will cause serious damage to the Group's reputation, which in turn may affect the Group's business, results of operations and financial condition. There is no assurance that the Group could successfully defend such claims and investigations, and there is no assurance that such incidents will not occur in the future. Meanwhile, adverse publicity about concerns relating to the Group's brand, whether or not legitimate, may decrease customers' confidence in the Group and result in losses which the Group may not be able to recover. Actions brought against the Company or any of its subsidiaries may result in settlements, injunctions, fines, penalties, stock delisting or other results adverse to it that could harm its reputation. Even if the Company or its subsidiary is successful in defending itself against these actions, the costs of defence may be significant. In market downturns, the number of legal claims and the amount of damages sought in litigation and regulatory proceedings may increase. A significant judgement or regulatory action against the Company or any of its subsidiaries, or a disruption in its business arising from adverse adjudications in proceedings against its directors, officers or employees would have a material adverse effect on the liquidity, business, financial condition, results of operations and prospects of the Group.

### **The Group is subject to risks associated with the engagement of third parties**

The Group's engages external contractors, experts and other advisors in its ordinary course of business from time to time. For example, the Group outsourced its mine engineering work. As a result, the Group's operations at those sites at which such contractors are present are subject to a number of risks, some of which are outside the Group's control, including:

- negotiating agreements with contractors on terms acceptable to the Group;
- the inability to replace a contractor and its operating equipment in the event that either party terminates the agreement;
- reduced control over those aspects of operations which are the responsibility of the contractor;



- failure of a contractor to perform under its agreement with the Group;
- safety accidents caused or experienced by a contractor;
- interruption of operations or increased costs in the event that a contractor ceases its business due to insolvency or other unforeseen events; and
- failure of a contractor to comply with applicable legal and regulatory requirements, to the extent it is responsible for such compliance.

The occurrence of any of, or a combination of any of, the risks mentioned above could have a material adverse effect on the Group's business, results of operations and financial condition. For example, in 2023, the Group experienced several incidents involving temporary, phased infrastructure and technological upgrade projects outsourced to subcontractors, among which a tragic accident occurred during the construction process of a subcontractor of Julong Copper in Tibet, a subsidiary of the Company, resulting in the loss of six lives. Although the Board of Directors of the Company has attached great importance to this incident, conducted a thorough reflection on the lessons learned and formulated a resolution to comprehensively strengthen production safety and the Group has carried out supervisory inspections in the field of production safety within the entire Group and has taken several other measures to promote production safety, there is no assurance that such measures would be sufficient.

#### **The Group is subject to risks relating raw materials and increasing labour costs**

Raw material costs, energy consumption costs and salary costs are important components of the Group's operating costs. The Group's energy consumption mainly included coal, electricity and petrol. The Group regularly monitors the fluctuation in the market price of raw materials and energy and assesses its impact on the operations of the Group. If there is a shortage of raw materials or energy for any reason or the cost of raw materials and energy increases significantly, the Group's production costs are likely to increase and the Group's profit margin may decrease. If the Group is unable to identify and employ other appropriate means to reduce its production cost, this may in turn affect the selling prices of the Group's products, which may then affect the demand of such products and thereby adversely affect the Group's sales and financial condition.

In addition, labour costs in the jurisdictions where the Group operates may rise substantially as a result of the enactment of new labour laws and social development. Worldwide inflation may also increase the Group's costs of labour. Rising labour costs may increase the Group's operating costs and therefore materially and adversely affect the Group's business, financial condition and results of operations.

#### **Failure to successfully settle issues with local communities may materially and adversely affect the Group's business**

In the Group's international operations, interactions with different cultures are inevitable. The Group approaches local communities with an attitude of equality and inclusiveness, especially when it comes to the traditional culture of indigenous groups. However, the Group's production and operational activities may create conflicts with local communities, including disputes relating to land use rights and settlement relocation, as the Group's business activities are often located at or near existing towns and villages, natural water

courses and other infrastructure of the local community. These issues may result in community protests, road blockades and third-party claims. There is no assurance that the Group or its affiliates or business partners can successfully manage community relationships or settle local community issues. Opposition from the local community, political or environmental groups as well as regulatory authorities with respect to development or construction of mining projects or mineral refineries could increase the Group's development costs and cause delays, interruptions or even cancellations to the Group's development plans and harm the Group's reputation. Failure to successfully settle the local community issues may have a material and adverse effect upon the Group's business, prospects, financial condition and results of operations.

#### **The Group is subject to costs and risks related to mine closures**

The Group's existing mining operations have a limited life. The key costs and risks for mine closures are: (i) long-term management of permanent engineered structures (such as tailings dams) and acid drainage; (ii) achievement of environmental closure standards (such as rehabilitation requirements); (iii) orderly retrenchment of employees and third-party contractors; and (iv) relinquishment of the sites with associated permanent structures and community development infrastructure and programmes to new owners. The consequences of a difficult closure range from increased closure costs and handover delays to on-going monitoring and environmental rehabilitation costs and damages to the reputation of the Group if desired outcomes cannot be achieved. In the event of a difficult closure, the Group's business, financial condition and results of operations could be materially and adversely affected.

In an effort to address mine closure and other geological environment issues, a mining company is required to accrue rehabilitation funds subject to the applicable laws and regulations in certain jurisdictions. In the event of a default in accruing required rehabilitation funds in the future, the Group could be subject to a variety of penalties and other administrative actions, resulting in the Group's inability to proceed with certain administrative procedures relating to mining permits (including annual inspection, renewal, alteration and mortgage registration), suspension of mining permits or ceasing of operations.

#### **The Group may not be adequately insured against losses and liabilities arising from the Group's operations**

The Group maintains work-related injury insurance for its employees worldwide to cover potential losses or costs resulting from accidents which occur to its employees, in accordance with the requirements of the relevant laws and regulations in the jurisdictions where the Group operates relating to the work-related injury insurance. The Group has also maintained insurance coverage on mandatory social security insurance for its employees in the PRC in accordance with the requirements of the relevant PRC laws and regulations. In addition, the Group currently maintains insurance coverage on the Group's assets, investment insurance, transportation insurance, vehicle insurance, overseas employee insurance, public liability insurance, third-party liability insurance and business interruption profit loss insurance for the Group's important overseas projects and crisis management insurance in hazardous areas. Save as described above, the Group does not maintain other insurance coverage in respect of its operations, which is in line with the industry practise of mining companies.

Due to the nature of the Group's business, its employees may handle explosive materials. The Group may experience accidents in the course of its operations which may cause significant property damage, personal injuries or other liabilities. Losses and liabilities incurred or payments that the Group may be required to make, if not adequately insured against, could materially and adversely affect the Group's business, financial condition and results of operations or otherwise materially disrupt the Group's operations.

**The Group is subject to risks relating to production safety**

The Group's businesses involve inherent risks and occupational hazards. Due to the geographic setting and relatively high elevation difference, there is a possibility of localised mud-rock flow which may occur during the rainy season, and a risk of instability of the slopes and subsidence of the working areas. As certain mining process of the Group requires the use of explosives, any improper storage or use of these materials could result in personal injury or death and other damages. For production safety incidents involving the Group's projects outsourced to subcontractors, please refer to "*— The Group is subject to risks associated with the engagement of third parties*". There is no assurance similar accidents will not occur. Should the Group be liable for such accidents, it may materially and adversely affect the Group's business, financial condition and results of operations. Any accidents may also result in the temporary or permanent closure of the affected mines, which could have an adverse effect on the Group's business, financial condition and results of operations.

Further, in the process of the mining and leaching of gold ores, the Group is required to use dangerous articles such as explosive materials. Although the Company has set stringent rules in relation to the handling of such dangerous articles, there is no assurance that accidents will not occur. Should the Group be liable for such accidents, it may be fined and criminal liabilities may be imposed on the employees of the Group.

**The Group's sustainable success depends on its senior management and successful management of growth**

The Group's sustainable success depends heavily on its current senior management team. The Group depends on the continued service of its executive officers and other skilled managerial and technical personnel. Competition for qualified personnel in the industries where the Group operates is intense. The Group's businesses and financial condition may suffer if it loses the services of a number of key personnel and is not able to recruit quality replacements. If the Group fails to attract and retain qualified personnel, the Group's businesses and financial condition may also be adversely affected.

Furthermore, as the Group's businesses continue to grow, it will need to improve its managerial, technical and operational knowledge and allocation of resources, to implement an effective management system and strengthen management control across its businesses. In order to fund the Group's on-going operations and future growth, the Group will need to have sufficient internal sources of liquidity or access to additional financing from external sources. Further, the Group will be required to manage relationships with a greater number of customers, suppliers, contractors, service providers, lenders and other third parties. The Group may develop or invest in new businesses ancillary to or related to the Group's existing businesses and such diversification may place significant demands on the Group's

management and resources as the Group may not have the experience or expertise necessary for the successful development of such new businesses. If the Group fails to attract qualified personnel, the Group's businesses and financial condition may also be adversely affected.

**The Guarantor published and may continue to publish periodical financial information in the PRC and/or on the website of the Hong Kong Stock Exchange pursuant to applicable PRC regulatory rules and the listing rules of the Hong Kong Stock Exchange. Investors should be cautious and not place undue reliance on the financial information other than that disclosed in this Offering Circular**

The Guarantor is listed on the Hong Kong Stock Exchange and Shanghai Stock Exchange. According to applicable PRC securities regulations on debt capital markets, the listing rules of the Shanghai Stock Exchange and the listing rules of the Hong Kong Stock Exchange, the Guarantor needs to publish its semi-annual and annual financial information to satisfy its continuing disclosure obligations. The semi-annual financial information published by the Group in the PRC or on the website of the Hong Kong Stock Exchange is normally derived from the Group's management accounts which have not been audited or reviewed by independent auditors. As such, this financial information published in the PRC or on the website of the Hong Kong Stock Exchange should not be referred to or relied upon by potential purchasers to provide the same quality of information associated with any audited information and should not be taken as an indication of the expected financial condition or results of operations of the Group for the relevant full financial year. The Guarantor is not responsible to holders of the Bonds for the unaudited and unreviewed financial information from time to time published in the PRC or on the website of the Hong Kong Stock Exchange. None of the Managers makes any representation or warranty, express or implied, regarding the sufficiency of the Group's unaudited and unreviewed financial information for an assessment of the Group's financial condition and results of operations. Investors should not place undue reliance on any such financial information.

**The Group is subject to risks relating to severe weather conditions**

Severe weather conditions, such as heavy rainfall, may require the Group to evacuate personnel or curtail operations and may result in damage to the Group's mines, equipment or facilities, which could result in the temporary suspension of the Group's operations or a reduction in its productivity. During periods of curtailed activity, the Group may continue to incur operating expenses while production has slowed down or ceased altogether. Any damages to its projects or delays in its operations caused by severe weather conditions could materially and adversely affect the Group's business and results of operations.

**The Group is subject to acts of God, acts of war and terrorism, riots, epidemics and other disasters**

The Group's business is subject to general and social conditions. Natural disasters, epidemics, acts of God and other disasters that are beyond its control may materially and adversely affect the economy, infrastructure and livelihoods of the people worldwide. Some cities in the jurisdictions where the Group operates are under the threat of flood, earthquake, sandstorm or drought. The Group's business, financial condition and operating results may be materially and adversely affected if natural disasters occur.

Epidemics threaten human lives and may materially and adversely affect their livelihood as well as their living and consumption patterns. The occurrence of an epidemic is beyond the Group's control, and there is no assurance that the outbreak of severe acute respiratory syndrome, the H5N1 strain of avian influenza, the H1N1 strain of swine flu, the H7N9 avian influenza or any other epidemics or pandemics will not happen, especially in regions where the Group has operations. Any epidemic or pandemic occurring in areas in which the Group operates, or even in areas in which it does not operate, may materially and adversely affect its business, financial condition and operating results. More recently, the COVID-19 pandemic has significantly disrupted the global financial, foreign exchange, commodity and energy markets, and resulting government restrictions and support measures during and after the COVID-19 pandemic. Whether and to what extent countries and territories will be able to return to pre COVID-19 economic levels remain uncertain.

Acts of war and terrorism may cause damage or disruption to the Group or its employees, facilities, markets, suppliers or customers, any of which may materially and adversely impact the Group's revenue, cost of sales, business, financial condition and results of operations. Potential war or terrorist attacks may also cause uncertainty and cause the Group's business to suffer in ways that it cannot currently predict.

#### **The Group is exposed to interest risks**

The Group's increased level of indebtedness exposes it to interest rate risk. For the years ended 31 December 2021, 2022 and 2023, the Group's interest expenses amounted to RMB2,111.95 million, RMB3,444.82 million and RMB4,923.44 million, respectively. The interest rates on the Group's borrowings may be affected by various factors, including market factors and changes in international and domestic macroeconomic environment and national economic policies. Any significant increase in interest rates will result in a substantial increase in its interest expenses, which may materially and adversely affect its business, financial condition, results of operations and expansion plans.

#### **The Group is subject to risks relating to financial markets, including risks relating to financial derivatives**

The Group has certain financial assets, including financial assets denominated in foreign currencies. As a result, movements in exchange rates and stock prices in the market impose risks on the value of the Group's assets and operating results. The Group will strengthen management over its financial assets, optimise the Group's assets and liabilities structure in foreign currencies, establish and improve the management and risk control polices, and make rapid response to mitigate any impacts due to market volatility. However, such measures may not adequately cover the Group's exposure to fluctuations in the financial market, or at all, and failure to do so may result in a large expense and adverse effect on the Group's financial condition and results of operations.

In particular, in order to mitigate the impact of commodity market price fluctuations on the Group's production and operation and guard against the interest rate and exchange rate risks, to enhance the Company's risk resistance capability and to ensure stable operation, the Group has leveraged the hedging function of financial instruments to carry out hedging business for the products, raw materials and foreign exchange positions relating to production and operation. Pursuant to the approvals of the Board, the Company and its subsidiaries engaged in derivative investment for hedging purpose within the limits approved by the Board, which covered, among others, mining, major refining products,

relevant business of supply chain and foreign exchange. There is no assurance that the Group will not incur losses in its financial derivative transactions, which will adversely affect the Group's business, financial condition and results of operations.

**Historical consolidated financial information of the Group may not be indicative of its current or future results of operations**

The historical financial information of the Group included in this Offering Circular is not indicative of its future financial results. This financial information is not intended to represent or predict the results of operations of any future periods. The Group's future results of operations may change materially if its future growth does not follow the historical trends for various reasons, including factors beyond its control, such as changes in economic environment, PRC environmental rules and regulations and the domestic and international competitive landscape of the industries in which the Group operates its business.

The Guarantor's historical financial statements have been prepared and presented in accordance with PRC GAAP which may be different from IFRS. Although PRC GAAP are substantively in line with IFRS, PRC GAAP are, to a certain extent, different from IFRS. See "*Summary of Certain Material Differences Between PRC GAAP and IFRS*". There is no guarantee that PRC GAAP will fully converge with IFRS or that there will be no additional differences between the two accounting standards in the future. Potential investors should consult their own professional advisors for an understanding of any differences that may exist between PRC GAAP and IFRS, and how those differences might affect the financial information included in this Offering Circular.

**RISKS RELATING TO THE PRC**

**PRC economic, political and social conditions and government policies**

A significant portion of the Group's revenue is sourced from the PRC. Accordingly, the results of operations, financial condition and prospects of the Group are directly affected by the economic, political and legal developments in the PRC.

Any market and economic downturn, economic slowdown or geopolitical uncertainties in the PRC, its neighbouring countries or regions or the rest of the world may exacerbate the risks relating to the PRC capital markets. There can be no assurance that the PRC's economy or the global economy will continue to improve or maintain sustainable growth. In the event of an economic downturn, the Group's business, financial conditions and results of operations could be adversely affected.

The PRC government has implemented various measures to encourage economic growth and guide the allocation of resources. Some of these measures benefit the overall PRC economy but may also negatively affect the Group's operations. For example, the Group's financial condition and results of operations may be adversely affected by the PRC government's control over capital investments or any changes in tax regulations or foreign exchange controls that are applicable to the Group. For the past three decades, the PRC government has implemented economic reform measures emphasising utilisation of market forces in the development of the PRC economy. Although the Company believes these reforms will have a positive effect on the Group's overall and long-term development, it cannot predict whether changes in the PRC's economic and social conditions, laws,

regulations and policies will have any adverse effect on the Group's current or future business, results of operations or financial condition. In addition, global economic uncertainty and the slowdown in the PRC economic growth have precipitated, and may continue to raise the possibility of, fiscal, monetary, regulatory and other governmental actions. The Group cannot predict whether or when such actions may occur, nor can the Group predict what ultimate impact, if any, such actions or any other governmental actions could have on its business, results of operations and financial conditions.

**Difficulties to enforce any judgement obtained from non-PRC courts against the Group or its directors and senior management who reside in the PRC**

The majority of the Group's directors and senior management reside within the PRC, and assets of the directors and senior management may also be located within PRC. As a result, it may not be possible to effect service of process outside the PRC upon most of the Group's directors and senior management, including for matters arising under applicable securities law. A judgement of a court of another jurisdiction may be reciprocally recognised or enforced if the jurisdiction has a treaty with the PRC or if judgments of the PRC courts have been recognised before in that jurisdiction, subject to the satisfaction of other requirements. However, the PRC does not have treaties providing for the reciprocal recognition and enforcement of judgments of courts with many countries, including Japan, the United States and the United Kingdom. Therefore, it may be difficult for investors to enforce any judgments obtained from non-PRC courts against the Group or any of their directors or senior management in the PRC.

**Additional procedures required to be taken to bring English law governed matters or disputes to the Hong Kong courts and no assurance that the PRC courts will recognise and enforce judgments of the Hong Kong courts in respect of English law governed matters or disputes**

The Conditions and the transaction documents are governed by English law, whereas parties to these documents have submitted to the exclusive jurisdiction of the Hong Kong courts. In order to hear English law governed matters or disputes, Hong Kong courts may require certain additional procedures to be taken. Under the "Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and the Hong Kong Special Administrative Region (關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排)", judgments of Hong Kong courts are likely to be recognised and enforced by the PRC courts where the contracting parties to the transactions pertaining to such judgments have agreed to submit to the exclusive jurisdiction of Hong Kong courts.

However, recognition and enforcement of a Hong Kong court judgement could be refused if the PRC courts consider that the enforcement of such judgement is contrary to the social and public interest of the PRC. While it is expected that the PRC courts will recognise and enforce a judgement given by Hong Kong courts governed by English law, there can be no assurance that the PRC courts will do so for all such judgments as there is no established practise in this area. Compared to other similar debt securities issuances in the international capital markets where the relevant holders of the debt securities would not typically be required to submit to an exclusive jurisdiction, the Noteholders will be deemed to have submitted to the exclusive jurisdiction of the Hong Kong courts, and thus the Noteholders' ability to initiate to claim outside of Hong Kong will be limited.

## **Governmental control of currency conversion**

A portion of the Group's operating income is denominated in Renminbi, which is also the reporting currency. Renminbi is not a freely convertible currency. It cannot be guaranteed that under a certain exchange rate, the Group will have sufficient foreign exchange to meet its foreign exchange requirements. Under the current PRC foreign exchange control system, foreign exchange transactions under the current account conducted by the Group do not require advance approval from the State Administration of Foreign Exchange of the PRC ("SAFE"), but the Group is required to present documentary evidence of such transactions and conduct such transactions at designated foreign exchange banks within the PRC that have the requisite licences to carry out foreign exchange business. Foreign exchange transactions under capital account in the PRC continue to be not freely convertible and require the approval of SAFE. The restrictions on foreign-exchange transactions under capital accounts could also affect the subsidiaries' ability to obtain foreign exchange through debt or equity financing, including by means of loans or capital contributions from the Group. The PRC government may also at its discretion restrict access in the future to foreign currencies for current-account transactions. If the foreign-exchange control system prevents the Group from obtaining sufficient foreign currency to satisfy its currency demands, the Group may not be able to pay dividends in foreign currencies to its shareholders.

## **RISKS RELATING TO THE BONDS, THE GUARANTEE AND THE SHARES**

### **The Bonds are unsecured obligations**

The Bonds will constitute direct, unsubordinated, unconditional and (subject to Condition 3.1) unsecured obligations of the Issuer and shall at all times ranking *pari passu* and without any preference or priority among themselves. The payment obligations of the Issuer under the Bonds shall, save for such exceptions as may be provided by mandatory provisions of applicable law and subject to the negative pledge contained in Condition 3.1, at all times rank at least equally with all of its other present and future direct, unsubordinated, unconditional and unsecured obligations. The Guarantee will, similarly, constitute direct, unsubordinated, unconditional and (subject to Condition 3.1) unsecured obligations of the Guarantor. Therefore, the Bonds and the Guarantee will be unsecured obligations of the Issuer and the Guarantor, respectively. The payment obligations under the Bonds and the Guarantee may be adversely affected if:

- the Group enters into bankruptcy, liquidation, rehabilitation or other winding-up proceedings;
- there is a default in payment under the Group's future secured indebtedness or other unsecured indebtedness; or
- there is an acceleration of any of the Group's indebtedness.

If any of the above events occurs, the Group's assets may not be sufficient to pay amounts due on the Bonds.



**The Trustee may request the Bondholders to provide an indemnity and/or security and/or pre-funding to its satisfaction**

In certain circumstances (including, without limitation, giving of notice pursuant to Condition 9 and the tacking of steps and/or actions and/or the instituting of proceedings against the Issuer and/or the Guarantor pursuant to Condition 13), the Trustee may request Bondholders to provide an indemnity and/or security and/or pre-funding to its satisfaction before it takes actions and/or steps and/or institutes proceedings on behalf of Bondholders. The Trustee shall not be obliged to take any such actions and/or steps and/or institute any such proceedings if it is not first indemnified and/or secured and/or pre-funded to its satisfaction. Negotiating and agreeing to an indemnity and/or security and/or pre-funding can be a lengthy process and may affect when such actions and/or steps can be taken and/or when such proceedings may be instituted. The Trustee may not be able to take actions and/or steps and/or institute proceedings, notwithstanding the provision of an indemnity and/or security and/or pre-funding to it, in breach of the terms of the Trust Deed and in such circumstances, or where there is uncertainty or dispute as to the applicable law or regulations, to the extent permitted by the agreements and the applicable law and regulations, it will be for the Bondholders to take such steps and/or actions and/or to institute such proceedings directly.

**Bondholders will have no rights as holders of the H Shares prior to conversion of the Bonds**

Unless and until the Bondholders acquire the H Shares upon conversion of the Bonds, Bondholders would have no rights with respect to the H Shares, including any voting rights or rights to receive any regular dividends or other distributions with respect to the H Shares. Upon conversion of the Bonds, these holders would be entitled to exercise the rights of holders of the H Shares only as to actions for which the applicable record date occurs after the date of conversion.

**Securities law restrictions on the resale and conversion of the Bonds may limit Bondholders' ability to sell the Bonds in the United States**

The Bonds and the H Shares into which the Bonds are convertible have not been and will not be registered under the Securities Act, any state securities laws or the securities laws of any other jurisdiction. Unless and until they are registered, the Bonds and the H Shares issuable upon conversion may not be offered, sold or resold except pursuant to an exemption from registration under the Securities Act and applicable state laws or in a transaction not subject to such laws. The Bonds are being offered and sold outside the U.S. in reliance on Regulation S under the Securities Act. Hence, future resales of the Bonds and the H Shares into which the Bonds are convertible may only be made pursuant to an exemption from registration under the Securities Act and applicable state laws or in a transaction not subject to such laws.

**The Bondholders may be subject to tax on their income or gain from the Bonds**

Prospective purchasers of the Bonds are advised to consult their own tax advisers concerning the overall tax consequences of the acquisition, ownership or disposition (including upon conversion of the Bonds) of the Bonds or the H Shares which the Bonds are convertible into. See "*Taxation*" for a discussion of tax consequences in certain jurisdictions.

### **Gains on the transfer of the Bonds may be subject to income tax under PRC tax laws**

Under the Enterprise Income Tax Law of the PRC that came into effect on 1 January 2008 and amended on 24 February 2017 and 29 December 2018, respectively (the “**EIT Law**”) and its implementation rules, gains on the transfer of the Bonds may be subject to income tax under PRC tax laws.

In accordance with the EIT Law and its implementation regulations, a non-resident enterprise is generally subject to enterprise income tax at a rate of 10% with respect to PRC-sourced income if it (i) does not have an establishment or place of business in the PRC or (ii) has an establishment or place of business in the PRC but its PRC-sourced income does not have a de facto relationship with such establishment or place of business in the PRC. The aforesaid income tax payable by a non-resident enterprise is subject to withholding at source. The income tax must be withheld by the withholding agent at the time of payment of the gains. This tax could be exempted or reduced in accordance with the relevant tax treaty or agreement for avoiding double taxation. As at the date of this Offering Circular, no specific legislation or implementation rule has expressly provided whether it is required to and how to collect the tax from non-PRC resident enterprises on gains derived by them from the sale or transfer of the Bonds. It is possible that taxation authorities may formulate and promulgate specific implementation rules or relevant regulations for the collection of enterprise income tax on such gains in the future.

In addition, according to the Individual Income Tax Law of the PRC as amended on 30 June 2011 and 31 August 2018 and took effect on 1 January 2019 (the “**IIT Law**”) and the implementation regulations, non-resident individuals are generally subject to individual income tax at a rate of 20% with respect to PRC-sourced income from interest, dividends and transfer of property unless such tax is reduced or exempted under relevant double taxation treaties. Under the IIT Law, a “non-resident individual” means any non-resident PRC individual who has no domicile and does not reside in the PRC or who has no domicile and has resided in China for less than 183 days within one tax year. As at the date of this Offering Circular, no specific legislation or implementation rules have expressly provided whether it is required to and how to collect the tax from non-PRC resident individuals on the gains derived by them from the sale or transfer of the Bonds. It is possible that taxation authorities may formulate and promulgate specific implementation rules or relevant regulations for the collection of individual income tax on such gains in the future.

If a Bondholder, being a non-resident enterprise or non-resident individual, is required to pay any PRC income tax on gains on the transfer of the Bonds, the value of the relevant Bondholder’s investment in the Bonds may be materially and adversely affected. See “*Taxation — PRC*”. Any payment of interest on the Bonds would be subject to withholding at a rate of 10% for non-PRC resident enterprises and at a rate of 20% for non-PRC resident individuals.

### **The market value of the Bonds may fluctuate**

Trading prices of the Bonds are influenced by numerous factors, including the results of operations and/or financial condition and business strategy (in particular further issuance of debt or corporate events such as share sales, reorganisations, takeovers or share buybacks) of the Group and/or the subsidiaries and/or associated companies of the Group, political, economic, financial, regulatory and any other factors that can affect the capital markets, the industry, the Group and/or the subsidiaries and/or associated companies of the

Group generally. Adverse economic developments in the PRC could have a material and adverse effect on the results of operations and/or the financial condition of the Group and/or the subsidiaries and/or associated companies of the Group.

In addition, the market price of the Bonds is expected to be affected by fluctuations in the market price of the H Shares. There can be no certainty as to the effect, if any, that future issues or sales of the H Shares, or the availability of such H Shares for future issue or sale, would have on the market price of the H Shares prevailing from time to time and therefore on the market price of the Bonds. Disposals of the H Shares by shareholders or a perception in the market that such disposals could occur, may adversely affect the prevailing market price of the H Shares and the Bonds.

#### **The return on the Bonds may decrease due to inflation**

Bondholders may suffer erosion on the return of their investments due to inflation. Bondholders would have an anticipated rate of return based on expected inflation rates on the purchase of the Bonds. An unexpected increase in inflation could reduce the actual returns.

#### **An active trading market for the Bonds may not develop**

The Bonds are a new issue of securities for which there is currently no trading market. Application will be made to the Hong Kong Stock Exchange for the listing, and permission to deal in, the Bonds by way of debt issues to Professional Investors only. However, no assurance can be given that an active trading market for the Bonds would develop or as to the liquidity or sustainability of any such market, the ability of Bondholders to sell their Bonds or the price at which Bondholders would be able to sell their Bonds. If an active market for the Bonds fails to develop or be sustained, the trading price of the Bonds could fall.

If an active trading market were to develop, the Bonds could trade at prices that may be lower than their initial offering price. Whether or not the Bonds would trade at lower prices depends on many factors, including:

- prevailing interest rates and the markets for similar securities;
- the price of the H Shares;
- the market prices of the Bonds;
- the publication of earnings estimates or other research reports and speculation in the press or the investment community;
- changes in the Group's industry and competition, general market and economic conditions; or
- the Group's financial condition, historical financial performance and future prospects.

### **The Bonds may not be a suitable investment for all investors**

Each potential investor in the Bonds must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained in this Offering Circular;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Bonds and the impact such investment will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Bonds;
- understand thoroughly the terms of the Bonds and be familiar with the behaviour of any relevant indices and financial markets; and
- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

The Bonds are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in the Bonds unless he/she has the expertise (either alone or with a financial adviser) to evaluate how the Bonds will perform under changing conditions, the resulting effects on the value of the Bonds and the impact this investment will have on the potential investor's overall investment portfolio.

**Decisions that may be made on behalf of all holders of the Bonds may be adverse to the interests of individual holders of the Bonds. Modifications and waivers may be made in respect of the Terms and Conditions, the Deed of Guarantee, the Trust Deed and the Agency Agreement by the Trustee or less than all of the Bondholders**

The Conditions contain provisions for calling meetings of Bondholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Bondholders including Bondholders who did not attend and vote at the relevant meeting and Bondholders who voted in a manner contrary to the majority. There is a risk that the decision of the majority of holders of the Bonds may be adverse to the interest of individual holders of the Bonds.

The Conditions also provide that the Trustee may (but shall not be obliged to) agree, without the consent of the holders of the Bonds, to (i) any modification (except as mentioned in the Trust Deed) to, or the waiver or authorisation of any breach or proposed breach of, the Bonds, the Agency Agreement, the Deed of Guarantee or the Trust Deed which is not, in the opinion of the Trustee, materially prejudicial to the interests of the holders of the Bonds and (ii) to any modification to the Bonds, the Agency Agreement, the

Deed of Guarantee or the Trust Deed which, in the Trustee's opinion, is of a formal, minor or technical nature or to correct a manifest error or to comply with mandatory provisions of applicable law.

**If the Issuer, the Guarantor or any of their respective subsidiaries is unable to comply with the restrictions and covenants in their respective debt agreements, there could be a default under the terms of these agreements, which could cause repayment of its debt to be accelerated**

If the Issuer, the Guarantor or any of their respective subsidiaries is unable to comply with the restrictions and covenants in their respective current or future debt obligations and other agreements, there could be a default under the terms of these agreements. In the event of a default under these agreements, the holders of the debt could terminate their commitments to lend, accelerate repayment of the debt and declare all outstanding amounts due and payable or terminate the agreements, as the case may be. Furthermore, some of the Issuer's or the Guarantor's debt agreements, contain cross-acceleration or cross-default provisions. As a result, a default under one debt agreement may cause the acceleration of repayment of not only such debt but also other debt, including the Bonds, or result in a default under the Issuer's the Guarantor's or such other subsidiary's other debt agreements. If any of these events occur, there is no assurance that the Issuer or the Guarantor would have sufficient assets and cash flow to repay in full all of its indebtedness, or that the Issuer or the Guarantor would be able to find alternative financing. Even if the Issuer or the Guarantor could obtain alternative financing, it could not guarantee that it would be on terms that are favourable or acceptable to the Issuer or the Guarantor.

**Changes in market interest rates may adversely affect the value of the Bonds**

The Bondholders may suffer unforeseen losses due to fluctuations in interest rates. Generally, a rise in interest rates may cause a fall in the prices of the Bonds, resulting in a capital loss for the Bondholders. However, the Bondholders may reinvest the interest payments at higher prevailing interest rates. Conversely, when interest rates fall, the prices of the Bonds may rise. The Bondholders may enjoy a capital gain but interest payments received may be reinvested at lower prevailing interest rates.

The Bonds will carry a fixed interest rate. Consequently, investment in the Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Bonds. If Bondholders sell the Bonds they hold before the maturity of such Bonds, they may receive an offer less than their investment.

***Renminbi is not freely converted into foreign currency and remitted out of China, which may limit our ability to utilise its revenue effectively and affect the value of your investment***

We expect that a significant portion of our future revenues will be denominated in Renminbi. Under existing PRC foreign exchange regulations, payments of current account items, including profit distributions, interest payments and trade and service-related foreign exchange transactions, can be made in foreign currencies without prior SAFE approval as long as certain routine procedural requirements are fulfilled. Therefore, our PRC subsidiaries are allowed to pay dividends in foreign currencies to us without prior SAFE approval by following certain routine procedural requirements. However, approval from or registration with competent government authorities is required where the Renminbi is to be

converted into foreign currency and remitted out of China to pay capital expenses such as the repayment of loans denominated in foreign currencies. The PRC government may at its discretion restrict access to foreign currencies for current account transactions in the future.

### **Enforcement of shareholder rights is mandatory arbitration**

Currently, the primary sources of shareholder rights are our Articles of Association, the PRC Company Law, the PRC regulations and the listing rules of the Hong Kong Stock Exchange and the Shanghai Stock Exchange, which, among other things, impose certain standards of conduct, fairness and disclosure on us, our directors and our controlling shareholder. In general, these rights are not as broad as those applicable to companies incorporated in the United States, the United Kingdom and many European countries. In addition, the mechanism for enforcement of rights under the corporate framework to which we are subject may also be relatively undeveloped and untested. To our knowledge, there has not been any published report of judicial enforcement in the PRC by holders of H Shares of their rights under constituent documents of joint stock limited companies or the PRC Company Law or in the application or interpretation of the PRC or Hong Kong regulatory provisions applicable to PRC joint stock limited companies. We cannot assure you that our shareholders will enjoy the protections to which they may be entitled in other jurisdictions.

There are no treaties in China providing for the reciprocal recognition and enforcement of judgments of courts with the United States, the United Kingdom or most European countries, and therefore recognition and enforcement in China of judgments of a court in any of these jurisdictions in relation to any matter not subject to a binding arbitration provision may not be assured.

### **It may be difficult to effect service of process or to enforce any judgments obtained from non-PRC courts against the Group or its management residing in the PRC**

The Conditions and the transaction documents are governed by English law and the Issuer and the Guarantor are submitted to the exclusive jurisdiction of the Hong Kong courts. However, most companies in the Group are incorporated in the PRC and a substantial amount of the Group's assets and companies are located in the PRC. Further, most of the Group's management reside in the PRC, together with their personal assets. Therefore, investors may encounter difficulties in effecting service of process from outside PRC upon the Group or its management.

Moreover, it is understood that the enforcement of foreign judgments in the PRC is still subject to uncertainties. In addition, the mechanisms for enforcement of rights under the corporate governance framework to which the Group is subject are also relatively undeveloped and untested. The PRC has not entered into treaties or arrangements providing for the recognition and enforcement of judgments made by the courts in most other jurisdictions. Therefore, it may not be possible for investors to effect service of process upon the Group or its management in the PRC.

On 18 January 2019, the Supreme People's Court of the PRC and the Hong Kong government signed the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and the Hong Kong Special Administrative Region (關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排) (the "2019 Arrangement"). The 2019 Arrangement has been

implemented in Hong Kong by the Mainland Judgments in Civil and Commercial Matters (Reciprocal Enforcement) Ordinance (Cap. 645), which came into operation on 29 January 2024. In the Mainland, the Supreme People’s Court promulgated a judicial interpretation to implement the 2019 Arrangement on 26 January 2024 (the “**Judicial Interpretation**”). The 2019 Arrangement applies to judgments made on or after 29 January 2024.

Unlike other bonds issued in the international capital markets where holders of such bonds would typically not be required to submit to an exclusive jurisdiction, the Bondholders will be deemed to have submitted to the exclusive jurisdiction of the Hong Kong courts. Thus, the Bondholders’ ability to initiate a claim outside Hong Kong will be limited.

Under the 2019 Arrangement, where the Hong Kong court has given a legally effective judgement in a civil and commercial matter, any party concerned may apply to the relevant People’s Court of the Mainland for recognition and enforcement of the judgement, subject to the provisions, limits, procedures and other terms and requirements of the 2019 Arrangement and the Judicial Interpretation. The recognition and enforcement of a Hong Kong court judgement could be refused if the relevant People’s Court of the Mainland consider that the enforcement of such judgement is contrary to the basic principles of law of the Mainland or the social and public interests of the Mainland. While it is expected that the relevant People’s Courts of the Mainland will recognise and enforce a judgement given by a Hong Kong court and governed by English law, there can be no assurance that such courts will do so for all such judgments as there is no established practise in this area.

#### **A change in English law which governs the Bonds may adversely affect Bondholders**

The Terms and Conditions of the Bonds are governed by English law. No assurance can be given as to the impact of any possible judicial decision or change English law or administrative practise after the date of issue of the Bonds.

#### **If the Guarantor fails to complete registration with SAFE in connection with the Guarantee, there may be logistical and practical hurdles for cross-border payments under the Guarantee**

The Guarantor will unconditionally and irrevocably guarantee the due and punctual payment of all sums from time to time payable by the Issuer in respect of the Bonds. Such Guarantee will be contained in the Deed of Guarantee to be executed on the Issue Date. The Guarantor is required to submit the Guarantee to the SAFE within 15 Registration Business Days upon the execution of the Deed of Guarantee for registration in accordance with the Provisions on the Foreign Exchange Administration Rules on Cross-border Security (《跨境擔保外匯管理規定》) promulgated by SAFE. The Guarantor intends to register the Guarantee before the Registration Deadline (being the day falling 120 Registration Business Days after the Issue Date). If the Guarantor fails to complete registration with SAFE, there may be logistical and practical hurdles at the time of remittance of funds (if any cross-border payment is to be made by the Guarantor under the Guarantee) as domestic banks may require evidence of registration with SAFE in connection with the Guarantee prior to giving effect to any such remittance.

**Any failure to complete the relevant filings under the Order 56 within the prescribed time frame following the completion of the issue of the Bonds may have adverse consequences for the Issuer, the Guarantor and/or the investors in the Bonds**

Effective from 10 February 2023, the NDRC issued Order 56 which have superseded the Notice on Promoting the Reform of the Filing and Registration System for Issuance of Foreign Debt by Corporates (國家發展改革委關於推進企業發行外債備案登記制管理改革的通告) (Fa Gai Wai Zi [2015] No 2044). Under Order 56, the Guarantor shall (i) obtain a Certificate of Review and Registration of Enterprise Borrowing of Foreign Debt from the NDRC (the “**NDRC Review and Registration Certificate**”), (ii) file or report or cause to be filed or reported with the NDRC or its competent local counterpart the requisite information and documents within ten PRC business days after each foreign debt issuance and the expiration of the NDRC Review and Registration Certificate in accordance with Order 56, (iii) file or report or cause to be filed or reported with the NDRC the requisite information and documents within five PRC business days before the end of January and the end of July each year and (iv) file or report or cause to be filed or reported the requisite information and documents upon the occurrence of any material event that may affect the enterprise’s due performance of its debt obligations.

The Guarantor obtained an NDRC Review and Registration Certificate on 6 June 2024 in accordance with Order 56. Failure to comply with the NDRC post-issue and continuing obligations (such as post-issue reporting, pre-issuance approval expiration reporting, periodical reporting and major event reporting, etc.) under articles 24 and 26 of Order 56 may result in the relevant entities being ordered to make corrections within a time limit, and in the case of aggravating circumstances or in the case that such corrections are not made within the prescribed time limit, relevant entities and their main person-in-charge will be warned. The aforesaid regulatory violations committed by enterprises shall be publicised on the “Credit China” website and the national enterprise credit information publicity system, among others.

The Issuer and the Guarantor will undertake to file or report or cause to be filed or reported the requisite information and documents within the relevant prescribed timeframes after the Issue Date to the NDRC in accordance with Order 56 and comply with the continuing obligations under Order 56 and other applicable PRC laws and regulations in relation to the issue of the Bonds.

However, Order 56 is new, and its implementation may involve significant uncertainty. The administration and enforcement of Order 56 may be subject to executive and policy discretion of the NDRC.

**There may be filing or other requirements of the CSRC or other PRC government authorities in relation to our proposed issuance of the Bonds or further capital raise activities**

On 17 February 2023, the CSRC released the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) and supporting guidelines (together, the “**CSRC Filing Rules**”), which came into effect on 31 March 2023. The CSRC Filing Rules will regulate both direct and indirect overseas offering and listing of PRC domestic companies’ securities by adopting a filing-based regulatory regime. The CSRC Filing Rules state that, any post-listing follow-on offering by an issuer in an overseas market, including issuance of shares, convertible bonds and other similar securities, shall be subject to filing requirement within three business days



after the completion of the offering. In connection with the CSRC Filing Rules, on 17 February 2023 the CSRC also published the Notice on the Administrative Arrangements for the Filing of Overseas Securities Offering and Listing by Domestic Enterprises (《關於境內企業境外發行上市備案管理安排的通知》) (the “**Notice on Overseas Listing Measures**”). According to the Notice on Overseas Listing Measures, issuers that have already been listed in an overseas market by 31 March 2023, the date the Overseas Listing Measures became effective, are not required to make any immediate filing and are only required to comply with the filing requirements under the CSRC Filing Rules when it subsequently seeks to conduct a follow-on offering. We have been advised that we are required to go through filing procedures with the CSRC after the completion of this offering of the Bonds and for our future offerings and listing of our securities in an overseas market under the CSRC Filing Rules for this offering. The CSRC Filing Rules provide that an overseas offering and listing, including the follow-on offering of convertible bonds, is prohibited under any of the following circumstances: if (i) such securities offering and listing is explicitly prohibited by provisions in laws, administrative regulations and relevant state rules; (ii) the intended securities offering and listing may endanger national security as reviewed and determined by competent authorities under the State Council in accordance with law; (iii) the domestic company intending to make the securities offering and listing, or its controlling shareholder(s) and the actual controller, have committed relevant crimes such as corruption, bribery, embezzlement, misappropriation of property or undermining the order of the socialist market economy during the latest three years; (iv) the domestic company intending to make the securities offering and listing is currently under investigation for suspicion of criminal offences or major violations of laws and regulations, and no conclusion has yet been made thereof; or (v) there are material ownership disputes over equity held by the domestic company’s controlling shareholder(s) or by other shareholder(s) that are controlled by the controlling shareholder(s) and/or actual controller (the “**Forbidden Circumstances**”). In addition, in the process of filing, where the issuer may be under any of the Forbidden Circumstances, the CSRC may solicit the opinions of the competent government authorities under the State Council.

We will comply with applicable filing requirements as appropriate. However, there remains substantial uncertainty as to the interpretation, application and enforcement of the CSRC Filing Rules and how they will affect our operations and our future financing. We cannot assure you that we are able to meet such requirements, obtain such permit from the relevant government authorities, or complete such filing in a timely manner or at all. In addition, we cannot guarantee that new rules or regulations promulgated in the future will not impose any additional requirements on us. If it is determined that we are subject to any approval, filing, other governmental authorisation or requirements from the CSRC or other PRC government authorities, we may fail to obtain such approval or meet such requirements in a timely manner or at all. Such failure may subject us to fines, penalties or other sanctions which may have a material adverse effect on our business and financial condition.

#### **Exchange rate risks and exchange controls may affect an investor’s returns on the Bonds**

The Group will pay principal on the Bonds in U.S. dollars. This presents certain risks relating to currency conversions if an investor’s financial activities are denominated principally in a currency or currency unit (the “**Investor’s Currency**”) other than U.S. dollars. These include the risk that exchange rates may significantly change (including changes due to devaluation of the U.S. dollar or revaluation of the Investor’s Currency) and the risk that authorities with jurisdiction over the Investor’s Currency may impose or modify exchange controls. An appreciation in the value of the Investor’s Currency relative

to the U.S. dollar would decrease (i) the Investor's Currency-equivalent yield on the Bonds; (ii) the Investor's Currency-equivalent value of the principal payable on the Bonds; and (iii) the Investor's Currency-equivalent market value of the Bonds. Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less principal than expected, or no principal.

#### **Legal investment considerations may restrict certain investments**

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent:

- the Bonds are legal investments for it;
- the Bonds can be used as collateral for various types of borrowing; and
- any other restrictions apply to its purchase or pledge of the Bonds.

Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Bonds under any applicable risk-based capital or similar rules.

#### **The Issuer's ability to make payments under the Bonds depends on timely payments by the Guarantor or its subsidiaries and affiliates under the on-lent loans**

The Issuer is a wholly-owned subsidiary of the Guarantor with limited operations of its own and will on-lend the entire proceeds from the issue of the Bonds to the Guarantor or its subsidiaries and affiliates. The Issuer has limited net assets other than such loans and its ability to make payments under the Bonds depends on timely payments under such loans. In the event that the Guarantor or its subsidiaries and affiliates do not make such payments, due to the Guarantor's lack of available cash flow or other factors, the Issuer's ability to make payments under the Bonds may be adversely affected.

#### **Potential dilution of the ownership interest of existing Shareholders**

The conversion of some or all of the Bonds will dilute the ownership interests of the existing shareholders of the Guarantor. The dilution of the ownership interest of Minxi Xinghang State-owned Assets Investment Co., Ltd. as a result of the conversion of some or all of the Bonds may result in them not being able to exercise control over the Guarantor. Any sales in the public market of the H Shares issuable upon such conversion could adversely affect prevailing market prices for the H Shares. In addition, the existence of the Bonds may facilitate short selling of the H Shares by market participants.

#### **The Group relies on dividends paid by its subsidiaries for cash needs, and limitations under relevant laws on the ability of the Group's subsidiaries to distribute dividends to the Group could adversely affect the Group's ability to utilise such funds**

As a holding company, the Guarantor relies on dividends paid by its subsidiaries for the Group's cash and financing requirements, including the funds necessary to perform its payment obligations under the Bonds, to service any foreign currency debt the Group may incur and to make any offshore acquisitions. If any of the Group's subsidiaries incur debt

on its own behalf in the future, the loan agreements may restrict its ability to pay dividends or make other distributions to the Group. Under PRC laws and regulations, the Group's PRC subsidiaries may pay dividends only out of their respective accumulated profits as determined in accordance with PRC accounting standards and regulations. In addition, an enterprise registered in the PRC is required to set aside at least 10% of its accumulated after-tax profits each year, if any, to fund a certain statutory reserve fund, until the aggregate amount of such fund reaches 50% of its registered capital. Such reserve funds cannot be distributed to the Group as dividends. These limitations on the ability of the Group's PRC subsidiaries to transfer funds to the Group limit the Group's ability to receive and utilise such funds.

As a result of the foregoing, there is no assurance that the Guarantor will have sufficient cash flow from dividends or advances from its subsidiaries to satisfy its obligations under the Guarantee. Should the Guarantor be unable to make due payments under the terms of the Guarantee, the Bondholders would need to rely on the Trustee to take enforcement actions to recover their investment in the Bonds, the prospects of which are uncertain.

#### **The Bonds and the Guarantee will be structurally subordinated to subsidiary debt**

Payments under the Bonds and the Guarantee will be structurally subordinated to the claims of all holders of debt securities and other creditors, including trade creditors, of the Issuer's and the Guarantor's subsidiaries, and to all secured creditors of the Issuer and the Guarantor. A substantial part of the Guarantor's operations are conducted through its subsidiaries, associated companies and jointly controlled entities. Accordingly, the Guarantor is and will be dependent on the operations of its subsidiaries, associated companies and jointly controlled entities to service its indebtedness, including interest and principal on the Bonds. In the event of an insolvency, bankruptcy, liquidation, reorganisation, dissolution or winding up of the business of any subsidiary of the Issuer or the Guarantor, creditors of such subsidiary generally will have the right to be paid in full before any distribution is made to the Issuer or the Guarantor (as the case may be).

#### **The insolvency laws of the PRC and other local insolvency laws may differ from those of another jurisdiction with which the holders of the Bonds are familiar**

As the Guarantor is incorporated under the laws of the PRC, any insolvency proceeding relating to the Guarantor, even if brought in other jurisdictions, would likely involve PRC insolvency laws, the procedural and substantive provisions of which may differ from comparable provisions of the local insolvency laws of jurisdictions with which the Bondholders are familiar. There is no assurance that investors in the Bonds will be able to receive the same level of protection under the insolvency laws of the PRC as those in their respective home jurisdictions.

#### **The Issuer and the Guarantor may not have the ability to redeem the Bonds**

Bondholders may require the Issuer, subject to certain conditions, to redeem for cash some or all of their Bonds at the option of the Bondholders upon a Relevant Event as described under "*Terms and Conditions of the Bonds — Redemption, Purchase and Cancellation — Redemption for Relevant Events*" or on the Put Option Date as described under "*Terms and Conditions of the Bonds — Redemption, Purchase and Cancellation — Redemption at the Option of the Bondholders*". The Issuer or the Guarantor (whom will be required to make payments pursuant to the Guarantee) may not have sufficient funds or other financial

resources to make the required redemption in cash at such time or the ability to arrange necessary financing on acceptable terms, or at all. The Issuer's or the Guarantor's ability to redeem the Bonds in such event may also be limited by the terms of other debt instruments. Failure to repay, repurchase or redeem tendered Bonds by the Issuer or the Guarantor would constitute an event of default under the Bonds, which may also constitute a default under the terms of other indebtedness held by the Issuer or the Guarantor.

#### **The Bonds may be early redeemed at the Issuer's option**

The Issuer may, having given not less than 30 nor more than 60 days' notice (an "**Optional Redemption Notice**") to the Bondholders, the Trustee and the Principal Agent (which notice will be irrevocable), redeem all but not some only of the Bonds at their principal amount, together with accrued and unpaid interest thereon to but excluding the date fixed for redemption: (i) at any time after 9 July 2027 but prior to the Maturity Date, provided that no such redemption may be made unless the Closing Price of an H Share translated into U.S. dollars at the Prevailing Rate applicable to each H Share Stock Exchange Business Day, for any 20 H Share Stock Exchange Business Days within a period of 30 consecutive H Share Stock Exchange Business Days, the last of such H Share Stock Exchange Business Day shall occur not more than 10 days prior to the date upon which notice of such redemption is given, was, for each such 20 H Share Stock Exchange Business Days, at least 130 per cent. of the Conversion Price (translated into U.S. dollars at the Fixed Exchange Rate) then in effect. If there shall occur an event giving rise to a change in the Conversion Price during any such 30 consecutive H Share Stock Exchange Business Day period, appropriate adjustments for the relevant days approved by an Independent Financial Advisor shall be made for the purpose of calculating the Closing Price of the H Shares for such days; or (ii) if at any time the aggregate principal amount of the Bonds outstanding is less than 10 per cent. of the aggregate principal amount originally issued (including any Bonds issued pursuant to Condition 15).

In addition, the Bonds may be redeemed at the option of the Issuer in whole and not in part, on giving not less than 30 days' nor more than 60 days' notice to the Bondholders, the Trustee and the Principal Agents, at their principal amount, together with accrued and unpaid interest thereon to but excluding the date fixed for redemption, if the Issuer (or if the Guarantee was called, the Guarantor) has or will become obliged to pay Additional Tax Amounts as a result of certain events set out in the Conditions and such obligation cannot be avoided by the Issuer (or as the case may be, the Guarantor) taking reasonable measures available to it.

As a result, the trading price of the Bonds may be affected when any redemption option of the Issuer becomes exercisable. Accordingly, Bondholders may not be able to sell their Bonds at an attractive price, thereby having a material adverse effect on the trading price and liquidity of the Bonds.

#### **Bondholders have limited anti-dilution protection**

The Conversion Price will be adjusted in the event that there is a sub-division, consolidation or re-denomination, rights issues, bonus issue, reorganisation, capital distribution or other adjustment including an offer or scheme which affects the A Shares and/or H Shares of the Guarantor, but only in the circumstances and only to the extent provided in "*Terms and Conditions of the Bonds — Conversion*". There is no requirement that there should be an adjustment for every corporate or other event that may affect the value of the A Shares

and/or H Shares. Events in respect of which no adjustment is made may adversely affect the value of the A Shares and/or H Shares and, therefore, adversely affect the value of the Bonds.

**Short selling of the H Shares by Bondholders could materially and adversely affect the market price of the H Shares**

The issuance of the Bonds may result in downward pressure on the market price of the H Shares. Investors in convertible securities may seek to hedge their exposure in the underlying equity securities, often through short selling of the underlying equity securities or similar transactions, such as the Delta Placement. Any short selling and similar hedging activity could place significant downward pressure on the market price of the H Shares, thereby having a material adverse effect on the market value of the H Shares owned by an investor as well as on the trading price of the Bonds.

**Future issuances of the Ordinary Shares or equity-related securities may depress the trading price of the H Shares**

Any issuance of the Guarantor's equity securities after this offering could dilute the interest of the existing shareholders and could substantially decrease the trading price of the H Shares. The Guarantor may issue equity securities in the future for a number of reasons, including to finance its operations and business strategy (including in connection with acquisitions, strategic collaborations or other transactions), to adjust its ratio of debt-to-equity, to satisfy its obligations upon the exercise of outstanding warrants, options or other convertible bonds or for other reasons. Sales of a substantial number of the H Shares or other equity-related securities in the public market (or the perception that such sales may occur) could depress the market price of the H Shares. The Guarantor cannot predict the effect that future sales of the H Shares or other equity-related securities would have on the market price of the H Shares. In addition, the price of the H Shares could be affected by possible sales of the H Shares by investors who view the Bonds as a more attractive means of obtaining equity participation in the Guarantor and by hedging or engaging in arbitrage trading activity involving the Bonds.

**There may be less publicly available information about the Guarantor than is available for public companies in certain other jurisdictions**

There may be less publicly available information about companies listed in Hong Kong, such as the Guarantor, than is regularly made available by public companies in certain other countries. In addition, our financial information in this Offering Circular has been prepared in accordance with PRC GAAP which differ in certain respects from generally accepted accounting principles ("GAAPs") in certain jurisdictions which might be material to the financial information contained in this Offering Circular. In making an investment decision, investors must rely upon their own examination of us, the terms of the offering and our financial information, and should consult their own professional advisers for an understanding of the differences between PRC GAAP and the GAAPs in their home jurisdictions and how those differences might affect the financial information contained in this Offering Circular.

**The Bonds will initially be represented by a Global Certificate and holders of a beneficial interest in the Global Certificate must rely on the procedures of the relevant Clearing System**

The Bonds will initially be represented by a Global Certificate. Such Global Certificate will be deposited with a common depository for Euroclear and Clearstream (each of Euroclear and Clearstream, a "Clearing System"). Except in the circumstances described in the Global

Certificate, investors will not be entitled to receive definitive Bonds. The relevant Clearing System will maintain records of the beneficial interests in the Global Certificate. While the Bonds are represented by the Global Certificate, investors will be able to trade their beneficial interests only through the Clearing Systems.

While the Bonds are represented by a Global Certificate, the Issuer will discharge its payment obligations under the Bonds by making payments to the common depository for Euroclear and Clearstream, for distribution to their account holders. A holder of a beneficial interest in the Global Certificate must rely on the procedures of the relevant Clearing System to receive payments under the Bonds. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Certificate.

Holders of beneficial interests in a Global Certificate will not have a direct right to vote in respect of the Bonds. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant Clearing System to appoint appropriate proxies.

## **USE OF PROCEEDS**

We estimate that the net proceeds from this offering, after deducting the Managers' commissions and other estimated expenses payable in connection with this offering, will be approximately US\$1,979 million. We intend to apply most of the net proceeds from the issue of the Bonds for refinancing the Group's offshore indebtedness.

## CAPITALISATION AND INDEBTEDNESS OF THE GUARANTOR

The following table sets forth on an actual basis the Guarantor's borrowings and capitalisation as at 31 December 2023 and as adjusted to give effect to the issuance of the Bonds in this offering before deducting the Managers' commissions and other estimated expenses payable by the Guarantor in connection with this offering. The table should be read in conjunction with the financial statements and the accompanying notes included elsewhere or incorporated by reference in this Offering Circular.

	As at 31 December 2023			
	Actual		As adjusted	
	RMB	US\$	RMB	US\$
	<i>(in millions)</i>			
<b>Current borrowings</b>				
Short-term borrowings . . . . .	20,989.47	2,956.31	20,989.47	2,956.31
Non-current liabilities due within one year . . . . .	18,028.89	2,539.32	18,028.89	2,539.32
	39,018.36	5,495.62	39,018.36	5,495.62
<b>Non-current borrowings</b>				
Long-term borrowings . . . . .	77,530.91	10,920.00	77,530.91	10,920.00
Bonds payable . . . . .	25,286.68	3,561.55	25,286.68	3,561.55
Bonds to be issued <sup>(3)</sup> . . . . .	—	—	14,199.80	2,000.00
	102,817.59	14,481.55	117,017.39	16,481.55
<b>Total equity attributable to owners of the Company</b>				
Share capital . . . . .	2,632.66	370.80	2,632.66	370.80
Capital reserve . . . . .	25,866.06	3,643.16	25,866.06	3,643.16
Less: Treasury shares . . . . .	(778.09)	(109.59)	(778.09)	(109.59)
Other comprehensive income . . . . .	8,960.43	1,262.05	8,960.43	1,262.05
Special reserve . . . . .	187.67	26.43	187.67	26.43
Surplus reserve . . . . .	1,367.00	192.54	1,367.00	192.54
Retained earnings . . . . .	69,270.21	9,756.51	69,270.21	9,756.51
	<b>107,505.94</b>	<b>15,141.89</b>	<b>107,505.94</b>	<b>15,141.89</b>
<b>Total capitalisation<sup>(1)</sup> . . . . .</b>	<b>249,341.89</b>	<b>35,119.07</b>	<b>263,541.69</b>	<b>37,119.07</b>

Notes:

- (1) Total capitalisation equals the aggregate of the current borrowings, non-current borrowings and total equity attributable to the owners of the Company.
- (2) The aggregate principal amount of the Bonds, without taking into account and before deducting underwriting discounts, commissions and other estimated expenses payable in connection with the offering of the Bonds.
- (3) Amounts in Renminbi have been translated at the rate of RMB7.0999 to US\$1.00, based on the noon buying rate as set forth in the H.10 statistical release of the Federal Reserve Bank of New York on 29 December 2023.

After the completion of this offering, the Guarantor may incur additional debt, including Renminbi denominated borrowings or debt securities in China, in the ordinary course of business. Except as otherwise disclosed herein, there has been no material change in the Guarantor's capitalisation and indebtedness since 31 December 2023.



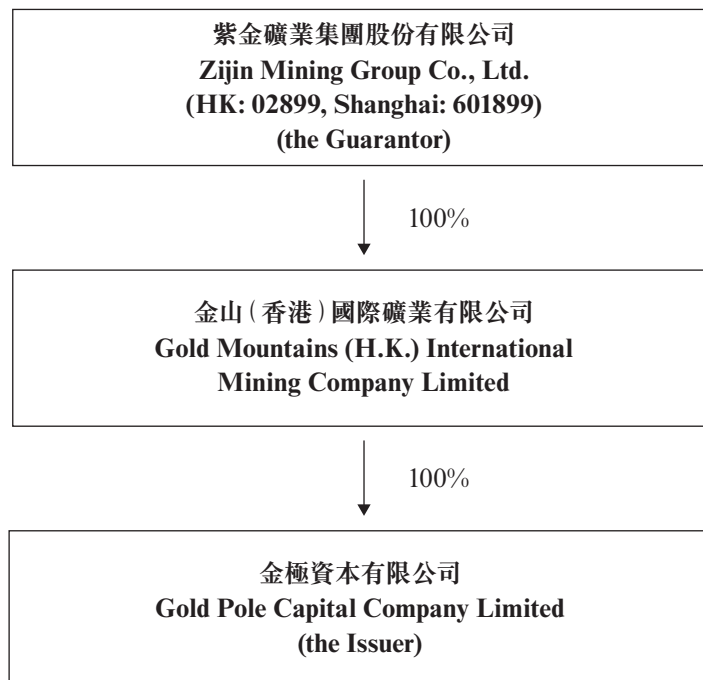
## DESCRIPTION OF THE ISSUER

### OVERVIEW

The Issuer, Gold Pole Capital Company Limited (金極資本有限公司), was incorporated in Hong Kong on 22 April 2024 as a private company with limited liability under the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) (business registration number: 76471730) and completed its conversion into a public company on 20 May 2024. The Issuer is an indirectly wholly-owned subsidiary of the Guarantor. The registered office of the Issuer is located at Unit 7503A, Level 75, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong.

### CORPORATE STRUCTURE CHART

As at the date of this Offering Circular, a simplified corporate structure covering the Issuer and the Guarantor is as below:



### BUSINESS ACTIVITY

The Issuer was initially established for the purpose of overseas capital operation and fund raising and is currently acting as such operating platform.

In the future, the Issuer may, either through itself or through associated companies, issue further notes or engage in business activities related to those of the Guarantor and may incur substantial liabilities and indebtedness.

The Issuer has full power and authority to carry out any activities which are not prohibited by the laws of Hong Kong.

## **DIRECTORS**

The directors of the Issuer are Zhang Yan and Liu Yonghao. The directors of the Issuer do not hold any shares or options to acquire shares of the Issuer.

## **SHARE CAPITAL**

The Issuer's total amount of authorised share capital was US\$10,000,000, which has been fully paid as at the date of this Offering Circular. No part of the equity securities of the Issuer is listed or dealt in on any stock exchange and no listing or permission to deal in such securities is being or is proposed to be sought.

## **FINANCIAL INFORMATION**

Under the laws of Hong Kong, the Issuer is required to file with the Hong Kong Companies Registry its audited financial statements with its annual return for corresponding financial year. In addition, the Issuer is required to keep proper books of account as they are necessary to give a true and fair view of the state of the Issuer's affairs and to explain its transactions. The Issuer is also required to prepare its audited financial reports in accordance with the Terms and Conditions of the Bonds.

As at the date of this Offering Circular, except for shareholder capital contribution, the Issuer has no material assets or revenues and has no outstanding third-party borrowings or contingent liabilities.

## DESCRIPTION OF THE GROUP

### OVERVIEW

The Group is a large multinational mining group principally engaged in the exploration, mining, processing, refining and sales of gold, copper, zinc (lead), lithium, silver, molybdenum and other metallic mineral resources globally. The Group is also engaged in the research, design and application of mining engineering, aiming to provide the materials that improve living standards in a low carbon future. Under the “ZIJIN” brand, the Group produces gold bullion of 99.99% and 99.95% purity, copper cathodes and zinc bullion, among others.

The Company was incorporated on 6 September 2000 with the approval of the People’s Government of Fujian Province as a joint stock limited company in China, with Minxi Xinghang State-owned Assets Investment Company Limited, Shanghang County Jinshan Trading Company Limited, Xinhudu Industrial Group Company Limited, Fujian Xinhudu Engineering Company Limited, Xiamen Hengxing Group Company Limited, Fujian Xinhudu Department Store Company Limited, Fujian Gold Group Company Limited and Fujian Minxi Geologist as its promoters.

In December 2003, the Company was listed on the Hong Kong Stock Exchange. The Company was the first Mainland China gold production enterprise listed overseas. In April 2008, the Company was listed on the Shanghai Stock Exchange. As at 31 December 2023, the registered capital of the Company was RMB2,632,657,124; the number of its issued shares was 26,326,571,240, comprising 5,736,940,000 H Shares, representing about 21.79% of its total issued shares, and 20,589,631,240 A Shares, representing about 78.21% of its total issued shares. As at 31 December 2023, approximately 23.11% of the total issued shares of the Company were held by Minxi Xinghang State-owned Assets Investment Company Limited.

As at 17 May 2024, the Company had a total of 26,325,988,940 shares (with nominal value of RMB0.1 each), of which 5,736,940,000 shares were H shares listed on the Hong Kong Stock Exchange (representing about 21.79% of the total issued shares), and 20,589,048,940 shares were A shares listed on the Shanghai Stock Exchange (representing about 78.21% of the total issued shares).

As at 17 June 2024, the market capitalisation of the Company was approximately HK\$478 billion.

### Position in the industry

In 2023, the Group ranked 284th in the list of public companies of Forbes’ Global 2000, 6th among the listed metal mining companies and 1st among the global gold companies on the list. It also ranked 373rd on the Fortune Global 500 list and 51st on the Fortune China 500 list, placing it at the forefront of global mining companies in terms of comprehensive strength. The Company was also recognised as one of the 2023 Forbes China ESG Innovation Enterprises.

The Group possesses a world-class diversified asset portfolio of copper, gold, lithium, molybdenum and other minerals, enabling the Group to effectively cope with macroeconomic risks and driving the Group to achieve sustained and robust financial

performance growth. The Group's resources volume and production capacity of copper and gold rank the top in China and top 10 globally. As at 31 December 2023, the Group owned approximately 74.56 million tonnes of copper resources, approximately 2,997.53 tonnes of gold resources, approximately 10.68 million tonnes of zinc (lead) resources, approximately 13.47 million tonnes of lithium (lithium carbonate equivalent) resources, approximately 3.06 million tonnes of molybdenum resources and approximately 14,739.29 tonnes of silver resources. Leveraging its advantages in self-initiated technology and engineering capabilities, the Group is expected to become one of the world's most important producers of lithium, molybdenum and silver in the next five years. As at 31 December 2023, the Company became the only mining company in China and Asia to surpass the remarkable milestone of producing over 1 million tonnes of mine-produced copper, ranking among the top five globally; the Company's gold resources and production capacity rank first among major publicly listed mining companies in China and Asia, and within the top ten globally; and the Company was the largest mine-produced zinc producer in China, the second-largest in Asia, and ranks among the top four globally.

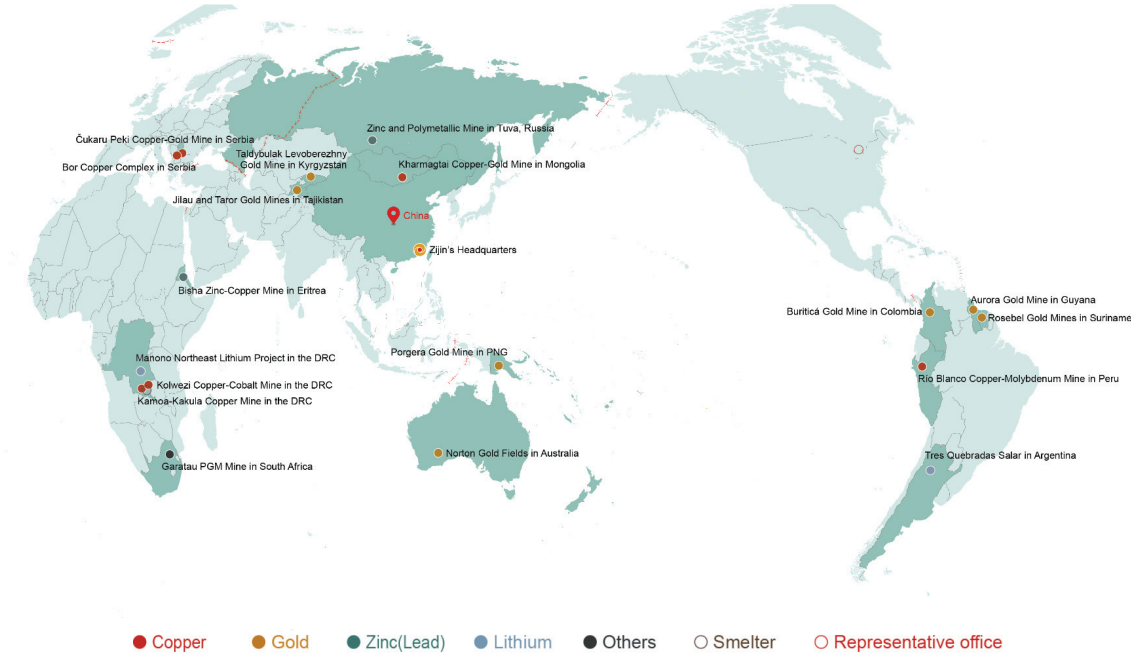
The table below sets out the Group's operating income, operating costs and gross profit margin of its main businesses by product for the years ended 31 December 2021, 2022 and 2023:

By product	2023			2022			2021		
	Operating income	Operating costs	Gross profit margin	Operating income	Operating costs	Gross profit margin	Operating income	Operating costs	Gross profit margin
	(RMB million)	(RMB million)	%	(RMB million)	(RMB million)	%	(RMB million)	(RMB million)	%
Mine-produced gold . . . . .	27,090.56	14,880.18	45.07	22,418.53	11,663.64	47.97	15,921.74	8,046.64	49.46
Mine-produced copper concentrate . . . . .	31,663.81	12,816.81	59.52	29,357.14	11,644.71	60.33	19,832.03	6,528.50	67.08
Mine-produced electrodeposited copper . . . . .	5,409.93	2,866.71	47.01	5,328.34	2,297.26	56.89	4,916.07	1,508.93	69.31
Mine-produced electrolytic copper . . . . .	4,400.60	3,182.68	27.68	1,568.22	729.86	53.46	3,580.43	1,581.23	55.84
Mine-produced zinc . . . . .	4,918.23	3,844.46	21.83	6,274.09	3,219.47	48.69	5,643.76	2,942.12	47.87
Mine-produced silver . . . . .	1,438.71	708.15	50.78	1,231.44	659.18	46.47	1,048.99	479.40	54.30
Iron ore . . . . .	1,226.99	485.46	60.43	1,215.37	390.28	67.89	2,738.65	696.90	74.55
Refined, processed and trading gold . . . . .	111,256.02	110,596.65	0.59	100,580.28	100,026.62	0.55	100,048.34	99,926.50	0.12
Refined copper . . . . .	43,731.33	42,379.22	3.09	41,136.45	39,952.36	2.88	37,562.32	36,523.70	2.77
Refined zinc . . . . .	6,391.03	5,938.88	7.07	7,095.17	6,742.77	4.97	6,442.05	6,154.90	4.46
Others . . . . .	183,864.50	172,923.13	—	171,518.48	164,472.78	—	126,783.67	122,609.01	3.29
Less: Intercompany sales elimination . . . . .	-127,988.47	-123,598.26	—	-117,394.51	-114,014.65	—	-99,415.56	-96,646.71	—
<b>Total . . . . .</b>	<b>293,403.24</b>	<b>247,024.07</b>	<b>15.81</b>	<b>270,329.00</b>	<b>227,784.28</b>	<b>15.74</b>	<b>225,102.49</b>	<b>190,351.12</b>	<b>15.44</b>

The table below sets out the Group’s operating income and operating costs of its main businesses by region for the years ended 31 December 2021, 2022 and 2023:

By region	2023			2022			2021		
	Operating income	Operating costs	Gross profit margin	Operating income	Operating costs	Gross profit margin	Operating income	Operating costs	Gross profit margin
	(RMB million)	(RMB million)	%	(RMB million)	(RMB million)	%	(RMB million)	(RMB million)	%
Outside Mainland China . . . . .	89,168.15	69,319.92	22.26	85,622.50	64,884.51	24.22	67,415.90	50,494.24	25.10
Mainland China . . . . .	332,223.56	301,302.41	9.31	302,101.01	276,914.42	8.34	257,102.15	236,503.59	8.01
Less: Intercompany sales elimination . . . . .	-127,988.47	-123,598.26	—	-117,394.51	-114,014.65	—	-99,415.56	-96,646.71	—
<b>Total . . . . .</b>	<b>293,403.24</b>	<b>247,024.07</b>	<b>15.81</b>	<b>270,329.00</b>	<b>227,784.28</b>	<b>15.74</b>	<b>225,102.49</b>	<b>190,351.12</b>	<b>15.44</b>

As at 31 December 2023, the Group has more than 30 large and ultra-large mineral resource development bases in 15 overseas countries and 17 provinces (autonomous regions) in China. The following maps set out the locations of the Group’s operations worldwide as at 31 December 2023:





The quality of the Group's overseas assets is good. The resources and output of the Group's overseas mines exceeded those of the Group's domestic mines, providing significant contributions to the Group's profit. As at 31 December 2023, the Group's overseas mines' copper, gold, zinc (lead) and lithium carbonate resources accounted for 75%, 67%, 23% and 82% of the Group's total resources of the respective product. The Group's overseas mine-produced copper, mine-produced gold and mine-produced zinc (lead) output accounted for 56%, 64% and 45% of the Group's total output of the respective product. In 2023, the total profit before elimination contributed by the Group's overseas projects accounted for 45% of the Group's total profit before elimination.

## RECENT DEVELOPMENTS

### Unaudited and unreviewed quarterly results of the consolidated Group as at and for the three months ended 31 March 2024

On 22 April 2024, the Company announced the unaudited results of the consolidated Group for the three months ended 31 March 2024 on the website of the Hong Kong Stock Exchange (the **2024 First Quarterly Results**). The 2024 First Quarterly Results have been prepared in accordance with the Accounting Standards for Business Enterprises (**ABSE**) issued by the Ministry of Finance of the People's Republic of China, and the Application Guidance for ABSE, interpretations and other relevant regulations issued and revised thereafter. The 2024 First Quarterly Results are not included in and do not form part of this Offering Circular and were prepared by the Company's management and has not been reviewed or audited by EY, its independent auditor. The 2024 First Quarterly Results may be subject to potential adjustments. Adjustments to the 2024 First Quarterly Results may be made when the Company's year-end audit is performed, which could result in significant differences from the preliminary financial information set out in the 2024 First Quarterly

Results. The 2024 First Quarterly Results should not be relied upon by the potential investors. (See “*Risk Factors — Risks relating to the Group’s business — The Guarantor published and may continue to publish periodical financial information in the PRC and/or on the website of the Hong Kong Stock Exchange pursuant to applicable PRC regulatory rules and the listing rules of the Hong Kong Stock Exchange. Investors should be cautious and not place undue reliance on the financial information other than that disclosed in this Offering Circular.*”). Potential investors must exercise caution when using the Group’s 2024 First Quarterly Results to evaluate the consolidated Group’s financial condition, results of operations and prospects.

As at 31 March 2024, the Group’s receivables financing significantly decreased primarily due to collection of the Group’s bills receivable upon maturity, as compared to the same as at 31 December 2023. As at 31 March 2024, the Group’s short-term borrowings increased primarily due to the increase in trading related borrowing and gold leasing, as compared to the same as at 31 December 2023. As at 31 March 2024, the Group’s held for trading financial liabilities increased primarily due to the increase in the Group’s gold leasing, as compared to the same as at 31 December 2023. As at 31 March 2024, the Group’s taxes payable increased primarily due to the increase in the Group’s corporate income tax, as compared to the same as at 31 December 2023. As at 31 March 2024, the Group’s current portion of non-current liabilities increased primarily due to the increase in the Group’s long-term borrowings due within one year, as compared to the same as at 31 December 2023. For the three months ended 31 March 2024, the Group’s taxes and surcharges increased primarily due to the increase in the Group’s resource tax and income from mine-produced gold, as compared to the three months ended 31 March 2023.

### **Upgrade and Expansion Project of Phase 2 of the Julong Copper Mine**

On 23 February 2024, the Company announced on the Hong Kong Stock Exchange that Tibet Julong Copper Co., Ltd. (***Julong Copper***), a subsidiary of the Company, was approved to expand upon its existing mining and processing project of 150 thousand tonnes/day by adding a new production scale of 200 thousand tonnes/day through upgrade and expansion, thus forming a total production scale of 350 thousand tonnes/day. It is expected that the construction will be completed and the production will commence by the end of 2025. Open-pit mining method will be adopted, and the mine’s service life is 36 years. The estimated total investment amount is approximately RMB17.46 billion, which will be self-financed by Julong Copper.

### **STRENGTHS OF THE GROUP**

The Group believes that the following represent its key strengths:

**A large-scale global leading company with diversified, future facing and resilient metals portfolio and world-leading position in reserve base and production in major metals.**

The Group is a global leading diversified mining company with mine assets in 16 countries across Asia, Europe, South America, Africa and Oceania.

The Group has a unique diversified metals portfolio covering copper, gold, lithium, zinc (lead), silver and molybdenum. Copper, lithium, silver, and molybdenum are all critical metals in the new energy industry in producing photovoltaic, wind power systems, energy storage systems, new energy vehicles, etc., which are expected to continue to have strong

demand in the future. The Group is therefore well positioned to capitalise the huge growth opportunities in the new energy industry. In addition, gold as safe-haven asset is countercyclical in nature. The gold asset portfolio also enables the Group to have strong resilience under global macro uncertainties.

In terms of total resources (reserves) on equity basis as of the end of 2023, the Group ranked No. 5 globally for copper reserves owned, No. 6 globally for gold reserves owned, No. 4 globally for zinc reserves owned and No. 9 globally for lithium resources. In addition, the Group's total copper and gold reserves owned as of the end of 2023 were equivalent to 82% and 37% of China's total reserves respectively. In terms of production volume in 2023, the Group ranked No. 5 globally for copper production, No. 7 globally for gold production, and No. 4 globally for zinc production. In addition, the Group's copper and gold production volume in 2023 were equivalent to approximately 62% and 23% of total production volume in China respectively.

### **Sustainable high growth through bolt-on acquisition expansion and organic development initiatives**

From 2020 to 2023, in terms of production volume, the Group has achieved CAGR of around 30% for copper and over 15% for gold. As a result, the Group's total revenue also achieved CAGR of 19.6% from 2020 to 2023, making it one of the fastest growing large-scale mining companies globally.

The high growth is achieved mainly through bolt-on acquisitions globally:

- **Outstanding capabilities in identifying acquisition targets, executing the transactions and creating additional value post-acquisition:** The Group has completed over 20 acquisitions globally in its 30+ year history, with a proven track record of identifying high quality assets at the early stage and completing the acquisitions at low costs. Since 2020, the Group's average unit acquisition costs of resources, calculated by dividing the acquisition consideration by resources acquired, were approximately USD50 per tonne for copper and approximately USD70 per ounce for gold, significantly lower than the industry average levels of approximately USD200 per tonne for copper and USD80 per ounce for gold of its global peers during the same period based on industry information from Standard & Poor.

Leveraging its strong technical capabilities and execution capabilities, the Group is able to add substantial value post-acquisition, including more exploration work to increase the resources base of the assets, completing the permitting and construction efficiently and bring the assets to operation stage within a short period of time.

- **Organic growth achieved with leading exploration and technical capabilities:** With the professional management team's expertise and experience, the Group has a unique competitive edge in its self-initiated geological exploration capabilities. More than 50% of the gold and copper resources and more than 90% of the zinc (lead) resources were obtained from self-initiated exploration by the end of 2023. Moreover, the Group is experienced in the development of low-grade mines with challenging mining/processing conditions.



In 2023, the Group invested RMB379 million in geological exploration on equity basis. The additional resources of major metals discovered from the exploration include: 82 tonnes of gold, 2.6 million tonnes of copper, 723 thousand tonnes of zinc (lead), and 1.0 million tonnes of lithium carbonate equivalent. Significant exploration progress was made at the Čukaru Peki Copper and Gold Mine and the Bor JM/VK Copper Mines, the Kolwezi Copper (Cobalt) Mine, the Tres Quebradas Salar, the Tongshan Copper Mine, the Julong Copper Mine, the Yixingzhai Gold Mine, the Wulagen Lead and Zinc Mine, etc. in 2023.

The Group has preliminarily established a comprehensive GIS database which covers key metallogenic areas in Central Asia, Mongolia, South America and other key metallogenic zones to achieve more efficient metallogenic pattern research, mineral prospecting prediction and exploration target selection processes going forward.

Leveraging the proven growth strategies of bolt-on acquisitions and organic development, the Group targets further growth and released a five-year plan with 2024–2028 production volume targets in May 2024, indicating the Group’s ambition for continuous growth in the next five years. The Group targets to produce 1.5 to 1.6 million tonnes of mine-produced copper, 3.2–3.5 million ounces of mine-produced gold, and 250–300kt of lithium (LCE) by 2028, which represents a 2023–2028 CAGR of more than 8%, 8%, and 142% respectively, based on 2028E production guidance (lower end) and 2023 production volume.

#### **Highly efficient operating model with low cost supported by leading technologies**

The Group possesses industry-leading technologies and abundant practical experiences accumulated in geological prospecting, mining and processing technologies, comprehensive recovery and utilisation of low-grade refractory resources, environmental protection and other aspects. Leveraging the whole-process technologies and capabilities, the Group also applied cost control throughout its integrated operation model as follows:

- ***Whole-process technological and management capabilities to effectively reduce production cost:*** the Group has pioneered the mining engineering management model of “Five-Pronged Mining and Operational Model” which establishes a comprehensive management system from exploration, mining, processing, smelting and refining, as well as environmental protection. This significantly improves the operating efficiency and facilitates sustainable development. With this comprehensive and coordinated management system, the Group has a clear competitive advantage of cost control. In 2023, the Group’s competitive advantages in production and operation costs are remarkable, with both C1 cost of copper and all-in-sustaining cost of gold ranking among the lowest 20% globally based on industry information from World Gold Council and Woodmac, respectively.
- ***Strong in-house engineering capabilities support low construction costs:*** Leveraging system engineering technology and group’s economy of scale, the Group has been constantly developing systematic solutions guided by economic and social benefits to strictly control the capital expenditure during construction. The Group is also the first mining company in China to self-develop exploration equipment at the global leading technological level. This also applies to the overseas projects with in-house capabilities in mine construction, installation, procurement and logistics. The Group has also established a global procurement system with centralised coordination thus significantly reduce procurement, logistics and storage costs.

## **Commitment to sustainable development with high ESG standards**

As a major player in the global mining industry, the Group has always adhered to the mission of “Providing the Materials that Improve Standards of Living in a Low Carbon Future”. The Group’s ESG key performance and ratings have been continuously improving, demonstrating its commitment to responsible mining. Its commitment includes but are not limited to the following:

- ***The Group’s ESG system is based on international standards and best practises.*** The Group complies with the standards and principles from United Nations and its affiliated organisations including UNGC, SDGs, and ILO. The Group also refers to the World Gold Council, ICMM and other industry standards, as well as the guidelines and standards of professional organisations such as IFRS, ISO, GRI, SASB, TCFD, etc. In addition, the Group has been conducting third-party reviews and certification on the Group’s ESG performance. For example, in 2023, the Group achieved 97.5% coverage ratio of ISO45001 and 14001 certifications. The Group’s headquarters and its subsidiary Longnan Zijin in China completed third-party review in complying with the World Gold Council’s Responsible Gold Mining Principles (RGMPs). Two subsidiaries in Serbia, Serbia Zijin Copper and Serbia Zijin Mining, have been advancing their certification efforts in Social Accountability Standard (SA8000). Four refining subsidiaries have successfully passed the third-party certification on CCCMC mineral supply chain standard. The Group also actively communicates with all stakeholders, including employees, shareholders and investors, business partners, government and regulators, local communities, NGOs, media, and research and education institutions to listen to their constructive feedback and improve the ESG practises constantly.
- **The Group has established a comprehensive top-down ESG governance system.** The Group has a well-established and sustainable governance structure. It has established Strategic and Sustainable Development (ESG) Committee under the Board. The ESG Management Committee led by Group President is responsible for promoting and implementing ESG strategies formulated by the Board, with several vice presidents leading the detailed ESG works including occupational safety and health, waste management, human rights protection and security practises, community relations, business ethics, responsible supply chain, climate change and energy management, etc. The Group’s ESG Office at the headquarters is led by executives in charge of sustainable development and is responsible for coordinating ESG management work among various relevant business departments and subsidiaries. ESG departments and dedicated teams have also been set up at each operation site to oversee the day-to-day operations. The Group puts strong emphasis on the evaluation of ESG performance. In the management remuneration assessment scheme, ESG indicators account for no less than 20% of the annual salary incentive review.
- **The “Dual Carbon” goal is an important part of the Group’s ESG development:** In 2023, the Group issued the first Climate Change Action Plan in China’s nonferrous metal industry that complies with the global TCFD framework. It clearly states the Group’s commitment to peak carbon emissions by 2029 and achieve carbon neutrality by 2050. The Group’s greenhouse gas emission intensity has been decreasing year by year, with GHG emissions intensity by industrial added value decreased from 1.79

tCO<sub>2</sub>e/RMB10,000 in 2021 to 1.53 tCO<sub>2</sub>e/RMB10,000 in 2023. As at the end of 2023, the Group has installed 244MW installed capacity of clean energy, representing over 100% increase compared to the level as of end of 2021.

- **The Group's ESG ratings have been consistently improving.** The Group's global major ESG ratings, including Refinitiv, S&P CSA, Morningstar Sustainalytics and MSCI, have significantly improved over the past few years. In 2023, the Group has achieved Refinitiv ESG score of 92, ranking first among 676 global peers. In terms of S&P's CSA rating, the Group has achieved a score of 64, which is the top 6% in the industry. For Morningstar Sustainalytics, it has also reached the average level of international mining peers.

### **Sound financial performance**

The Group recorded strong financial performance over the past three years. In 2021, 2022 and 2023, the Group's total revenue amounted to RMB225.1 billion, RMB270.3 billion, and RMB293.4 billion, respectively, with y-o-y growth rate of 31.3%, 20.1% and 8.5% respectively. Benefiting from the effective cost control methods, the profit margin of the Group has been stable with slight increase over the past three years. In 2021, 2022 and 2023, the gross margin of the Group was 15.4%, 15.7% and 15.8%, respectively, and net income margin of the Group was 8.7%, 9.2% and 9.1%, respectively. The Group also has strong operating cash flow and liquidity position. Net cash flows from operating activities in 2023 was RMB36.9 billion and cash and cash equivalents at the end of 2023 was RMB17.7 billion.

### **Prudent financial management capabilities to reduce financial risks**

The Group possesses prudent financial management capabilities and is dedicated to the continuous development and maintenance of a prudent risk management system, especially the financial risks. The Group has established a comprehensive risk management system, which provides the management team with timely supervision of the Group's operational risk and financial risk, including foreign exchange risk and risks associated with fluctuations in the prices of commodity metals and raw materials.

### **Connection to unimpeded financing channels and prudent financial management**

The Group enjoys diversified financing channels with strong liquidity performance. The Group has been listed on the H-share market since 2003 and on the A-share market since 2008 and maintains stable access to equity financing channels. In addition, the Group obtains continuous strong credit support from domestic and overseas commercial banks as well as from bond offerings, which provides sound financial support and safeguard to the long-term development of the Group. As of 31 December 2023, the credit facilities granted to the Group amounted to RMB285.7 billion, among which RMB160.7 billion remains unutilized. The Group also has a healthy leverage profile. As of 31 December 2021, 2022 and 2023, the amount of long-term debt was RMB52 billion, RMB95 billion and RMB105 billion respectively and the amount of short-term debt was RMB29 billion, RMB35 billion and RMB41 billion respectively. For the year ended 31 December 2021, 2022 and 2023, the Group's asset-liability ratio was 55.5%, 59.3% and 59.7%, which demonstrated a strong financial position.

### **Highly experienced and committed international management team with visionary leadership and proven execution capabilities**

The Company's management team is mainly comprised of experts in specific industries. At the same time, the Company has introduced a group of high-end technical talents with global perspectives and cultivated a large number of young technical personnel, whose expertise covers geological prospecting, mining, processing, metallurgy, environmental protection, design, information technology and so on.

The Group is led by Mr. Chen Jinghe, who has great expertise in mineral resources exploration and development. Since 1993, he has been continuously serving as the key leader of the Group. He is a professor grade senior engineer, an expert entitled to special allowance from the State Council, and the head of the State Key Laboratory of Comprehensive Utilisation of Low-grade Refractory Gold Ores. He has attained remarkable achievements in geological prospecting, comprehensive utilisation of low-grade refractory resources, and large-scale mine development. He pioneered the "Five-Pronged Mining and Operational Model" mining engineering technology management model, which has been promoted and applied both at home and overseas in the Group's operations, achieving significant economic and social benefits.

The senior management team led by Chairman Chen also has extensive industry experience with expertise covering mining, legal, finance, M&As, ESG etc. The Group believes that the experienced management team can quickly adapt to the evolving needs of the Group, identify trends in the industry, and ensure that business development and expansion aligns with the industry trends in China and globally. For further details, please refer to "Directors, Supervisors, Senior Management and Company Secretaries".

In addition, the professional project management teams at the operation sites also possess excellent techniques, knowledge and experience of the mining industry as well as strong execution capacity to control cost, progress, quality and safety of the projects. They are familiar with the local policies and markets of different countries. With the Group continuously implementing the strategy of internationalisation of its talents, upholding the principles of "internationalising Zijin people" and "integrating new talents with Zijin culture", the integration and professionalism of the project management teams are highly promoted.

### **STRATEGIES OF THE GROUP**

The Group aims to continue to strengthen its industry leading position and expand its business operations. Its strategies consist of the following principal elements:

#### **Continue to strategically conduct bolt-on resources acquisitions globally**

Over the past 30 years, the Group has made remarkable acquisitions globally which substantially enhanced the Group's resources and reserves base and supported the Group's high growth into a global leading mining company.

In the future, The Group will continue to identify high-quality mines globally, especially for mines with great resources and high development potential, as well as mines of new energy minerals. The Group will continue to implement counter-cyclical acquisitions at low costs

in a timely manner. The Group will also maintain prudent in risk control in the process of resources acquisition, conducting comprehensive due diligence before making acquisition decisions.

### **Continue to conduct exploration and achieve organic development**

The Group will continue to conduct exploration on the existing assets to secure more resources for development.

The Group intends to strengthen its competitive advantages in exploration capabilities and maintain lower-than-average unit exploration costs. The Group also plans to adhere to technological innovation in terms of geological prospecting and increase investments in geological prospecting technology R&D.

### **Adhere to the concept of common development and continue to focus on high-standard ESG practise and improve ESG performance**

The Group will adhere to the concept of common development and promote the joint enhancement of corporate value, market value, employees and stakeholders value as well as community and social value. The Group will continue to put ESG initiatives as the top priority and implement the high-standard ESG practise. The Group will further improve ESG governance system, be transparent and open to all stakeholders, and enhance stakeholders' engagement. The Group will also continue to give back to the communities and the society by adhering to local employment and local procurement and increasing community investments and contribution.

The Group strives to improve the ESG performance from all aspects including, but not limited to, emission management, water management, human rights protection, and safety and occupational health.

### **Continue to promote technological innovation**

Innovation in technologies is key to the Group's success, which contributes to the competitive strength and low-cost advantage of the Group. The Group will continue to strengthen its technological capabilities in geological prospecting findings, mining technologies, comprehensive recovery and utilisation of low-grade refractory resources, etc. The Group will also further develop and optimise its unique mining engineering management model and maintain high efficiency in project construction and operation.

### **Continue to maintain a balance between business expansion and prudent risk control**

The Group will continue to capture opportunities to expand its business, while maintaining prudence in risk management and developing comprehensive risk management system, to ensure sustainable development. The Group will comply with international rules and regulations of host countries and regions, respect the local labour practises, culture and customs and environmental protection for overseas expansion and operations. In addition, the Group will continue to monitor the global macro risks including the geopolitical risks and risks related to interest and exchange rates, tax policies, supply chains, cross-border transactions and other potential risks.

## Continue to integrate its culture with local practise across its international framework

The Group has more than 30 mine assets in 16 countries globally. With such a broad international operation footprint, the Group will continue to integrate its culture with local practise. The Group will also continue to cultivate and introduce both local and international high-quality talents, to better implement its advanced management and technology to its overseas operations.

## BUSINESS OPERATIONS

The Group is a large multinational mining group principally engaged in the exploration, mining, processing, refining and sales of gold, copper, zinc, lithium, silver, molybdenum and other metallic mineral resources globally. The Group is also engaged in the research, design and application of mining engineering, aiming to provide the materials that improve living standards in a low carbon future.

For the year ended 31 December 2023, the Group's operating income amounted to RMB293.403 billion, representing an increase of 8.54% as compared with the year ended 31 December 2022; the Group's profit before tax and net profit attributable to owners of the parent amounted to RMB31.287 billion and RMB21.119 billion, representing an increase of 4.32% and 5.38%, respectively, as compared with the year ended 31 December 2022; the Group's net cash flows from operating activities amounted to RMB36.860 billion, representing an increase of 28.53% as compared with the year ended 31 December 2022. As at 31 December 2023, the Group's total assets amounted to RMB343.006 billion, among which, the Group's net assets attributable to owners of the parent amounted to RMB107.506 billion, representing an increase of 12.08% and 20.87%, respectively, as compared 31 December 2022.

The table below sets out the production volumes of the Group's major mineral products for the years ended 31 December 2021, 2022 and 2023:

	Mine-produced gold	Mine-produced copper	Mine-produced zinc	Lead in concentrate form	Lithium carbonate equivalent	Mine-produced silver	Iron ore	Mine-produced molybdenum	Mine-produced tungsten	Mine-produced cobalt	Sulphuric acid
	(tonnes)	('000 tonnes)	('000 tonnes)	('000 tonnes)	('000 tonnes)	(tonnes)	(million tonnes)	('000 tonnes)	('000 tonnes)	('000 tonnes)	('000 tonnes)
2021 . . . . .	47.46	584.17	396.44	37.94	—	308.81	4.25	2.06	2.60	1.61	2,952.73
2022 . . . . .	56.36	877.32	402.32	39.66	—	387.46	3.35	4.58	3.64	2.51	3,022.99
2023 . . . . .	67.73	1,007.29	421.85	45.17	2.90	411.99	2.42	8.12	3.57	2.31	3,370.37

The table below sets out a summary of retained resources and reserve volume of the Group's major mines on equity basis as at 31 December 2021, 2022 and 2023:

Mineral type	Unit	2023		2022		2021	
		Reserves	Resources	Reserves	Resources	Reserves	Resources
		(Note 1)	(Notes 1 and 2)	(Note 1)	(Note 1)	(Note 1)	(Note 1)
Copper	Mt (metal)	33,398.1	74,556.5	32,094.4	73,718.6	20,328.3	62,770.5
Subtotal of gold	t (metal)	1,148.49	2,997.53	1,190.99	3,117.39	792.15	2,372.90
Including: Independent gold	t (metal)	854.06	2,274.57	896.13	2,386.57	688.55	2,014.36
Gold associated with other metals	t (metal)	294.43	722.95	294.86	730.82	103.60	358.54
Lithium carbonate	LCE Mt	4,426.5	13,465.9	4,290.5	12,152.1	1,671.9	7,630.0
Silver (including associated)	t (metal)	1,863.89	14,739.29	1,864.18	14,611.80	1,630.31	11,535.76
Molybdenum (including associated)	Mt (metal)	1,598.4	3,057.0	1,544.5	3.02	0,473.3	0,915.3
Zinc	Mt (metal)	4,104.4	9,392.7	4,195.1	9,886.0	4,554.0	9,618.2
Lead	Mt (metal)	0,594.8	1,285.0	0,604.2	1,297.3	0,696.5	1,264.0
Tungsten	WO <sub>3</sub> thousand tonnes	34.7	105.5	27.5	92.9	12.8	59.2
Tin	Thousand tonnes (metal)	51.5	153.2	51.5	150.2	—	—
Iron	Mt (ore)	148	494	119	478	111	179
Coal	Mt	0.00	244	0.00	244	0.00	244
Platinum	t (metal)	21.58	640.88	21.56	640.70	21.56	640.88
Palladium	t (metal)	22.14	490.35	22.11	490.42	22.11	490.35

Note 1: Retained resources/reserves as at 31 December 2021, 2022 and 2023 are calculated based on equity method; all projects/mines are accounted for according to the Group's actual shareholding ratio; resources include reserves.

Note 2: As at 31 December 2023, certain exploration projects had not submitted formal report, and their additional resources were not included in the retained resources of the Company as at the end of 2023.

The table below sets out the sales by products for the years ended 31 December 2021, 2022 and 2023:

Product name	2023				2022				2021			
	Unit price	Sales volume	Amount	Increase/Decrease in unit price	Unit price	Sales volume	Amount	Increase/Decrease in unit price	Unit price	Sales volume	Amount	
	(tax excluded)		(RMB million)	(%)	(tax excluded)		(RMB million)	(%)	(tax excluded)		(RMB million)	
Mine-produced gold	Gold bullion	433.09 RMB/g	33,673 kg	14,583.68	12.28%	385.71 RMB/g	27,326 kg	10,540.00	3.94%	371.10 RMB/g	26,507 kg	9,836.93
	Gold concentrate	378.60 RMB/g	33,034 kg	12,506.89	6.76%	354.64 RMB/g	33,495 kg	11,878.53	11.64%	317.66 RMB/g	19,155 kg	6,084.81
Mine-produced copper	Copper concentrate	49,406 RMB/t	640,890 t	31,663.81	3.95%	47,527 RMB/t	617,691 t	29,357.14	-6.81%	51,002 RMB/t	388,851 t	19,832.03
	Electrodeposited copper	56,354 RMB/t	95,999 t	5,409.93	1.89%	55,311 RMB/t	96,334 t	5,328.34	-8.31%	60,327 RMB/t	81,491 t	4,916.07
	Electrolytic copper	59,590 RMB/t	73,848 t	4,400.60	-6.28%	63,581 RMB/t	24,665 t	1,568.22	3.61%	61,368 RMB/t	58,344 t	3,580.42
Mine-produced zinc	11,855 RMB/t	414,879 t	4,918.23	-24.12%	15,624 RMB/t	401,564 t	6,274.09	10.53%	14,136 RMB/t	399,261 t	5,643.76	
Mine-produced silver	3.50 RMB/g	411,403 kg	1,438.71	14.75%	3.05 RMB/g	403,391 kg	1,231.44	-11.08%	3.43 RMB/g	305,763 kg	1,048.99	
Iron ore	584 RMB/t	2,1019 Mt	1,226.99	-12.44%	667 RMB/t	1,8224 Mt	1,215.37	-18.86%	822 RMB/t	3,333 Mt	2,738.65	
Refined and processed gold	447.95 RMB/g	248,366 kg	111,256.02	14.99%	389.55 RMB/g	258,198 kg	100,580.28	5.86%	368.00 RMB/g	271,873 kg	100,048.34	
Refined copper	60,333 RMB/t	724,835 t	43,731.33	1.47%	59,460 RMB/t	691,837 t	41,136.45	-1.74%	60,514 RMB/t	620,721 t	37,562.32	
Refined zinc	19,160 RMB/t	333,555 t	6,391.03	-14.00%	22,278 RMB/t	318,488 t	7,095.17	11.58%	19,966 RMB/t	322,647 t	6,442.05	
Trading income			126,616.53				120,307.95				84,543.76	
Others (Notes 1, 2 and 3)			57,247.96				51,210.53				42,239.92	
Intercompany sales elimination			-127,988.47				-117,394.51				-99,415.56	
<b>Total</b>			<b>293,403.24</b>				<b>270,329.00</b>				<b>225,102.49</b>	

Note 1: In 2023, other sales income mainly included: RMB3.108 billion from refined silver, RMB883 million from copper pipe, RMB1.467 billion from copperplate, RMB540 million from lead concentrate, RMB2.389 billion from molybdenum concentrate, RMB3.205 billion from gold products, among others, and RMB45.656 billion from other products, intermediate services and other services.

*Note 2:* In 2022, other sales income mainly included: RMB2.933 billion from refined silver, RMB825 million from copper pipe, RMB1.466 billion from copperplate, RMB458 million from lead concentrate, RMB1.158 billion from molybdenum concentrate, RMB531 million from cobalt concentrate, RMB4.201 billion from gold products, among others, and RMB39.639 billion from other products, intermediate services and other services.

*Note 3:* In 2021, other sales income mainly included: RMB2.784 billion from refined silver, RMB955 million from copper pipe, RMB1.486 billion from copperplate, RMB428 million from lead concentrate, RMB358 million from molybdenum concentrate, RMB381 million from cobalt concentrate, RMB2.919 billion from gold products, among others, and RMB32.929 billion from other products, intermediate services and other services.

*Note 4:* Kamo Copper S.A. was excluded when calculating the unit price, sales volume and sales income of copper concentrate in 2022.

*Note 5:* Non-subsidiaries of the Group were excluded when calculating the unit price, sales volume and sales income of iron ore in 2022.

The table below sets out the details of the unit cost of sales and gross profit margin by product for the years ended 31 December 2021, 2022 and 2023. Please note that the table below does not include the relevant data of non-subsidiary enterprises of the Group for the relevant years.

Product name	Unit	Unit cost of sales (Notes 3 and 4)			Gross profit margin (%) (Note 1)		
		2023	2022	2021	2023	2022	2021
Mine-produced gold . . . . .	Gold bullion	286.09	251.43	196.85	33.94	34.81	46.95
	Gold concentrate RMB/g	158.83	143.09	147.67	58.05	59.65	53.51
Mine-produced copper . . . . .	Copper RMB/t	19,998	18,852	16,789	59.52	60.33	67.08
	concentrate						
	Electrodeposited RMB/t	29,862	23,847	18,517	47.01	56.89	69.31
	copper						
	Electrolytic copper	43,098	29,591	27,102	27.68	53.46	55.84
	RMB/t						
Mine-produced zinc . . . . .	RMB/t	9,266	8,017	7,369	21.83	48.69	47.87
Mine-produced silver . . . . .	RMB/g	1.72	1.63	1.57	50.78	46.47	54.30
Iron ore . . . . .	RMB/t	230.97	214.16	209.08	60.43	67.89	74.55
Refined and processed gold . .	RMB/g	445.30	387.40	367.55	0.59	0.55	0.12
Refined copper . . . . .	RMB/t	58,467	57,748	58,841	3.09	2.88	2.77
Refined zinc . . . . .	RMB/t	17,805	21,171	19,076	7.07	4.97	4.46
Overall gross profit margin (Notes 1 and 2) . . . . .					15.81	15.74	15.44
Overall gross profit margin (excluding refining and processing enterprises) . . .					49.09	54.29	58.98

*Note 1:* The gross profit margin by product was calculated based on the figures before eliminating internal sales, and the overall gross profit margins were calculated after eliminating intercompany sales.

*Note 2:* For the year ended 31 December 2023, the Group's overall gross profit margin was 15.81%; the overall gross profit margin of mine-produced products (excluding refined and processed products) was 49.09%, representing a decrease of 5.20 percentage points as compared with the year ended 31 December 2022, the main reason for the decrease in the gross profit margin of mineral products was the increase in costs. For the year ended 31 December 2022, the Group's overall gross profit margin was 15.74%; its overall gross profit margin of mine-produced products (excluding refined and processed products) was 54.29%, representing a decrease of 4.69 percentage points as compared with the year ended 31 December 2021, which was mainly due to the decrease in the mine-produced copper price.

*Note 3:* For the year ended 31 December 2023, the Group's C1 cost of copper and all-in sustaining cost (AISC) of gold ranked among the lowest 20% globally; the increase in costs as compared with the year ended 31 December 2022 was due to several factors, including the depreciation of the RMB exchange rate, a decrease in ore feed grade of mines, the rising prices of fuel, electricity costs and auxiliary production



materials, an increase in mining and stripping transportation distances, and the higher output from low-grade mines raising the average cost. The C1 cost equals the aggregate of net direct cash cost, production cost, sales expense and research and development expenses minus the by-product income.

*Note 4:* For the year ended 31 December 2022, the reasons for the increase in costs as compared with the year ended 31 December 2021 include the drop in the Renminbi exchange rate.

## Resources and Reserves

Mineral resources are the foundation for the survival and development of mining companies. To increase its reserves, the Group carries out mergers and acquisitions of large-scale and ultra-large-scale mineral resources during countercyclical periods, as well as self-initiated geological exploration, providing a solid foundation for the Group's sustainable development.

The table below sets out the details of the retained measured, indicated and inferred resources (on equity basis) and retained proved and probable reserves of the Group's major metal products as at 31 December 2023:

		<b>Retained measured, indicated and inferred resources</b>	<b>Retained proved and probable reserves</b>	<b>Percentage of retained proved and probable reserves of total resources</b>
<b>Copper</b> . . . . .	<i>(million tonnes)</i>	74.5565	33.3981	45%
<b>Gold</b> . . . . .	<i>(tonnes)</i>	2,997.53	1,148.49	38%
<b>Zinc (lead)</b> . . . . .	<i>(million tonnes)</i>	10.6777	4.6992	44%
<b>Silver</b> . . . . .	<i>(tonnes)</i>	14,739.29	1,863.89	13%
<b>Lithium (lithium carbonate equivalent)</b> . . . . .	<i>(million tonnes)</i>	13.4659	4.4265	33%

The Group's mineral resources and reserves are accounted for in accordance with the standard in the Classifications for Mineral Resources and Mineral Reserves (GB/T 17766-2020) of China. This standard is comparable with the classification standards of resources and reserves of the Committee for Mineral Reserves International Reporting Standards (CRIRSCO) and is also similar to the internationally accepted standards including NI 43-101 of Canada and Mineral Resources and Ore Reserves (JORC Code) of Australia. The Group engages the Beijing CMA Consultancy Center and other industry authoritative institutions and experts as independent third parties to verify and announce the updated resources and reserves data every year according to the new national standard.

The table below sets out the total retained resources and reserves of the Group's major mines as at 31 December 2023:

Name of mine	Major element (Note 2)	Location	Resources	Reserves	Operating entity	Interest held by the Group
			(metal volume) (Notes 1 and 3)	(metal volume) (Note 1)		
Kamoa Copper Mine . . . . .	Copper	DR Congo	42,660,000	18,162,000	Kamoa Copper S.A,	45%
Kolwezi Copper (Cobalt) Mine. . . . .	Copper	DR Congo	2,512,721	1,186,091	La Compagnie Minière de Musonoie Global SAS	67%
Upper Zone of the Čukaru Peki Copper and Gold Mine . . . . .	Copper Gold	Serbia	1,137,451 58,266	877,640 47,869	Serbia Zijin Mining Doo	100% 100%
Lower Zone of the Čukaru Peki Copper and Gold Mine . . . . .	Copper Gold	Serbia	18,553,737 384,958	7,470,584 142,335	Serbia Zijin Mining Doo	100% 100%
Bor Copper Mine . . . . .	Copper Gold	Serbia	11,141,849 383,762	6,701,728 229,355	Serbia Zijin Copper Doo	63% 63%
Kharmagtai Copper-gold Mine . . . . .	Copper Gold	Mongolia	3,400,000 261,240	/	Oyut Ulaan LLC	45.7% 45.7%
Julong Copper Mine and Zhibula Copper Mine . . . . .	Copper	China	19,271,340	15,681,678	Tibet Julong Copper Co., Ltd.	50.1%
Zhunuo Copper Mine. . . . .	Copper	China	2,938,553	2,063,206	Tibet Zhonghui Industrial Co., Ltd.	48.59%
Duobaoshan-Tongshan Copper Mine	Copper	China	2,159,902	917,804	Heilongjiang Duobaoshan Copper Industry Inc.	100%
Zijinshan Copper and Gold Mine . .	Gold Copper	China	23,003 1,119,915	0 679,749	Zijinshan Copper and Gold Mine	100% 100%
Ashele Copper Mine . . . . .	Copper	China	544,695	436,910	Xinjiang Habahe Ashele Copper Co., Ltd.	51%
Rio Blanco Copper Mine . . . . .	Copper Molybdenum	Peru	11,318,900 458,000	/	Río Blanco Copper S.A.	51% 51%
Buriticá Gold Mine . . . . .	Gold	Colombia	312,300	91,940	Continental Gold Limited Sucursal Colombia	69.28%
Rosebel Gold Mine . . . . .	Gold	Suriname	193,094	102,055	Rosebel Gold Mines N.V.	95%
Aurora Gold Mine . . . . .	Gold	Guyana	183,809	82,573	AGM Inc.	100%
Norton . . . . .	Gold	Australia	355,755	130,418	Norton Gold Fields Pty Limited	100%
Jilau, Taror Gold Mines . . . . .	Gold	Tajikistan	97,305	58,302	Joint Venture Zeravshan Limited Liability Company	70%
Taldybulak Levoberezhny Gold Mine	Gold	Kyrgyzstan	44,125	36,336	Altynten Limited Liability Company	60%
Porgera Gold Mine . . . . .	Gold	Papua New Guinea	417,629	157,404	New Porgera Limited	24.5%
Haiyu Gold Mine . . . . .	Gold	China	562,134	212,210	Laizhou Ruihai Mining Co. Ltd.	44%
Yixingzhai Gold Mine . . . . .	Gold	China	109,056	66,078	Shanxi Zijin Mining Co., Ltd.	100%
Longnan Zijin . . . . .	Gold	China	136,871	77,480	Longnan Zijin Mining Co., Ltd.	84.22%
Shuiyindong Gold Mine . . . . .	Gold	China	180,852	63,784	Guizhou Zijin Mining Co., Ltd.	56%
Sawaya'erdun Gold Mine . . . . .	Gold	China	60,063	22,233	Xinjiang Zijin Gold Co., Ltd.	70%
Shuguang Gold Mine . . . . .	Gold Copper	China	6,264 43,461	1,512 9,391	Hunchun Zijin Mining Co., Ltd.	100% 100%
Bisha Zinc (Copper) Mine . . . . .	Zinc Copper	Eritrea	2,848,300 759,100	802,000 294,000	Bisha Mining Share Company	55% 55%
Tuva Zinc Polymetallic Mine . . . . .	Zinc	Russia	620,200	350,700	Longxing Limited Liability Company	70%
Wulagen Zinc (Lead) Mine . . . . .	Zinc	China	5,057,977	1,865,565	Xinjiang Zijin Zinc Co., Ltd.	100%

<u>Name of mine</u>	<u>Major element</u> <i>(Note 2)</i>	<u>Location</u>	<u>Resources</u> <u>(metal</u> <u>volume)</u> <i>(Notes 1</i> <i>and 3)</i>	<u>Reserves</u> <u>(metal</u> <u>volume)</u> <i>(Note 1)</i>	<u>Operating entity</u>	<u>Interest held</u> <u>by the Group</u>
Sanguikou Zinc (Lead) Mine . . . . .	Zinc	China	1,880,760	1,191,227	Urad Rear Banner Zijin Mining Co., Ltd.	95%
Tres Quebradas Salar . . . . .	Lithium carbonate equivalent	Argentina	8,538,273	1,626,573	Liex S.A.	100%
Lakkor Tso Salar . . . . .	Lithium carbonate equivalent	China	2,157,322	2,092,602	Tibet Ngari Lakkor Resources Co., Ltd.	70%
Xiangyuan Hard Rock Lithium Polymetallic Mine . . . . .	Lithium carbonate equivalent	China	830,972	542,203	Hunan Zijin Lithium Co., Ltd.	100%
Fuyun Jinshan — Jinbao Iron Mine	Iron	China	4,427	1,431	Xinjiang Jinbao Mining Co., Ltd.	56%
Qagan Us Iron Mine . . . . .	Iron	China	17,526	8,885	Xinjiang Huajian Investment Co., Ltd.	49%
Beizhan Iron Mine . . . . .	Iron	China	4,023	2,328	Hejing County Beizhan Mining Co. Ltd	49%
Shapinggou Molybdenum Mine. . . . .	Molybdenum	China	2,193,506	1,104,250	Anhui Jinsha Molybdenum Co. Ltd.	84%

*Note 1:* Unit of gold metal: kg; unit of copper, zinc, lithium carbonate and molybdenum metal: tonne; unit of iron ore: 10,000 tonnes.

*Note 2:* Classification and conversion work of all projects were completed based on Classifications for Mineral Resources and Mineral Reserves (GB/T 17766–2020).

*Note 3:* Retained resources are the total volumes before accounting for equity interest.

## Production and Operations

The Group’s mining and refinery operations cover copper, gold, zinc (lead), lithium, silver, iron, molybdenum, tungsten, cobalt, sulphuric acid and other mineral products.

## COPPER MINE BUSINESS

### Overview

In 2023, the Company achieved a historic breakthrough in mine-produced copper, becoming the only mining company in China and Asia to surpass the remarkable milestone of producing over 1 million tonnes of mine-produced copper, ranking among the top five globally. According to the data of the China Nonferrous Metals Industry Association, in 2023, the production volume of mine-produced copper in China was 1.619 million tonnes. The Company’s mine-produced copper production accounted for approximately 62% of the total production volume in China. Zijin Copper Co., Ltd., a wholly-owned subsidiary of the Company, is a qualified silver deliverer of the London Bullion Market Association and the “ZIJIN” brand electrolytic copper are registered brands of the Shanghai Futures Exchange and London Metal Exchange.

The table below sets out the details of the Group's copper production volumes in 2021, 2022 and 2023:

	<u>2023</u> <i>(tonnes)</i>	<b>Increase/ decrease as compared to</b> <u>2022</u>	<u>2022</u> <i>(tonnes)</i>	<b>Increase/ decrease as compared to</b> <u>2021</u>	<u>2021</u> <i>(tonnes)</i>
Mine-produced copper	1,007,290	11.13%	906,399	48.72%	589,897
Refined copper . . . . .	724,550	4.88%	690,849	11.19%	621,334

For the years ended 31 December 2021, 2022 and 2023, sales income from the Group's copper business represented 24.28% (after elimination), 24.77% (after elimination) and 25.21% (after elimination), respectively, of the total operating income of the Group, and the gross profit of the Group's copper business represented about 52.63%, 49.44% and 47.19%, respectively, of the gross profit of the Group.

The production volumes in 2023 of the Group's major copper mining enterprises as at 31 December 2023 are as follows:

<u>Name</u>	<u>Interest held by the Group</u>	<u>Mine-produced copper (tonnes)</u>	<u>Mine-produced copper on equity basis (tonnes)</u>
Kamoa Copper, the DR Congo (on equity basis)	44.98%	177,026	177,026 <sup>(Note 1)</sup>
Julong Copper, Tibet . . . . .	50.1%	154,368	77,338
Serbia Zijin Mining . . . . .	100%	138,512	138,512
Kolwezi Copper (Cobalt) Mine, the DR Congo .	72% <sup>(Note 2)</sup>	127,018 <sup>(Note 3)</sup>	91,453
Duobaoshan Copper Industry, Heilongjiang . . .	100%	111,029	111,029
Serbia Zijin Copper . . . . .	63%	100,397 <sup>(Note 3)</sup>	63,250
Zijinshan Copper and Gold Mine, Fujian . . . . .	100%	86,037 <sup>(Note 3)</sup>	86,037
Ashele Copper Mine . . . . .	51%	44,240	22,563
Yulong Copper, Tibet (on equity basis). . . . .	22%	26,347	26,347
Bisha, Eritrea . . . . .	55%	17,595	9,677
Hunchun Zijin, Jilin . . . . .	100%	12,337	12,337
Total of other mines . . . . .		12,384	9,759
<b>Total . . . . .</b>		<b><u>1,007,290</u></b>	<b><u>825,328</u></b>

*Note 1:* The mine-produced copper output (on equity basis) of Kamoa Copper in the DR Congo includes the output on equity basis corresponding to the Company's equity interest in Ivanhoe.

*Note 2:* In early 2024, the Company transferred the 5% equity interest in the Kolwezi Copper (Cobalt) Mine in the DR Congo to the government of the DR Congo. After the transfer, the Company's equity interest in the Kolwezi Copper (Cobalt) Mine changed to 67%.

*Note 3:* The output of mine-produced copper of the Kolwezi Copper (Cobalt) Mine in the DR Congo included 72,921 tonnes of electrodeposited copper; the output of mine-produced copper of Serbia Zijin Copper included 74,163 tonnes of electrolytic copper; the output of mine-produced copper of the Zijinshan Copper and Gold Mine in Fujian included 23,102 tonnes of electrodeposited copper.

The production volumes in 2023 of the Group's major copper refineries as at 31 December 2023 are as follows:

<b>Name</b>	<b>Interest held by the Group</b>	<b>Refined copper (tonnes)</b>	<b>Refined copper on equity basis (tonnes)</b>
Zijin Copper (Fujian) . . . . .	100%	422,740	422,740
Heilongjiang Zijin Copper . . . . .	100%	169,008	169,008
Jilin Zijin Copper . . . . .	100%	130,011	130,011
Total of other copper refineries . . . . .		2,791	2,586
<b>Total</b> . . . . .		<b>724,550</b>	<b>724,345</b>

## Flagship Mines

### *Europe: Ćukaru Peki Copper and Gold Mine, Bor Copper Mine in Serbia*

The Ćukaru Peki Copper and Gold Mine and the Bor Copper Mine are two world-class copper mines in Serbia. The Ćukaru Peki Copper and Gold Mine is wholly owned by the Group and operated by Serbia Zijin Mining Doo and the Bor Copper Mine is owned by the Group as to 63% and operated by Serbia Zijin Copper Doo Bor. As at 31 December 2023, Ćukaru Peki Copper and Gold Mine and Bor Copper Mine had total copper resources of approximately 30.83 million tonnes. In 2023, Ćukaru Peki Copper and Gold Mine and the Bor Copper Mine produced a total of 238.9 thousand tonnes of mine-produced copper, making the Group the second largest mine-produced copper producer in Europe.

The Group has carried out several upgrade and expansion projects of these two major copper mines in Serbia. In 2023, the Group completed the pre-feasibility study design for the large-scale development of the Lower Zone of the Ćukaru Peki Copper and Gold Mine using the natural caving method. As at the date of the Offering Circular, the Group is applying for mining licence over Lower Zone of the Ćukaru Peki Copper and Gold Mine. In addition, the Group is also transiting the mining method used at the JM Mine of the Bor Copper Mine from the filling method to the caving method. The upgrading and expansion of these two major copper mines in Serbia is expected to be completed by 2025.

### *Africa: Kamoia Copper Mine, Kolwezi Copper (Cobalt) Mine in DR Congo*

The Kamoia Copper Mine is owned as to 45% by the Company and operated by Kamoia Copper S.A.. As at 31 December 2023, the Kamoia Copper Mine had copper resources of approximately 42.66 million tonnes. For the year ended 31 December 2023, it produced 394 thousand tonnes of mine-produced copper (on 100% equity basis). The Group has carried out several production expansion and construction projects of the Kamoia Copper Mine. The construction of the joint upgrade and expansion of phases 1 and 2 of the Kamoia Copper Mine was completed and the production commenced in the first quarter of 2023, promoting the Kamoia Copper Mine's annual copper output capacity to 450 thousand tonnes. The phase 3 mining and processing project of Kamoia Copper Mine is expected to be completed and commence production in the second quarter of 2024.

The Kolwezi Copper Mine is owned as to 67% by the Company and operated by La Compagnie Minière de Musonoie Global SAS. It has steady output and operation for many years. As at 31 December 2023, it had copper resources of 2.51 million tonnes and cobalt

resources of 38 thousand tonnes. For the year ended 31 December 2023, the Kolwezi Copper Mine produced mine-produced copper of 127 thousand tonnes and mine-produced cobalt 2,306 tonnes.

***China: Zijinshan Copper Mine, Duobaoshan Copper Mine, Ashele Copper Mine, Julong Copper Mine, Zhunuo Copper Mine, Yulong Copper Mine, Xietongmen Copper and Gold Mine***

The Zijinshan Copper Mine, the Duobaoshan Copper Mine and the Ashele Copper Mine are the Group's key copper mines in China with mature operations, efficient management and low costs.

The Zijinshan Copper Mine is wholly-owned and operated by Zijinshan Gold and Copper Mine. As at 31 December 2023, it had copper resources of 1,119,915 tonnes. For the year ended 31 December 2023, the Zijinshan Copper Mine produced mine-produced copper of 86,037 tonnes. The Group has carried out a new round of geological prospecting and exploration work at Zijinshan Copper Mine and its periphery. As at the date of the Offering Circular, the Group has obtained the merged exploration rights over Luoboling Porphyry Copper Mine and the research on the mining of the Luoboling Porphyry Copper Mine at the peripheral of Zijinshan Copper Mine is on going.

The Duobaoshan Copper Mine is wholly-owned by the Company and operated by Heilongjiang Duobaoshan Copper Company Limited. The Duobaoshan Copper Mine is located in Heilongjiang Province, China. As at 31 December 2023, it had copper resources of 2,159,902 tonnes. For the year ended 31 December 2023, the Duobaoshan Copper Mine produced mine-produced copper of 111,029 tonnes. The Group has carried out the mining project for orebody no. II of the Tongshan Copper Mine of Duobaoshan Copper Mine and is expected to commence trial production in the second quarter of 2024.

The Ashele Copper Mine is owned as to 51% by the Company and operated by Xinjiang Habahe Ashele Copper Co., Ltd.. The Ashele Copper Mine is located in Xinjiang Uyghur Autonomous Region, China. As at 31 December 2023, it had copper resources of 544,695 tonnes. For the year ended 31 December 2023, the Ashele Copper-Zinc Mine produced mine-produced copper of 44,240 tonnes.

Tibet is an important area for the Group in terms of resources and reserves and investment development in China. The Group holds the Julong Copper Mine, Zhunuo Copper Mine, Yulong Copper Mine, Xietongmen Copper and Gold Mine, as well as Tibet Zilong Mining Co., Ltd. ("**Zilong Mining**"), an investment platform, in Tibet, China.

Julong Copper (including the Julong Copper Mine and the Zhibula Copper Mine) is owned as to 50.1% by the Company and operated by Tibet Julong Copper Co., Ltd.. As at 31 December 2023, it had copper resources of 19.27 million tonnes, silver resources of 10.6 thousand tonnes and molybdenum resources of 1.20 million tonnes. For the year ended 31 December 2023, it produced mine-produced copper of 154.4 thousand tonnes, mine-produced molybdenum of 5,596 tonnes, mine-produced gold of 633kg and mine-produced silver of 105.7 tonnes. The phase 2 upgrade and expansion project of Julong Copper has been approved by relevant authorities and the construction is ongoing. It is expected that the construction of the project will complete and the production will commence by the end of 2025.

The Zhunuo Copper Mine is owned as to 48.59% by the Company and operated by Tibet Zhonghui Industrial Co., Ltd. As at 31 December 2023, it had copper resources of approximately 2.94 million tonnes.

The Yulong Copper Mine is the second-largest standalone copper mine in China. As its second largest shareholder, the Company holds 22% equity interests of Yulong Copper Mine. Yulong Copper Mine is operated by Tibet Yulong Copper Co., Ltd. In November 2023, the 4.5 million tonnes/year upgrade and expansion of the project of Yulong Copper Mine was completed and commenced production.

Xietongmen Copper and Gold Mine is owned by the Group as to 45% and operated by Tibet Tianyuan Mining Resources Exploration Co., Ltd.. As at the date of the Offering Circular, the Group is in the process of conducting preliminary work for the operation of Xietongmen Copper and Gold Mine.

## GOLD MINE BUSINESS

### Overview

The Group's gold resources and production capacity rank first among major publicly listed mining companies in China and Asia, and within the top ten globally. The Group sells primarily standard gold bullion and gold concentrates. The standard gold bullion sales business of the Group possessed two sets of sales support systems for domestic and overseas sales. For domestic sales, it mainly involves direct sales to the Shanghai Gold Exchange under the Group's comprehensive membership qualification at the Shanghai Gold Exchange. For overseas sales, the Group mainly conducts sales in overseas gold markets through its wholly-owned subsidiary, Gold Mountains (H.K.) International Mining Company Limited, realising the overall management of trading channels and trading positions. The "ZIJIN" brand gold bullion produced by the Group is a registered delivery brand of the Shanghai Gold Exchange and Shanghai Futures Exchange and Zijin Mining Group Gold Smelting Co., Ltd. is a qualified gold deliverer of the London Bullion Market Association. According to the data of the China Gold Association, in 2023, the production volume of mine-produced gold in China was 297.3 tonnes. The Group's mine-produced gold production accounted for approximately 23% of the total domestic production volume.

The table below sets out the details of the Group's gold production volumes in 2021, 2022 and 2023:

	<u>2023</u> <i>(kg)</i>	<b>Increase/ decrease as compared to</b> <u>2022</u>	<u>2022</u> <i>(kg)</i>	<b>Increase/ decrease as compared to</b> <u>2021</u>	<u>2021</u> <i>(kg)</i>
Mine-produced gold . . . . .	67,726	20.16%	56,361	18.76%	47,459
Refined, processed and trading gold . . . . .	249,519	-3.49%	258,550	-4.91%	271,890

For the years ended 31 December 2021, 2022 and 2023, sales income from the Group's gold business represented about 45.12% (after elimination), 38.41% (after elimination) and 42.09% (after elimination), respectively, of the total operating income of the Group, and the gross profit of the Group's gold business represented about 21.31%, 24.55% and 25.35%, respectively, of the gross profit of the Group.

The production volumes in 2023 of Group's major gold mines or enterprises as at 31 December 2023 are as follows:

Name	Interest held by the Group	Mine-produced gold (kg)	Mine-produced gold on equity basis (kg)
Buriticá, Colombia . . . . .	69.28%	8,321	5,764
Rosebel . . . . .	95%	7,573	7,194
Norton, Australia . . . . .	100%	6,660	6,660
Zeravshan, Tajikistan . . . . .	70%	5,991	4,194
Longnan Zijin . . . . .	84.22%	5,937	5,000
Serbia Zijin Mining . . . . .	100%	4,955	4,955
Altynken, Kyrgyzstan . . . . .	60%	4,091	2,454
Shanxi Zijin . . . . .	100%	3,875	3,875
Aurora, Guyana . . . . .	100%	3,023	3,023
Zhaojin Mining (on equity basis) . . . . .	20%	2,884	2,884
Duobaoshan Copper Industry, Heilongjiang . . . . .	100%	2,582	2,582
Guizhou Zijin . . . . .	56%	2,217	1,242
Hunchun Zijin, Jilin . . . . .	100%	2,160	2,160
Luoyang Kunyu . . . . .	70%	2,110	1,477
Serbia Zijin Copper . . . . .	63%	1,989	1,253
Total of other mines . . . . .		3,358	2,552
<b>Total</b> . . . . .		<b>67,726</b>	<b>57,269</b>

The production volumes in 2023 of the Group's major gold refineries and trading enterprises as at 31 December 2023 are as follows:

Name	Interest held by the Group	Refined gold (kg)	Refined gold on equity basis (kg)
Zijin Gold Smelting . . . . .	100%	156,046	156,046
Cross-Strait Gold Jewelry Industrial Park . . . . .	50.3%	42,368	21,332
Zijin Yinhui . . . . .	100%	11,502	11,502
Zijin Copper . . . . .	100%	11,551	11,551
Total from other gold refineries . . . . .		28,052	25,222
<b>Total</b> . . . . .		<b>249,519</b>	<b>225,653</b>

## Flagship Mines

### *South America: Rosebel Gold Mine in Suriname, Buriticá Gold Mine in Colombia, Aurora Gold Mine in Guyana*

The Rosebel Gold Mine is a world-class gold mine and one of the largest in-production open-pit gold mines in South America. As at 31 December 2023, it had gold resources of approximately 193 tonnes. It is owned by the Group as to 95% and operated by Rosebel Gold Mines N.V.. The Rosebel Gold Mine was acquired by the Group in 2023. From February to December 2023, it produced 7.6 tonnes of mine-produced gold. After technological upgrade and reaching the designated production capacity, the Rosebel Gold Mine is expected to become a major gold producer and a key profit-generating project of the Group.



The Buriticá Gold Mine is a world-class large-scale, ultra-high-grade gold mine in Colombia. It is owned by the Group as 69.28% and operated by Continental Gold Limited Sucursal Colombia. As at 31 December 2023, it had gold resources of 312 tonnes and silver resources of and 1,060 tonnes. For the year ended 31 December 2023, it produced 8.3 tonnes of mine-produced gold and 25 tonnes of mine-produced silver.

The Aurora Gold Mine is wholly-owned by the Company and operated by AGM Inc.. As at 31 December 2023, it had gold resources of 184 tonnes. For the year ended 31 December 2023, it produced 3 tonnes of mine-produced gold.

***Oceania: Porgera Gold Mine in Papua New Guinea, Norton in Australia***

The Porgera Gold Mine is one of the world's top ten gold mines and the second-largest gold mine in Papua New Guinea. It is owned as to 24.5% by the Company and operated by New Porgera Limited. As at 31 December 2023, the Porgera Gold Mine had gold resources of 417 tonnes. Porgera Gold Mine suspended production in April 2020 due to the expiration of mining rights. After negotiation, it fully resumed production on 22 December 2023. According to the latest project plan, the remaining life of mine is over 20 years.

Norton is wholly-owned by the Company and operated by Norton Gold Fields Pty Limited. As at 31 December 2023, it has high-potential mining rights areas of nearly 1,000 square kilometres, with gold resources of 356 tonnes. For the year ended 31 December 2023, it produced 6.7 tonnes of mine-produced gold.

***Central Asia: Zeravshan in Tajikistan, Alтынken in Kyrgyzstan***

Joint Venture Zeravshan Limited Liability Company (“Zeravshan”) is the largest gold producer in Tajikistan. It is owned by the Group as to 70%. As at 31 December 2023, it had gold resources of 97 tonnes and had completed a pressurised oxidation project with a production capacity of 500-tonnes per day. For the year ended 31 December 2023, it produced 5.9 tonnes of mine-produced gold.

The Taldybulak Levoberezhny Gold Mine is the third largest gold mine in Kyrgyzstan. It is owned by the Group as to 60% and operated by Alтынken Limited Liability Company. As at 31 December 2023, it had gold resources of 44 tonnes. For the year ended 31 December 2023, it produced 4.1 tonnes of mine-produced gold.

***Europe: Čukaru Peki Copper and Gold Mine, Bor Copper Mine in Serbia***

The Čukaru Peki Copper and Gold Mine and the Bor Copper Mine in Serbia are also important gold resources and reserves bases as well as major gold producers of the Group. As at 31 December 2023, the Čukaru Peki Copper and Gold Mine and the Bor Copper Mine had total gold resources of approximately 827 tonnes. For the year ended 31 December 2023, the Čukaru Peki Copper and Gold Mine and the Bor Copper Mine produced a total of 6.94 tonnes of mine-produced gold.

***China: Longnan Zijin, Shanxi Zijin, Guizhou Zijin, Sawaya’erdun Gold Mine***

The Company holds several high-quality medium-sized gold mines and assets in China, such as Longnan Zijin, Shanxi Zijin, Guizhou Zijin and the Sawaya’erdun Gold Mine.

Longnan Zijin Mining Co., Ltd. (“**Longnan Zijin**”) is owned as to 84.22% by the Company. As at 31 December 2023, it had gold resources of approximately 136.87 tonnes. For the year ended 31 December 2023, it produced 5.9 tonnes of mine-produced gold. In 2023, the 2,000 tonnes/day mining and processing project of the Jinshan Gold Mine of Longnan Zijin entered trial production stage and obtained the safety facility design review approval.

Shanxi Zijin Mining Co., Ltd. (“**Shanxi Zijin**”) is a wholly-owned subsidiary of the Company. For the year ended 31 December 2023, it produced 3.86 tonnes of mine-produced gold. In 2023, the 6-thousand-tonnes/day intellectualised upgrade and expansion project of the mining and processing of Shanxi Zijin was completed and put into production.

Guizhou Zijin Mining Co., Ltd. (“**Guizhou Zijin**”) is owned as to 56% by the Company. As at 31 December 2023, the Shuiyindong Gold Mine operated by Guizhou Zijin had gold resources of 180.85 tonnes. For the year ended 31 December 2023, Guizhou Zijin produced 2.22 tonnes of mine-produced gold. The Group has carried out upgrade and expansion project of the Shuiyindong Gold Mine and the Bojitian Gold Mine of Guizhou Zijin.

Sawaya’erdun Gold Mine is owned as to 70% by the Company and operated by Xinjiang Zijin Gold Co., Ltd.. As at 31 December 2023, it had gold resources of 60.06 tonnes. The Sawaya’erdun Gold Mine is designed to adopt open-pit mining followed by underground mining. As at the date of the Offering Circular, the Sawaya’erdun Gold Mine is still under construction.

***Others: Haiyu Gold Mine, Zhaojin Mining***

The Haiyu Gold Mine is the largest standalone gold mine in China. It is owned as to 44% by the Company (including 20% equity interest in Zhaojin Mining). As at 31 December 2023, it had gold resources of 562 tonnes. As at the date of the Offering Circular, the 12-thousand-tonnes/day mining and processing project of Haiyu Gold Mine is under construction. It is expected to commence production in 2025 and become one of the largest gold mines in China by then.

The Company also holds 20% equity interest in Zhaojin Mining Industry Co., Ltd. (Stock Code: 1818.HK) and is its second-largest shareholder. The corresponding gold production shared by the Company on equity basis for the year ended 31 December 2023 was 2.88 tonnes. As at 31 December 2023, in accordance with the Mineral Resources and Ore Reserves (the “**JORC Code**”), the gold ore resources reserve and the recoverable gold reserves were approximately 38,098.6 kozs and 15,180.6 kozs, respectively.

## ZINC (LEAD) MINE BUSINESS

### Overview

The Group is the largest mine-produced zinc producer in China, the second-largest in Asia, and ranks among the top four globally. It has significant capacity and profitability in low-grade zinc (lead) ore development. The “ZIJIN” brand electrolytic zinc bullion are registered brands of the Shanghai Futures Exchange and London Metal Exchange.

The table below sets out the details of the Group’s zinc (lead) production volumes in 2021, 2022 and 2023:

	<u>2023</u> <i>(tonnes)</i>	<b>Increase/ decrease as compared to 2022</b>	<u>2022</u> <i>(tonnes)</i>	<b>Increase/ decrease as compared to 2021</b>	<u>2021</u> <i>(tonnes)</i>
Mine-produced zinc in concentrate form . .	421,852	2.24%	412,602	1.48%	396,443
Zinc bullion produced from refineries . . .	333,081	4.59%	318,454	-1.24%	322,440
Lead in concentrate form . . . . .	45,174	9.32%	41,324	4.53%	37,942

For the years ended 31 December 2021, 2022 and 2023, sales income from zinc (lead) mine business of the Group represented about 5.01% (after elimination), 4.55% (after elimination) and 3.54% (after elimination), respectively, of total operating income of the Group, and the gross profit of the lead and zinc mine business of the Group represented about 8.37%, 7.68% and 3.38%, respectively, of the gross profit of the Group.

The production volumes in 2023 of the Group’s major zinc (lead) mines or enterprises as at 31 December 2023 are as follows:

<u>Name</u>	<u>Interest held by the Group</u>	<u>Mine-produced zinc (tonnes)</u>	<u>Mine-produced lead (tonnes)</u>	<u>Total of mine-produced zinc and mine-produced lead (tonnes)</u>	<u>Total of mine-produced zinc and mine-produced lead on equity basis (tonnes)</u>
Zijin Zinc . . . . .	100%	140,744	24,625	165,369	165,369
Bisha, Eritrea . . . . .	55%	116,829	—	116,829	64,256
Longxing, Russia . . .	70%	86,344	5,060	91,404	63,983
Urad Rear Banner					
Zijin . . . . .	95%	50,842	11,138	61,980	58,881
Ashele Copper Mine .	51%	16,458	—	16,458	8,394
Wancheng Commercial (on equity basis) . .	42.8%	10,234	1,646	11,880	11,880
Total of other mines .		401	2,705	3,106	2,673
<b>Total . . . . .</b>		<b>421,852</b>	<b>45,174</b>	<b>467,026</b>	<b>375,436</b>

The production volumes in 2023 of the Group’s major zinc (lead) refineries as at 31 December 2023 are as follows:

Name	Interest held by the Group	Zinc bullion (tonnes)	Zinc bullion on equity basis (tonnes)
Bayannur Zijin . . . . .	87.28%	210,062	183,342
Xinjiang Zijin Non-ferrous . . . . .	100%	123,019	123,019
<b>Total</b> . . . . .		<b>333,081</b>	<b>306,361</b>

## Flagship Mines

### *Africa: Bisha Zinc (Copper) Mine in Eritrea*

The Bisha Zinc (Copper) Mine is the largest in-production zinc mine project in Eritrea. It is owned as to 55% by the Company and operated by Bisha Mining Share Company. As at 31 December 2023, it had zinc resources of 2.85 million tonnes of and copper resources of 760 thousand tonnes. For the year ended 31 December 2023, it produced 117 thousand tonnes of mine-produced zinc and 18 thousand tonnes of mine-produced copper.

### *China: Wulagen Zinc (Lead) Mine and Sanguikou Zinc (Lead) Mine*

Wulagen Zinc (Lead) Mine of Zijin Zinc is an ultra-large scale low-grade zinc (lead) mine in China. It is wholly-owned by the Company and operated by Xinjiang Zijin Zinc Industry Company Limited. As at 31 December 2023, Wulagen Zinc (Lead) Mine had zinc resources of 5.06 million tonnes and lead resources of 860 thousand tonnes. In 2023, it produced 140 thousand tonnes of mine-produced zinc and 25 thousand tonnes of mine-produced lead. Through resource conservation and economical resource utilisation, the Wulagen Zinc (Lead) Mine has become a standalone in-production lead-zinc mine with the lowest cut-off grade globally and the largest product output in China.

Sanguikou Zinc (Lead) Mine is owned as to 95% by the Company and operated by Urad Rear Banner Zijin Mining Co., Ltd. (“**Urad Rear Banner Zijin**”). As at 31 December 2023, the Sanguikou Zinc (Lead) Mine had zinc resources of 1.88 million tonnes. In 2023, it produced 51 thousand tonnes of mine-produced zinc and 11 thousand tonnes of mine-produced lead. In September 2023, Urad Rear Banner Zijin obtained a unified mining permit for both the southern and northern mining sections of the Sanguikou Zinc (Lead) Mine, with a validity period from 7 September 2023 to 6 June 2042.

## LITHIUM

### Overview

The Group owns world-class lithium resources and reserves. In 2023, the Group produced 2,903 tonnes of lithium carbonate equivalent. To develop its lithium business and improve the risk resistance ability of its lithium segment, the Group has established a “lithium industry leading group” to focus on tracking and researching lithium market trends, adjusting and optimising construction planning and layout of the Group’s lithium business, optimising lithium processing cost as well as other work on financing, sales and trading. The Group has maintained relatively low overall acquisition and operating costs for its lithium projects.

The production volumes in 2023 of the Group's major lithium mines or projects as at 31 December 2023 are as follows:

Name	Interest held by the Group	Product name	Lithium carbonate equivalent on equity basis (tonnes)
Tres Quebradas Salar in Argentina . . . . .	100%	Lithium carbonate	—
Lakkor Tso Salar in Tibet . . . . .	70%	Lithium hydroxide	—
Xiangyuan Hard Rock Lithium Mine in Dao County, Hunan . . . . .	100%	Lepidolite concentrate	2,903
<b>Total</b> . . . . .			<b>2,903</b>

### Flagship mines

#### *China: Lakkor Tso Salar in Tibet, Xiangyuan Hard Rock Lithium Mine in Dao County, Hunan*

The Lakkor Tso Salar is owned as to 70% by the Company and is operated by Tibet Ngari Lakkor Resources Co., Ltd. As at 31 December 2023, it had lithium carbonate equivalent resources of approximately 2.16 million tonnes. Phase 1 of the Lakkor Tso Salar project enabled it to have an annual production capacity of 20 thousand tonnes of lithium hydroxide. After both phase 1 and phase 2 of the Lakkor Tso Salar project complete construction, commence production and reach the designated production capacity, Lakkor Tso Salar's production capacity of lithium hydroxide will be significantly increased. Depending on market conditions, Lakkor Tso Salar will commence production and operation.

The Xiangyuan Hard Rock Lithium Mine is wholly-owned by the Company and operated by Hunan Zijin Lithium Co., Ltd.. As at 31 December 2023, it had lithium carbonate equivalent resources of 830 thousand tonnes, with associated metals such as rubidium, caesium, tungsten and tin. Phase 1 construction of the 300-thousand-tonne per annum mining and processing system of the Xiangyuan Hard Rock Lithium Mine has been construction. The phase II 5-million-tonne per annum mining and processing project of the Xiangyuan Hard Rock Lithium Mine is under construction. The construction is expected to be in the second quarter of 2025. Depending on market conditions, Xiangyuan Hard Rock Lithium Mine will commence production and operation.

#### *Overseas: Tres Quebradas Salar in Argentina, the northeast project of the Manono Lithium Mine in the DR Congo*

The Tres Quebradas Salar is wholly-owned by the Company and operated by Liex S.A. As at 31 December 2023, the Tres Quebradas Salar had lithium carbonate equivalent resources of approximately 8.54 million tonnes. Phase 1 construction of the Tres Quebradas Salar, with a production capacity of 20 thousand tonnes of lithium carbonate per annum, has been basically completed. As at the date of the Offering Circular, the Phase 2 construction of the Tres Quebradas Salar, with a sizeable production capacity of battery-grade lithium carbonate, is progressing.

The Manono Lithium Mine is one of the world's largest lithium-rich LCT (lithium, caesium, tantalum) pegmatite deposits ever-discovered that can be developed by open-pit mining. It has the conditions for large-scale open-pit development and good development prospects. In October 2023, the Group was invited to cooperate with La Congolaise d'Exploitation Minière to explore and develop the greenfield project in the northeast of the Manono Lithium Mine (exploration right No. PR15775). The Group holds 61% of equity interest in Manono Lithium SAS, the joint venture company, through Jinxiang Lithium Limited, an overseas subsidiary of the Group. As at the date of the Offering Circular, the feasibility study of the Manono Lithium Mine has started. The Group also holds the development right of the Mpiana-Mwanga hydropower station located near the mining area of the Manono Lithium Mine, which is expected to provide abundant green power to ensure the green and low-carbon development of the project.

## SILVER, IRON, MOLYBDENUM, TUNGSTEN, COBALT, SULPHURIC ACID AND OTHER BUSINESSES

### Overview

The Group is a leading mine-produced silver producer in China, and is also an important producer of iron ore, molybdenum, cobalt and sulphuric acid (as by-product) in China.

The table below sets out the details of the Group's silver, iron, molybdenum, tungsten, cobalt and sulphuric acid production volumes in 2021, 2022 and 2023:

	<u>2023</u>	<u>Increase/ decrease as compared to 2022</u>	<u>2022</u>	<u>Increase/ decrease as compared to 2021</u>	<u>2021</u>
<b>Silver produced from refineries as by-product (kg) . . .</b>	637,628	-9.11%	701,508	16.37%	602,842
<b>Mine-produced silver (kg) . . . . .</b>	411,993	4.09%	395,797	28.17%	308,806
<b>Iron ore (million tonnes) . . . . .</b>	2.42	-27.76%	3.35	-21.09%	4.25
<b>Mine-produced molybdenum (tonnes)</b>	8,124	77.53%	4,576	121.71%	2,064
<b>Mine-produced tungsten (tonnes) . .</b>	3,571	-1.98%	3,643	39.95%	2,603
<b>Mine-produced cobalt (tonnes) . . . . .</b>	2,306	-7.98%	2,506	55.94%	1,607
<b>Sulphuric acid as by-product (tonnes)</b>	3,370,367	11.49%	3,022,987	2.38%	2,952,731

For the years ended 31 December 2021, 2022 and 2023, sales income from the Group's silver, iron ore and other products represented about 25.59% (after elimination), 32.27% (after elimination) and 29.16% (after elimination), respectively, of total operating income of the Group, and the gross profit of the Group's silver, iron ore and other businesses represented about 17.69%, 18.33% and 24.08%, respectively, of the gross profit of the Group.

The production volumes in 2023 of the Group's major silver mines or enterprises as at 31 December 2023 are as follows:

<u>Name</u>	<u>Interest held by the Group</u>	<u>Mine-produced silver (kg)</u>	<u>Mine-produced silver on equity basis (kg)</u>
Julong Copper, Tibet . . . . .	50.1%	105,774	52,993
Bisha, Eritrea . . . . .	55%	48,532	26,693
Duobaoshan Copper Industry, Heilongjiang . . . . .	100%	39,817	39,817
Luoyang Kunyu . . . . .	70%	37,174	26,022
Ashele Copper Mine . . . . .	51%	34,742	17,718
Zijinshan Copper and Gold Mine, Fujian . . . . .	100%	28,474	28,474
Buriticá, Colombia . . . . .	69.28%	24,977	17,303
Longxing, Russia . . . . .	70%	23,872	16,711
Shanxi Zijin . . . . .	100%	23,621	23,621
Total of other mines . . . . .		<u>45,010</u>	<u>37,659</u>
<b>Total</b> . . . . .		<b><u>411,993</u></b>	<b><u>287,011</u></b>

The production volumes in 2023 of the Group's major iron mine of or enterprises as at 31 December 2023 are as follows:

<u>Name</u>	<u>Interest held by the Group</u>	<u>Iron ore (million tonnes)</u>	<u>Iron ore on equity basis (million tonnes)</u>
Xinjiang Jinbao . . . . .	56%	1.5758	0.8825
Makeng Mining (on equity basis) . . . . .	37.35%	0.8069	0.8069
Total of other mines . . . . .		<u>0.04</u>	<u>0.02</u>
<b>Total</b> . . . . .		<b><u>2.4227</u></b>	<b><u>1.7094</u></b>

The production volumes in 2023 of the Group's major sulphuric acid producing enterprises as at 31 December 2023 are as follows:

<u>Name</u>	<u>Interest held by the Group</u>	<u>Sulphuric acid (tonnes)</u>	<u>Sulphuric acid on equity basis (tonnes) (Note 1)</u>
Zijin Copper . . . . .	100%	1,127,363	1,127,363
Heilongjiang Zijin Copper . . . . .	100%	661,976	661,976
Jilin Zijin Copper . . . . .	100%	505,490	505,490
Bayannur Zijin . . . . .	87.28%	351,176	306,506
Xinjiang Zijin Non-ferrous . . . . .	100%	237,298	237,298
Serbia Zijin Copper . . . . .	63%	416,852	262,617
Other enterprises . . . . .		<u>70,212</u>	<u>71,644</u>
<b>Total</b> . . . . .		<b><u>3,370,367</u></b>	<b><u>3,172,894</u></b>

*Note 1:* The corresponding production volumes on equity basis of the Yulong Copper Mine project in Tibet and lead and zinc mine project of Wancheng Commercial in Inner Mongolia, in which the Company holds interests, have been added to the production volumes in 2023.

## POWER GENERATION FROM CLEAN ENERGY AND ADVANCED MATERIALS

In alignment with the “dual carbon” roadmap, the Group leverages its existing mining and refining businesses to develop clean fuel replacement, clean energy replacement, implementation of energy-saving technologies, carbon offset, carbon trading and other businesses. For the year ended 31 December 2023, the Group generated 380 million kWh of electricity from clean energy on equity basis, equivalent to saving 47 thousand tonnes of standard coal, or reducing 267 thousand tonnes of carbon emission.

Details of the Group’s power generation from clean energy for the year ended 31 December 2023 are as follows:

<b>Item</b>	<b>Unit</b>	<b>Accumulatively generated</b>	<b>Changes compared with the same period last year (%)</b>
Power generated from renewable energy . .	10MWh	38,090	47.95
Including: Power generated	10MWh	26,201	30.07
from hydropower . . . . .			
Power generated from	10MWh	8,305	163.73
photovoltaics . . . . .			
Power generated from	10MWh	3,584	46.05
gravitational potential . . . . .			

The Group vigorously promotes new energy and advanced materials industries such as lithium batteries, hydrogen energy and precise and deep processing of copper.

The battery-grade iron phosphate project with an annual production capacity of 20 thousand tonnes of Fujian Zijin Lithium Materials Technology Co., Ltd., the lithium battery copper foil project with an annual production capacity of 10 thousand tonnes of Fujian Zijin Copper Foil Technology Co., Ltd., the high-performance copper alloy casting and hot rolling projects of Fujian Zijin Copper Co., Ltd. have completed construction and commenced production. Such projects generated synergy with the Group’s downstream enterprises, optimising the Group’s industry value ecological chain and enhancing the market competitiveness of the Group.

FZU Zijin Hydrogen Power Technology Co., Ltd. (“**FZU Zijin Hydrogen Power**”) has reached a new level of specialisation and internationalisation of ammonia-hydrogen energy products. The ammonia-hydrogen power station produced by it was exported overseas for the first time, its first ammonia-hydrogen fuel cell-powered vessel successfully conducted a trial voyage, the 160kW fuel cell system independently developed by FZU Zijin Hydrogen Power has reached an international leading level.

In 2023, the Group also further optimised its rare-dispersed, rare and precious metal business, focusing on high value sectors such as high-purity gold electronic materials.

#### **FUJIAN LONGKING CO., LTD. (STOCK CODE: 600388.SH)**

Fujian Longking Co., Ltd. (“**Longking**”), a subsidiary of the Group, is a leading company in the Chinese environmental protection industry and an internationally renowned comprehensive environmental treatment service provider. It is principally engaged in manufacturing of special equipment for environmental protection, air pollution control, water pollution control, solid waste treatment, refuse-incineration power generation business and hazardous waste disposal. Longking was established in 1971 and has been listed on the main board of the Shanghai Stock Exchange since 2000. The Company acquired the controlling interest of Longking in May 2022. As at the date of the Offering Circular, the Company holds 238,903,661 shares of Longking, representing 22.1% of its total shares.

Longking adheres to the “environmental protection + new energy” dual growth drivers strategy. In 2023, Longking’s environmental protection business developed steadily, among which, its thermal power plant dedusting business recorded significant growth. Longking’s



new energy business was launched smoothly. In 2023, Longking entered into contracts for over 2GW of green power projects in mining areas, with more than 27 projects under construction. The 5GWh battery storage project in Shanghang and the Longking-SVOLT Storage Battery PACK and system integration project completed construction and commenced production in 2023.

As at 31 December 2023, Longking's total assets amounted to RMB25.297 billion, among which, its net assets attributable to owners of the parent amounted to RMB7.746 billion. For the year ended 31 December 2023, Longking realised sales income of RMB10.973 billion, net profit attributable to owners of the parent of RMB509 million and operating cash flows of RMB1.706 billion.

## **MAJOR CUSTOMERS**

The Group's major customers include Shanghai Gold Exchange and Trafigura, among others. All transactions between the Group and the relevant customers were entered into under normal commercial terms.

For the year ended 31 December 2023, the Group's sales income from the top five customers amounted to RMB122.89781 billion, representing 41.9% of its total sales income, in which the sales income from connected persons among the top five customers was nil. The total sales income from the Group's largest customer, Shanghai Gold Exchange, represented 32.27% of its total operating income for the year ended 31 December 2023.

## **MAJOR SUPPLIERS**

The major suppliers included, among others, Shanghai Gold Exchange and Jinchuan Group Co., Ltd. For the year ended 31 December 2023, the procurement amount from the Group's top five suppliers amounted to RMB60.55051 billion, representing 24.5% of the Group's total procurement amount in which the procurement amount from connected persons among the top five suppliers was nil. The procurement amount from the Group's largest supplier represented 10.58% of the Group's total procurement amount for the year ended 31 December 2023. All transactions between the Group and the relevant suppliers were entered into under normal commercial terms.

## **ENVIRONMENTAL PROTECTION AND SAFETY**

### **Environmental Protection**

The Group is subject to the state and local environmental protection laws and regulations based on the locations of the operations of the Group. As at the date of this Offering Circular, the Group is in compliance in all material respects with the PRC environmental regulations currently in effect, and is not aware of any environmental issues with respect to such compliance which may materially adversely affect its properties or business operations.

Ecological and environmental protection plays a significant role in the Group's global development. Based on the ISO 14001 standard, the Group has established and improved its environmental management system (EMS). The Group carries out the ecological restoration since the construction phase mines and throughout the entire life cycle of mining operations. It comprehensively manages environmental issues such as water resources, land reclamation and recovery after mine closure, biodiversity conservation, waste management and climate change response. The Group has minimised environmental

disturbances caused by mining activities, creating a more harmonious ecological environment for the mines and their stakeholders. The Group also actively promotes continuous optimisation of its environmental management system, achieving an ISO 14001 certification coverage rate of 97.5%. As at the date of the Offering Circular, the Group has 12 national-level and 2 provincial-level green mines, along with 7 national-level and 6 provincial-level green factories.

In response to global climate change, the Group is committed to achieve “carbon peak by 2029 and carbon neutrality by 2050”. The Group is increasing the supply of critical mineral raw materials needed for the global energy transition, promoting the replacement with clean fuels and clean energy, and implementing a combination of energy-saving technologies, carbon offsets and carbon trading to help reduce carbon emissions. In 2023, the Group published its “Dual-Carbon Work Guidelines (Mining Edition)”, guiding mines through the entire life cycle to reduce carbon emissions. The Group’s annual carbon emission intensity was 1.53 tonnes per RMB10,000 of manufacturing value added in 2023, representing a decrease of 1.46% as compared with 2022. The Group also generated 380 million kWh of electricity from clean energy on equity basis, equivalent to reducing 267 thousand tonnes of carbon emission.

In 2023, “Green Mine Construction Case” of Zijinshan Copper and Gold Mine was selected for publication by the United Nations Educational, Scientific and Cultural Organisation (UNESCO), Zijin Copper was rated as an “Environmentally Integrity Enterprise” in its corporate credit evaluation, Zijin Zinc received the “Water-saving Enterprise” and “Healthy Enterprise” awards, and Guizhou Zijin was awarded the first prize for technological progress in green mining. In addition, a number of overseas enterprises, including COMMUS in the DR Congo and Altynken in Kyrgyzstan, received recognition for environmental excellence from respective local governments.

#### **Environmental protection measures of the subsidiaries of the Company which are the key pollutant discharging units identified by the environmental protection authorities**

In 2023, a total of 28 branch companies (subsidiaries) of the Group in China were identified as key pollutant discharge units by the ecological and environmental administrative authorities.

#### ***Information on pollutant discharge***

The Group’s key pollutant discharge units in China strictly complied with the national and regional pollutant discharge standards and requirements, the total volume of pollutant emissions remained within permitted limits.

#### ***Construction and operation of pollution-controlling facilities***

The Group strictly operates and maintains pollution prevention facilities in accordance with ecological management requirements. In 2023, all of the Group’s environmental protection facilities operated stably and normally, pollutant emissions consistently met standards, and the automatic monitoring devices integrated with these facilities complied with the management requirements for automatic monitoring operations of pollution sources. Industrial wastewater, dust and smelting fumes are effectively treated and discharged after meeting the standards. The Group’s wastewater re-use rate reached 94% in 2023. Solid waste and hazardous waste were disposed of in compliance with the laws and

regulations of the local ecological environment management departments and environmental impact assessment report requirements. The Group invested a total of RMB715 million in 2023 for the renovation and upgrade of environmental protection facilities and equipment, with key projects including the comprehensive recycling and utilisation of standing surface water of tailings dump at Duobaoshan Copper Industry in Heilongjiang, the comprehensive utilisation of water resources from mine inflow at Urad Rear Banner Zijin, the upgrade and expansion project of the 30,000 cubic metre water treatment station and the clean water and sewage diversion project in the mining area at Julong Copper, the ultra-low emission transformation project for two 260t/h circulating fluidised bed boilers at Bayannur Zijin's self-owned power plant and wastewater treatment system project at Zeravshan.

#### ***Environmental impact assessment and other environmental protection-related administrative permits for construction projects***

The Group implements environmental impact assessment system strictly in accordance with the requirements of the Law on Environmental Impact Assessment in each new, upgrade and expansion project. In 2023, 17 projects of the Group received environmental impact assessment approvals, and 21 projects of the Group passed environmental acceptance checks. The Group's clean production audits were carried out in accordance with the laws and regulations. Fujian Zijin Mineral Processing Chemicals Co., Ltd., Zijin Non-ferrous Metals Co., Ltd. and Jinbao Mining Co., Ltd. completed a new round of clean production audits and acceptance checks.

#### ***Emergency plans for the outbreak of environmental incidents***

The Company and its subsidiaries have developed various emergency plans, special plans, and on-site handling proposals for environmental incidents, based on their own production processes, pollution-generating stages and environmental risks. These plans are closely aligned with the relevant laws, regulations, rules and policies of the countries where they are located. The emergency plans are lawfully formulated, revised and implemented, and promptly executed during environmental incidents. Incidents are filed with the local ecological environment authorities for record-keeping as required by regulations. The Group is equipped with various emergency monitoring instruments, devices and equipment and it carries out regular emergency drills. Through emergency drills of each plan, the emergency response, environmental monitoring, emergency handling and system operations are continuously refined in coordination with the emergency plans, working collaboratively to prevent and respond to environmental pollution incidents.

#### ***Environmental self-monitoring programme***

The Group has formulated an environmental self-monitoring programme in accordance with the requirements of pollutant discharge permits. The Group entrusts qualified monitoring organisations to carry out self-monitoring of pollutant discharge concentrations and environmental quality as required, and to issue monitoring reports, with all testing results in compliance with the standards. The original monitoring data is saved and uploaded to the national platform in a timely manner as required. Automatic monitoring equipment for pollutant discharge is installed at major exhaust gas and wastewater discharge outlets, which complete acceptance checks and filing in accordance with regulations and are linked with the monitoring devices of the ecological and environmental administrative authorities, enabling real-time dynamic monitoring.

## **Environmental protection information on the companies other than the key pollutant discharge units**

### ***Disclosure of other environmental information with reference to key pollutant discharge units***

As at 31 December 2023, the Group had 10 subsidiaries in China involved in the discharge of pollutants and not identified as key pollutant discharge units, all of which had obtained or completed the registration of pollutant discharge permits, strictly complied with the requirements of pollutant discharge permits or environmental impact assessments, regularly conducted environmental self-monitoring with all monitoring results passed, strictly implemented environmental impact assessment and the “three simultaneous” regulation.

## **Matters favourable to ecological conservation, pollution prevention and control and discharge of environmental responsibilities**

### ***Natural ecological conservation***

The Group adheres to the principles of giving equal emphasis on mineral resource development and ecological environment protection, as well as “development in protection, protection in development”. For the year ended 31 December 2023, the Group’s investment in environmental protection amounted to RMB1.37 billion. In 2023, a total of 3.86 million plants and trees were planted, and a land area of 6.22 million square metres was restored by the Group, aiming to achieve the principle of “restoring to the greatest extent possible”.

### ***Biodiversity conservation***

The Group has completed biodiversity risk screenings for subsidiaries in nine countries (including China). It has expedited the deployment of biodiversity conservation measures in subsidiaries with higher risk levels, strengthened biodiversity risk prevention and control, and enhanced the level of biological safety management. The Company proactively learned and implemented local policies on the protection of wild animals and plants, avoided activities in sensitive areas such as nature reserves and ecological red lines. Third-party organisations have been entrusted to establish and regularly update databases of flora and fauna populations and carry out biodiversity monitoring and assessment. The Group has made efforts to offset habitat and biodiversity damage caused by operational activities through reforestation, reconstruction, and other measures on degraded land.

To protect plant biodiversity in the surrounding areas of its mining area, Hunan Zijin Lithium has undertaken protective transplantation of ancient ginkgo trees (with a diameter at breast height of 1.5 metres and an age of 500 years) within the project area and established a regular protection mechanism. The Group collected forest tree species around the mining area of the Continental Gold’s Buriticá Gold Mine, constructed a specialised nursery for the plant propagation, and replanted native tree species suitable for local conditions. 24 different tree species were propagated in the Continental Gold’s Buriticá Gold Mine, with an annual nursery seedling output of about 100,000.

### ***Environmental pollution prevention and management***

In 2023, the Group achieved significant reductions in major air pollutants, with nitrogen oxide emission intensity decreased by 20% as compared with 2022. Both general industrial solid waste and hazardous waste were disposed of in compliance with laws and regulations, with comprehensive utilisation rates of 14.88% and 23.85%, respectively. To improve

environmental risk prevention and control capabilities, reasonably diversify environmental risks and respond to national policy requirements, 16 subsidiaries of the Group have purchased environmental pollution liability insurance, with a total insured amount exceeding RMB1 million.

### ***Water resources management***

The Group maximises the use and recycling of water resources and reduces the discharge volume of industrial wastewater. In 2023, the Group's freshwater withdrawal was 66.13 million tonnes, representing a decrease of 8.4% as compared with 2022. The Group's water re-use rate increased to 94.80%, and its fresh water withdrawal per unit of revenue dropped to 225.39 tonnes per RMB1 million of operating income, representing a decrease of 16.22% as compared with 2020. Zijinshan Copper and Gold Mine and Zijin Copper respectively completed water rights trading projects of 1.5 million cubic metres and 1 million cubic metres, achieving the assetisation of resources.

### ***Environmental protection training and promotion***

In 2023, the Group organised a World Environment Day publicity campaign themed "Building a Modernisation where Humans and Nature Coexist Harmoniously", enhanced the openness and transparency of ecological environmental governance information to alleviate the concerns of the public and neighbouring communities. The Group also participated in the meeting of the Low-Carbon Standard Working Group of the China Nonferrous Metals Standard Technical Committee, where the standards for greenhouse gas accounting relevant to the nonferrous metals industry were examined and discussed, and contributed to the opinion solicitation for the "Chinese Nonferrous Metals Smelting Engineering Anti-Seepage Technical Standards".

### ***Production safety measures***

The Group emphasises work safety of its employees and provides them with occupational safety equipment as required by applicable laws and regulations and the Group's internal guidelines. The Group also puts a strong emphasis on both the mental and physical health of its employees. The Group provides its employees with a number of benefits including body check and seminars in relation to career or psychological health from time to time.

The Group has incorporated production safety into its core values, adhering to the principle that "development should never come at the expense of human life", and regarding the right to life as the utmost human right. The Group aims to achieve the "zero fatalities" goal. Based on the ISO 45001 OHS management system, the Group has established a safety management system that is highly adaptable to global development, created a production safety responsibility system covering all employees, and developed rules and regulations covering all business areas to enhance occupational health and safety performance, and to ensure the life, health, and the well-being of employees, subcontractors and local communities. In 2023, the Group intensively carried out measures such as "top leadership project" and "integrated management", solidly advanced the identification and management of potential hazards, strengthened the implementation of accountability, improved personnel quality and enhanced safety education and training. The Group has accelerated mechanisation, automation and intelligent transformation. The safety skills training centre, safety monitoring and emergency dispatch centre and Zijin safety platform

have been widely promoted, improving the Group's intrinsic safety level. The Group's production and operation sites have achieved a 97.5% certification rate under the ISO 45001 Occupational Health and Safety Management System.

In 2023, the Group experienced several incidents involving temporary, phased infrastructure and technological upgrade projects outsourced to subcontractors, among which, a tragic accident of a subcontractor occurred during the construction process of Julong Copper in Tibet, a subsidiary of the Company, resulting in the loss of six lives. The Board of Directors attached great importance to this incident, conducted a thorough analysis, and formulated a resolution to comprehensively strengthen production safety. To improve production safety, the Company has carried out supervision and inspections with respect to production safety within the entire Group, urged the main responsible persons at all levels and departments to effectively fulfil their responsibilities as primary responsible persons, and urged each entity and the entire staff to fulfil their production safety responsibilities. The relevant departments of the Company were instructed to conduct comprehensive inspections of production safety management of outsourcing units of each subsidiary, strictly implement various production safety measures, and prevent the reoccurrence of similar incidents. At the end of 2023, the Company held a special meeting on construction work and launched a three-year action plan to enhance safety systems.

Save as disclosed above, the Group currently has not experienced any severe accidents in its business operation and has necessary and customary insurance coverage for all its principal facilities and operations.

## **LITIGATION**

As at the date of this Offering Circular, there was no material litigation or arbitration pending against the Group or any member of the Group, which, if adversely determined, would materially and adversely affect the business and reputation of the Group.

## **QUALITY CONTROL**

The refinery of the Group produces gold bullion of 99.99% and 99.95% purity under the "ZIJIN" brand. The quality of the gold bullion meets the standard recognised by the Shanghai Gold Exchange. The refinery of the Group is one of the 41 qualified gold refineries approved by the Shanghai Gold Exchange and one of the 9 London Bullion Market Association accredited refineries in China. The Company has obtained ISO9001–2000 certification since December 2002. In addition, the Company obtained the ISO14001 environmental management system certification in December 2002 and the GB/T28001 occupational health and safety management system certification in August 2004, making it the first enterprise in the domestic gold industry to obtain the integrated certification in quality management system, environmental management system, and occupational health and safety management system.

## **EMPLOYEES AND OUTSOURCING SERVICES**

As at 31 December 2023, the Group had over 55 thousand employees, among which, 27,948 employees were outside China and over 95.9% were local employees. The Group has implemented a comprehensive personnel and management system, which covers the Group's

hiring process, staff training, reimbursement, incentive scheme, transfer and promotion. Employment contracts are entered into in accordance with applicable laws and regulations, taking into account of the actual circumstances at the time of the engagement.

The Group places emphasis on the training and development of its employees. It has in place a comprehensive training and development system for its employees and provides a wide range of training programmes for them. For details, please see “— *Training Plan*”.

The Group has not experienced any strikes, disruptions or labour disputes which materially affect the operation of the Group’s business. It continues to maintain a good relationship with its employees and has managed to retain experienced employees in the Group.

The Group continues to make mandatory contributions to social insurance schemes for its employees, which include endowment insurance, medical insurance, unemployment insurance, employment injury insurance, maternity insurance and housing provident fund. In addition to mandatory insurance schemes as required by local laws and regulations, the Group also provides internal medical supplementary insurance to employees in certain countries and regions where it operates.

In addition, in 2023, certain mine engineering work of the Group is outsourced and the Group incurred a total outsourcing payment of RMB6,981.06 million.

## **REMUNERATION POLICY**

Adhering to the principle of prioritising value creation and the policy of “generous salaries for elite troops”, the Group has established a mechanism for employee promotion, salaries and benefits, where employee wage growth is commensurate with the Group’s economic benefits and labour productivity. The Group has also improved the market competitiveness of its remuneration package and human resource efficiency, realised stable financial and career development for employees and built a team with significantly higher efficiency than the market average. The Group occasionally adopts different long-term incentive schemes, such as restricted A Share incentive scheme, share option incentive scheme, enterprise annuity, deferred incentive salaries for executive Directors and chairman of the Supervisory Committee, among others, to motivate employees of the Group.

## **TRAINING PLAN**

To improve employee performance, the Group regularly organises different levels of training for employees and promotes cultural diversity and cross-cultural exchange. In addition to the induction training and grassroots practise for newly recruited outstanding graduates, the Group has carried out training programmes for outstanding graduates, providing them with two mentors to assist in their integration and development within the Group.

The Group is committed to building a globalised talent team. The Group has issued the Detailed Rules for the Implementation of Foreign Language Proficiency in Human Resources Matters, and regularly organises TOEIC tests. In 2023, approximately 1,300 employees around the world participated in the tests and the online language learning recorded approximately 50,000 person-times participation, accelerating the global transformation of the Group's talent structure. The Group has also developed an online learning platform to share learning resources. More than 200 specialised courses in 13 series have been launched online, including foreign language learning series, main mining professional series, pre-departure training series, safety and environmental protection management, among others, enriching the Group's knowledge base with highly cost-effectiveness learning resources.

## **RESEARCH AND DEVELOPMENT**

For the years ended 31 December 2021, 2022 and 2023, the Group invested RMB770.66 million, RMB1,231.55 million and RMB1,566.91 million in research and development, respectively. The Group has a research and development system which specialises in geology, mining, processing, metallurgy, and environmental protection application. The Group owns the State Key Laboratory of Comprehensive Utilisation of Low-grade Refractory Gold Ores and has established a number of high-level scientific research and informationalised platforms. A total of 18 units of the Group (including the Company) possess the qualification of national High and New Technology Enterprise. In 2023, several technological achievements of the Group received industry science and technology awards, among which, the “Research Development and Integrated Application of Key Technologies for Multi-Dimensional Coupling Mineral Processing of High Sulphur-to-Copper Ratio in Gold-bearing Copper Mines” of the Zijinshan Copper and Gold Mine won the first prize in the 2023 China Nonferrous Metals Industry Science and Technology Awards. In addition, seven scientific research achievements of the Group were evaluated by the China Gold Association, among which one project was evaluated as international leading level, five projects were evaluated as international advanced level and one project was evaluated as national leading level.

## **INTELLECTUAL PROPERTY RIGHTS**

The Group has registered with the Hong Kong Trademarks Registry and the PRC Trademark Office the “初煉金”, “初戀金”, and “圖及ZIJIN” service mark. The Group has also registered the following service marks: “紫金”, “ZIJIN”, “紫小金”, “金彤彤”, “紫金傳家”, “OG”, “初愛煉金”, “紫金經典”, “CHU LIAN JIN” and “圖及紫金珠寶” with the PRC Trademark Office. The Group also owns the domain name of “www.zjky.cn”. As at the date of this Offering Circular, the Group owned over 233 patents registered in the PRC.

## **INSURANCE**

The Group maintains work-related personal injury insurance for its employees in China to cover possible losses or costs resulting from accidents which may occur to its employees, in accordance with the applicable PRC laws and regulations. The Group also provides work-related injury medical insurance for its overseas employees in accordance with local laws and regulations.



The Group currently maintains insurance coverage on the Group's assets, investment insurance, transportation insurance, vehicle insurance, overseas employee insurance, public liability insurance, third-party liability insurance and business interruption profit loss insurance for the Group's important overseas projects and crisis management insurance in hazardous areas. Please refer to "*Risks relating to the Group's business — The Group may not be adequately insured against losses and liabilities arising from the Group's operations*" in the section headed "Risk Factors" in this Offering Circular for further details.

## DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND COMPANY SECRETARIES

The Directors, Supervisors, Senior Management and Company Secretaries of the Company as at the date of this Offering Circular are as follows:

Name	Age	Position
<b>Directors</b>		
Mr. Chen Jinghe (陳景河) . . . . .	67	Executive Director and Chairman
Mr. Zou Laichang (鄒來昌) . . . . .	56	Executive Director, Vice Chairman and President
Mr. Lin Hongfu (林泓富) . . . . .	50	Executive Director and Standing Vice President
Ms. Lin Hongying (林紅英) . . . . .	56	Executive Director and Vice President
Mr. Xie Xionghui (謝雄輝) . . . . .	50	Executive Director and Vice President
Mr. Wu Jianhui (吳健輝) . . . . .	50	Executive Director and Vice President
Mr. Li Jian (李建) . . . . .	48	Non-executive Director
Mr. He Fulong (何福龍) . . . . .	69	Independent Non-executive Director
Mr. Mao Jingwen (毛景文) . . . . .	68	Independent Non-executive Director
Mr. Li Changqing (李常青) . . . . .	56	Independent Non-executive Director
Mr. Suen Man Tak (孫文德) . . . . .	66	Independent Non-executive Director
Mr. Bo Shao Chuan (薄少川) . . . . .	59	Independent Non-executive Director
Ms. Wu Xiaomin (吳小敏) . . . . .	69	Independent Non-executive Director
<b>Supervisors</b>		
Mr. Lin Shuiqing (林水清) . . . . .	60	Chairman of the Supervisory Committee
Mr. Liu Wenhong (劉文洪) . . . . .	54	Supervisor
Mr. Cao Sangxing (曹三星) . . . . .	48	Supervisor
Mr. Qiu Shujin (丘樹金) . . . . .	52	Supervisor
Ms. Lin Yan (林燕) . . . . .	61	External Supervisor
<b>Senior Management</b>		
Mr. Shen Shaoyang (沈紹陽) . . . . .	55	Vice President
Mr. Long Yi (龍翼) . . . . .	48	Vice President
Mr. Que Chaoyang (闕朝陽) . . . . .	54	Vice President and Chief Engineer
Mr. Wu Honghui (吳紅輝) . . . . .	48	Chief Financial Officer
Mr. Zheng Youcheng (鄭友誠) . . . . .	56	Secretary to the Board
Mr. Wang Chun (王春) . . . . .	56	Vice President
Mr. Liao Yuanhang (廖元杭) . . . . .	54	Vice President
<b>Company Secretaries</b>		
Ms. Zhang Yan (張燕) . . . . .	46	Company Secretary
Mr. Ho Kin Wai (何健偉) . . . . .	40	Company Secretary

### DIRECTORS

**Mr. Chen Jinghe** graduated from Fuzhou University with a bachelor's degree in geology and obtained an EMBA degree from Xiamen University. He is a professor grade senior engineer who is entitled to special allowance from the State Council. He is the founder and core leader of Zijin Mining who pioneered the "five-stage life-of-mine project management procedure by in-house capabilities" mining engineering management model. He is a well-known expert both in China and abroad in the fields of metallic mineral resources exploration and development.

**Mr. Zou Laichang** graduated from the Fujian Forestry College with a bachelor's degree of engineering in chemistry for forestry and obtained an MBA degree from Xiamen University. He is a professor grade senior engineer. He joined the Company in 1996. He has extensive practical experience in corporate management, mineral processing, metallurgy and mining project management.

**Mr. Lin Hongfu** obtained an EMBA degree from Tsinghua University. He is a senior engineer. He joined the Company in 1997. He has extensive practical experience in mining and metallurgical project management, large-scale project construction and development of finance, capital operation and management systems.

**Ms. Lin Hongying** obtained a bachelor's degree. She is a senior certified public accountant. She joined the Company in 1993. She has extensive knowledge and professional work experience in finance and accounting management, market trading operation and financial capital operation.

**Mr. Xie Xionghui** graduated from the Huainan Industrial Institute majoring in geology and mineral prospecting. He is a senior engineer, a lawyer, a registered safety engineer, a registered consulting (investment) engineer, a grade-one constructor, and also a geological engineer. He is an arbitrator of the Shenzhen Court of International Arbitration (SCIA). He joined the Company in 2001. He has extensive professional knowledge and work experience in corporate legal affairs, mine operation, production safety, among others. He is dedicated to the research and development of corporate sustainability (ESG).

**Mr. Wu Jianhui** graduated from the Southern Institute of Metallurgy majoring in mineral processing engineering. He also obtained a master's degree in geological engineering from the China University of Geosciences, and a master's degree in business administration from the University of International Business and Economics. He is a professor grade senior engineer. He joined the Company in 1997. He has extensive and practical experience in construction, operation and management of large and super-large mining and refining projects.

**Mr. Li Jian** obtained a bachelor's degree in finance. He joined the Company in 2013. He has extensive knowledge and work experience in investment and finance.

**Mr. He Fulong** obtained a master's degree in business administration and is a senior economist entitled to special allowance from the State Council. He is the chairman of Xiamen Tan Kah Kee Education Development Foundation, an adjunct professor of the School of Management, the School of Economics and the Wang Yanan Institute for Studies in Economics as well as a master advisor of international economics and business programme of the Xiamen University. He joined the Company in December 2019. He has experience serving in multiple large state-owned enterprises and extensive work experience in financial management.

**Mr. Mao Jingwen** obtained a doctoral degree from the graduate school of the Chinese Academy of Geological Sciences. He is an academician of the Chinese Academy of Engineering. He currently serves as a researcher in the Institute of Mineral Resources under the Chinese Academy of Geological Sciences, director in the key laboratory of metallogeny and mineral assessment of the Ministry of Land and Resources, vice-chairman of the Chinese Society of Mineralogy, Petrology and Geochemistry, director in the Commission on Mineral Deposits of the Geological Society of China and director of the Commission on

Mineral Exploration of the Chinese Society of Rare Earths. He joined the Company in December 2019. He is dedicated to the research of mineral deposit model and metallogeny as well as mineral prospecting for a long time, and has made significant contributions to the breakthroughs in prospecting for concealed orebody in the PRC.

**Mr. Li Changqing** obtained a bachelor's degree of engineering in accounting of industrial enterprise from the School of Management Engineering of Hefei University of Technology and a master's degree in economics (MBA) and a doctoral degree in management (accounting) from Xiamen University. He is a certified public accountant in China. He serves as a professor in the School of Management, doctoral advisor and director of EMBA Centre of the Xiamen University. He joined the Company in December 2019. He is dedicated to research on accounting and corporate wealth management for a long time, and he is a practical financial expert.

**Mr. Suen Man Tak** is a practising barrister-at-law of the Hong Kong High Court. He is also the Honourary Chairman of the Institute of Compliance Officers, member of the Advisory Committee of Hong Kong Insurance Professionals Federation, Honourable President of Hong Kong International Blockchain and Financial Association, member of the Hong Kong Institute of Certified Public Accountants and Hong Kong Securities and Investment Institute. He joined the Company in December 2019. He has extensive practical experience and professional knowledge in the law enforcement and the relevant legal work of securities, futures, financial market, anti-money laundering activities, listing rules and code of conduct, among others.

**Mr. Bo Shao Chuan** obtained a master's degree and is a senior engineer. He is a member of the Shenzhen Court of International Arbitration (SCIA) Minerals and Energy Experts Committee and a member of the Mining Arbitration Expert Committee of the Beihai Arbitration Commission/Beihai Court of International Arbitration. He joined the Company in December 2020. He has more than 30 years of work experience in the mining, oil and gas industries. He has extensive practical experience in corporate development, international merger and acquisition, investment, financing, joint investment and fund management. He is the author of *Ins and Outs of International Mining*.

**Ms. Wu Xiaomin** graduated from Shandong University with a bachelor's degree in arts. She is a translator and a senior economist. From 1982 to 2018, Ms. Wu served as a staff member, department manager, deputy general manager, standing deputy general manager, general manager, deputy secretary and secretary to the Communist Party Committee and chairman of Xiamen C&D Group Co., Ltd. She currently serves as an external director of Xiamen Iport Group Co., Ltd. and a council member of the Xiamen Renai Medical Foundation. She joined the Company in December 2022. She has extensive experience in the management of large-scale state-owned enterprises.

## **SUPERVISORS**

**Mr. Lin Shuiqing** graduated from the Central Communist Party School. He is a part-time postgraduate. He joined the Company in 2009. He has extensive practical experience in corporate risk control, community and public relations management, education and charity management.

**Mr. Liu Wenhong** obtained an EMBA degree from Xiamen University. He is an intermediate-level engineer. He joined the Company in 1989. He has extensive practical experience in corporate management, social responsibility development and protection of employees' rights and interests.

**Mr. Cao Sanxing** graduated from Hainan University majoring in international finance. He joined the Company in 2001. He is dedicated to corporate supervision, anti-corruption, internal audit and corporate management for a long time and has extensive practical experience.

**Mr. Qiu Shujin** obtained a bachelor's degree in engineering. He joined the Company in December 2022. He has extensive experience in supervisory management and anti-corruption work.

**Ms. Lin Yan** is a university graduate and a senior certified public accountant. She joined the Company in December 2022. She has extensive experience in corporate financial management in large-scale state-owned enterprises and international trading.

## **SENIOR MANAGEMENT**

**Mr. Shen Shaoyang** graduated from Xiamen University with a bachelor's degree in international trade. He obtained an MBA from the National University of Singapore and a Master of Management & Professional Accounting (MMPA) from the University of Toronto. He is a chartered professional accountant (CPA) in Canada. He joined the Company in 2014. He has extensive experience in mine operation and management as well as international investment, mergers and acquisitions.

**Mr. Long Yi** graduated from Northeastern University with a bachelor's degree in mining engineering. He obtained a doctoral degree in mining engineering from Northeastern University. He is a senior engineer. He joined the Company in 1999. He has extensive practical experience in frontline operation management of multiple domestic and overseas mining enterprises and large-scale mining project development.

**Mr. Que Chaoyang** obtained a bachelor's degree in mineral resources management and a doctoral degree in mineralogy, petrology and mineral deposit from the China University of Geosciences (Beijing). He is a senior engineer. He joined the Company in 2004. He has extensive practical experience in frontline operation management of multiple domestic and overseas mining enterprises and cross-cultural management.

**Mr. Wu Honghui** obtained a master's degree in business administration. He is a certified public accountant, certified tax agent and senior certified public accountant. He joined the Company in 2007. He has extensive professional knowledge and practical management experience in finance and investment, capital operation and finance.

**Mr. Zheng Youcheng** graduated from Fuzhou University with a bachelor's degree in geology and mineral prospecting, and obtained a master's degree in public administration from Xiamen University. He is a post-graduate. He joined the Company in 2005. He has extensive knowledge and practical experience in corporate operation, journalism and communication and capital operation.

**Mr. Wang Chun** graduated from the Central South University of Technology majoring in applied chemistry. He obtained a doctoral degree from the Changchun Institute of Applied Chemistry Chinese Academy of Sciences. He is a professor grade senior engineer. He joined the Company in 2013. He has extensive professional knowledge in processing and metallurgy and practical experience in technological upgrade, construction and operation of large-scaled overseas projects.

**Mr. Liao Yuanhang** graduated from the Hefei University of Technology and the Xiamen University Zijin Mining Business Administration Post-graduate Programme. He was a doctoral student in metallurgical and environmental engineering of the Central South University. He is a professor grade senior engineer. He joined the Company in June 2003. He has extensive professional knowledge in refining and processing and practical experience in construction and operation of large-scale projects.

#### **COMPANY SECRETARIES**

**Ms. Zhang Yan** obtained a bachelor's degree. She joined the Company in 2000. She has been working on corporate governance, information disclosure, equity financing and other matters of the Company. She has been serving as the Company's securities affairs representative since December 2019. Ms. Zhang Yan has obtained the qualification of secretary to board of directors. She has served as the joint company secretary (Hong Kong) since January 2023.

**Mr. Ho Kin Wai** obtained a bachelor's degree in business administration from the Hong Kong University of Science and Technology. He is a member of the Hong Kong Institute of Certified Public Accountants, the Hong Kong Chartered Governance Institute and the Chartered Governance Institute, and holds the qualifications of Chartered Secretary, Chartered Governance Professional and Certified Public Accountant of Hong Kong. He joined the Company in July 2013, and served as the assistant company secretarial manager, company secretarial manager and senior company secretarial manager of Gold Mountains (H.K.) International Mining Company Limited. He has served as the joint company secretary (Hong Kong) since January 2023.

## SUBSTANTIAL SHAREHOLDERS' AND DIRECTORS' INTERESTS AND SHARE OPTIONS

### SUBSTANTIAL SHAREHOLDERS

So far as the Directors are aware, as at 31 December 2023, the interests and short positions of shareholders (other than the Directors, Supervisors and chief executive of the Company) in the shares or underlying shares of the Company which will be required, pursuant to Section 336 of the SFO, to be recorded in the register referred to therein, or required to be notified to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO are as follows:

<u>Name of shareholders</u>	<u>Class of shares</u>	<u>Capacity</u>	<u>Long position/ Short position/ Lending pool</u>	<u>Number of shares</u>	<u>Approximate percentage of shareholding in the same class of shares</u>	<u>Approximate percentage of shareholding in the total number of issued shares</u>
Minxi Xinghang State-owned Assets Investment Limited Company . . . . .	A Share	Beneficial owner	Long	6,083,517,704	29.54%	23.11%
State Street Bank & Trust Company . . . . .	H Share	Approved lending agent	Lending pool	455,832,829	7.95%	1.73%
Citigroup Inc. ( <i>Note 1</i> ) . . . . .	H Share	Interest in controlled corporation	Long	404,657,225	7.05%	1.54%
			Short	9,032,350	0.15%	0.03%
			Approved lending agent	Lending pool	379,763,236	6.61%
GIC Private Limited ( <i>Note 2</i> ) . . . . .	H Share	Investment manager	Long	402,647,633	7.02%	1.53%
Van Eck Associates Corporation ( <i>Note 3</i> ) . . . . .	H Share	Investment manager	Long	343,359,237	5.99%	1.30%
BlackRock, Inc. ( <i>Note 4</i> ) . . . . .	H Share	Interest in controlled corporation	Long	1,928,000	0.03%	0.01%
			Short	343,203,229	5.98%	1.30%
VanEck ETF — VanEck Gold Miners ETF . . . . .	H Share	Beneficial owner	Long	297,234,000	5.18%	1.13%
Brown Brothers Harriman & Co. . . . .	H Share	Approved lending agent	Long	288,891,333	5.03%	1.10%
			Lending pool	288,891,333	5.03%	1.10%

*Note 1:* Citigroup Inc. had a long position in 404,657,225 H Shares (in which 1,558,000 H Shares were held through cash settled unlisted derivatives, 198,000 H Shares were held through physically settled listed derivatives and 276,395 H Shares were held through physically settled unlisted derivatives), a short position in 9,032,350 H Shares (in which 1,690,000 H Shares were held through cash settled unlisted derivatives and 7,247,867 H Shares were held through physically settled unlisted derivatives) and a lending pool of 379,763,236 H Shares by virtue of its direct or indirect control over a number of wholly-owned and non-wholly owned subsidiaries.

*Note 2:* GIC Private Limited had a long position in 402,647,633 H Shares (in which 30,000,000 H Shares were held through physically settled unlisted derivatives).

*Note 3:* VanEck ETF — VanEck Gold Miners ETF is managed by Van Eck Associates Corporation. Van Eck Associates Corporation is deemed to have a long position in 343,359,237 H Shares under the SFO.

*Note 4:* BlackRock, Inc. had a long position in 343,203,229 H Shares (in which 3,222,000 H Shares were held through cash settled unlisted derivatives) and a short position in 1,928,000 H Shares by virtue of its direct or indirect control over a number of wholly-owned and non-wholly owned subsidiaries.

Save as disclosed above and so far as the Directors are aware, as at 31 December 2023, no other persons (other than the Directors, Supervisors or chief executive of the Company) had an interest or a short position in the Company's shares, underlying shares or debentures (as the case may be) which were needed to be notified to the Company and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO and as recorded in the register required to be kept under Section 336 of the SFO, or was otherwise a substantial shareholder (as defined in the Listing Rules) of the Company.

Based on the register of members and other published information, the Directors consider that the Company has complied with the Listing Rules in relation to the requirement of minimum public float.

#### **DISCLOSURE OF INTERESTS AND SHORT POSITIONS OF THE DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVE**

As at 31 December 2023, the interests and short positions of the Directors, Supervisors and chief executive of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which (a) were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which the Directors, Supervisors and chief executive of the Company are taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein; or (c) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 of the Listing Rules, to be notified to the Company and the Hong Kong Stock Exchange are as follows:

<u>Director</u>	<u>Class of shares</u>	<u>Capacity</u>	<u>Long position/ Short position</u>	<u>Number of shares</u>	<u>Number of underlying shares</u>	<u>Approximate percentage of shareholding in the same class of shares</u>	<u>Approximate percentage of shareholding in the total number of issued shares</u>
Chen Jinghe . . .	A Shares	Beneficial owner	Long position	65,100,000	6,000,000	0.35%	0.27%
	H Shares	Beneficial owner	Long position	20,000,000	—	0.35%	0.08%
	Total	Beneficial owner	Long position	85,100,000	6,000,000		0.35%
Zou Laichang . .	A Shares	Beneficial owner	Long position	2,723,050	5,100,000	0.04%	0.03%
Lin Hongfu . . .	A Shares	Beneficial owner	Long position	1,728,938	3,000,000	0.02%	0.02%
Lin Hongying . .	A Shares	Beneficial owner	Long position	977,000	3,000,000	0.02%	0.02%
Xie Xionghui . .	A Shares	Beneficial owner	Long position	905,571	3,000,000	0.02%	0.01%
Wu Jianhui . . .	A Shares	Beneficial owner	Long position	510,000	3,000,000	0.02%	0.01%

<u>Supervisor</u>	<u>Class of shares</u>	<u>Capacity</u>	<u>Long position/ Short position</u>	<u>Number of shares</u>	<u>Approximate percentage of shareholding in the same class of shares</u>	<u>Approximate percentage of shareholding in the total number of issued shares</u>
Lin Shuiqing . .	A Shares	Beneficial owner	Long position	300,000	0.01%	0.01%
Cao Sanxing . .	A Shares	Beneficial owner	Long position	124,000	0.01%	0.01%
Liu Wenhong . .	A Shares	Beneficial owner	Long position	26,450	0.01%	0.01%
	H Shares	Beneficial owner	Long position	10,000	0.01%	0.01%
	Total	Beneficial owner	Long position	36,450		0.01%



Save as disclosed above, none of the Directors, Supervisors and chief executive of the Company or their associates had any interest or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (as defined in the SFO) during the reporting period, which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, to be recorded in the register pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code. None of the Directors, Supervisors and chief executive of the Company or their spouse or children under the age of 18 held any options to subscribe shares, underlying shares or debentures of the Company, nor had there been any exercise of any such options.

## DIVIDENDS

The Board may declare dividends in the future after taking into account the results of operations, financial condition, cash requirements, availability of the Group and other factors as it may deem relevant at such time. The Company may distribute dividends by way of cash, shares or a combination of cash and shares. According to the “Notice in relation to Further Implementing Cash Dividend Distribution of Listed Companies” (Zheng Jian Fa [2012] No. 37) and “Guidelines No. 3 for the Supervision of Listed Companies — Cash Dividends of Listed Companies” (Zheng Jian Fa [2023] No. 61) issued by the CSRC and the requirements of relevant laws, regulations and regulatory documents and the Articles of Association of the Company, in order to improve and enhance the decision making on the Company’s profit distribution and supervisory mechanism, and balance the Company’s production and operation, sustainable development and provide reasonable returns to investors, the Company formulated the Profit Distribution and Return Plan for the Next Three Years (Year 2023–2025), which was considered and approved at the Company’s ninth extraordinary meeting in 2023 of the eighth term of the Board and was considered and approved at the annual general meeting of the Company held on 17 May 2024. The plan required that unless there is a special circumstance, the Company’s accumulative profit distribution in cash for the last 3 years shall, in principle, not be less than 30% of the total amount of accumulative distributable profits realised for the last 3 years.

The Laws of the PRC require that dividends be paid only out of distributable profits, which refer to after-tax profits calculated according to the PRC GAAP, which differ in many aspects from generally accepted accounting principles in other jurisdictions, including IFRS. In addition, as stipulated by the Articles of Association of the Company, distributable profits are recognised as after-tax profit determined under the PRC GAAP, less any recovery of losses, allocations to the statutory common reserve, and allocations to a discretionary common reserve if approved by resolution of the shareholders’ general meeting. Future dividend payments will also depend upon the availability of dividends received from the subsidiaries of the Company. As a result, the Company may not be able to pay a dividend in a given year if the Company does not have distributable profits as determined under PRC GAAP. Distributions from the subsidiaries of the Company may also be restricted if they incur debt or losses, or in accordance with any restrictive covenants in bank credit facilities or other agreements that the Company or its subsidiaries may enter into in the future.

The profit distribution plan for the year ended 31 December 2023 proposed by the Board is as follows: the Company proposes to distribute a final cash dividend of RMB2 per ten shares (tax included) to its shareholders who are eligible for participating in profit distribution on the record date, which will be specified in the profit distribution implementation announcement. The actual amount of cash dividend to be distributed shall be determined according to the number of shares on the record date. There is no conversion of capital reserve into share capital for the year ended 31 December 2023. The profit distribution proposal for the year ended 31 December 2023 has been approved at the shareholders’ general meeting held on 17 May 2024.

## TERMS AND CONDITIONS OF THE BONDS

*The following, subject to completion and amendment and other than the words in italics, is the text of the Terms and Conditions of the Bonds which will appear on the reverse of each of the definitive certificates evidencing the Bonds:*

The issue of U.S.\$2,000,000,000 in aggregate principal amount of 1.0 per cent. guaranteed convertible bonds due 2029 (the “**Bonds**”, which term shall include, unless the context requires otherwise, any further Bonds issued in accordance with Condition 15 and consolidated and forming a single series therewith) of Gold Pole Capital Company Limited 金極資本有限公司 (the “**Issuer**”) was authorised by written resolutions of the Issuer passed on 14 June 2024 and the guarantee of the Bonds and the right of conversion into H Shares (as defined in Condition 5.1.5) of Zijin Mining Group Co., Ltd. (紫金礦業集團股份有限公司) (the “**Guarantor**”) were authorised by the general mandate granted at the annual general meeting of the Guarantor held on 17 May 2024. The Bonds are constituted by a trust deed (as amended and/or supplemented from time to time, the “**Trust Deed**”) dated on or about 25 June 2024 (the “**Issue Date**”) and made between the Issuer, the Guarantor and Bank of China (Hong Kong) Limited (the “**Trustee**”, which term shall include its successor(s) and, where the context so permits, include all other persons for the time being acting as trustee or trustees under the Trust Deed) as trustee for the holders of the Bonds. The Issuer and the Guarantor have entered into a paying, conversion and transfer agency agreement (as amended and/or supplemented from time to time, the “**Agency Agreement**”) dated on or about 25 June 2024 with the Trustee, Bank of China (Hong Kong) Limited as principal paying agent, principal conversion agent and principal transfer agent (collectively in such capacities, the “**Principal Agent**”) and as registrar (the “**Registrar**”) and the other paying agents, transfer agents and conversion agents appointed under it (each a “**Paying Agent**”, a “**Transfer Agent**” or a “**Conversion Agent**” (as applicable) and together with the Registrar and the Principal Agent, the “**Agents**”) relating to the Bonds. For the avoidance of doubt, references to the “**Paying Agents**”, the “**Transfer Agents**” or, as the case may be, the “**Conversion Agents**” each include the Principal Agent and any successor and additional Paying Agent, Transfer Agent or, as the case may be, Conversion Agent appointed from time to time in connection with the Notes. References to the “**Principal Agent**”, the “**Registrar**” and the “**Agents**” below are references to the principal agent, the registrar and the agents for the time being for the Bonds. These terms and conditions (the “**Conditions**”) include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Bonds. The Bonds have the benefit of a deed of guarantee (as amended and/or supplemented from time to time, the “**Deed of Guarantee**”) to be dated on or about 25 June 2024 and made between the Guarantor and the Trustee. Copies of the Trust Deed, the Deed of Guarantee and the Agency Agreement (i) are available for inspection by the Bondholders (as defined in Condition 1.4) at all reasonable times during usual business hours (being between 9.00 a.m. (Hong Kong time) and 3.00 p.m. (Hong Kong time), Monday to Friday except for public holidays) at the principal place of business of the Trustee, being at the date of the Trust Deed at 5/F., Bank of China Building, 2A Des Voeux Road Central, Central, Hong Kong, and at the specified office for the time being of the Principal Agent or (ii) may be provided by email to any Bondholder, in each case following prior written request and proof of holding and identity to the satisfaction of the Trustee or, as the case may be, the Principal Agent. The Bondholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and the Deed of Guarantee and are deemed to have notice of those provisions of the Agency Agreement applicable to them.

All capitalised terms that are not defined in these Conditions will have the meanings given to them in the Trust Deed.

## **1 STATUS; GUARANTEE; FORM, DENOMINATION AND TITLE**

### **1.1 Status**

The Bonds constitute direct, unsubordinated, unconditional and (subject to the provisions of Condition 3.1) unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference or priority among themselves. The payment obligations of the Issuer under the Bonds shall, save for such exceptions as may be provided by mandatory provisions of applicable law and subject to Condition 3.1, at all times rank at least equally with all of its other present and future direct, unsubordinated, unconditional and unsecured obligations.

### **1.2 Guarantee**

The Guarantor has unconditionally and irrevocably guaranteed the due payment of all sums expressed to be payable by the Issuer under the Bonds and the Trust Deed. The Guarantor's obligations in respect of the Bonds and the Trust Deed (the "**Guarantee**") are contained in the Deed of Guarantee. The Guarantee constitutes direct, unsubordinated, unconditional and (subject to the provisions of Condition 3.1) unsecured obligations of the Guarantor.

### **1.3 Form and Denomination**

The Bonds are issued in registered form in the specified denomination of U.S.\$200,000 each and integral multiples of U.S.\$100,000 in excess thereof (an "**Authorised Denomination**"). A bond certificate (each a "**Certificate**") will be issued to each Bondholder in respect of its registered holding of Bonds. Each Certificate will be numbered serially with an identifying number which will be recorded on the relevant Certificate and in the register of Bondholders (the "**Register**") which the Issuer will procure to be kept by the Registrar.

*Upon issue, the Bonds will be represented by a Global Certificate registered in the name of a nominee of, and deposited with, a common depositary for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream**"). The Conditions are modified by certain provisions contained in the Global Certificate.*

*Except in the limited circumstances described in the Global Certificate, owners of interests in Bonds represented by the Global Certificate will not be entitled to receive definitive Certificates in respect of their individual holdings of Bonds. The Bonds are not issuable in bearer form.*

### **1.4 Title**

Title to the Bonds passes only by transfer and registration in the Register as described in Condition 2. The holder of any Bond will (except as otherwise required by law or as ordered by a court of competent jurisdiction) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it or any writing on, or the theft

or loss of, the Certificate issued in respect of it) and no person will be liable for so treating the holder. In these Conditions, “**Bondholder**” and (in relation to a Bond) “**holder**” means the person in whose name a Bond is registered.

## **2 REGISTRATION AND TRANSFERS OF BONDS; ISSUE OF CERTIFICATES**

### **2.1 Register**

The Issuer will cause the Register to be kept at the specified office of the Registrar outside the United Kingdom and in accordance with the terms of the Agency Agreement on which shall be entered the names and addresses of the holders of the Bonds and the particulars of the Bonds held by them and of all transfers, redemptions and conversions of the Bonds. Each Bondholder shall be entitled to receive only one Certificate in respect of its entire holding of Bonds.

### **2.2 Transfers**

Subject to Conditions 2.5 and 2.6 and the terms of the Agency Agreement, a Bond may be transferred in whole or in part in an Authorised Denomination by delivery of the Certificate issued in respect of that Bond, with the form of transfer on the back duly completed and signed by the holder or such holder’s attorney duly authorised in writing, to the specified office of the Registrar or of any of the Transfer Agents. No transfer of a Bond will be valid or effective unless and until entered on the Register. A Bond may be registered only in the name of, and transferred only to, a named person.

*Transfers of interests in the Bonds evidenced by the Global Certificate will be effected in accordance with the rules and procedures of the relevant clearing systems.*

### **2.3 Delivery of New Certificates**

**2.3.1** Each new Certificate to be issued upon a transfer of Bonds will, within seven business days of receipt by the Registrar or, as the case may be, any Transfer Agent of the original Certificate and the form of transfer duly completed and signed, be made available for collection at the specified office of the Registrar or such Transfer Agent or, if so requested in the form of transfer, be mailed by uninsured mail at the risk of the holder entitled to the Bonds (but free of charge to the holder and at the Issuer’s (failing which, the Guarantor’s) expense) to the address specified in the form of transfer. The form of transfer is available at the specified office of the Registrar and each Transfer Agent.

*Except in the limited circumstances described in the Global Certificate, the Bonds will only be issued to the Bondholders in book-entry form and owners of interests in the Bonds will not be entitled to receive physical delivery of Certificates.*

**2.3.2** Where only part of a principal amount of the Bonds (being that of one or more Bonds) in respect of which a Certificate is issued is to be transferred, converted, redeemed or repurchased, a new Certificate in respect of the Bonds not so transferred, converted, redeemed or repurchased will, within seven business days of delivery of the original Certificate to the Registrar or any Transfer Agent, be made available for collection at the specified office of

the Registrar or such Transfer Agent or, if so requested in the form of transfer, be mailed by uninsured mail at the risk of the holder of the Bonds not so transferred, converted, redeemed or repurchased (but free of charge to the holder and at the Issuer's (failing which, the Guarantor's) expense) to the address of such holder appearing on the Register.

2.3.3 For the purposes of this Condition 2.3, "**business day**" shall mean a day other than a Saturday, Sunday or public holiday, on which commercial banks are generally open for business in the city in which the specified office of the Registrar (if a Certificate is deposited with it in connection with a transfer or conversion) or the Agent with whom a Certificate is deposited in connection with a transfer or conversion, is located.

## 2.4 Formalities Free of Charge

Registration of a transfer of Bonds and issuance of new Certificates will be effected without charge subject to (i) the person making such application for transfer paying or procuring the payment of any taxes, duties and other governmental charges in connection therewith, (ii) the Registrar or the relevant Transfer Agent (as the case may be) being satisfied with the documents of title and/or identity of the person making the application and (iii) the Registrar or the relevant Transfer Agent (as the case may be) being satisfied that the Regulations (as defined in Condition 2.6 below) have been complied with.

## 2.5 Restricted Transfer Periods

No Bondholder may require the transfer of a Bond to be registered (i) during the period of seven days ending on (and including) the dates for payment of any principal pursuant to these Conditions; (ii) after a Conversion Notice (as defined in Condition 5.2.1) has been delivered with respect to such Bond; (iii) after a Put Option Notice (as defined in Condition 7.4) has been deposited in respect of such Bond; (iv) after a Relevant Event Put Exercise Notice (as defined in Condition 7.5) has been deposited in respect of such Bond or (v) during the period of seven days ending on (and including) any Interest Record Date (as defined in Condition 6.1), each such period being a "**Restricted Transfer Period**".

## 2.6 Regulations

All transfers of Bonds and entries on the Register will be made subject to the detailed regulations concerning transfer of Bonds, the initial form of which is scheduled to the Agency Agreement (the "**Regulations**"). The Regulations may be changed by the Issuer, with the prior written approval of the Trustee and the Registrar, or by the Registrar, with the prior written approval of the Trustee. A copy of the current Regulations will be made available (free of charge to the Bondholder and at the Issuer's (failing which, the Guarantor's) expense) by the Registrar to any Bondholder following written request and proof of holding and identity to the satisfaction of the Registrar.

### 3 COVENANTS

#### 3.1 Negative Pledge

So long as any Bond remains outstanding (as defined in the Trust Deed), neither the Issuer nor the Guarantor shall, and the Issuer and the Guarantor shall procure that none of their respective Subsidiaries (as defined below) other than a Listed Subsidiary and Subsidiaries of a Listed Subsidiary will, create or permit to subsist any Security Interest upon the whole or any part of its present or future undertaking, assets or revenues (including uncalled capital) to secure any Relevant Indebtedness or to secure any guarantee of Relevant Indebtedness without at the same time or prior thereto (i) securing the Bonds equally and rateably therewith to the satisfaction of the Trustee or (ii) providing such other security for the Bonds as may be approved by an Extraordinary Resolution (as defined in the Trust Deed) of Bondholders.

#### 3.2 Undertakings Relating to Cross-border Security Registration

The Guarantor undertakes that it will (i) within 15 Registration Business Days after execution of the Deed of Guarantee, register or cause to be registered with SAFE the Deed of Guarantee in accordance with the Provisions on the Foreign Exchange Administration Rules on Cross-border Security (《跨境擔保外匯管理規定》) promulgated by SAFE on 12 May 2014 which came into effect on 1 June 2014 (“**Cross-border Security Registration**”) and its operating guidelines issued by SAFE, (ii) use its reasonable endeavours to complete the Cross-border Security Registration and obtain a registration record from SAFE on or before the Registration Deadline, and (iii) comply with all applicable PRC laws and regulations in relation to the Guarantee.

#### 3.3 Notification to NDRC

The Guarantor undertakes that it will within the relevant prescribed timeframes after the Issue Date file or cause to be filed with the NDRC the requisite information and documents in respect of the Bonds in accordance with the Administrative Measures for the Review and Registration of Medium- and Long-Term Foreign Debts of Enterprises (企業中長期外債審核登記管理辦法(國家發展和改革委員會令第56號)) (the “**Order 56**”) issued by the NDRC and effective from 10 February 2023 and any implementation rules, reports, certificates, approvals or guidelines as issued by the NDRC from time to time, including but not limited to, the Initial NDRC Post-Issuance Filing (as defined below).

#### 3.4 CSRC Post-Issuance Filings

The Guarantor undertakes to file or cause to be filed with the CSRC (as defined below) within the relevant prescribed timeframes after the Issue Date the requisite information and documents in respect of the Bonds in accordance with the CSRC Filing Rules (as defined below) (the “**CSRC Post-Issuance Filings**”, which term for the avoidance of doubt, includes the Initial CSRC Post-Issuance Filing (as defined below)) and comply with the continuing obligations under the CSRC Filing Rules and any implementation rules as issued by the CSRC from time to time.

### **3.5 Notification of Completion of Cross-border Security Registration and Submission of Initial NDRC Post-Issuance Filing and Initial CSRC Post-Issuance Filing**

The Guarantor shall:

- 3.5.1** file or cause to be filed (I) the initial NDRC post-issuance filing with the NDRC or its competent local counterpart of the information and documents relating to the issue of the Bonds that are required to be filed in accordance with Order 56 within ten Registration Business Days after the Issue Date (the “**Initial NDRC Post-Issuance Filing**”) and (II) the CSRC Filing Report and other requisite information and documents in respect of the Bonds that are required to be filed with the CSRC within three Registration Business Days after the Issue Date in accordance with the CSRC Filing Rules (the “**Initial CSRC Post-Issuance Filing**”), and
- 3.5.2** within ten Registration Business Days after the later of (a) the submission of the Initial NDRC Post-Issuance Filing, (b) the submission of the Initial CSRC Post-Issuance Filing, and (c) receipt of the registration certificate from SAFE (or any other document evidencing the completion of the Cross-border Security Registration issued by SAFE), provide the Trustee with (A) a certificate (substantially in the form scheduled to the Trust Deed) in English signed by an Authorised Signatory (as defined in the Trust Deed) confirming (x) the submission of the Initial NDRC Post-Issuance Filing, (y) the submission of the Initial CSRC Post-Issuance Filing and (z) the completion of the Cross-border Security Registration; and (B) copies of the relevant documents evidencing (x) the Initial NDRC Post-Issuance Filing (if any), (y) the Initial CSRC Post-Issuance Filing (if any) and (z) the SAFE registration certificate and other documents (if any) evidencing the completion of the Initial NDRC Post-Issuance Filing, the Initial CSRC Post-Issuance Filing and the Cross-border Security Registration (the documents in (A) and (B) of this Condition 3.5 together, the “**Registration Documents**”). In addition, the Guarantor shall, within ten Registration Business Days after the Registration Documents are delivered to the Trustee, give notice to the Bondholders (in accordance with Condition 16) confirming the submission of the Initial NDRC Post-Issuance Filing, the Initial CSRC Post-Issuance Filing and the Cross-border Security Registration.

The Trustee shall have no obligation or duty to monitor or assist with or ensure the Initial NDRC Post-Issuance Filing or the Initial CSRC Post-Issuance Filing or the Cross-border Security Registration is submitted or completed, respectively, or to verify the accuracy, validity and/or genuineness of any documents in relation to or in connection with the Initial NDRC Post-Issuance Filing, the Initial CSRC Post-Issuance Filing and/or the Cross-border Security Registration and/or the Registration Documents or to translate or procure the translation into English of the Registration Documents or documents in relation to or in connection with the Initial NDRC Post-Issuance Filing, the Initial CSRC Post-Issuance Filing or the Cross-border Security Registration or to give notice to the Bondholders confirming the completion of the Initial NDRC Post-Issuance Filing, the Initial CSRC Post-Issuance Filing and the Cross-border Security Registration, and shall not be liable to Bondholders or any other person for not doing so.



**3.6 Financial Statements:** So long as any Bond remains outstanding the Issuer and the Guarantor shall provide (A) a Compliance Certificate (on which the Trustee may rely conclusively as to such compliance) within 14 days of a request by the Trustee and at the time of the provision of the Guarantor Audited Financial Reports; (B) as soon as practicable after their date of publication and in any event not more than 120 days after the end of each Relevant Period, a copy of the Guarantor Audited Financial Reports (audited by a nationally recognised firm of independent accountants of good repute) prepared and presented in accordance with PRC Accounting Standards; and (C) as soon as practicable after their date of publication and in any event not more than 90 days after the end of each Relevant Period, a copy of the Guarantor Unaudited Financial Reports prepared and presented on a basis consistent with the Guarantor Audited Financial Reports, and if any such financial reports referred to in this sub-paragraph shall be in the Chinese language, together with an English language translation of the same translated by (x) an internationally recognised firm of independent accountants of good repute or (y) a professional translation service provider and checked by an internationally recognised firm of independent accountants of good repute, together with a certificate signed by any Authorised Signatory of the Guarantor certifying that such translation is complete and accurate provided that, if at any time the capital stock of the Guarantor is listed for trading on a recognised stock exchange, the Issuer and the Guarantor may furnish to the Trustee, as soon as they are available, but in any event not more than 14 days after any financial reports of the Guarantor is filed with the Hong Kong Stock Exchange on which the Guarantor's capital stock is at such time listed for trading, copies of such financial report filed with such exchange in lieu of the reports identified in this sub-paragraph (and if the same are not in the English language, together with an English translation of the same translated by (x) an internationally recognised firm of independent accountants of good repute or (y) a professional translation service provider and checked by an internationally recognised firm of independent accountants of good repute, together with a certificate in English signed by any Authorised Signatory of the Guarantor certifying that such translation is complete and accurate).

### **3.7 Definitions**

For the purposes of these Conditions:

“**Compliance Certificate**” means a certificate of each of the Issuer and the Guarantor in English substantially in the form scheduled to the Trust Deed signed by an Authorised Signatory of the Issuer or the Guarantor, as the case may be, certifying that, having made all reasonable enquiries, to the best of the knowledge, information and belief of the Issuer or the Guarantor, as the case may be, as at a date (the “**Certification Date**”) not more than five days before the date of the certificate:

- (a) no Event of Default or Potential Event of Default (as defined in the Trust deed) had occurred since the Certification Date of the last such certificate or (if none) the date of the Trust Deed or, if such an event had occurred, giving details of it; and

- (b) each of the Issuer and the Guarantor has complied with all its respective obligations under the Deed of Guarantee (in the case of the Guarantor only), the Trust Deed and the Bonds or, if any non-compliance had occurred, giving details of it.

“**CSRC**” means the China Securities Regulatory Commission;

“**CSRC Filing Rules**” means the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (境內企業境外發行證券和上市管理試行辦法) and supporting guidelines issued by the CSRC on 17 February 2023, as amended, supplemented or otherwise modified from time to time;

“**CSRC Filing Report**” means the filing report of the Issuer in relation to the issuance of the Bonds which will be submitted to the CSRC within three Registration Business Days after the Issue Date pursuant to Articles 13 and 16 of the CSRC Filing Rules;

“**Guarantor Audited Financial Reports**” means the annual audited consolidated statement of financial position, statement of profit or loss, statement of cash flows of the Guarantor and its consolidated Subsidiaries and statement of changes in owners’ equity of the Guarantor together with any statements, reports (including any directors’ and auditors’ reports) and notes attached to or intended to be read with any of them;

“**Guarantor Unaudited Financial Reports**” means the semi-annual unaudited and unreviewed consolidated statement of financial position, statement of profit or loss, statement of cash flows of the Guarantor and its consolidated Subsidiaries and statements of changes in owners’ equity of the Guarantor together with any statements, reports (including any directors’ and auditors’ reports, if any) and notes attached to or intended to be read with any of them, if any;

“**Hong Kong**” means the Hong Kong Special Administrative Region of the People’s Republic of China;

“**Listed Subsidiary**” means, at any time, any Subsidiary of the Guarantor the ordinary voting shares of which are at such time listed on The Stock Exchange of Hong Kong Limited or any recognised stock exchange;

“**NDRC**” means the National Development and Reform Commission of the PRC;

“**person**” means any individual, corporation, partnership, limited liability company, joint venture, trust, unincorporated organisation or government or any agency or political subdivision thereof;

“**PRC**” means the People’s Republic of China, which shall for the purpose of these Conditions only, exclude Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan;

“**PRC Accounting Standards**” means the Accounting Standards for Business Enterprises issued by the Ministry of Finance of the PRC and all applicable guidance, bulletins and other relevant accounting regulations issued thereafter, as amended from time to time;

“**Registration Business Day**” means a day, other than a Saturday, Sunday or public holiday, on which commercial banks are generally open for business in Beijing;

“**Registration Deadline**” means the day falling 120 Registration Business Days after the Issue Date;

“**Relevant Indebtedness**” means any indebtedness arising or incurred outside of the PRC which is in the form of or represented by any bond, note, debenture, debenture stock, loan stock, certificate or other instrument with a maturity of no less than one year which is, or is capable of being, listed, quoted or traded on any stock exchange or in any securities market (including, without limitation, any over-the-counter market) (which for the avoidance of doubt does not include any indebtedness under any bilateral loans, syndicated loans or club deal loans);

“**SAFE**” means the State Administration of Foreign Exchange of the PRC or its local branch;

“**Security Interest**” means any mortgage, charge, pledge, lien or other security interest including, without limitation, anything analogous to any of the foregoing under the laws of any jurisdiction; and

“**Subsidiary**” means, in relation to any Person (the “**first Person**”) at any particular time, any other Person (the “**second Person**”):

- (i) whom the first Person owns or controls (either directly or through one or more other Subsidiaries) more than 50 per cent. of the issued share capital or other ownership interest having ordinary voting power to elect directors, managers or trustees of such company or other business entity; or
- (ii) whose financial statements are, in accordance with applicable law and generally accepted accounting principles, consolidated with those of the first Person.

#### 4 INTEREST

The Bonds bear interest on their outstanding principal amount from and including 25 June 2024 at the rate of 1.0 per cent. per annum payable semi-annually in arrear in equal instalments of U.S.\$500 per Calculation Amount (as defined below) on 25 June and 25 December in each year (each an “**Interest Payment Date**”).

Each Bond will cease to bear interest:

- (a) (subject to Condition 5.2.4 (*Interest Accrual*)) where the Conversion Right attached to it shall have been exercised by a Bondholder, from and including the Interest Payment Date immediately preceding the relevant Conversion Date (as defined below), or if none, the Issue Date; or
- (b) where such Bond is redeemed or repaid pursuant to Condition 7 or Condition 9, from the due date for redemption or repayment thereof unless, upon due presentation thereof, payment of principal and premium (if any) is improperly withheld or refused. In such event, such unpaid amount shall bear interest at the

rate of 2.00 per cent. per annum (both before and after judgment) until whichever is the earlier of (A) the day on which all sums due in respect of such Bond up to that day are received by or on behalf of the relevant holder and (B) the day falling seven days after the Trustee or the Principal Agent has notified Bondholders of receipt of all sums due in respect of all the Bonds up to that seventh day (except to the extent that there is failure in the subsequent payment to the relevant holders under these Conditions).

Interest in respect of any Bond shall be calculated per U.S.\$100,000 in principal amount of the Bonds (the “**Calculation Amount**”). The amount of interest payable per Calculation Amount for any period shall, save as provided above in relation to equal instalments, be equal to the product of the relevant annual rate of interest, the Calculation Amount and the day-count fraction for the relevant period, rounding the resulting figure to the nearest cent (half a cent being rounded upwards). If interest is required to be calculated for a period of less than a complete Interest Period (as defined below), the relevant day-count fraction will be determined on the basis of a 360-day year consisting of twelve months of 30 days each and, in the case of an incomplete month, the number of days elapsed.

In these Conditions, the period beginning on and including the Issue Date and ending on but excluding the first Interest Payment Date and each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date is called an “**Interest Period**”.

## 5 CONVERSION

### 5.1 Conversion Right

**5.1.1 Conversion Right and Conversion Period:** Subject as hereinafter provided and in accordance with the provisions of the Trust Deed, Bondholders have the right to convert their Bonds into H Shares credited as fully paid at any time during the Conversion Period referred to below.

Subject to and upon compliance with these Conditions, the right of a Bondholder to convert any Bond into H Shares is called the “**Conversion Right**”. The number of H Shares to be issued on conversion of a Bond will be determined by dividing the principal amount of the Bond to be converted (translated into HK dollars at the fixed rate of HK\$7.8101 = U.S.\$1.00) (the “**Fixed Exchange Rate**”) by the Conversion Price (as defined in Condition 5.1.3) in effect on the relevant Conversion Date (as defined in Condition 5.2.1). A Conversion Right may only be exercised in respect of an Authorised Denomination for one or more Bonds. If more than one Bond held by the same holder is converted at any one time by the same holder, the number of H Shares to be issued upon such conversion will be calculated on the basis of the aggregate principal amount of the Bonds to be converted.

Subject to and upon compliance with these Conditions (including without limitation Condition 5.1.4), the Conversion Right attaching to any Bond may be exercised, at the option of the holder thereof, at any time on or after the 41st day after the Issue Date up to the close of business (at the place where the Certificate evidencing such Bond is deposited for conversion) on the date

falling 10 days prior to the Maturity Date (as defined in Condition 7.1) (both days inclusive) or if such Bond shall have been called for redemption by the Issuer before the Maturity Date, then up to the close of business (at the place aforesaid) on a date no later than 10 days (both days inclusive and at the place aforesaid) prior to the date fixed for redemption thereof; provided that no Conversion Right may be exercised in respect of a Bond where the holder shall have exercised its right to require the Issuer to redeem or repurchase such Bond pursuant to Condition 7.4 or Condition 7.5 or during a Restricted Conversion Period (as defined below) (both dates inclusive); provided further that the Conversion Right is exercised subject to any applicable fiscal or other laws or regulations or as hereafter provided in these Conditions (the “**Conversion Period**”).

In accordance with the below paragraphs, exercise of Conversion Rights is restricted in relation to any Bond during the period in which the register of shareholders of the Guarantor is closed generally or for the purpose of establishing entitlement to any distribution or other rights attaching to the H shares (a “**Restricted Conversion Period**”).

If the Conversion Date in respect of a Bond would otherwise fall during a Restricted Conversion Period, such Conversion Date shall be postponed to the first H Share Stock Exchange Business Day (as defined in Condition 5.8) following the expiry of such Restricted Conversion Period.

If the Conversion Date in respect of the exercise of any Conversion Right is postponed as a result of the foregoing provision to a date that falls after the expiry of the Conversion Period or after the relevant redemption date, such Conversion Date shall be deemed to be the final day of such Conversion Period or the relevant redemption date, as the case may be.

For the purpose of this Condition 5.1.1, “working day” means a day other than a Saturday, Sunday or a public holiday on which commercial banks and foreign exchange markets are generally open for business in the city which the specified office of each of the Principal Agent and the Registrar is located, respectively.

**5.1.2 Fractions of H Shares:** Fractions of H Shares will not be issued on conversion and no cash payments or other adjustments will be made in lieu thereof. However, if the Conversion Right in respect of more than one Bond is exercised at any one time such that H Shares to be issued on conversion are to be registered in the same name, the number of such H Shares to be issued in respect thereof shall be calculated on the basis of the aggregate principal amount of such Bonds being so converted and rounded down to the nearest whole number of H Shares. Notwithstanding the foregoing, in the event of a consolidation or re-classification of H Shares by operation of law or otherwise occurring after 17 June 2024 which reduces the number of H Shares outstanding, the Issuer will upon conversion of Bonds pay in cash in U.S. dollars (by means of a U.S. dollar cheque drawn on a bank that processes payments in U.S. dollars and mailed directly to the address of the Bondholder or by transfer to a U.S. dollar account maintained by the payee, in either case in accordance with instructions given by the relevant

Bondholder in the Conversion Notice) a sum equal to such portion of the principal amount of the Bond or Bonds evidenced by the Certificate deposited in connection with the exercise of Conversion Rights, aggregated as provided in Condition 5.1.1, as corresponds to any fraction of a H Share not issued as a result of such consolidation or re-classification aforesaid if such sum exceeds U.S.\$10.00 (which shall be determined using the Prevailing Rate on the Conversion Date).

- 5.1.3 Conversion Price:** The price at which H Shares will be issued upon conversion (the “**Conversion Price**”) will initially be HK\$19.84 per H Share but will be subject to adjustment in the manner provided in Condition 5.3 and/or Condition 5.6, as applicable.
- 5.1.4 Revival and/or survival after Default:** Notwithstanding the provisions of Condition 5.1.1, if (i) the Issuer or the Guarantor (as the case may be) shall default in making payment in full in respect of any Bond which shall have been called or put for redemption on the date fixed for redemption thereof, (ii) any Bond has become due and payable prior to the Maturity Date by reason of the occurrence of any of the events referred to in Condition 9 or (iii) any Bond is not redeemed on the Maturity Date in accordance with Condition 7.1, the Conversion Right attaching to such Bond will revive and/or will continue to be exercisable up to, and including, the close of business (at the place where the Certificate evidencing such Bond is deposited for conversion) on the date upon which the full amount of the moneys payable in respect of such Bond has been duly received by the Principal Agent or the Trustee and notice of such receipt has been duly given to the Bondholders in accordance with Condition 16 and, notwithstanding the provisions of Condition 5.1.1, any Bond in respect of which the Certificate and Conversion Notice are deposited for conversion prior to such date shall be converted on the relevant Conversion Date notwithstanding that the full amount of the moneys payable in respect of such Bond shall have been received by the Principal Agent or the Trustee before such Conversion Date or that the Conversion Period may have expired before such Conversion Date.
- 5.1.5 Meaning of “Shares”:** As used in these Conditions, the expression (i) “**H Shares**” means ordinary foreign shares with a nominal value of RMB0.1 each issued by the Guarantor which are traded in HK dollars on the Hong Kong Stock Exchange; (ii) “**A Shares**” means ordinary domestic shares of RMB0.1 each issued by the Guarantor which are traded in Renminbi on the Shanghai Stock Exchange; and (iii) “**Ordinary Shares**” means the H Shares, the A Shares and any fully-paid and non-assessable shares of any class or classes of the ordinary shares of the Guarantor authorised after the date of the issue of the Bonds which have no preference in respect of dividends or of amounts payable in the event of any voluntary or involuntary liquidation or dissolution of the Guarantor.

## 5.2 Conversion Procedure

### 5.2.1 Conversion Notice:

Conversion Rights may be exercised by a Bondholder during the Conversion Period by delivering the relevant Certificate to the specified office of any Conversion Agent during its usual business hours (being 9:00 a.m. (Hong Kong time) to 3:00 p.m. (Hong Kong time), Monday to Friday except for public holidays, on which commercial banks are generally open for business in the city of the specified office of the Conversion Agent) accompanied by a duly completed and signed notice of conversion (a “**Conversion Notice**”) in the form (for the time being current and being substantially in the form scheduled to the Agency Agreement) obtainable from any Conversion Agent, together with (i) the relevant Certificate; and (ii) certification by the Bondholder, as may be required under the laws of the PRC, Hong Kong or any jurisdiction in which the specified office of such Conversion Agent is located. Conversion Rights shall be exercised subject in each case to any applicable fiscal or other laws or regulations applicable in the jurisdiction in which the specified office of the Conversion Agent to whom the relevant Conversion Notice is delivered is located.

If such delivery is made after 3.00 p.m. (Hong Kong time) on any business day or on a day which is not a business day, in each case in the place of the specified office of the Conversion Agent, such delivery shall be deemed for all purposes of these Conditions to have been made on the next business day following such day. If such delivery is made during a Restricted Conversion Period, such delivery shall be deemed for all purposes of these Conditions to have been made on the H Share Stock Exchange Business Day following (in the place of the specified office of the Conversion Agent) the last day of such Restricted Conversion Period unless such date shall fall outside the Conversion Period.

Any determination as to whether any Conversion Notice has been duly completed and properly delivered shall be made by the relevant Conversion Agent and shall, save in the case of manifest error, be conclusive and binding on the Issuer, the Guarantor, the Trustee, the Agents and the relevant Bondholder.

A Conversion Notice, once delivered, shall be irrevocable and may not be withdrawn without the Issuer’s consent.

The conversion date in respect of a Bond (the “**Conversion Date**”) shall be deemed to be the H Share Stock Exchange Business Day immediately following the date of the surrender of the Certificate in respect of such Bond and delivery of such Conversion Notice and, if applicable, any such certificate and/or any payment to be made or indemnity given under these Conditions in connection with the exercise of such Conversion Right.

**5.2.2 Stamp Duty etc.:** A Bondholder delivering a Certificate in respect of a Bond for conversion must pay directly to the relevant authorities any taxes and duties, including capital, stamp, issue, excise, transfer, registration and other similar taxes and duties and transfer costs (“**Bondholder Duties**”) in any applicable jurisdiction arising on conversion (other than any taxes or capital or stamp duties payable in the PRC or Hong Kong or, if relevant, in the place of the Alternative Stock Exchange, by the Issuer and the Guarantor in respect of the allotment and issue of H Shares and listing of the H Shares on the Hong Kong Stock Exchange or the Alternative Stock Exchange (as the case may be) on conversion, such duties being the “**Issuer Duties**”) (such Bondholder Duties and Issuer Duties are collectively known as “**Taxes**”). The Issuer (failing which, the Guarantor) will pay all other expenses arising from the issue of H Shares on conversion of the Bonds and all charges (together, the “**Conversion Expenses**”) of the Agents and the share transfer agent for the H Shares (the “**Share Transfer Agent**”). The Bondholder (and, if different, the person to whom the H Shares are to be issued) must declare in the relevant Conversion Notice that any amounts payable to the relevant tax authorities or party in settlement of Bondholder Duties payable pursuant to this Condition 5.2.2 have been paid.

If the Issuer or the Guarantor shall fail to pay any Issuer Duties or Conversion Expenses, the relevant holder shall be entitled to tender and pay the same and the Issuer and the Guarantor, as a separate and independent stipulation, jointly and severally covenant to reimburse and indemnify each Bondholder in respect of any payment thereof and any penalties payable in respect thereof.

Such Bondholder must also pay all, if any, Bondholder Duties imposed on it and arising by reference to any disposal or deemed disposal of a Bond or interest therein in connection with the exercise of Conversion Rights by it.

Neither the Trustee nor the Agents shall be responsible for determining whether such Taxes or Conversion Expenses are payable or the amount thereof and shall not be responsible or liable for any failure by the Issuer, the Guarantor or any Bondholder to pay any such amount.



### 5.2.3 Registration:

- (i) As soon as practicable, and in any event not later than seven H Share Stock Exchange Business Days (excluding any H Share Stock Exchange Business Days that fall within a Restricted Conversion Period) after the Conversion Date, the Guarantor will, in the case of Bonds converted on exercise of the Conversion Right and in respect of which a duly completed Conversion Notice has been delivered and the relevant Certificate and certification and amounts payable by the relevant Bondholder deposited or paid as required by Conditions 5.2.1 and 5.2.2, register the person or persons designated for the purpose in the Conversion Notice as holder(s) of the relevant number of H Shares in the Guarantor's H share register and will, if the Bondholder has also requested in the Conversion Notice and to the extent permitted under applicable law and the rules and procedures of the Central Clearing and Settlement System of Hong Kong ("CCASS"), take all action reasonably necessary to enable the H Shares to be delivered through CCASS for so long as the H Shares are listed on the Hong Kong Stock Exchange; or will make such certificate or certificates available for collection at the office of the Guarantor's share registrar in Hong Kong (currently Shops 1712–1716, 17th Floor Hopewell Centre 183 Queen's Road East, Wanchai, Hong Kong) notified to Bondholders in accordance with Condition 16 or, if so requested in the relevant Conversion Notice, cause its share registrar to mail (at the risk, and, if sent at the request of such person otherwise than by ordinary mail, at the expense, of the person to whom such certificate or certificates are sent) such certificate or certificates to the person and at the place specified in the Conversion Notice, together (in either case) with any other securities, property or cash required to be delivered upon conversion and such assignments and other documents (if any) as may be required by law to effect the transfer thereof.
- (ii) The delivery of the H Shares to the converting Bondholder (or such person or persons designated in the relevant Conversion Notice) in the manner contemplated in Condition 5.2.3(i) will be deemed to satisfy the Issuer's obligation to pay any amounts under such converted Bonds. The person or persons designated in the Conversion Notice will become the holder of record of the number of H Shares issuable upon conversion with effect from the date he is or they are registered as such in the Guarantor's register of members for H shares (the "**Registration Date**"). The H Shares issued upon exercise of the Conversion Rights will be fully paid up and will in all respects rank *pari passu* with, and within the same class as, the H Shares in issue on the relevant Registration Date except for any right excluded by mandatory provisions of applicable law. Save as set out in these Conditions, a holder of H Shares issued on exercise of the Conversion Rights shall not be entitled to any rights, distributions or other payments the record date or due date for the establishment of entitlement for which precedes the relevant Registration Date.

(iii) If (A) the Registration Date in relation to any Bond shall be on or after the record date for any issue, distribution, grant, offer or other event that gives rise to the adjustment of the Conversion Price pursuant to Condition 5.3 and/or Condition 5.6 (as applicable), and (B) the Conversion Date in relation to such exercise shall be before the date on which such adjustment to the Conversion Price becomes effective under the relevant Condition (any such adjustment, a “**Retroactive Adjustment**”), upon the relevant adjustment to the Conversion Price becoming effective under the relevant Condition, the Guarantor shall procure the issue to the converting Bondholder (in accordance with the instructions contained in the Conversion Notice (subject to any applicable laws or regulations)), such additional number of H Shares (“**Additional H Shares**”) as, together with the H Shares issued or to be issued on conversion of the relevant Bond, is equal to the number of H Shares which would have been required to be issued on conversion of such Bond if the relevant adjustment to the Conversion Price under the relevant Condition had been made and become effective on or immediately prior to the relevant Conversion Date and in such event and in respect of such Additional H Shares, references in this Condition 5.2.3(iii) to the Conversion Date shall be deemed to refer to the date upon which the Retroactive Adjustment becomes effective (notwithstanding that the date upon which it becomes effective falls after the end of the Conversion Period).

#### **5.2.4 Interest Accrual:**

If any notice requiring the redemption of any Bonds is given pursuant to Condition 7.2 or Condition 7.3 on or after the 15th Hong Kong business day prior to a record date which has occurred since the last Interest Payment Date (or in the case of the first Interest Period, since the Issue Date) in respect of any dividend or distribution payable in respect of the H Shares where such notice specifies a date for redemption falling on or prior to the date which is 14 days after the Interest Payment Date immediately following such record date, interest shall (subject as hereinafter provided) accrue on Bonds in respect of which Conversion Rights shall have been exercised and in respect of which the Conversion Date falls after such record date and on or prior to the Interest Payment Date immediately following such record date in each case from and including the preceding Interest Payment Date (or, if such Conversion Date falls before the first Interest Payment Date, from, and including, the Issue Date) to, but excluding, such Conversion Date; provided that no such interest shall accrue on any Bond in the event that the H Shares issued on conversion thereof shall carry an entitlement to receive such dividend or distribution. Any such interest shall be paid not later than 14 days after the relevant Conversion Date by the Issuer directly by transfer to a U.S. dollar account maintained by the payee, in accordance with instructions given by the relevant Bondholder in the Conversion Notice.

### 5.3 Adjustments to Conversion Price

Upon the occurrence of any of the following events described below, the Conversion Price will be adjusted as follows:

**5.3.1 Consolidation, Subdivision or Re-classification:** If and whenever there shall be an alteration to the nominal value of the H Shares as a result of consolidation, subdivision or re-classification, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such alteration by the following fraction:

$$\frac{A}{B}$$

Where:

- A is the nominal amount of one H Share immediately after such alteration; and
- B is the nominal amount of one H Share immediately before such alteration.

Such adjustment shall become effective on the date the alteration takes effect.

### 5.3.2 Capitalisation of Profits or Reserves:

- (i) If and whenever the Guarantor shall issue Ordinary Shares of any class credited as fully paid to the holders of such Ordinary Shares (“**Ordinary Shareholders**”) by way of capitalisation of profits or reserves, including Ordinary Shares of such class paid up out of distributable profits or reserves and/or share premium account (except any Scrip Dividend) and which would not have constituted a Capital Distribution, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue by the following fraction:

$$\frac{A}{B}$$

Where:

- A is the aggregate nominal amount of the issued Ordinary Shares immediately before such issue; and
- B is the aggregate nominal amount of the issued Ordinary Shares immediately after such issue.

Such adjustment shall become effective on the date of issue of such Ordinary Shares or if a record date is fixed therefor, immediately after such record date; provided that if there are different effective dates for different classes of Ordinary Shares, the effective date of the H Shares shall prevail.

- (ii) In the case of an issue of Ordinary Shares of any class by way of a Scrip Dividend where the aggregate value of such Ordinary Shares by way of a Scrip Dividend as determined by reference to the Current Market Price on the date of announcement of the terms of such Scrip Dividend multiplied by the number of such Ordinary Shares issued exceeds 105 per cent. of the amount of the Relevant Cash Dividend or the relevant part thereof and which would not have constituted a Capital Distribution, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before the issue of such Scrip Dividend by the following fraction:

$$\frac{A + B}{A + C}$$

Where:

- A is the aggregate nominal amount of the issued Ordinary Shares of all classes immediately before such issue;
- B is the aggregate nominal amount of such Scrip Dividend multiplied by a fraction of which (i) the numerator is the amount of the whole, or the relevant part, of the Relevant Cash Dividend and (ii) the denominator is such aggregate Current Market Price of the Scrip Dividend issued in lieu of the whole, or the relevant part, of the Relevant Cash Dividend; and
- C is the aggregate nominal amount of such Scrip Dividend,

or by making such other adjustment as an Independent Financial Advisor shall determine is fair and reasonable and notify the Trustee.

Such adjustment shall become effective on the date of issue of such Ordinary Shares or if a record date is fixed therefor, immediately after such record date; provided that if there are different effective dates for different classes of Ordinary Shares, the effective date of H Shares shall prevail.

**5.3.3 Capital Distributions:** If and whenever the Guarantor shall pay or make any Capital Distribution to the Ordinary Shareholders (except to the extent that the Conversion Price falls to be adjusted under Condition 5.3.2 above), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such Capital Distribution by the following fraction:

$$\frac{A - B}{A}$$

Where:

- A is the aggregate number of Ordinary Shares of all classes in issue multiplied by their respective Current Market Price per Ordinary Share of such class on the date on which the Capital Distribution is first publicly announced; and
- B is the Fair Market Value on the date of such announcement of the aggregate Capital Distribution.

Such adjustment shall become effective on the date that such Capital Distribution is actually made or, if a record date is fixed therefor, immediately after such record date, provided that if there are different effective dates for different classes of Ordinary Shares, the effective date of the H Shares shall prevail. For the purpose of the above, Fair Market Value shall (subject as provided in the definition of “**Fair Market Value**” (as defined in Condition 5.8)) be determined as at the date on which the Capital Distribution is first publicly announced or, if later, the first date on which the Fair Market Value of the relevant Capital Distribution is capable of being determined as provided herein.

In making any calculation pursuant to this Condition 5.3.3, such adjustments (if any) shall be made as an Independent Financial Advisor may consider appropriate to reflect (i) any consolidation or subdivision of the Ordinary Shares, (ii) issues of Ordinary Shares by way of capitalisation of profits or reserves, or any like or similar event, (iii) the modification of any rights to dividends of Ordinary Shares or (iv) any change in the fiscal year of the Guarantor.

For the avoidance of doubt, the final dividend to be paid by the Guarantor in respect of the year ended 31 December 2023 (which has been approved by the shareholders of the Guarantor on 17 May 2024) will not give rise to an adjustment of the Conversion Price pursuant to this Condition 5.3.3.

**5.3.4 Rights Issues of Shares or Options over Shares:** If and whenever the Guarantor shall issue Ordinary Shares of one or more classes to all or substantially all Ordinary Shareholders of such classes by way of rights, or issue or grant to all or substantially all Ordinary Shareholders of such classes by way of rights, options, warrants or other rights to subscribe for, purchase or otherwise acquire any Ordinary Shares of such classes, in each case at a consideration less than 95 per cent. of the Current Market Price per H Share on the date of the first public announcement of the terms of the issues or

grants, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issues or grants by the following fraction:

$$\frac{A + B_1 + B_2}{A + C_1 + C_2}$$

Where:

- A is the aggregate number of Ordinary Shares of all classes in issue immediately before such announcement;
- B<sub>1</sub> is the number of Ordinary Shares of one class which the aggregate consideration (if any) receivable for the Ordinary Shares of such class issued by way of rights or for the options or warrants or other rights issued or granted by way of rights and for the total number of Ordinary Shares of such class comprised therein would subscribe for, purchase or otherwise acquire at such Current Market Price per Ordinary Share of the class;
- B<sub>2</sub> where applicable, is the number of Ordinary Shares of a second class which the aggregate consideration (if any) receivable for the Ordinary Shares of such class issued by way of rights or for the options or warrants or other rights issued or granted by way of rights and for the total number of Ordinary Shares of such class comprised therein would subscribe for, purchase or otherwise acquire at such Current Market Price per Ordinary Share of the class;
- C<sub>1</sub> is the aggregate number of Ordinary Shares of one class issued or, as the case may be, comprised in the issue or grant; and
- C<sub>2</sub> where applicable, is the aggregate number of Ordinary Shares of a second class issued or, as the case may be, comprised in the issue or grant.

Such adjustment shall become effective on the date of issue of such Ordinary Shares or issue or grant of such options, warrants or other rights (as the case may be) or where a record date is set, the first date on which the Ordinary Shares are traded ex-rights, ex-options or ex-warrants, as the case may be; provided that if there are different effective dates for different classes of Ordinary Shares, the effective date of H Shares shall prevail.

**5.3.5 Rights Issues of Other Securities:** In respect of each class of Ordinary Shares, if and whenever the Guarantor shall issue any securities (other than Ordinary Shares or options, warrants or other rights to subscribe for, purchase or otherwise acquire Ordinary Shares) to all or substantially all Ordinary Shareholders of such class by way of rights, or issue or grant to all or substantially all Ordinary Shareholders of such class by way of rights, options, warrants or other rights to subscribe for, purchase or otherwise acquire any securities (other than Ordinary Shares or options, warrants or

other rights to subscribe for, purchase or otherwise acquire Ordinary Shares), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue or grant by the following fraction:

$$\frac{A - B}{A}$$

Where:

- A is the aggregate Ordinary Shares of all classes in issue multiplied by their respective Current Market Price per Ordinary Share on the date on which the terms of such issue or grant are publicly announced; and
- B is the Fair Market Value of the aggregate securities, rights, options or warrants (as the case may be) attributable to the Ordinary Shares.

Such adjustment shall become effective on the date of issue of the securities or the issue or grant of such rights, options or warrants (as the case may be) or where a record date is set, the first date on which the Ordinary Shares are traded ex-rights, ex-options or ex-warrants, as the case may be, provided that if there are different effective dates for different classes of Ordinary Shares, the effective date of the H Shares shall prevail. For the purpose of the above, Fair Market Value shall (subject as provided in the definition of “**Fair Market Value**” (as defined in Condition 5.8)) be determined as at the date on which the terms of such issue or grant is first publicly announced, or if later, the first date on which the Fair Market Value of the aggregate rights attributable to the Ordinary Shares in relation to such issue or grant is capable of being determined as provided herein.

**5.3.6 Issues at Less than Current Market Price:** If and whenever the Guarantor shall issue (otherwise than as mentioned in Condition 5.3.4 above) any Ordinary Shares (other than H Shares issued on the exercise of Conversion Rights or on the exercise of any other rights of conversion into, or exchange or subscription for, Ordinary Shares) or issue or grant (otherwise than as mentioned in Condition 5.3.4 above) options, warrants or other rights (other than the Conversion Rights under the Bonds, which excludes any further bonds issued pursuant to Condition 15) to subscribe for, purchase or otherwise acquire Ordinary Shares of one or more classes, in each case at a consideration which is less than 95 per cent. of the Current Market Price per H Share on the date of announcement of the terms of such issue or grant, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issues by the following fraction:

$$\frac{A + B_1 + B_2}{A + C_1 + C_2}$$

Where:

- A is the aggregate number of Ordinary Shares of all classes in issue immediately before the issue of such additional Ordinary Shares of such class or the grant of such options, warrants or other rights to subscribe for, purchase or otherwise acquire any Ordinary Shares of such class;
- B<sub>1</sub> is the number of Ordinary Shares of one class which the aggregate consideration (if any) receivable for the issue of such additional Ordinary Shares of such class would purchase at the Current Market Price per Ordinary Share of such class;
- B<sub>2</sub> where applicable, is the number of Ordinary Shares of a second class which the aggregate consideration (if any) receivable for the issue of such additional Ordinary Shares of such class would purchase at the Current Market Price per Ordinary Share of such class;
- C<sub>1</sub> is the aggregate number of Ordinary Shares of one class issued, or as the case may be, the maximum number of Ordinary Shares of such class to be issued on the exercise of such options, warrants or other rights at the initial exercise price or rate; and
- C<sub>2</sub> where applicable, is the aggregate number of Ordinary Shares of a second class issued, or as the case may be, the maximum number of Ordinary Shares of such class to be issued on the exercise of such options, warrants or other rights at the initial exercise price or rate.

References to additional Ordinary Shares in the above formula shall, in the case of an issue by the Guarantor of options, warrants or other rights to subscribe or purchase Ordinary Shares, mean such Ordinary Shares to be issued assuming that such options, warrants or other rights are exercised in full at the initial exercise price or rate on the date of issue or grant of such options, warrants or other rights.

Such adjustment shall become effective on the date of issue of such additional Ordinary Shares or, as the case may be, the issue or grant of such options, warrants or other rights; provided that if there are different effective dates for different classes of Ordinary Shares, the effective date of the H Shares shall prevail.

**5.3.7 Other Issues at less than Current Market Price:** Save in the case of an issue of securities arising from a conversion or exchange of other securities in accordance with the terms applicable to such securities themselves falling within this Condition 5.3.7, if and whenever the Guarantor or any of its Subsidiaries (otherwise than as mentioned in Condition 5.3.4, Condition 5.3.5 or Condition 5.3.6), or (at the direction or request of or pursuant to any arrangements with the Guarantor or any of its Subsidiaries) any other company, person or entity shall issue any securities (other than the Bonds, which shall be deemed to exclude any further bonds issued pursuant to Condition 15) which by their terms of issues carry rights of conversion into, or exchange or subscription for, Ordinary Shares of one or more classes to be



issued by the Guarantor upon conversion, exchange or subscription, in each case at a consideration which is less than 95 per cent. of the Current Market Price per H Share on the date of announcement of the terms of issues of such securities, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issues by the following fraction:

$$\frac{A + B_1 + B_2}{A + C_1 + C_2}$$

Where:

- A is the aggregate number of Ordinary Shares of all classes in issue immediately before such issue;
- B<sub>1</sub> is the number of Ordinary Shares of one class which the aggregate consideration receivable by the Guarantor for the Ordinary Shares of such class to be issued on conversion or exchange or on exercise of the right of subscription attached to such securities would purchase at such Current Market Price per Ordinary Share of such class;
- B<sub>2</sub> where applicable, is the number of Ordinary Shares of a second class which the aggregate consideration receivable by the Guarantor for the Ordinary Shares of such class to be issued on conversion or exchange or on exercise of the right of subscription attached to such securities would purchase at such Current Market Price per Ordinary Share of such class;
- C<sub>1</sub> is the maximum number of Ordinary Shares of one class to be issued on conversion or exchange of such securities or on the exercise of such rights of subscription attached thereto at the initial conversion, exchange or subscription price or rate; and
- C<sub>2</sub> where applicable, is the maximum number of Ordinary Shares of a second class to be issued on conversion or exchange of such securities or on the exercise of such rights of subscription attached thereto at the initial conversion, exchange or subscription price or rate.

Such adjustment shall become effective on the date of issue of such securities.

**5.3.8 Modification of Rights of Conversion etc.:** If and whenever there shall be any modification of the rights of conversion, exchange, subscription, purchase or acquisition attaching to any such securities as are mentioned in Condition 5.3.7 (other than in accordance with the terms of such securities) so that the consideration per Ordinary Share of one or more classes (for the number of Ordinary Shares of such classes available on conversion, exchange, subscription, purchase or acquisition following the modification) is reduced and, in each case, is less than 95 per cent. of the Current Market Price per H Share on the date of the first public announcement of the proposals for such

modifications, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such modifications by the following fraction:

$$\frac{A - B}{A}$$

Where:

- A is the aggregate Ordinary Shares of all classes in issue multiplied by their respective Current Market Price per Ordinary Share on the date on which such modification is publicly announced; and
- B is the difference between the Fair Market Value of the modification aggregated across all Ordinary Shares of all classes in issue on the date of such announcement and the aggregate consideration received for the modification.

Such adjustment shall become effective on the date of modification of the rights of conversion, exchange, subscription, purchase or acquisition attaching to such securities.

**5.3.9 Other Offers to Ordinary Shareholders:** In respect of each class of Ordinary Shares, if and whenever the Guarantor or any of its Subsidiaries or (at the direction or request of or pursuant to any arrangements with the Guarantor or any of its Subsidiaries) any other company, person or entity issues, sells or distributes any securities in connection with an offer pursuant to which the Ordinary Shareholders of such class generally are entitled to participate in arrangements whereby such securities may be acquired by them (except where the Conversion Price falls to be adjusted under Condition 5.3.4, Condition 5.3.5, Condition 5.3.6 or Condition 5.3.7), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue by the following fraction:

$$\frac{A - B}{A}$$

Where:

- A is the aggregate Ordinary Shares in issue multiplied by their respective Current Market Price per Ordinary Share on the date on which the terms of such issue, sale or distribution of securities are first publicly announced; and
- B is the Fair Market Value on the date of such announcement of the portion of the aggregate rights attributable to the Ordinary Shares.

Such adjustment shall become effective on the date of issue, sale or distribution of the securities or, if a record date is fixed therefor, immediately after such record date or if later, the first date upon which the Fair Market Value of the relevant securities is capable of being determined as

provided herein, provided that if there are different effective dates for different classes of Ordinary Shares, the effective date of the H Shares shall prevail. For the purpose of the above, Fair Market Value shall (subject as provided in the definition of “**Fair Market Value**” (as defined in Condition 5.8)) be determined as at the date on which the terms of such issue, sale or distribution of securities are first publicly announced or, if later, the first date on which the Fair Market Value of the portion of the aggregate rights attributable to the Ordinary Shares is capable of being determined as provided herein.

**5.3.10 Other Events:** If the Guarantor determines, in its sole discretion, that an adjustment should be made to the Conversion Price as a result of one or more events or circumstances not referred to in this Condition 5.3, the Issuer or the Guarantor shall, at its own expense, consult an Independent Financial Advisor to determine as soon as practicable what adjustment (if any) to the Conversion Price is fair and reasonable to take account thereof, if the adjustment would result in a reduction in the Conversion Price, and the date on which such adjustment should take effect and upon such determination by the Independent Financial Advisor such adjustment (if any) shall be made and shall take effect in accordance with such determination.

**5.3.11 Further Classes of Ordinary Shares:** In the event that the Guarantor has more than two classes of Ordinary Shares outstanding at any time, the formulae set out in this Condition 5.3 shall be restated to take into account such further classes of Ordinary Shares so that “ $B_1 + B_2$ ” and “ $C_1 + C_2$ ” shall become “ $B_1 + B_2 + B_3$ ” and “ $C_1 + C_2 + C_3$ ” and “ $B_3$ ” and “ $C_3$ ” shall have the same meaning as “ $B_1$ ” and “ $C_1$ ”, respectively, but by reference to a third class of Ordinary Shares and so on,

provided that where the events or circumstances giving rise to any adjustment pursuant to this Condition 5.3 have already resulted or will result in an adjustment to the Conversion Price or where the events or circumstances giving rise to any adjustment arise by virtue of events or circumstances which have already given rise or will give rise to an adjustment to the Conversion Price, such modification (if any) shall be made to the operation of the provisions of this Condition 5.3 as may be advised by the Independent Financial Advisor to be in its opinion appropriate to give the intended result. Notwithstanding the foregoing, the per Ordinary Share value of any such adjustment shall not exceed the per Ordinary Share value of the dilution in the Ordinary Shareholders’ interest in the Guarantor’s equity caused by such events or circumstances.

#### **5.4 Undertakings**

**5.4.1** The Guarantor has undertaken in the Trust Deed, *inter alia*, that so long as any Bond remains outstanding, save with the approval of an Extraordinary Resolution (as defined in the Trust Deed) of the Bondholders:

- (i) it will use its commercially reasonable endeavours (a) to maintain a listing for the H Shares on the Hong Kong Stock Exchange, (b) to obtain and maintain a listing for all the H Shares issued on the exercise of the Conversion Rights attaching to the Bonds on the Hong Kong

Stock Exchange and (c) if the Guarantor is unable to obtain or maintain such listing, to obtain and maintain a listing for all the issued H Shares on such Alternative Stock Exchange as the Guarantor may from time to time determine, and will forthwith give notice to the Bondholders in accordance with Condition 16 of the listing or delisting of the H Shares (as a class) by any of such stock exchange;

- (ii) it will pay the expenses of the issue and delivery of, and all expenses of obtaining listing for, H Shares arising on conversion of the Bonds (save for the Bondholder Duties);
- (iii) it will not make any reduction of its registered share capital or any uncalled liability in respect thereof or of any share premium account or capital redemption reserve fund (except, in each case, as permitted by law (including but not limited to repurchase or cancellation of its shares (i) pursuant to any share incentive or share option schemes of the Guarantor; (ii) as a result of its shareholders' dissent to the Guarantor's merger or segregation in a shareholders' meeting and request the Guarantor to repurchase its shares; (iii) for the protection of the interests of the Guarantor's shareholders; and (iv) as permitted by laws and regulations and the Guarantor's articles of association) provided that the reduction results in an adjustment to the Conversion Price then in effect); and
- (iv) it will use all commercially reasonable endeavours to maintain the listing of the Bonds on the Hong Kong Stock Exchange.

**5.4.2** In the Trust Deed, the Guarantor has undertaken with the Trustee, *inter alia*, that so long as any Bond remains outstanding, save with the approval of an Extraordinary Resolution of the Bondholders:

- (i) it will issue H Shares to Bondholders on exercise of Conversion Rights and ensure that at all times it has the ability to issue free from pre-emptive or other similar rights such number of H Shares as would enable the Conversion Rights and all other rights of subscription and exchange for and conversion into H Shares to be satisfied in full and will ensure that all H Shares delivered upon conversion of the Bonds will be duly and validly issued as fully-paid and not subject to call for further funds; and
- (ii) it will not make any offer, issue or distribution or take any action the effect of which would be to reduce the Conversion Price below the par value of the H Shares of the Guarantor provided always that the Guarantor shall not be prohibited from purchasing its H Shares to the extent permitted by law.

**5.4.3** The Issuer and the Guarantor have also given certain other undertakings in the Trust Deed for the protection of the Conversion Rights.

## 5.5 Notice of Change in Conversion Price

The Issuer (failing which, the Guarantor) shall give notice to the Hong Kong Stock Exchange, to the Trustee and each Conversion Agent in writing and to the Bondholders in accordance with Condition 16 of any change in the Conversion Price. Any such notice relating to a change in the Conversion Price shall set forth the event giving rise to the adjustment, the Conversion Price prior to such adjustment, the adjusted Conversion Price and the effective date of such adjustment.

## 5.6 Adjustment upon Change of Control

If a Change of Control (as defined in Condition 7.5.5(iii)) shall have occurred, the Issuer shall give notice of that fact to the Bondholders (the “**Change of Control Notice**”) in accordance with Condition 16 and to the Trustee and the Agents in writing within 14 days after it becomes aware of such Change of Control. Following the giving of a Change of Control Notice, upon any exercise of Conversion Rights such that the relevant Conversion Date falls within the period of 30 days following the later of (i) the occurrence of the relevant Change of Control and (ii) the date on which the Change of Control Notice is given to Bondholders (such period, the “**Change of Control Conversion Period**”), the Conversion Price shall be adjusted in accordance with the following formula:

$$\text{NCP} = \frac{\text{OCP}}{1 + (\text{CP} \times c/t)}$$

Where:

NCP = the Conversion Price after such adjustment;

OCP = the Conversion Price before such adjustment. For the avoidance of doubt, OCP for the purposes of this Condition 5.6 shall be the Conversion Price applicable on the relevant Conversion Date in respect of any conversion pursuant to this Condition 5.6;

Conversion Premium (“CP”) = 28.0 per cent. expressed as a fraction;

c = the number of days from and including the first day of the Change of Control Conversion Period to but excluding the Maturity Date; and

t = the number of days from and including the Issue Date to but excluding the Maturity Date,

provided that the Conversion Price shall not be reduced pursuant to this Condition 5.6 below the level permitted by applicable laws and regulations from time to time (if any).

If the last day of a Change of Control Conversion Period shall fall during a Restricted Transfer Period or a Restricted Conversion Period, as the case may be, the Change of Control Conversion Period shall be extended such that its last day will be the fifteenth day following the last day of the Restricted Transfer Period or the Restricted Conversion Period, as the case may be.

On the business day immediately following the last day of the Change of Control Conversion Period, the Conversion Price shall be re-adjusted to the Conversion Price in force immediately before the adjustment to the Conversion Price during the Change of Control Conversion Period.

## **5.7 Provisions Relating to Changes in Conversion Price**

**5.7.1 *Minor Adjustments:*** On any adjustment, the resultant Conversion Price, if not an integral multiple of one Hong Kong cent, shall be rounded down to the nearest Hong Kong cent. No adjustment shall be made to the Conversion Price if such adjustment (rounded down if applicable) would be less than one per cent. of the Conversion Price then in effect. Any adjustment not required to be made, and/or any amount by which the Conversion Price has been rounded down, shall be carried forward and taken into account in any subsequent adjustment, and such subsequent adjustment shall be made on the basis that the adjustment not required to be made had been made at the relevant time and/or, as the case may be, that the relevant rounding down had not been made. Notice of any adjustment shall be given by the Issuer to the Bondholders in accordance with Condition 16 and to the Trustee and the Agents in writing, in each case promptly after the determination thereof.

**5.7.2 *Decision of an Independent Financial Advisor:*** If any doubt shall arise as to whether an adjustment falls to be made to the Conversion Price or as to how an adjustment to the Conversion Price under Condition 5.3 or Condition 5.6 should be made, and following consultation between the Issuer, the Guarantor and an Independent Financial Advisor, a written opinion of such Independent Financial Advisor in respect thereof shall be conclusive and binding on the Issuer, the Guarantor, the Bondholders and the Trustee, save in the case of manifest error. Notwithstanding the foregoing, the per H Share value of any such adjustment shall not exceed the per H Share value of the dilution in the shareholders' interest in the Guarantor's equity caused by such events or circumstances.

**5.7.3 *Minimum Conversion Price:*** Notwithstanding the provisions of this Condition 5, the Guarantor undertakes that: (i) the Conversion Price shall not in any event be reduced to below the nominal or par value of the H Shares as a result of any adjustment hereunder unless under applicable law then in effect the Bonds may be converted at such reduced Conversion Price into legally issued, fully paid and non-assessable H Shares; and (ii) it shall not take any action, and shall procure that no action is taken, that would otherwise result in an adjustment to the Conversion Price to below such nominal or par value or any minimum level permitted by applicable laws or regulations.

- 5.7.4 *Reference to “fixed”*: Any references herein to the date on which a consideration is “fixed” shall, where the consideration is originally expressed by reference to a formula which cannot be expressed as an actual cash amount until a later date, be construed as a reference to the first day on which such actual cash amount can be ascertained.
- 5.7.5 *Multiple Events*: Where more than one event which gives or may give rise to an adjustment to the Conversion Price occurs within such a short period of time that, in the opinion of an Independent Financial Advisor, the foregoing provisions would need to be operated subject to some modification in order to give the intended result, such modification shall be made to the operation of the foregoing provisions as may be advised by such Independent Financial Advisor to be in its opinion appropriate in order to give such intended result.
- 5.7.6 *Upward/Downward Adjustment*: No adjustment involving an increase in the Conversion Price will be made, except in the case of a consolidation or re-classification of the H Shares as referred to in Condition 5.3.1. The Issuer or the Guarantor may at any time and for a specified period of time only, following notice being given to the Trustee in writing and to the Bondholders in accordance with Condition 16, reduce the Conversion Price, subject to Condition 5.7.3.
- 5.7.7 *Trustee Not Obligated to Monitor or Make Calculations*: Neither the Trustee nor any Agent shall be under any duty to monitor whether any event or circumstance has happened or exists which may require an adjustment to be made to the Conversion Price or to make any calculation or determination (or verification thereof) in connection with the Conversion Price and none of them will be responsible or liable to Bondholders or any other person for any loss or liability arising from any failure by it to do so or for any delay by the Issuer, the Guarantor or any Independent Financial Advisor in making any calculation or determination or any erroneous calculation or determination in connection with the Conversion Price.
- 5.7.8 *Employee Share Option Schemes*: No adjustment will be made to the Conversion Price when Ordinary Shares or other securities (including rights or options) are issued, offered, exercised, allotted, appropriated, modified or granted to, or for the benefit of, employees (including directors) of the Guarantor or any of its Subsidiaries pursuant to any employee share scheme or plan (and which employee share scheme or plan is in compliance with, if applicable, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited or, if applicable, the Stock Listing Rules of the Shanghai Stock Exchange or, if relevant, the listing rules of the Alternative Stock Exchange (“**Share Scheme Options**”)) unless any issue or grant of Share Scheme Options (which, but for this provision, would have required adjustment pursuant to Condition 5) would result in the total number of Ordinary Shares which may be issued upon exercise of all Share Scheme Options granted during the 12-month period up to and including the date of such issue or grant representing, in aggregate, more than 1.0 per cent. of the average of the issued and outstanding Ordinary Shares during such 12-month period. For the avoidance of doubt, any Ordinary Shares issued in

excess thereof, and only such Ordinary Shares issued in excess thereof, shall be subject to adjustment to the Conversion Price and taken into account in determining such adjustment as set out in Condition 5.3.

**5.7.9 Consideration Receivable:** For the purpose of any calculation of the consideration receivable or price pursuant to Condition 5.3.4, Condition 5.3.6, Condition 5.3.7 and Condition 5.3.8, the following provisions shall apply:

- (i) the aggregate consideration receivable or price for Ordinary Shares of a class issued for cash shall be the amount of such cash;
- (ii) (a) the aggregate consideration receivable for Ordinary Shares of a class to be issued on the conversion, exercise or exchange of any options, warrants or other rights or securities (or following any modification thereof) shall be deemed to be the consideration received or receivable by the Guarantor for any such options, warrants or other rights or securities (or following any modification thereof); (b) the aggregate consideration receivable for Ordinary Shares of a class to be issued on the exercise of rights of subscription attached to any such securities (or following any modification thereof) shall be deemed to be that part (which may be the whole) of the consideration received or receivable by the Guarantor for such securities (or following any modification thereof) which is attributed by the Guarantor to such rights of subscription or, if no part of such consideration is so attributed, to the Fair Market Value of such rights of subscription as at the date of the announcement of the terms of issue or modification of such securities, plus in the case of each of (a) and (b) above, the additional minimum consideration (if any) to be received by the Guarantor on the conversion, exercise or exchange of such options, warrants or other rights or securities (or following any modification thereof), or on the exercise of such rights of subscription; and (c) the consideration per Ordinary Share of a class receivable by the Guarantor on the conversion, exercise or exchange of, or on the exercise of such rights of subscription attached to, such options, warrants or other rights or securities (or following any modification thereof) shall be the aggregate consideration referred to in (a) or (b) above (as the case may be) divided by the number of Ordinary Shares of such class to be issued on such conversion or exchange or exercise at the initial conversion, exchange or subscription price or rate;
- (iii) if the consideration or price determined pursuant to (i) or (ii) above of this Condition 5.7.9 (or any component thereof) shall be expressed in a currency other than HK dollars, it shall be converted into HK dollars at the Prevailing Rate on the relevant date;
- (iv) in determining the consideration or price pursuant to the above, no deduction shall be made for any commissions or fees (howsoever described) or any expenses paid or incurred for any underwriting,



placing or management of the issue of the relevant Ordinary Shares of a class or securities or options, warrants or rights, or otherwise in connection therewith;

- (v) the consideration or price shall be determined as provided above on the basis of the consideration or price received, receivable, paid or payable, regardless of whether all or part thereof is received, receivable, paid or payable by or to the Guarantor or another entity; and
- (vi) if as part of the same transaction, Ordinary Shares of a class shall be issued or issuable for a consideration receivable in more than one or in different currencies then the consideration receivable per Share shall be determined by dividing the aggregate consideration (determined as aforesaid and converted if and to the extent not in HK dollars, into HK dollars as aforesaid) by the aggregate number of Ordinary Shares so issued.

## 5.8 Definitions

For the purposes of these Conditions:

“**Alternative Stock Exchange**” means, at any time, in the case of the H Shares, if they are not at that time listed and traded on the Hong Kong Stock Exchange, the principal stock exchange or securities market on which such H Shares are then listed or quoted or dealt in;

“**Closing Price**” means, in respect of an Ordinary Share of a class for any Trading Day, the closing market price quoted by the principal stock exchange or securities market on which the Ordinary Shares of such class are then listed, admitted to trading or quoted or dealt in and, in the case of the A Shares, shall (unless otherwise determined at the relevant time) mean the Shanghai Stock Exchange and, in the case of the H Shares, shall (unless otherwise determined at the relevant time) mean the Hong Kong Stock Exchange;

“**Current Market Price**” means, in respect of a corresponding Ordinary Share of a class on a particular date, the average of the daily Closing Price on each of the 20 consecutive Trading Days ending on and including the Trading Day immediately preceding such date and (if necessary) translated into HK dollars at the Prevailing Rate (if applicable) as at the relevant date; provided that:

- (A) for the purposes of determining the Current Market Price pursuant to Conditions 5.3.4 or 5.3.6 in circumstances where the relevant event relates to an issue of Ordinary Shares, if at any time during the said 20 Trading Day-period (which may be on each of such 20 Trading Days) the Ordinary Shares of such class shall have been quoted ex-dividend (or ex- any other

entitlement) and/or during some other part of that period (which may be on each of such 20 Trading Days) the Ordinary Shares of such class shall have been quoted cum-dividend (or cum- any other entitlement) then:

- (i) if the Ordinary Shares of such class to be issued or transferred and delivered do not rank for the dividend (or entitlement) in question, the Closing Price on the dates on which the Ordinary Shares of such class shall have been based on a price cum-dividend (or cum- any other entitlement) shall for the purpose of this definition be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of any such dividend or entitlement per Ordinary Shares of such class; or
  - (ii) if the Ordinary Shares of such class to be issued or transferred and delivered rank for the dividend or entitlement in question, the Closing Price on the dates on which the Ordinary Shares of such class shall have been based on a price ex-dividend (or ex-any other entitlement) shall for the purpose of this definition be deemed to be the amount thereof increased by the Fair Market Value of any such dividend or entitlement per Ordinary Shares of such class,
- (B) for the purpose of determining the Current Market Price of any Ordinary Shares of any class which are to be issued or may be issued pursuant to a Scrip Dividend pursuant to Condition 5.3.2(ii), if on any day during the said 20 Trading Day-period the Volume Weighted Average Price of the Ordinary Shares of such class shall have been based (A) on a price cum the Relevant Cash Dividend (and/or any other dividend or other entitlement which the Ordinary Shares of such class that may be issued pursuant to terms of such Scrip Dividend do not rank for), the Volume Weighted Average Price of an Ordinary Share of such class on any such day shall for the purposes of this definition be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of the Relevant Cash Dividend (and/or such other dividend or other entitlement) (as at the date of first public announcement of the terms of such Relevant Cash Dividend) per Ordinary Share of such class entitled to the Relevant Cash Dividend (and/or such other dividend or other entitlement) or (B) on a price ex- the Relevant Cash Dividend, the Volume Weighted Average Price of an Ordinary Share of such class on any such day shall for the purposes of this definition be deemed to be the amount thereof (x) multiplied by the sum of one and the number of Ordinary Shares of such class which are to be issued or may be issued pursuant to such Scrip Dividend per Ordinary Share of such class entitled to the Relevant Cash Dividend and (y) reduced by the Fair Market Value of the Relevant Cash Dividend (as at the date of first public announcement of the terms of such Relevant Cash Dividend) per Ordinary Share of such class entitled to the Relevant Cash Dividend; and
- (C) for any other purpose, if any day during the said 20 Trading Day-period was the ex-date in relation to any dividend (or any other entitlement) the Volume Weighted Average Prices that shall have been based on a price cum- such dividend (or cum- such entitlement) shall for the purpose of this definition be deemed to be the amount thereof reduced by an amount equal to the Fair

Market Value of any such dividend (or other entitlement) per Ordinary Share of such class as at the date of first public announcement of the terms of such dividend (or other entitlement);

“**Capital Distribution**” means, on a per Ordinary Share basis,

- (i) any distribution of assets *in specie* by the Guarantor for any financial period whenever paid or made and however described (and for these purposes a distribution of assets *in specie* includes, without limitation, an issue of Ordinary Shares or other securities credited as fully or partly paid by way of capitalisation of reserves, but excludes any Ordinary Shares credited as fully paid to the extent an adjustment to the Conversion Price is made in respect thereof under Condition 5.3.2(i) and a Scrip Dividend adjusted for under Condition 5.3.2(ii)); and
- (ii) any cash dividend or distribution on a gross basis (including, without limitation, the relevant cash amount of a Scrip Dividend) of any kind by the Guarantor for any financial period (whenever paid and however described), translated into HK dollars at the Prevailing Rate as at the effective date of the relevant adjustment to the Conversion Price,

*provided that* a purchase or redemption of Ordinary Shares by or on behalf of the Guarantor (or a purchase of Ordinary Shares by or on behalf of a Subsidiary of the Guarantor) shall not constitute a Capital Distribution, unless the weighted average price (before expenses) on any one day in respect of such purchases exceeds the Current Market Price of the Ordinary Shares by more than five per cent. either (a) on that date, or (b) where an announcement has been made of the intention to purchase Ordinary Shares at some future date at a specified price, on the Trading Day immediately preceding the date of such announcement and, if in the case of either (a) or (b) of this definition, the relevant day is not a Trading Day, the immediately preceding Trading Day, in which case such purchase or redemption shall be deemed to constitute a Capital Distribution in an amount equal to the amount by which the aggregate consideration paid (before expenses) in respect of such Ordinary Shares purchased or redeemed exceeds the product of 105 per cent. of such Current Market Price and the number of Ordinary Shares so purchased or redeemed;

“**Fair Market Value**” means, with respect to any asset, security, option, warrant or other right on any date, the fair market value of that asset, security, option, warrant or other right as determined by an Independent Financial Advisor on the basis of commonly accepted market valuation method and taking into account such factors as it considers appropriate, provided that an Independent Financial Advisor will not be required to determine the fair market value where (i) the Capital Distribution is paid in cash, in which case the fair market value of such cash Capital Distribution per Ordinary Share of the relevant class shall be the amount of such cash Capital Distribution per Ordinary Share of such class determined as at the date of announcement of such cash Capital Distribution and (ii) any other amounts are paid in cash, in which case the fair market value of such cash amount shall be the amount of cash, and (iii) options, warrants or other rights or securities are or will upon issuance be publicly traded in a market of

adequate liquidity (as determined by such Independent Financial Advisor), the fair market value of such options, warrants or other rights or securities shall equal the arithmetic mean of the daily closing prices of such options, warrants or other rights or securities during the period of five trading days on the relevant market commencing on the first such trading day such options, warrants or other rights or securities are publicly traded. Such amounts, if expressed in a currency other than HK dollars shall be translated into HK dollars (a) in the case of any cash Capital Distribution, at the average benchmark exchange rate between Renminbi and HK dollars expressed to be used in respect of such cash Capital Distribution and (b) in any other case at the Prevailing Rate on such date. In addition, in the case of provisos (i) and (ii) above of this definition, the Fair Market Value shall be determined on a gross basis and disregarding any withholding or deduction required to be made for or on account of tax and disregarding any associated tax credit;

**“Hong Kong Stock Exchange”** means The Stock Exchange of Hong Kong Limited or any successor thereto;

**“H Share Stock Exchange Business Day”** means any day (other than a Saturday or Sunday) on which the Hong Kong Stock Exchange or the Alternative Stock Exchange (as the case may be) is open for the business of dealing in securities;

**“Independent Financial Advisor”** means an independent investment bank or licensed financial advisor or institution of international repute (acting as an expert) selected and appointed by the Issuer or the Guarantor (at the cost of the Issuer or the Guarantor) and notified in writing to the Trustee. The Trustee shall not be responsible for or under any obligation to appoint an Independent Financial Advisor and shall have no responsibility or liability for verifying any calculation, determination, certification, advice or opinion made, given or reached by it;

**“Prevailing Rate”** means, in respect of any currency on any day, the spot exchange rate between the relevant currencies prevailing as at or about 12:00 noon (Hong Kong time) on that date as appearing on or derived from the Relevant Page or, if such a rate cannot be determined at such time, the rate prevailing as at or about 12:00 noon (Hong Kong time) on the immediately preceding day on which such rate can be so determined, provided that in the case of any cash Capital Distribution in respect of the H Shares, the “Prevailing Rate” shall be deemed to be the average benchmark exchange rate between Renminbi and HK dollars, calculated in the manner as announced by the Guarantor on the Hong Kong Stock Exchange from time to time, being as at the Issue Date the average of the medium rate of Renminbi to HK dollars as announced by the People’s Bank of China for five working days preceding (and including) the date on which such cash Capital Distribution are declared at the relevant annual general meeting;

**“Relevant Cash Dividend”** means the aggregate cash dividend or distribution declared by the Guarantor, including any cash dividend in respect of which there is any Scrip Dividend;

“**Relevant Page**” means the relevant Bloomberg BFIX page (or its successor page) or, if there is no such page, on the relevant Reuters HKDFIX page (or its successor page) or such other information service provider that displays the relevant information;

“**Scrip Dividend**” means Ordinary Shares of any class issued in lieu of the whole or any part of any Relevant Cash Dividend being a dividend which the Ordinary Shareholders concerned would or could otherwise have received and which would not have constituted a Capital Distribution (and for the avoidance of doubt, no adjustment is to be made under Condition 5.3.3 in respect of the amount by which the Current Market Price of the Ordinary Shares exceeds the Relevant Cash Dividend or the relevant part thereof but without prejudice to any adjustment required in such circumstances to be made under Condition 5.3.2);

“**Shanghai Stock Exchange**” means The Shanghai Stock Exchange;

“**Trading Day**” means in respect of an Ordinary Share of a class, a day when the principal stock exchange of such Ordinary Share is open for dealing business and, in the case of the A Shares, shall (unless otherwise determined at the relevant time) mean the Shanghai Stock Exchange and, in the case of the H Shares, shall (unless otherwise determined at the relevant time) mean the Hong Kong Stock Exchange; provided that for the purposes of any calculation where a Closing Price is required, if no Closing Price is reported for one or more consecutive dealing days, such day or days will be disregarded in any relevant calculation and shall be deemed not to have been dealing days when ascertaining any period of dealing days; and

“**Volume Weighted Average Price**” means, in relation to an H Share for any H Share Stock Exchange Business Day, the order book volume-weighted average price of an H Share for such H Share Stock Exchange Business Day appearing on or derived from Bloomberg screen page “2899 HK Equity VAP” (or its successor page) or, if not available on any of such screens, from such other source as shall be determined in good faith and in a commercially reasonable manner, using a volume-weighted average method, to be appropriate by an Independent Financial Advisor, provided that for any H Share Stock Exchange Business Day where such price is not available or cannot otherwise be determined as provided above, the Volume Weighted Average Price of an H Share in respect of such H Share Stock Exchange Business Day shall be the Volume Weighted Average Price, determined as provided above, on the immediately preceding H Share Stock Exchange Business Day on which the same can be so determined.

References to any issue or offer or grant to Ordinary Shareholders “as a class” or “by way of rights” shall be taken to be references to an issue or offer or grant to all or substantially all Ordinary Shareholders, other than Ordinary Shareholders by reason of the laws of any territory or requirements of any recognised regulatory body or any other stock exchange or securities market in any territory or in connection with fractional entitlements, it is determined not to make such issue or offer or grant.

## 6 PAYMENTS

### 6.1 Principal

Payment of principal, premium and interest will be made by transfer to the registered account of the Bondholder except in the case of any amount payable by the Issuer or the Guarantor (as the case may be) pursuant to Condition 5, where any amounts payable to a Bondholder will be made by U.S. dollar cheque drawn on a bank that processes payments in U.S. dollars and mailed directly to the address of the Bondholder or by transfer to a U.S. dollar account maintained by the payee, in either case in accordance with instructions given by the relevant Bondholder in the Conversion Notice. Payment of principal will only be made after surrender of the relevant Certificate at the specified office of any of the Agents.

Interest on Bonds due on an Interest Payment Date will be paid on the due date for the payment of interest to the holder shown on the Register at the close of business on the fifteenth day before the due date for the payment of interest (the “**Interest Record Date**”). Payments of interest on each Bond will be made by transfer to the registered account of the Bondholder.

If an amount which is due on the Bonds is not paid in full, the Registrar will annotate the Register with a record of the amount (if any) in fact paid.

References in these Conditions, the Trust Deed and the Agency Agreement to principal in respect of any Bond shall, where the context so permits, be deemed to include a reference to any premium payable thereon.

*So long as the Bonds are represented by the Global Certificate and the Global Certificate is held on behalf of Euroclear or Clearstream (each, a “**relevant clearing system**”), each payment in respect of the Global Certificate will be made to the person shown as the holder thereof in the Register at the close of business (in the relevant clearing system) on the Clearing System Business Day before the due date for such payment, where “**Clearing System Business Day**” means a weekday (Monday to Friday, inclusive) except December 25 and January 1.*

### 6.2 Registered Accounts

For the purposes of this Condition 6, a Bondholder’s registered account means the U.S. dollar account maintained by or on behalf of it with a bank that processes payments in U.S. dollars, details of which appear on the Register at the close of business on the second Payment Business Day (as defined in Condition 6.6) before the due date for payment, and a Bondholder’s registered address means its address appearing on the Register at that time.

### 6.3 Fiscal Laws

All payments are subject in all cases to (i) any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 8 and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the “**Code**”) or otherwise imposed pursuant to Sections 1471

through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 8) any law implementing an intergovernmental approach thereto. No commissions or expenses shall be charged to the Bondholders in respect of such payments.

#### **6.4 Payment Initiation**

Payment instructions (for value on the due date or, if that is not a Payment Business Day, for value on the first following day which is a Payment Business Day) will be initiated on the due date for payment (or, if it is not a Payment Business Day, the immediately following Payment Business Day) or, in the case of a payment of principal, if later, on the Payment Business Day on which the relevant Certificate is surrendered at the specified office of an Agent.

#### **6.5 Delay in Payment**

Bondholders will not be entitled to any interest or other payment for any delay after the due date in receiving the amount due if the due date is not a Payment Business Day or if the Bondholder is late in surrendering its Certificate (if required to do so).

#### **6.6 Payment Business Day**

In this Condition 6, “**Payment Business Day**” means a day other than a Saturday, Sunday or public holiday on which commercial banks and foreign exchange markets are generally open for business and settlement of US dollar payments in New York City and the city in which the specified office of the Principal Agent is located and, in the case of the surrender of a Certificate, in the place where the Certificate is surrendered.

#### **6.7 Rounding**

When making payments to Bondholders, fraction of one cent will be rounded to the nearest cent (half a cent being rounded upwards).

#### **6.8 Appointment of Agents**

The initial Agents and their initial specified offices are listed below. The Issuer reserves the right at any time, with the prior written approval of the Trustee, to vary or terminate the appointment of any Agent and appoint additional or replacement Agents provided that the Issuer shall at all times maintain (i) a Principal Agent, (ii) a Registrar, (iii) a Transfer Agent, (iv) a Conversion Agent and (v) such other agents as may be required by the stock exchange on which the Bonds may be listed, in each case, as approved in writing by the Trustee.

Notice of any changes in any Agent or their specified offices will promptly be given by the Issuer to the Bondholders in accordance with Condition 16.

## 7 REDEMPTION, PURCHASE AND CANCELLATION

### 7.1 Maturity

Unless previously redeemed, converted or purchased and cancelled as provided herein, the Issuer will redeem each Bond at its principal amount, together with accrued and unpaid interest thereon on 25 June 2029 (the “**Maturity Date**”). The Issuer may not redeem the Bonds at its option prior to that date except as provided in Condition 7.2 or Condition 7.3 below (but without prejudice to Condition 9).

### 7.2 Redemption at the Option of the Issuer

**7.2.1** The Issuer may, having given not less than 30 nor more than 60 days’ notice (an “**Optional Redemption Notice**”) to the Bondholders, the Trustee and the Principal Agent (which notice will be irrevocable), redeem all but not some only of the Bonds at their principal amount, together with accrued and unpaid interest thereon to but excluding the date fixed for redemption:

- (i) at any time after 9 July 2027 but prior to the Maturity Date, provided that no such redemption may be made unless the Closing Price of an H Share translated into U.S. dollars at the Prevailing Rate applicable to each H Share Stock Exchange Business Day, for any 20 H Share Stock Exchange Business Days within a period of 30 consecutive H Share Stock Exchange Business Days, the last of such H Share Stock Exchange Business Day shall occur not more than 10 days prior to the date upon which notice of such redemption is given, was, for each such 20 H Share Stock Exchange Business Days, at least 130 per cent. of the Conversion Price (translated into U.S. dollars at the Fixed Exchange Rate) then in effect. If there shall occur an event giving rise to a change in the Conversion Price during any such 30 consecutive H Share Stock Exchange Business Day period, appropriate adjustments for the relevant days approved by an Independent Financial Advisor shall be made for the purpose of calculating the Closing Price of the H Shares for such days; or
- (ii) if at any time the aggregate principal amount of the Bonds outstanding is less than 10 per cent. of the aggregate principal amount originally issued (including any Bonds issued pursuant to Condition 15).

Upon the expiry of the Optional Redemption Notice, the Issuer will be bound to redeem the relevant Bonds at their principal amount together with accrued and unpaid interest thereon to but excluding the date fixed for redemption.

**7.2.2** Redemption under this Condition 7.2 may not occur within seven days of the end of a Restricted Transfer Period but otherwise may occur when the Conversion Right is expressed in these Conditions to be exercisable.



7.2.3 The Trustee and the Agents shall have no obligation to confirm whether the circumstances giving rise to a right for the Issuer to redeem under this Condition 7.2 have in any case arisen and shall not be liable to the Bondholders or any parties for not doing so.

### 7.3 Redemption for Taxation Reasons

7.3.1 At any time the Issuer may, having given not less than 30 nor more than 60 days' notice to the Trustee, the Principal Agent and the Bondholders (which notice shall be irrevocable) redeem all but not some only of the Bonds at their principal amount, together with accrued and unpaid interest thereon to but excluding the date fixed for redemption (the "**Tax Redemption Date**"), if the Issuer satisfies the Trustee immediately prior to the giving of such notice that (i) the Issuer (or if the Guarantee was called, the Guarantor) has or will become obliged to pay Additional Tax Amounts as provided or referred to in Condition 8 as a result of any change in, or amendment to, the laws or regulations of the PRC or Hong Kong or, in each case, any political subdivision or any authority thereof or therein having power to tax, or any change in the general application or official interpretation of such laws or regulations (including a decision by a court of competent jurisdiction), which change or amendment becomes effective on or after 17 June 2024, and (ii) such obligation cannot be avoided by the Issuer (or, as the case may be, the Guarantor) taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer (or, as the case may be, the Guarantor) would be obliged to pay such Additional Tax Amounts were a payment in respect of the Bonds then due. Prior to the publication of any notice of redemption pursuant to this Condition 7.3.1, the Issuer (or, as the case may be, the Guarantor) shall deliver to the Trustee (a) a certificate signed by any Authorised Signatory of the Issuer (or, as the case may be, the Guarantor), stating that the obligation referred to in (i) above of this Condition 7.3.1 cannot be avoided by the Issuer (or, as the case may be, the Guarantor) having taken reasonable measures available to it and (b) an opinion of independent legal or tax advisors of recognised standing to the effect that such change or amendment has occurred (irrespective of whether such amendment or change is then effective) and stating that the Issuer (or, if the Guarantee was called, the Guarantor) has or will become obliged to pay such Additional Tax Amounts as a result of such change or amendment, and the Trustee shall be entitled to accept such certificate and opinion as sufficient evidence thereof, in which event the same shall be conclusive and binding on the Bondholders.

7.3.2 On the Tax Redemption Date, subject to Condition 7.3.3, the Issuer shall redeem the Bonds at their principal amount, together with accrued and unpaid interest to but excluding the Tax Redemption Date, provided that redemption under this Condition 7.3 may not occur within seven days of the end of a Restricted Transfer Period, but otherwise may occur when the Conversion Right is expressed in these Conditions to be exercisable.

7.3.3 If the Issuer gives a notice of redemption pursuant to this Condition 7.3, each Bondholder will have the right to elect that such holder's Bond(s) shall not be redeemed and that the provisions of Condition 8 shall not apply in respect of any payment of principal or interest to be made in respect of such Bond(s) which falls due after the relevant Tax Redemption Date, whereupon no Additional Tax Amounts shall be payable in respect thereof pursuant to Condition 8 and payment of all amounts shall be made subject to the deduction or withholding of the taxation required to be withheld or deducted by the government of the PRC or Hong Kong or, in each case, any authority thereof or therein having power to tax. For the avoidance of doubt, any Additional Tax Amounts which had been payable in respect of the Bonds as a result of the laws or regulations of the government of the PRC or Hong Kong or, in each case, any political subdivision or any authority thereof or therein having power to tax prior to 17 June 2024, will continue to be payable to such Bondholders. To exercise such right, the holder of the relevant Bond must complete, sign and deposit at the specified office of any Paying Agent during normal business hours (being between 9.00 a.m. (Hong Kong time) and 3.00 p.m. (Hong Kong time), Monday to Friday except for public holidays) a duly completed and signed notice of election, in the form for the time being current, obtainable from the specified office of any Paying Agent, together with the Certificate evidencing the Bonds on or before the day falling 10 Business Days prior to the Tax Redemption Date. Such notice of election, once delivered, shall be irrevocable and may not be withdrawn without the Issuer's consent. In this Condition 7.3.3, "**Business Day**" means a day, other than a Saturday, Sunday or public holiday, on which commercial banks and foreign exchange markets are generally open for business in Hong Kong.

#### 7.4 Redemption at the Option of the Bondholders

The holder of each Bond will have the right at such holder's option, to require the Issuer to redeem all or some only of that holder's Bonds on 25 June 2027 (the "**Put Option Date**") at their principal amount on the Put Option Date, together with accrued and unpaid interest to but excluding the Put Option Date. To exercise such right, the holder of the relevant Bond must complete, sign and deposit at the specified office of any Paying Agent during normal business hours (being between 9.00 a.m. (Hong Kong time) and 3.00 p.m. (Hong Kong time), Monday to Friday except for public holidays) a duly completed and signed notice (the "**Put Option Notice**"), substantially in the form scheduled to the Agency Agreement, obtainable from the specified office of any Paying Agent, together with the Certificate evidencing the Bonds to be redeemed not earlier than 60 days and not later than 30 days prior to the Put Option Date.

A Put Option Notice, once delivered, shall be irrevocable (and may not be withdrawn unless the Issuer consents to such withdrawal) and the Issuer shall redeem the Bonds the subject of a Put Option Notice delivered as aforesaid on the Put Option Date.

## 7.5 Redemption for Relevant Events

7.5.1 Not later than seven days after becoming aware of a Relevant Event, the Issuer shall procure that notice regarding the Relevant Event shall be delivered to Bondholders (in accordance with Condition 16) and to the Trustee and the Principal Agent in writing stating:

- (i) the Relevant Event Put Date;
- (ii) the date of such Relevant Event and, briefly, the events causing such Relevant Event;
- (iii) the date by which the Relevant Event Put Exercise Notice must be given;
- (iv) the redemption amount and the method by which such amount will be paid;
- (v) the names and addresses of all Paying Agents;
- (vi) briefly, the Conversion Right and the then current Conversion Price;
- (vii) the procedures that Bondholders must follow and the requirements that Bondholders must satisfy in order to exercise their rights under this Condition 7.5 or their Conversion Right; and
- (viii) that a Relevant Event Put Exercise Notice, once validly given, may not be withdrawn without the Issuer's consent.

7.5.2 Following the occurrence of a Relevant Event (as defined in Condition 7.5.5(viii)) and the delivery of the notice by the Issuer regarding such Relevant Event, the holder of each Bond will have the right at such holder's option, to require the Issuer to redeem all or some only such holder's Bonds on the Relevant Event Put Date (as defined below) at their principal amount as at the Relevant Event Put Date, together with accrued and unpaid interest to but excluding the Relevant Event Put Date. To exercise such right, the holder of the relevant Bond must complete, sign and deposit at the specified office of any Paying Agent during normal business hours (being between 9.00 a.m. (Hong Kong time) and 3.00 p.m. (Hong Kong time), Monday to Friday except for public holidays) a duly completed and signed notice of redemption, substantially in the form scheduled to the Agency Agreement, obtainable from the specified office of any Paying Agent (a "**Relevant Event Put Exercise Notice**") together with the Certificate evidencing the Bonds to be redeemed by not later than 30 days following a Relevant Event, or, if later, 30 days following the date upon which notice thereof is given to Bondholders by the Issuer in accordance with Condition 16. The "**Relevant Event Put Date**" shall be the fourteenth day after the expiry of such period of 30 days as referred to above in this Condition 7.5.2.

7.5.3 A Relevant Event Put Exercise Notice, once delivered, shall be irrevocable and may not be withdrawn without the Issuer's consent. The Issuer shall redeem the Bonds which form the subject of the Relevant Event Put Exercise Notices delivered as aforesaid (subject to delivery of the relevant Certificates) on the Relevant Event Put Date.

7.5.4 None of the Trustee or the Agents shall be required to monitor or take any steps to ascertain whether a Relevant Event or any event which could lead to the occurrence of a Relevant Event has occurred and shall not be liable to Bondholders or any other person for not doing so. Each of the Trustee and the Agents shall be entitled to assume that no Relevant Event has occurred until it has received written notice to the contrary from the Issuer.

7.5.5 For the purposes of this Condition 7.5:

- (i) “**Control**” means, with respect to a Person (where applicable) (i) the ownership, acquisition or control of at least 50.1 per cent. of the voting rights of the issued share capital of such Person, whether obtained directly or indirectly or (ii) the right to appoint and/or remove the majority of the members of such Person's board of directors or other governing body, whether obtained directly or indirectly, and whether obtained by ownership of share capital, the possession of voting rights, contract or otherwise;
- (ii) a “**Change of Control**” occurs when:
  - (a) in the case of the Issuer, the Guarantor ceases to directly or indirectly hold or own 100 per cent. of the issued share capital of the Issuer;
  - (b) in the case of the Guarantor: (A) Minxi Xinghang State-owned Assets Investment Co., Ltd. ceases to be the single largest holder of the issued share capital of the Guarantor; or (B) any Person or Persons acting together acquires Control of the Guarantor provided that such Person or Persons does not or do not have, and would not be deemed to have, Control of the Guarantor on the Issue Date;
- (iii) a “**Delisting**” occurs when the H Shares cease to be listed or admitted to trading on the Hong Kong Stock Exchange;
- (iv) an “**H Share Suspension in Trading**” means the suspension in trading of the H Shares for a period of 30 consecutive H Share Stock Exchange Business Days;
- (v) a “**No Registration Event**” occurs when the Registration Documents are not provided to the Trustee by the Registration Deadline;
- (vi) a “**Person**” means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

(vii) a “**Relevant Event**” means the occurrence of either (a) a Change of Control; (b) a Delisting; (c) a H Share Suspension in Trading or (d) a No Registration Event; and

(viii) “**voting rights**” means the right generally to vote at general meetings of shareholders of a Person (irrespective of whether or not, at the time, stock of any other class or classes shall have, or might have, voting power by reason of the happening of any contingency).

## **7.6 Purchases**

The Issuer, the Guarantor or any of their respective Subsidiaries may, subject to applicable laws and regulations, at any time and from time to time purchase Bonds at any price in the open market or otherwise. The Bonds so acquired, while held by or on behalf of the Issuer, the Guarantor or any such Subsidiary, shall not entitle them to convert the Bonds in accordance with these Conditions nor shall such Bonds be deemed to be outstanding for the purposes of, among other things, calculating quorums at meetings of the Bondholders and exercising any voting rights with respect to such Bonds and for the purposes of Condition 9, Condition 11 and Condition 13.

## **7.7 Cancellation**

All Bonds which are repurchased, redeemed or converted or purchased by or on behalf of the Issuer, the Guarantor or any of their respective Subsidiaries will forthwith be cancelled. Certificates in respect of all Bonds cancelled will be forwarded to or to the order of the Registrar and such Bonds may not be reissued or resold.

## **7.8 Redemption Notices**

All notices to Bondholders given by or on behalf of the Issuer pursuant to this Condition 7 will be irrevocable and will be given in accordance with Condition 16 specifying: (i) the Conversion Price as at the date of the relevant notice; (ii) the last day on which Conversion Rights may be exercised; (iii) the principal and/or premium (if any) together with accrued and unpaid interest up to but excluding the relevant redemption date payable; (iv) the date fixed for redemption; (v) the manner in which redemption will be effected; and (vi) the aggregate principal amount of the Bonds outstanding as at the latest practicable date prior to the publication of the notice.

If more than one notice of redemption is given (being a notice given by either the Issuer or a Bondholder pursuant to these Conditions), the first in time shall prevail.

Neither the Trustee nor any of the Agents shall be responsible for calculating or verifying the calculations of any amount payable on redemption of the Bonds pursuant to these Conditions and none of them shall be liable to the Bondholders or any other person for not doing so.

## 8 TAXATION

**8.1** All payments made by or on behalf of the Issuer (or, as the case may be, the Guarantor) in respect of the Bonds (or, in the case of the Guarantor, the Guarantee) will be made free and clear of, and will be made without deduction or withholding for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the PRC or Hong Kong or, in each case, any authority thereof or therein having power to tax, unless deduction or withholding of such taxes, duties, assessments or governmental charges is compelled by law. Where such withholding or deduction is made by the Issuer or the Guarantor (as the case may be) by or within the PRC up to and including the aggregate rate applicable on 17 June 2024 (the “**Applicable Rate**”), the Issuer or the Guarantor (as the case may be) will increase the amounts paid by it to the extent required, so that the net amount received by Bondholders equals the amounts which would otherwise have been receivable by them had no such withholding or deduction been required. If the Issuer or the Guarantor (as the case may be) is required to make a deduction or withholding in respect of PRC tax in excess of the Applicable Rate, or any Hong Kong deduction or withholding is required, in such event the Issuer or the Guarantor (as the case may be) shall pay such additional amounts (“**Additional Tax Amounts**”) as will result in receipt by the Bondholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no Additional Tax Amounts shall be payable in respect of any Bond or the Guarantee:

**8.1.1** to a holder (or to a third party on behalf of a holder) who is subject to such taxes, duties, assessments or governmental charges in respect of such Bond by reason of such holder having some connection with the PRC or Hong Kong, as the case may be, otherwise than merely by holding the Bond or by the receipt of amounts in respect of the Bond or where the withholding or deduction could be avoided by the holder making a declaration of non-residence or other similar claim for exemption to the appropriate authority which such holder is legally capable and competent of making but fails to do so; or

**8.1.2** (in the case of a payment of principal, interest or premium on redemption) if the Certificate in respect of such Bond is surrendered more than 30 days after the Relevant Date except to the extent that the holder would have been entitled to such additional amount on surrendering the relevant Certificate for payment on the last day of such period of 30 days.

**8.2** “**Relevant Date**” means whichever is the later of (i) the date on which such payment first becomes due and (ii) if the full amount payable has not been received by the Trustee or the Principal Agent on or prior to such due date, the date on which, the full amount having been so received, notice to that effect shall have been given to the Bondholders and payment made.

**8.3** References in these Conditions to principal, premium and interest shall be deemed also to refer to any additional amounts or premiums which may be payable under these Conditions or any undertaking or covenant given in addition thereto or in substitution therefor pursuant to the Trust Deed and the Deed of Guarantee.

**8.4** Neither the Trustee nor any Agent shall be responsible for paying any tax, duty, assessment, charges, withholding or other payment referred to in this Condition 8 or in relation to the Bonds or for determining whether such amounts are payable or the amount thereof, and none of them shall be responsible or liable for any failure by the Issuer, the Guarantor, any Bondholder or any third party to pay such tax, duty, assessment, charges, withholding or other payment in any jurisdiction or to provide any notice or information to the Trustee or any Agent that would permit, enable or facilitate the payment of any principal, premium (if any), interest or other amount under or in respect of the Bonds or the Guarantee without deduction or withholding for or on account of any tax, duty, charge, withholding or other payment imposed by or in any jurisdiction.

## **9 EVENTS OF DEFAULT**

The Trustee at its discretion may, and if so requested in writing by the holders of not less than 25 per cent. in principal amount of the Bonds then outstanding or if so directed by an Extraordinary Resolution shall (provided that the Trustee shall have been indemnified and/or secured and/or pre-funded to its satisfaction), give written notice to the Issuer and the Guarantor that the Bonds are, and they shall accordingly thereby become, immediately due and repayable at their principal amount, together with any accrued and unpaid interest up to but excluding the date of payment (subject as provided below and without prejudice to the right of Bondholders to exercise the Conversion Right in respect of their Bonds in accordance with Condition 5) if any of the following events (each an “**Event of Default**”) has occurred:

- 9.1** the Issuer (failing which, the Guarantor) (i) fails to pay any amount of principal (and premium, if any) in respect of the Bonds on the due date for payment thereof and such failure to pay principal (and premium, if any) continues for a period of three days or (ii) fails to pay any amount of interest in respect of the Bonds on the due date for payment thereof and such failure to pay interest continues for a period of seven days; or
- 9.2** failure by the Guarantor to deliver the H Shares following conversion of a Bond unless such failure is due to a technical or administrative error and is remedied by the Guarantor within three business days; or
- 9.3** the Issuer or the Guarantor defaults in the performance or observance of any of its other obligations under or in respect of the Bonds, the Deed of Guarantee or the Trust Deed (other than where it gives rise to a redemption pursuant to Conditions 3.2 to 3.5 or Condition 7.5, and any equivalent provisions in the Trust Deed), and such default (i) is, in the opinion of the Trustee, incapable of remedy or (ii) being a default which is, in the opinion of the Trustee, capable of remedy, remains unremedied for 30 days after the Trustee has given written notice thereof to the Issuer and the Guarantor; or
- 9.4** the Issuer or the Guarantor or any Principal Subsidiary is (or is, or could be, deemed by law or a court to be) insolvent or bankrupt or unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all or a material part of its debts, proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of

such debts or a moratorium is agreed or declared in respect of or affecting all or any material part of the debts of the Issuer, the Guarantor or any Principal Subsidiary; or

- 9.5** (i) any other indebtedness for money borrowed or raised of the Issuer, the Guarantor or any of their respective Principal Subsidiaries is not paid when due or (as the case may be) within any originally applicable grace period; (ii) any such indebtedness becomes (or becomes capable of being declared) due and payable prior to its stated maturity otherwise than at the option of the Issuer, the Guarantor or (as the case may be) the relevant Principal Subsidiary or (provided that no event of default, howsoever described, has occurred) any person entitled to such indebtedness; (iii) the Issuer, the Guarantor or any of their respective Principal Subsidiaries fails to pay when due or (as the case may be) within any originally applicable grace period any amount payable by it under any guarantee of any indebtedness for money borrowed or raised; provided that the amount of indebtedness referred to in sub-paragraph (i) and/or sub-paragraph (ii) above and/or the amount payable under any guarantee referred to in sub-paragraph (iii) above, individually or in the aggregate, exceeds U.S.\$50,000,000 (or its equivalent in any other currency or currencies); or
- 9.6** a distress, attachment, execution or other legal process is levied, enforced or sued out on or against any material part of the property, assets or revenues of the Issuer, the Guarantor or any Principal Subsidiary, provided the total liability in relation to the relevant legal process exceeds US\$200,000,000 and is not discharged within 60 days; or
- 9.7** an order of any court of competent jurisdiction is made or an effective resolution passed for the winding-up or dissolution of the Issuer or the Guarantor or any Principal Subsidiary, or the Issuer or the Guarantor or any Principal Subsidiary ceases or threatens to cease to carry on all or substantially all of its business or operations, except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation (i) on terms approved by an Extraordinary Resolution of the Bondholders, or (ii) in the case of a Principal Subsidiary, whereby the undertaking and assets of the Principal Subsidiary are transferred to or otherwise vested in the Issuer or the Guarantor (as the case may be) or another Principal Subsidiary; or
- 9.8** any mortgage, charge, pledge, lien or other encumbrance, present or future, created or assumed by the Issuer or the Guarantor or any Principal Subsidiary over a material part of the assets of the Issuer, the Guarantor or any Principal Subsidiary becomes enforceable and any step is taken to enforce it (including the taking of possession or the appointment of a receiver, manager or other similar person) and is not discharged within 60 days; or
- 9.9** it is or will become unlawful for the Issuer or the Guarantor to perform or comply with any of its obligations under or in respect of the Bonds, the Deed of Guarantee or the Trust Deed; or
- 9.10** any action, condition or thing at any time required to be taken, fulfilled or done in order (i) to enable the Issuer and the Guarantor lawfully to enter into, exercise their respective rights and perform and comply with their respective obligations



under and in respect of the Bonds, the Deed of Guarantee or the Trust Deed, (ii) to ensure that those obligations are legal, valid, binding and enforceable and (iii) to make the Certificates, the Deed of Guarantee and the Trust Deed admissible in evidence in the courts of Hong Kong is not taken, fulfilled or done; or

**9.11** any step is taken by any person with a view to the seizure, compulsory acquisition or expropriation of all or a material part of the assets of the Issuer, the Guarantor or any Principal Subsidiary or where there occurred an event where all the shares or all or a material part of the assets of the Issuer, the Guarantor or any of their respective Principal Subsidiaries are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof, has occurred; or

**9.12** the Guarantee of the Bonds is not (or is claimed by the Guarantor not to be) in full force and effect; or

**9.13** any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in any of Condition 9.4, Conditions 9.6 to 9.8 (both inclusive) or Condition 9.11.

The Trustee and the Agents shall not be obliged to take any steps to ascertain whether any Event of Default or any condition, event or act which, with the giving of notice and/or the lapse of time and/or fulfilment of any other conditions and/or the making of any determination, would constitute an Event of Default has happened and none of them shall be responsible or liable to Bondholders or any other person for not doing so.

**9.14** For purposes of this Condition 9, “**Principal Subsidiary**” means any Subsidiary of the Guarantor:

(i) whose revenue or (in the case of a Subsidiary which itself has subsidiaries) consolidated revenue, as shown by its latest audited income statement is at least 7.5 per cent. of the consolidated revenue as shown by the latest published audited consolidated income statement of the Guarantor and its Subsidiaries; or

(ii) whose net profit or (in the case of a Subsidiary which itself has subsidiaries) consolidated net profit, as shown by its latest audited income statement are at least 5 per cent. of the consolidated net profit as shown by the latest published audited consolidated income statement of the Guarantor and its Subsidiaries including, for the avoidance of doubt, the Guarantor and its consolidated Subsidiaries’ share of profits of Subsidiaries not consolidated and of jointly controlled entities and after adjustments for minority interests; or

(iii) whose gross assets or (in the case of a Subsidiary which itself has subsidiaries) consolidated gross assets, as shown by its latest audited balance sheet are at least 7.5 per cent. of the consolidated gross assets of the Guarantor and its Subsidiaries as shown by the latest published audited consolidated balance sheet of the Guarantor and its Subsidiaries as being

represented by the investment of the Guarantor in each Subsidiary whose accounts are not consolidated with the consolidated audited accounts of the Guarantor and after adjustments for minority interests; or

- (iv) whose net assets or (in the case of a Subsidiary which itself has subsidiaries) consolidated net assets, as shown by its latest audited balance sheet are at least 5 per cent. of the consolidated net assets of the Guarantor and its Subsidiaries as shown by the latest published audited consolidated balance sheet of the Guarantor and its Subsidiaries as being represented by the investment of the Guarantor in each Subsidiary whose accounts are not consolidated with the consolidated audited accounts of the Guarantor and after adjustments for minority interests; or
- (v) to which is transferred the whole or substantially the whole of the assets of a Subsidiary which immediately prior to such transfer was a Principal Subsidiary, provided that the Principal Subsidiary which so transfers its assets shall forthwith upon such transfer cease to be a Principal Subsidiary and the Subsidiary to which the assets are so transferred shall cease to be a Principal Subsidiary at the date on which the first published consolidated audited accounts of the Guarantor prepared as of a date later than such transfer are issued unless such Subsidiary would continue to be a Principal Subsidiary on the basis of such accounts by virtue of the provisions of paragraphs (i), (ii), (iii) or (iv) above.

*provided that*, in relation to paragraphs (i), (ii), (iii) and (iv) above:

- (a) in the case of a corporation or other business entity becoming a Subsidiary after the end of the financial period to which the latest consolidated audited accounts of the Guarantor relate, the reference to the then latest consolidated audited accounts of the Guarantor for the purposes of the calculation above shall, until consolidated audited accounts of the Guarantor for the financial period in which the relevant corporation or other business entity becomes a Subsidiary are published, be deemed to be a reference to the then latest consolidated audited accounts of the Guarantor adjusted to consolidate the latest audited accounts (consolidated in the case of a Subsidiary which itself has Subsidiaries) of such Subsidiary in such accounts;
- (b) if at any relevant time in relation to the Guarantor or any Subsidiary which itself has Subsidiaries no consolidated accounts are prepared and audited, revenue, net profit, gross assets or net assets of the Guarantor and/or any such Subsidiary shall be determined on the basis of pro forma consolidated accounts prepared for this purpose by the Guarantor;
- (c) if at any relevant time in relation to any Subsidiary, no accounts are audited, its revenue, net profit, gross assets or net assets (consolidated, if appropriate) shall be determined on the basis of pro forma accounts (consolidated, if appropriate) of the relevant Subsidiary prepared for this purpose by the Guarantor; and

- (d) if the accounts of any subsidiary (not being a Subsidiary referred to in proviso (i) above) are not consolidated with those of the Guarantor, then the determination of whether or not such subsidiary is a Principal Subsidiary shall be based on a pro forma consolidation of its accounts (consolidated, if appropriate) with the consolidated accounts (determined on the basis of the foregoing) of the Guarantor.

A certificate in English substantially in the form scheduled to the Trust Deed signed by any Authorised Signatory of the Guarantor that, in the opinion of the Guarantor, a Subsidiary is or is not, or was or was not, at any particular time, or during any particular period, a Principal Subsidiary, shall in the absence of manifest error be conclusive and binding on the Issuer, the Guarantor and the Bondholders, and the Trustee shall be entitled to conclusively rely upon each such certificate without further investigation or verification and without liability to the Bondholders or any other person for such reliance.

## **10 PRESCRIPTION**

Claims in respect of amounts due in respect of the Bonds will become prescribed and void unless made within 10 years (in the case of principal or premium (if any)) and five years (in the case of interest, if any) from the Relevant Date in respect thereof.

## **11 MEETINGS OF BONDHOLDERS, MODIFICATION AND WAIVER**

### **11.1 Meetings**

The Trust Deed contains provisions for convening meetings of Bondholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Bonds or the provisions of the Trust Deed, Agency Agreement or the Deed of Guarantee. Such a meeting may be convened by the Issuer or the Trustee and shall be convened by the Trustee if requested in writing to do so by Bondholders holding not less than 10 per cent. in principal amount of the Bonds for the time being outstanding and if it is indemnified and/or secured and/or pre-funded to its satisfaction. The quorum at any such meeting for passing an Extraordinary Resolution will be two or more persons holding or representing over 50 per cent. in principal amount of the Bonds for the time being outstanding or, at any adjournment of such meeting, two or more persons being or representing Bondholders whatever the principal amount of the Bonds so held or represented unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to modify the due date for any payment in respect of the Bonds or the dates on which interest is payable in respect of the Bonds, (ii) to reduce or cancel the amount of principal, premium or interest in respect of the Bonds or to change the method of calculation of interest, (iii) to change the currency of payment of the Bonds, or (iv) to modify or cancel the Conversion Rights (except by unilateral and unconditional reduction in the Conversion Price) or the put options specified in Condition 7 or (v) to modify or cancel the Deed of Guarantee (other than as provided in Condition 11.2) or (vi) to modify the provisions concerning the quorum required at any meeting of the Bondholders or the majority required to pass an Extraordinary Resolution, in which case the necessary quorum for passing an Extraordinary Resolution will be

two or more persons holding or representing not less than 66 per cent., or at any adjourned such meeting not less than 33 per cent., in principal amount of the Bonds for the time being outstanding. An Extraordinary Resolution passed at any meeting of Bondholders will be binding on all Bondholders, whether or not they were present at the meeting. The Trust Deed provides that a written resolution signed by or on behalf of the holders of not less than 90 per cent. of the aggregate principal amount of Bonds outstanding or (B) passed by Electronic Consent (as defined in the Trust Deed) shall be as valid and effective as a duly passed Extraordinary Resolution. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by one or more Bondholders.

### **11.2 Modification and Waiver**

The Trustee may (but shall not be obliged to) agree, without the consent of the Bondholders, to (i) any modification (except as mentioned in the Trust Deed) to, or the waiver or authorisation of any breach or proposed breach of, the Bonds, the Agency Agreement, the Deed of Guarantee or the Trust Deed which is not, in the opinion of the Trustee, materially prejudicial to the interests of the Bondholders or (ii) any modification to the Bonds, the Agency Agreement, the Deed of Guarantee or the Trust Deed which, in the Trustee's opinion, is of a formal, minor or technical nature or to correct a manifest error or to comply with mandatory provisions of applicable law. Any such modification, waiver or authorisation in writing will be binding on the Bondholders and, unless the Trustee agrees otherwise, any such modification, waiver or authorisation will be notified by the Issuer or the Guarantor to the Bondholders as soon as practicable thereafter.

### **11.3 Interests of Bondholders**

In connection with the exercise of its functions, rights, powers and discretions (including but not limited to those in relation to any proposed modification, authorisation or, waiver) the Trustee shall have regard to the interests of the Bondholders as a class and shall not have regard to the consequences of such exercise for individual Bondholders and the Trustee shall not be entitled to require on behalf of any Bondholder, nor shall any Bondholder be entitled to claim, from the Issuer, the Guarantor or the Trustee any indemnification or payment in respect of any tax consequences of any such exercise upon individual Bondholders.

## **12 REPLACEMENT OF CERTIFICATES**

If any Certificate is mutilated, defaced, destroyed, stolen or lost, it may be replaced at the specified office of the Registrar or any Transfer Agent, subject to all applicable laws, regulations and stock exchange requirements, upon payment by the claimant of such fees and costs as may be incurred in connection therewith and on such terms as to evidence and such indemnity and/or pre-funding and/or security as the Issuer and/or such Agent may require. Mutilated or defaced Certificates must be surrendered before replacements will be issued.

### **13 ENFORCEMENT**

At any time when the Bonds become due and payable, the Trustee may, at its discretion and without further notice, take such steps and/or actions and/or institute such proceedings against the Issuer and/or the Guarantor as it may think fit to enforce the terms of the Trust Deed, the Agency Agreement, the Deed of Guarantee and the Bonds, but it need not take any such steps and/or actions and/or institute any such proceedings unless (i) it shall have been so directed by an Extraordinary Resolution or shall have been so requested in writing by the holders of not less than 25 per cent. in principal amount of the Bonds then outstanding and (ii) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction. No Bondholder may proceed directly against the Issuer and/or the Guarantor unless the Trustee, having become bound so to proceed, fails to do so within a reasonable period and such failure is continuing.

### **14 INDEMNIFICATION OF THE TRUSTEE**

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including without limitation, provisions relieving it from taking steps and/or actions and/or instituting proceedings to enforce payment unless first indemnified and/or secured and/or prefunded of its satisfaction and entitling the Trustee to be paid or reimbursed for any fees, costs, expenses, indemnity payments and for liabilities incurred by it, in priority to the claims of the Bondholders. The Trustee and its affiliates is entitled to enter into business transactions with the Issuer, the Guarantor and any entity related (directly or indirectly) to the Issuer and/or the Guarantor without accounting for any profit.

The Trustee may rely without liability to Bondholders or any other person on any information, report, confirmation or certificate from or any advice or opinion of any legal counsel, accountants, valuers, auctioneers, surveyors, brokers, financial advisers, financial institution or any other expert or professional advisers, whether or not obtained by or addressed to it and whether their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto entered into by the Trustee or any other person or in any other manner) by reference to a monetary cap, methodology or otherwise. The Trustee may accept and shall be entitled to rely without liability on any such information, report, confirmation, certificate, advice or opinion, in which case such information, report, confirmation, certificate, advice or opinion shall be binding on the Issuer, the Guarantor and the Bondholders.

Whenever the Trustee is required or entitled by the terms of the Trust Deed, the Agency Agreement, the Deed of Guarantee or these Conditions to exercise any discretion or power, take any action, make any decision or give any direction, the Trustee is entitled, prior to exercising any such discretion or power, taking any such action, making any such decision or giving any such direction, to seek directions or clarification of any directions from the Bondholders by way of Extraordinary Resolution, and the Trustee shall not be responsible for any loss or liability incurred by the Issuer, the Guarantor, the Bondholders or any other person as a result of any delay in it exercising such discretion or power, taking such action, making such decision or giving such direction as a result of seeking such directions or clarification of directions from the Bondholders or in the event that no direction is given to the Trustee by the Bondholders.

None of the Trustee or any of the Agents shall be responsible or liable for the performance by the Issuer, the Guarantor and any other person appointed by the Issuer and/or the Guarantor in relation to the Bonds of the duties and obligations on their part expressed in respect of the same and, unless it has written notice from the Issuer or the Guarantor to the contrary, the Trustee and each Agent shall be entitled to assume that the same are being duly performed. None of the Trustee or any Agent shall be liable to any Bondholder or any other person for any action taken by the Trustee or such Agent in accordance with the approval, directions or instructions of the Bondholders. The Trustee shall be entitled to rely on any direction, instruction, request or resolution of Bondholders given by holders of the requisite principal amount of Bonds outstanding or passed at a meeting of Bondholders convened and held in accordance with the Trust Deed.

Neither the Trustee nor any of the Agents shall be under any obligation to ascertain whether any Event of Default or Potential Event of Default has occurred or monitor compliance by the Issuer or the Guarantor with the provisions of the Trust Deed, the Agency Agreement, the Deed of Guarantee or these Conditions, and none of them shall be responsible or liable to the Issuer, the Guarantor, the Bondholders or any other person for not doing so. Each of the Trustee and the Agents shall be entitled to assume that no Event of Default or Potential Event of Default has occurred until it has received written notice to the contrary from the Issuer or Guarantor.

Each Bondholder shall be solely responsible for making and continuing to make its own independent appraisal and investigation into the financial condition, creditworthiness, condition, affairs, status and nature of the Issuer, the Guarantor and their respective Subsidiaries, and the Trustee shall not at any time have any responsibility or liability for the same and each Bondholder shall not rely on the Trustee in respect thereof.

## **15 FURTHER ISSUES**

The Issuer may from time to time, without the consent of the Bondholders, create and issue further bonds having the same terms and conditions as the Bonds in all respects (or in all respects except for the issue date and the timing for complying with the requirements set out in these Conditions in relation to the Initial NDRC Post-Issuance Filing, the Initial CSRC Post-Issuance Filing and the Cross-border Security Registration) and so that such further issue shall be consolidated and form a single series with the Bonds. Such further bonds shall be constituted by a deed supplemental to the Trust Deed.

## **16 NOTICES**

All notices to Bondholders shall be validly given if mailed to them at their respective addresses in the register of Bondholders maintained by the Registrar or published in a leading newspaper having general circulation in Asia and, so long as the Bonds are listed on the Hong Kong Stock Exchange and the rules of that stock exchange so require, published in a leading newspaper having general circulation in Hong Kong (which is expected to be the South China Morning Post). Any such notice shall be deemed to have been given on the date of such publication or on the fourth weekday (being a day other than a Saturday or a Sunday) after being so mailed, as the case may be.

*As long as the Bonds are represented by the Global Certificate and the Global Certificate is held on behalf of Euroclear or Clearstream or an alternative clearing system, notices to Bondholders may be given by delivery of the relevant notice to Euroclear or Clearstream or the alternative clearing system, for communication by it to entitled accountholders in substitution for notification as required by the Conditions and shall be deemed to have been given on the date of delivery to such clearing system.*

## **17 CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999**

No person shall have any right to enforce any term or condition of the Bonds under the Contracts (Rights of Third Parties) Act 1999 but this is without prejudice to the rights of Bondholders as contemplated in Condition 13.

## **18 GOVERNING LAW AND JURISDICTION**

**18.1 Governing Law:** The Trust Deed, the Agency Agreement, the Deed of Guarantee and the Bonds and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law.

**18.2 Jurisdiction:** The courts of Hong Kong are to have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Bonds, the Deed of Guarantee, the Trust Deed and the Agency Agreement and accordingly any legal action or proceedings arising out of or in connection with the Bonds, the Deed of Guarantee, the Trust Deed and the Agency Agreement (“**Proceedings**”) may be brought in such courts. Each of the Issuer and the Guarantor irrevocably submits to the jurisdiction of the courts of Hong Kong and waives any objection to Proceedings in such courts on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum.

**18.3 Waiver of Immunity:** Each of the Issuer and the Guarantor hereby waives any right to claim sovereign or other immunity from jurisdiction or execution and any similar defence, and irrevocably consents to the giving of any relief or the issue of any process, including, without limitation, the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any order or judgment made or given in connection with any Proceedings.

## MARKET PRICE INFORMATION

The following table sets out the high, low and average closing prices and the average daily trading volume of the H Shares for the periods indicated.

	Closing price			Average Daily Trading Volume <i>(million)</i>
	High	Low <i>(HK\$)</i>	End of Period Average	
<b>2021</b>				
First Quarter . . . . .	14.58	8.64	10.56	88.74
Second Quarter . . . . .	13.30	9.62	11.19	66.48
Third Quarter. . . . .	12.40	9.55	10.80	50.47
Fourth Quarter. . . . .	11.74	9.03	10.30	30.16
<b>2022</b>				
First Quarter . . . . .	12.40	8.74	10.94	41.51
Second Quarter . . . . .	13.88	9.32	10.92	34.29
Third Quarter. . . . .	9.50	7.20	8.84	27.26
Fourth Quarter. . . . .	11.26	7.50	9.30	32.43
<b>2023</b>				
First Quarter . . . . .	13.44	11.14	12.43	29.98
Second Quarter . . . . .	14.54	10.58	12.34	33.65
Third Quarter. . . . .	13.48	11.44	12.54	23.14
Fourth Quarter. . . . .	12.80	11.28	11.92	21.70
<b>2024</b>				
First Quarter . . . . .	15.86	11.04	13.00	28.22
Second Quarter from 1 April to 17 June. . . . .	19.66	16.22	17.37	48.10

Source: Capital IQ



## EXCHANGE RATES

The PBOC sets and publishes daily a base exchange rate with reference primarily to the supply and demand of Renminbi against a basket of currencies in the market during the prior day. The PBOC also takes into account other factors, such as the general conditions existing in the international foreign exchange markets. On 21 July 2005, the PRC government introduced a managed floating exchange rate system to allow the value of the Renminbi to fluctuate within a regulated band based on market supply and demand and by reference to a basket of currencies. On the same day, the value of the Renminbi appreciated by 2 per cent. against the U.S. dollar. The PRC government has since made and in the future may make further adjustments to the exchange rate system. On 18 May 2007, the PBOC enlarged, effective on 21 May 2007, the floating band for the trading prices in the inter-bank spot exchange market of Renminbi against the U.S. dollar from 0.3 per cent. to 0.5 per cent. around the central parity rate. This allows the Renminbi to fluctuate against the U.S. dollar by up to 0.5 per cent. above or below the central parity rate published by the PBOC. The floating band was further widened to 1.0 per cent. on 16 April 2012. These changes in currency policy resulted in the Renminbi appreciating against the U.S. dollar by approximately 26.9 per cent. from 21 July 2005 to 31 December 2013. On 14 March 2014, the PBOC further widened the floating band against the U.S. dollar to 2.0 per cent. On 11 August 2015, the PBOC announced to improve the central parity quotations of Renminbi against the U.S. dollar by authorising market-makers to provide central parity quotations to the China Foreign Exchange Trading Centre daily before the opening of the interbank foreign exchange market with reference to the interbank foreign exchange market closing rate of the previous day, the supply and demand for foreign exchange as well as changes in major international currency exchange rates. This change, and other changes such as widening the trading band that may be implemented, may increase volatility in the value of the Renminbi against foreign currencies. In 2016, Renminbi experienced further fluctuation in value against the U.S. dollar but in 2017 and 2018 rebounded and appreciated significantly against the U.S. dollar. In July 2018, Renminbi depreciated sharply against the U.S. dollar. In August 2019, the RMB further depreciated past 7 RMB per U.S. dollar for its first time since the global financial crisis in 2008. The PRC government may from time to time make further adjustments to the exchange rate system in the future.

The following table sets forth information concerning exchange rates between the Renminbi and the U.S. dollar for the periods presented:

Period	Exchange Rate <sup>(1)</sup>			
	Period end	Average <sup>(2)</sup>	High	Low
		<i>(RMB per US\$1.00)</i>		
2017 . . . . .	6.5063	6.7350	6.9575	6.4773
2018 . . . . .	6.8755	6.6292	6.9737	6.2649
2019 . . . . .	6.9618	6.9014	7.1786	6.6822
2020 . . . . .	6.5250	6.8878	7.1681	6.5208
2021 . . . . .	6.3726	6.4382	6.5716	6.3435
2022 . . . . .	6.8972	6.7518	7.3048	6.3084
2023 . . . . .	7.0999	7.0896	7.3430	6.7010
2024				
January . . . . .	7.1673	7.1707	7.1961	7.1426
February . . . . .	7.1977	7.1935	7.1982	7.1799
March . . . . .	7.2203	7.2015	7.2289	7.1804
April . . . . .	7.2401	7.2374	7.2464	7.2305
May . . . . .	7.2410	7.2327	7.2494	7.2071
June (through 7 June) . . . . .	7.2466	7.2441	7.2475	7.2393

Notes:

- (1) Exchange rates between Renminbi and U.S. dollar represent the noon buying rates as set forth in the H.10 statistical release of the Federal Reserve Board.
- (2) Annual averages have been calculated from month-end rate. Monthly averages have been calculated using the average of the daily rates during the relevant period.

## DESCRIPTION OF THE SHARES

*The following information is a summary of certain provisions of the Company's Articles of Association and certain other information concerning the Company. These statements are only a summary and qualified in their entirety by reference to the full Articles of Association of the Company and Company Law of the People's Republic of China.*

After the establishment of the Company, the Company publicly issued 400,544,000 H Shares with the approval of the CSRC, which were listed on the Hong Kong Stock Exchange in December 2003. Subsequently, the Company publicly issued 1,400,000,000 A Shares with the approval of the CSRC, which were listed on the Shanghai Stock Exchange on 25 April 2008. Immediately after the completion of the above issuance of H Shares and A Shares, the total share capital of the Company was 14,541,309,100 Shares, among which 10,535,869,100 are A Shares, representing 72.45% per cent., and 4,005,440,000 are H Shares, representing 27.55% per cent. of the total share capital of the Company.

On 21 October 2022, the Company convened the 13th 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. The Company actively implemented the repurchase in accordance with its overall capital planning. As at 7 November 2023, the Company had completed the repurchase on the Shanghai Stock Exchange. The actual number of the A Shares repurchased by the Company was 42,200,000. Among which, the Company repurchased a total of 37,650,000 A Shares during the year ended 31 December 2023.

Due to resignations and other reasons, 20 participants of the restricted A Share incentive scheme for 2020 of the Company no longer satisfied the stipulations relating to the participants in the conditions of grant. The Company thereby repurchased and cancelled 2.741 million restricted A Shares granted but not yet unlocked held by the abovementioned 20 participants. The cancellations of the abovementioned restricted A Shares were completed on 11 January 2023 and 17 April 2023 at the China Securities Depository and Clearing Company Limited Shanghai Branch, respectively.

As at 31 December 2023, the registered capital of the Company was RMB2,632,657,124; the number of its issued shares was 26,326,571,240, comprising 5,736,940,000 H Shares, representing about 21.79% of its total issued shares, and 20,589,631,240 A Shares, representing about 78.21% of its total issued shares.

## **SUMMARY OF PROVISIONS RELATING TO THE BONDS IN GLOBAL FORM**

*The Global Certificate contains provisions which apply to the Bonds while they are in global form, some of which modify the effect of the Terms and Conditions of the Bonds set out in this Offering Circular. The following is a summary of certain of those provisions.*

*Terms defined in the Conditions set out in this Offering Circular have the same meaning in the paragraphs below.*

The Bonds will be represented by a Global Certificate which will be registered in the name of HSBC Nominees (Hong Kong) Limited as nominee for, and deposited with, a common depositary for Euroclear and Clearstream.

### **MEETINGS**

For the purposes of any meeting of Bondholders, the holder of the Bonds represented by the Global Certificate shall (unless the Global Certificate represents only one Bond) be treated as two persons for the purposes of any quorum requirements of a meeting of Bondholders and as being entitled to one vote in respect of each US\$100,000 in principal amount of Bonds then outstanding.

### **CANCELLATION**

Cancellation of any Bond represented by the Global Certificate by the Issuer following redemption, conversion or purchase by the Issuer, the Guarantor or any of their respective Subsidiaries will be effected by a reduction in the principal amount of the Bonds in the register of Bondholders and the Global Certificate on its presentation to or to the order of the Registrar for annotation (for information only) in the Schedule A thereto.

### **TRUSTEE'S POWERS**

In considering the interests of Bondholders while the Global Certificate is registered in the name of a nominee for a clearing system, the Trustee may, to the extent it considers it appropriate to do so in the circumstances, but without being obliged to do so, (a) have regard to any information as may have been made available to it by or on behalf of the relevant clearing system or its operator as to the identity of its accountholders (either individually or by way of category) with entitlements in respect of the Bonds and (b) consider such interests on the basis that such accountholders were the holders of the Bonds in respect of which the Global Certificate is issued.

### **CONVERSION**

Subject to the requirements of Euroclear and Clearstream (or any Alternative Clearing System (as defined below)), the Conversion Right attaching to a Bond in respect of which the Global Certificate is issued may be exercised at any time during the Conversion Period by the presentation to or to the order of the Principal Agent of one or more Conversion Notices (as defined in the Conditions) duly completed by or on behalf of a holder of a book-entry interest in such Bonds. Deposit of the Global Certificate with the Principal Agent together with the relevant conversion notice(s) shall not be required.

## **RECORD DATE**

Each payment in respect of the Global Certificate will be made to, or to the order of, the person shown as the holder in the Register at the close of business on the Clearing System Business Day immediately prior to the date for payment, where “Clearing System Business Day” means a weekday (Monday to Friday, inclusive) except 25 December and 1 January.

## **PAYMENT**

The Issuer, for value received, promises to pay to the holder of the Bonds represented by the Global Certificate (subject to surrender of this Global Certificate if no further payment falls to be made in respect of such Bonds) on the Maturity Date (or on such earlier date as the amount payable upon redemption under the Conditions may become payable in accordance with the Conditions) the amount payable upon redemption under the Conditions in respect of the Bonds represented by this Global Certificate and to pay interest (if any) in respect of such Bonds from and including the Issue Date in arrear at the rates, on the dates for payment, and in accordance with the method of calculation provided for in the Conditions, save that the calculation is made in respect of the total aggregate amount of the Bonds represented by this Global Certificate, together with such other sums and additional amounts (if any) as may be payable under the Conditions, in accordance with the Conditions.

Each payment will be made to, or to the order of, the person whose name is entered on the Register at the close of business on the Clearing System Business Day immediately prior to the date for payment, where “Clearing System Business Day” means a weekday (Monday to Friday, inclusive) except 25 December and 1 January.

## **NOTICES**

So long as the Bonds are represented by the Global Certificate and the Global Certificate is held on behalf of Euroclear or Clearstream or any alternative clearing system, notices to holders of the Bonds shall be given by delivery of the relevant notice to Euroclear or Clearstream or the Alternative Clearing System, for communication by it to accountholders entitled to an interest in the Bonds in substitution for notification as required by the Conditions.

## **REDEMPTION AT THE OPTION OF THE BONDHOLDERS**

The Bondholder’s redemption options in Condition 7.4 and Condition 7.5 may be exercised by the holder of the Global Certificate giving notice to any Paying Agent of the principal amount of Bonds in respect of which the option is exercised within the time limits specified in the relevant Condition.

## **REDEMPTION AT THE OPTION OF THE ISSUER**

The option of the Issuer provided for in Condition 7.2 and Condition 7.3 shall be exercised by the Issuer giving notice to the Bondholders within the time limits set out in and containing the information required by the relevant Condition.

## **BONDHOLDER'S TAX OPTION**

The option of the Bondholders not to have the Bonds redeemed as provided in Condition 7.3 shall be exercised by the presentation to any Paying Agent of a duly completed Bondholder's election notice within the time limits set out in and containing the information required by Condition 7.3.

## **EXCHANGE OF BONDS REPRESENTED BY GLOBAL CERTIFICATES**

Owners of interests in the Bonds in respect of which the Global Certificate is issued will be entitled to have title to the Bonds registered in their names and to receive individual definitive Certificates if either Euroclear or Clearstream or any other clearing system selected by the Issuer and approved in writing by the Trustee, the Principal Agent and the Registrar through which the Bonds are held (an "**Alternative Clearing System**") is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so. In such circumstances, the Issuer will at its own expense cause sufficient individual definitive Certificates to be executed and delivered to the Registrar for completion, authentication and despatch to the relevant holders of the Bonds. A person with an interest in the Bonds in respect of which the Global Certificate is issued must provide the Registrar not less than 30 days' notice at its specified office of such holder's intention to effect such exchange and a written order containing instructions and such other information as the Issuer and the Registrar may require to complete, execute and deliver such individual definitive Certificates.

## **TRANSFERS**

Transfers of beneficial interests in the Bonds represented by the Global Certificate will be effected through the records of Euroclear and Clearstream (or any Alternative Clearing System) and their respective participants in accordance with the rules and procedures of Euroclear and Clearstream (or any Alternative Clearing System) and their respective direct and indirect participants.

## **PARTIAL REDEMPTION**

In the case of a partial redemption of the Bonds, such Bonds to be redeemed will be selected by such method in such place as the Trustee may approve and in such manner as the Trustee shall deem to be appropriate, in accordance with the rules of the relevant Clearing System.

## PRC LAWS AND REGULATIONS

*This section summarises the principal PRC laws and regulations which are relevant to the Group's business and operations and the overseas financing. As this is a summary, it does not contain a detailed analysis of the PRC laws and regulations which are relevant to the Group's business and operations or the overseas financing.*

### GENERAL

The Group is a large mining conglomerate principally engaged in the exploration and mining of gold, copper and zinc as well as other metal mineral resources, supplemented by refining, processing and sales of related products. The Group mainly focuses on the exploitation and mining of gold, copper, zinc, and lithium supplemented by various metal mineral resources. The Group also engages in refining and processing businesses to an optimal extent, and other mining-related businesses such as research and development, construction, trade and finance. The Company believes that the Group is in compliance in all material respects with government regulations currently in effect in the jurisdictions in which it operates. The Company is not aware of significant problems with respect to compliance with government regulations in relation to its operations which could materially adversely affect its properties or operations, nor is it aware of any pending government legislation that might have a material adverse effect on its properties or operations.

### REGULATIONS OF THE PRC GOLD MINING INDUSTRY

#### The Mineral Resources Law

All mineral resources in China are owned by the State under the current Mineral Resources Law of the PRC (《中華人民共和國礦產資源法》), which was promulgated on 19 March 1986 and amended on 29 August 1996 and 27 August 2009. The Mineral Resources Law and its detailed implementation rules which were promulgated on 26 March 1994 govern, among other things, the granting of new mining rights. Exploration, exploitation and mining operations must comply with the provisions of the Mineral Resources Law and its detailed implementation rules and are under the supervision of the Ministry of Natural Resources (the "MNR").

#### Mining Operations

According to the Mineral Resources Law and the Detailed Rules for the Implementation of the Mineral Resources Law, the MNR and relevant local mineral resource bureau are the relevant regulatory authorities. Upon approval, an exploration licence for each proposed mine or a mining right permit for each mine will be granted by the MNR or the relevant local mineral resource bureau responsible for supervising and inspecting exploration and exploitation of mineral resources in the jurisdiction. Annual reports are required to be filed by the holders of mining right permits with the relevant administrative authorities that issued the permit.

It is unlawful for an entity or individual to conduct mining operations in areas previously authorised for exploitation by other mining operators. An entity whose mining operations cause harm to others in terms of production or living standards is liable to compensate the affected parties and to take necessary remedial measures. Under the Detailed Rules for the Implementation of the Mineral Resources Law, a mine operator must follow certain

procedures in closing a mine, including, among others, submitting a mine closure geology report to the regulatory authority that originally approved the opening of the mine, and a mine closure report to the relevant mineral resources bureau.

### ***Mining Safety***

The Production Safety Law of the PRC (《中華人民共和國安全生產法》) which was promulgated on 29 June 2002, first amended on 27 August 2009 and further amended on 31 August 2014 and 10 June 2021, is the principal law governing the supervision and administration of production safety in the PRC. Production and business operation entities shall abide by this law and other laws and regulations concerning work safety, strengthen work safety control, establish and improve the responsibility system and rules and regulations for work safety, improve the conditions for work safety, promote the standardisation of work safety and improve the level of work safety so as to ensure work safety.

Regulations on Work Safety Licences (Revision 2014) (《中華人民共和國安全生產許可證條例》) was promulgated on 13 January 2004, amended on 18 July 2013 and further revised on 29 July 2014. The State applies a work safety licencing system to enterprises engaged in mining, construction, and the production of dangerous chemicals, fireworks and crackers, and civil explosives (hereinafter referred to as enterprises). No such enterprises may engage in production activities without work safety licences.

Law of the PRC on Safety in Mines (《中華人民共和國礦山安全法》) was enacted on 1 May 1993 and was revised on 27 August 2009, according to which mining enterprises must possess facilities that ensure safety in production, establish and perfect the system of safety management, take effective measures to improve the working conditions for workers and staff and strengthen the work of safety control in mines in order to ensure safe production. Safety facilities in mine construction projects must be designed, constructed and put into operation and use at the same time with the principal parts of the projects.

### ***Environmental Protection***

China has promulgated a series of laws and regulations which establish national and local legal frameworks for environmental protection. These laws and regulations include standards applicable to emission controls, discharges of wastes and pollutants to the environment, generation, handling, storage, transportation, treatment and disposal of waste materials by production facilities, land rehabilitation and reforestation.

The PRC Environmental Protection Law (《中華人民共和國環境保護法》) requires that enterprises, public institutions, and other business operators that discharge pollutants shall adopt measures to prevent and control pollution and damage to environment caused by waste gas, waste water, waste residue, medical wastes, dust, malodorous gases, radioactive substances, noise, vibration, optical radiation, electromagnetic radiation, and other substances generated in their production, construction, and other activities. Pollutant discharging entities under intensified supervision shall instal and use monitoring equipment in accordance with the relevant provisions of the state and the monitoring norms, ensure the normal functioning of monitoring equipment, and preserve the original monitoring records. On 24 April 2014, the Standing Committee of National People's Congress passed the Amended Environmental Protection Law, pursuant to which, effective 1 January 2015,



more responsibility has been imposed on local governments and unlimited fines will be imposed on polluters. In addition, projects without environmental evaluation in accordance with relevant laws are not allowed to commence construction.

On 10 September 2013, the State Council issued the Action Plan for Prevention and Control of Atmospheric Pollution (the “**Action Plan**”), pursuant to which the PRC government plans to devote more efforts to prevent and control atmospheric pollution. On 17 September 2013, the State Council further issued the Rules for the Implementation for the Action Plan for Prevention and Control of Atmospheric Pollution in Beijing-Tianjin-Hebei metropolitan region, pursuant to which the PRC government aims to reduce atmospheric pollution and improve air quality. On 26 October 2018, the Law on Prevention and Control of Atmospheric Pollution (the “**Atmospheric Pollution Law**”) (《中華人民共和國大氣污染防治法》) was amended and promulgated by the Standing Committee of National People’s Congress of the PRC. The Atmospheric Pollution Law has, among other things, set standards, plan and timeline to reach the atmospheric pollution control targets, provide detailed regulations on major pollution source and impose stringent requirements to control the pollution from coal-fire, automobile, vessel and volatile organic compounds.

According to the Law on Prevention and Control of Water Pollution of the PRC (《中華人民共和國水污染防治法》), any new construction projects which directly or indirectly discharge pollutants to water, such as coal mines and coking plants, must conduct an environmental impact assessment. Every new production facility must be equipped with wastewater processing facilities which must be put in use together with the production facilities.

In addition to the PRC environmental laws and regulations, China is a signatory to the 1992 United Nations Framework Convention on Climate Change and the 1998 Kyoto Protocol, which propose emission targets to reduce greenhouse gas emissions. The Kyoto Protocol came into force in 2005. At present, the Kyoto Protocol has not set any specific emission targets for certain countries, including China.

## **NDRC SUPERVISION**

According to Administrative Measures for the Outbound Investment of Enterprises (企業境外投資管理辦法) issued by the NDRC on 26 December 2017, and effective from 1 March 2018, to make outbound investment, any investor shall go through the formalities to have a proposed overseas investment project (hereinafter referred to as the “**project**”) approved or filed on the record, report relevant information, and cooperate with supervision and inspection. In particular, projects subject to approval administration shall be sensitive projects carried out by investors either directly or through overseas enterprises under their control. The authority in charge of examining and approving such projects shall be the NDRC. Projects subject to record-filing administration shall be non-sensitive projects carried out directly by investors, in other words, non-sensitive projects carried out by investors to make direct investment with assets and equities or provide financing or a guarantee.

For projects subject to record-filing administration, the authority in charge of record-filing shall be: (i) the NDRC, if the investor is an enterprise under the administration of the Central Government (including financing institutions under the administration of the Central Government and enterprises under the direct administration of the State Council or its subordinate organs, the same below); (ii) the NDRC, if the investor is a local enterprise but the amount of investment made by the Chinese investor amounts to USD300 million or

above; and (iii) the development and reform authority under the provincial government at the place where the investor is registered if the investor is a local enterprise and the amount of investment made by the Chinese investor is less than USD300 million.

Where a project is carried out by two or more investors together, the investor making a larger amount of investment shall be responsible for applying for the approval or record-filing after obtaining the consent of other investors. Where the amount of investment made by each investor is the same, one of the investors shall be selected by consensus to apply for the approval or record-filing.

For projects subject to approval administration, investors shall submit their application reports as well as relevant documents for projects through the Network System to approval authorities. In particular, where the investor is an enterprise under the administration of the Central Government, the application shall be submitted by its group company or the head office to the approval authority, but the application may be directly filed to the approval authority if the investor is a local enterprise.

Where a project that has been approved or filed for the record falls within any of the following circumstances, the investor shall file an application with the authority that originally issued the approval document or the record-filing notice for such project regarding certain changes before such circumstance arises:

- (i) Where the number of investors increases or decreases;
- (ii) Where there is any major change to the investment destination;
- (iii) Where there is any major change to the major content of the project or its scale;
- (iv) Where the amount of investment made by Chinese investors varies by 20 per cent or above of the amount previously approved or filed for the record, or by USD100 million or above; or
- (v) Other circumstances where there is a need to make significant adjustments to what is specified in the approval document or in the record-filing notice for a project.

Where investors make investments in Hong Kong, Macao and Taiwan region either directly or through enterprises under their control, these Measures shall apply *mutatis mutandis*. Where investors make investments abroad through enterprises that are located in Hong Kong, Macao and Taiwan region and under their control, these Measures shall apply *mutatis mutandis*.

According to the NDRC Circular (Decree No. 56 of the NDRC), which was issued by the NDRC on 5 January 2023 and came into effect on 10 February 2023, if a PRC enterprise or an offshore enterprise controlled by a PRC enterprise wishes to issue debt instruments (including but not limited to senior bonds, perpetual bonds, capital bonds, medium-term notes, convertible bonds, exchangeable bonds, finance leases, commercial loans, etc) outside of the PRC with a maturity of more than one year, such enterprise must in advance of issuing such debt instruments, file certain prescribed documents with the NDRC and procure a registration certificate from the NDRC in respect of such issue.

The NDRC Circular (Decree No. 56 of the NDRC) relates to the matters as listed below:

- the NDRC will, within the scope of its duties stipulated by the State Council, administer examination and registration of qualified foreign debts of enterprises under the principles of “total quantity control, structure optimization, serving real economy and risk prevention”;
- the NDRC reasonably controls the total amount and structure of foreign debts of enterprises based on the needs of national economy and social development, the status of international balance of payments and foreign debt bearing capacity;
- an enterprise may, on its own discretion, decide on the use of funds raised from foreign debts at home and abroad, the purpose of which shall satisfy the following conditions: (I) the purpose shall not violate any laws and regulations of the PRC; (II) the purpose shall not threaten or impair national interests, economic security, or security of information data, etc.; (III) the purpose shall not go against the macro-economic control goals of the PRC; (IV) the purpose shall not violate the relevant development planning and industrial policies of the PRC, nor shall it increase the implicit debts of local governments; (V) the purpose shall not be speculation, hype or other acts (except for banking financial enterprises), the enterprise shall not re-lend the funds raised from foreign debts to others, unless relevant information has been stated in the application materials for examination and registration of foreign debts and the approval has been obtained;
- when borrowing foreign debts, an enterprise shall meet the following basic conditions: (I) it is established in accordance with the law, exists legally, operates in compliance with regulations, and has a sound and well-operated organisational structure; (II) it has a reasonable demand for funds raised from foreign debts, the purposes of which meet the aforesaid provisions and it also has good credit status, solvency and a sound risk prevention and control mechanism for foreign debts; and (III) the enterprise and its controlling shareholders and actual controllers have not committed, in the latest three years, criminal crimes such as corruption, bribery, embezzlement of property, misappropriation of property, or disruption of the order of socialist market economy, and have not been investigated in accordance with law for being suspected of committing a crime or committing a major violation of laws and regulations;
- enterprises shall, prior to the borrowing of foreign debts, obtain the Certificate of Examination and Registration of Foreign Debts Borrowed by Enterprises and complete the formalities of examination and registration. Those that have not completed examination and registration formalities are not allowed to borrow foreign debts;
- the headquarters (or head office, etc.) of an enterprise’s domestic holding enterprise shall submit an application report attached with the relevant documents to the NDRC. The application report shall cover the following main particulars: (I) basic information, existing foreign debts and compliance of the enterprise; (II) analysis of the necessity, feasibility, economy and financial sustainability of the borrowing of foreign debts; (III) plan for borrowing foreign debts, including the currency, size, interest rate and maturity of foreign debts, types of debt instruments, guarantee or other credit enhancement measures, purpose of the funds raised, contra flow and work

plan for borrowing foreign debts; (IV) plans for repayment of the principal and interest of foreign debts and risk prevention measures; and (V) letter of commitment for the authenticity of the borrowing of foreign debts by the enterprise;

- the examination and registration authorities shall, within three months from the date of acceptance, issue a Certificate of Examination and Registration for an application for examination and registration which complies with the provisions, or issue a written notice on non-examination and non-registration with the reason for non-examination and non-registration stated;
- the enterprise shall, on the strength of the Certificate of Examination and Registration, complete the relevant formalities for foreign exchange registration, account opening, receipt/payment and exchange of funds, use of funds etc. as required; and
- the enterprises shall, within 10 working days after each borrowing of foreign debts, submit the information on borrowing of foreign debts to the examination and registration authorities through the Network System, including their major business indicators and information on borrowing of foreign debts.

## FOREIGN EXCHANGE ADMINISTRATION

The lawful currency of the PRC is the Renminbi, which is subject to foreign exchange controls and is not freely convertible into foreign exchange at this time. The State Administration of Foreign Exchange (國家外匯管理局, the “SAFE”), under the authority of the People’s Bank of China (中國人民銀行, the “PBOC”), is empowered with the functions of administering all matters relating to foreign exchange, including the enforcement of foreign exchange control regulations.

The principal law governing foreign exchange in the PRC is the PRC Administrative Regulations on Foreign Exchange (《中華人民共和國外匯管理條例》, the “**Foreign Exchange Regulations**”). The Foreign Exchange Regulations was enacted by the State Council on 29 January 1996 and implemented on 1 April 1996. On 14 January 1997 and 5 August 2008, the State Council amended the Foreign Exchange Regulations. According to the Foreign Exchange Regulations, the RMB is freely convertible for “current account transactions”, which refers to any transaction account for international receipts and payments involving goods, services, earnings and frequent transfers. For “capital account transactions” which refers to any transaction account for international receipts and payments that result in any change in external assets and liabilities, including, *inter alia*, capital transfers, direct investments, securities investments, derivatives and loans, prior approval of and registration with the SAFE or its local branches is generally required.

Pursuant to the Administrative Regulation of Foreign Exchange Settlement, Sale and Payment (《結匯、售匯及付匯管理規定》), which was promulgated by the PBOC on 20 June 1996 and came into effect on 1 July 1996, foreign-invested enterprises may only buy, sell and/or remit foreign currencies at banks authorised to conduct foreign exchange business after providing valid commercial documents and, in the case of capital account transactions, obtaining approval from SAFE or its local branches.

On 9 June 2016, the SAFE promulgated the Notice on Reforming and Standardising the Administrative Provisions on Capital Account Foreign Exchange Settlement (《關於改革和規範資本項目結匯管理政策的通知》, the “**SAFE Circular 16**”) which took effect on the same

day and was amended on 4 December 2023. According to the SAFE Circular 16, enterprises registered in PRC could settle the external debts in foreign currencies to Renminbi at their own discretion. The SAFE Circular 16 sets a uniform standard for discretionary settlement of foreign currencies under capital accounts (including but not limited to foreign currency capital, external debts and repatriated funds raised through overseas listing), which is applicable to all enterprises registered in PRC. It reiterated that the Renminbi funds obtained from the settlement of foreign currencies shall not be used directly or indirectly for purposes beyond the company's scope of business, and shall not be used for domestic securities investment or investments and wealth management products (excluding wealth management products and structured deposits with risk rating results not exceeding Level 2), unless otherwise expressly prescribed. Furthermore, such Renminbi funds shall not be used for disbursing loans to non-affiliated enterprises, unless the scope of business expressly provides so; and shall not be used to construct or purchase real estate not for self-use (except for real estate enterprises).

## **PRC CURRENCY CONTROLS**

Renminbi is not a freely convertible currency. The remittance of Renminbi into and outside the PRC is subject to controls imposed under PRC law.

### **Current Account Items**

Under the PRC foreign exchange control regulations, current account items refer to any transaction for international receipts and payments involving goods, services, earnings and other frequent transfers into and outside the PRC.

Pursuant to the Measures on the Trial Administration of Settling Cross-Border Transactions in Renminbi (跨境貿易人民幣結算試點管理辦法) which was promulgated on 1 July 2009, the PRC has commenced a pilot scheme pursuant to which Renminbi may be used for settlement of imports and exports of goods between approved pilot enterprises in certain pilot regions. On 17 June 2010, 27 July 2011, 3 February 2012 and 13 March 2014, respectively, the PRC government promulgated the Circular on Issues concerning the Expansion of the Scope of the Pilot Programme of Renminbi Settlement of Cross-Border Trades (關於擴大跨境貿易人民幣結算試點有關問題的通知), the Circular on Expanding the Regions of Cross-border Trade Renminbi Settlement (關於擴大跨境貿易人民幣結算地區的通知), the Notice on Matters Relevant to the Administration of Enterprises Engaged in Renminbi Settlement of Export Trade in Goods (關於出口貨物貿易人民幣結算企業管理有關問題的通知) and the Notice on Simplifying Matters Relevant to the Administration of Enterprises Engaged in Renminbi Settlement of Export Trade in Goods (關於簡化出口貨物貿易人民幣結算企業管理有關事項的通知) (together as "**Circulars**"). Pursuant to these Circulars, (i) Renminbi settlement of imports and exports of goods and of services and other current account items became permissible, (ii) the list of designated pilot districts were expanded to cover all provinces and cities in the PRC, (iii) the restriction on designated offshore districts has been lifted and (iv) any enterprise qualified for the export and import business is permitted to use Renminbi as settlement currency for exports of goods without obtaining the approval as previously required, provided that the relevant provincial government has submitted to PBOC and five other PRC authorities (the "**Six Authorities**") a list of key enterprises subject to supervision and the Six Authorities have reviewed and approved such list (the "**Supervision List**").

Accordingly, offshore enterprises are entitled to use Renminbi to settle imports of goods and services and other current account items. Renminbi remittance for exports of goods from the PRC may only be effected by (a) enterprises with the foreign trading right and incorporated in a province which has already submitted the Supervision List (for the avoidance of doubt, that PRC enterprises do not necessarily need to be included in the Supervision List), or (b) enterprises that have been approved as pilot enterprises for using Renminbi for exports before the Six Authorities reviewed and approved the Supervision List submitted by relevant province.

On 5 July, 2013, PBOC promulgated the Circular on Policies related to Simplifying and Improving Cross-border Renminbi Business Procedures (關於簡化跨境人民幣業務流程和完善有關政策的通知) (the “**2013 PBOC Circular**”), which, in particular, simplifies the procedures for cross-border Renminbi trade settlement under current account items. For example, PRC banks may conduct settlement for PRC enterprises (excluding those on the Supervision List) upon the PRC enterprises presenting the payment instruction. PRC banks may also allow PRC enterprises to make/receive payments under current account items prior to the relevant PRC bank’s verification of underlying transactions on a need basis (noting that verification of underlying transactions is usually a precondition for cross border remittance).

On 1 November 2014, the PBOC introduced a cash pooling arrangement for qualified multinational enterprise group companies, under which a multinational enterprise group can process cross-border Renminbi payments and receipts for current account items on a collective basis for eligible member companies in the group. On 5 September 2015, the PBOC promulgated the Circular on Further Facilitating the Cross-Border Bi-directional Renminbi Cash Pooling Business by Multinational Enterprise Groups (關於進一步便利跨國企業集團開展跨境雙向人民幣資金池業務的通知) (the “**2015 PBOC Circular**”), which, *inter alia*, has lowered the eligibility requirements for multinational enterprise groups and increased the cap for net cash inflow. The 2015 PBOC Circular also provides that enterprises within a pilot free trade zone in the PRC, such as the China (Shanghai) Pilot Free Trade Zone (“**Shanghai FTZ**”) may establish an additional cash pool in the local scheme in such pilot free trade zone, but each onshore company within the group may only elect to participate in one cash pool.

The regulations referred to will be subject to interpretation and application by the relevant PRC authorities. Local authorities may adopt different practises in applying the Circulars and the 2013 PBOC Circular and impose conditions for settlement of current account items.

### **Capital Account Items**

On 7 April 2011, SAFE promulgated the Circular on Issues Concerning the Capital Account Items in connection with Cross-Border Renminbi (關於規範跨境人民幣資本項目業務操作有關問題的通知) (“**SAFE RMB Circular**”), which became effective on 1 May 2011. According to the SAFE RMB Circular in the event that foreign investors intend to use cross-border Renminbi (including offshore Renminbi and onshore Renminbi held in the capital accounts of non-PRC residents) to make contributions to an onshore enterprise or make payments for the transfer of an equity interest of an onshore enterprise by a PRC resident, such onshore enterprise shall be required to submit the prior written consent of the MOFCOM or the relevant local counterparts to the relevant local branches of SAFE of such onshore enterprise and register for a foreign invested enterprise status. Further, the

SAFE RMB Circular clarifies that the foreign debts borrowed, and the external guarantee provided, by an onshore entity in Renminbi shall, in principle, be regulated under the current PRC foreign debt and external guarantee regime.

On 13 October 2011, the PBOC promulgated the “Administrative Measures on Renminbi Settlement of Foreign Direct Investment” (《外商直接投資人民幣結算業務管理辦法》) (the “**PBOC FDI Measures**”) as part of the implementation of the PBOC’s detailed Renminbi foreign direct investments (“**FDI**”) accounts administration system. The system covers almost all aspects in relation to FDI, including capital injections, payments for the acquisition of PRC domestic enterprises, repatriation of dividends and other distributions, as well as Renminbi denominated cross-border loans. Under the PBOC FDI Measures, special approval for FDI and shareholder loans from the PBOC, which was previously required, is no longer necessary. In some cases however, post-event filing with the PBOC is still necessary. On 14 June 2012, the PBOC further issued the implementing rules for the PBOC FDI Measures, which provides more detailed rules relating to cross-border Renminbi direct investments and settlement.

Pursuant to the PBOC Circular on Clarifying the Detailed Operating Rules for RMB Settlement Business in Relation to Foreign Direct Investment (《中國人民銀行關於明確外商直接投資人民幣結算業務操作細則的通知》) (the “**PBOC RMB FDI Detailed Rules**”) which was promulgated on 14 June 2012 and the Announcement on Revising Certain Articles of Two Departmental Rules Including the Administrative Provisions on Overseas Foreign Exchange Accounts and Five Regulatory Documents Including the Interim Provisions on the Administration of Domestic Foreign Exchange Transfer (關於對《境外外匯賬戶管理規定》等2件部門規章和《境內外匯劃轉管理暫行規定》等5件規範性文件予以修改的公告) which was promulgated on 5 June 2015, a foreign-invested enterprise shall not use RMB funds in its RMB special deposit account for registered capital purposes, nor shall it use RMB funds in its RMB general offshore loan deposit account for the purchase of financial products or properties not for its own use. Further, foreign-invested enterprises that are not investment companies must not use such RMB funds for reinvestment within the territory of the PRC.

On 10 May 2013, SAFE promulgated the Provisions on the Foreign Exchange Administration of Domestic Direct Investment by Foreign Investors (《外國投資者境內直接投資外匯管理規定》) (the “**SAFE Provisions**”), which became effective on 13 May 2013. According to the SAFE Provisions, foreign investors can use cross-border Renminbi (including Renminbi inside and outside the PRC held in the capital accounts of non-PRC residents) to make a contribution to an onshore enterprise or make a payment for the transfer of an equity interest of an onshore enterprise held by a PRC resident. Capital account transactions in Renminbi must generally follow the current foreign exchange control regime applicable to foreign currencies.

On 3 December 2013, MOFCOM promulgated the “Circular on Issues in relation to Cross-border Renminbi Foreign Direct Investment” (《商務部關於跨境人民幣直接投資有關問題的公告》) (the “**MOFCOM Circular**”), which became effective on 1 January 2014, to further facilitate FDI by simplifying and streamlining the applicable regulatory framework. Unlike previous MOFCOM regulations on FDI, the MOFCOM Circular removes the approval requirement for foreign investors who intend to change the currency of its existing capital contribution from a foreign currency to Renminbi. In addition, the MOFCOM

Circular also clearly prohibits the FDI funds from being used for any investment in securities and financial derivatives (except for investment in the PRC listed companies as strategic investors) or for entrustment loans in the PRC.

To support the development of the Shanghai FTZ, the Shanghai Head Office of the PBOC issued the Circular on Supporting the Expanded Cross-border Utilisation of Renminbi in the Shanghai FTZ (關於支持中國(上海)自由貿易試驗區擴大人民幣跨境使用的通知) (the “**PBOC Shanghai FTZ Circular**”) on 20 February 2014, which allows banks in Shanghai to directly handle the cross-border RMB settlement under recurring items and direct investment items by presenting the collection and payment instructions submitted by the institutions in Shanghai (except for those in the list of enterprises subject to key regulation for RMB settlement of exports trade) and individuals, based on the principles of “knowing your client”, “knowing your business” and “due diligence”. When handling the settlement under direct investment items for the above subjects, banks shall, according to the requirements of the negative list approach for investment admission of the Shanghai FTZ, require the presenting of the approval documents issued by the approval authority for cross-border RMB settlement under direct investment items within the scope of the negative list approach. However, the application of the Shanghai FTZ Circular is limited to the Shanghai FTZ.

The SAFE Provisions, the MOFCOM Circular and the PBOC FDI Measures have been promulgated to control the remittance of Renminbi for payment of transactions categorised as capital account items and such regulations will be subject to interpretation and application by the relevant PRC authorities. Further, if any new PRC regulations are promulgated in the future which have the effect of permitting or restricting (as the case may be) the remittance of Renminbi for payment of transactions categorised as capital account items, then such remittances will need to be made subject to the specific requirements or restrictions set out in such rules.

## **CROSS-BORDER SECURITY LAWS**

On 19 May 2014, SAFE promulgated the “Notice concerning the Foreign Exchange Administration Rules on Cross-Border Security and the relating implementation guidelines” (《國家外匯管理局關於發佈《跨境擔保外匯管理規定》的通知》) (collectively the “**New Regulations**”). The New Regulations, which come into force on 1 June 2014, replace 12 other regulations regarding cross-border security and introduce a number of significant changes, including: (i) abolishing prior SAFE approval and quota requirements for cross-border security; (ii) requiring SAFE registration for two specific types of cross border security only; (iii) removing eligibility requirements for providers of cross-border security; (iv) the validity of any cross-border security agreement is no longer subject to SAFE approval, registration, filing or any other SAFE administrative requirements; (v) removing SAFE verification requirement for performance of cross-border security. A cross-border guarantee is a form of security under the New Regulations. The New Regulations classify cross-border security into three types:

Nei Bao Wai Dai (內保外貸) (“**NBWD**”): security/guarantee provided by an onshore security provider for a debt owing by an offshore debtor to an offshore creditor.

Wai Bao Nei Dai (外保內貸) (“**WBND**”): security/guarantee provided by an offshore security provider for a debt owing by an onshore debtor to an onshore creditor.



Other Types of Cross-border Security (其他形式跨境擔保): any cross-border security/guarantee other than NBWD and WBND.

In respect of NBWD, in the case where the onshore security provider is a non-financial institution, it shall conduct a registration of the relevant security/guarantee with SAFE within 15 working days after its execution (or 15 working days after the date of any change to the security). The funds borrowed offshore shall not be directly or indirectly repatriated to or used onshore by means of loans, equity investments or securities investments without SAFE approval. The onshore security provider can pay to the offshore creditor directly (by effecting remittance through an onshore bank) where the NBWD has been registered with SAFE. In addition, if any onshore security provider under a NBWD provides any security or guarantee for an offshore note issuance, the offshore issuer's equity shares must be fully or partially held directly or indirectly by the onshore security provider. Moreover, the proceeds from any such offshore note issuance must be applied towards the offshore project(s), where an onshore entity holds an equity interest, and in respect of which the related approval, registration, record, or confirmation have been obtained from or made with the competent authorities subject to PRC Laws. On 26 January 2017, the SAFE promulgated the "Notice of the State Administration of Foreign Exchange on Further Promoting the Reform of Foreign Exchange Administration and Improving the Examination of Authenticity and Compliance (Hui Fa [2017] No. 3)" (國家外匯管理局關於進一步推進外匯管理改革完善真實合規性審核的通知) (匯發[2017]3號) (the "**Notice 3**"), pursuant to the Notice 3, the funds borrowed offshore under a NBWD are permitted to be directly or indirectly repatriated to or used onshore by means of loans and equity investments. However, according to the Policy Questions and Answers (second batch) of the Notice of the State Administration of Foreign Exchange on Further Promoting the Reform of Foreign Exchange Administration and Improving the Examination of Authenticity and Compliance (國家外匯管理局關於進一步推進外匯管理改革完善真實合規性審核的通知(匯發[2017]3號)政策問答(第二期)) (the "**Questions and Answers**") promulgated by the SAFE on 27 April 2017, the use of proceeds raised by overseas bonds issuance shall still comply with the provisions of the SAFE Regulations, which means such proceeds shall be only used for overseas investment projects in which the domestic guarantor has equity interests and the relevant overseas issuer or projects have been approved, registered, recorded or confirmed by the domestic and overseas investment authorities. To sum up, according to the SAFE Regulations, the Notice 3 and the Questions and Answers mentioned above, the proceeds from any such offshore bonds issuance must be applied towards the offshore project(s), where an onshore entity holds an equity interest, and in respect of which the related approval, registration, record, or confirmation have been obtained from or made with the competent authorities subject to PRC laws, unless otherwise permitted by SAFE.

The Guarantor will unconditionally and irrevocably guarantee the due payment of all sums expressed to be payable by the Issuer under the Bonds. The Guarantor's obligations in respect of the Bonds are contained in the Guarantee of the Bonds. The Guarantee of the Bonds will be executed by the Guarantor on or before the Issue Date. Under the SAFE Regulations, the Guarantee of the Bonds does not require any pre-approval by SAFE and is binding and effective upon execution.

The Guarantor is required to submit the Guarantee of the Bonds to the local SAFE for registration within 15 China Business Days after its execution. The SAFE registration is merely a post signing registration requirement, which is not a condition to the effectiveness of the Guarantee of the Bonds.

Under the SAFE Regulations, the local SAFE will go through a procedural review (as opposed to a substantive approval process) of the Guarantor's application for registration. Upon completion of the review, the local SAFE will issue a registration notice or record to the Guarantor to confirm the completion of the registration.

Under the SAFE Regulations:

non-registration does not render the Guarantee of the Bonds ineffective or invalid under PRC law although SAFE may impose penalties on the Guarantor if submission for registration is not carried out within the stipulated time frame of 15 working days; and

there may be logistical hurdles at the time of remittance (if any cross-border payment is to be made by the Guarantor under the Guarantee of the Bonds) as domestic banks may require evidence of SAFE registration in order to effect such remittance, although this does not affect the validity of the Guarantee of the Bonds itself.

The Terms and Conditions provide that the Guarantor will register, or cause to be registered, the Guarantee of the Bonds with SAFE in accordance with, and within the time period prescribed by, the SAFE Regulations and use its reasonable endeavours to complete the registration and obtain a registration record from SAFE on or before the Registration Deadline. If the Guarantor fails to complete the SAFE registration and deliver the registration records to the Trustee before the Registration Deadline, under the Terms and Conditions of the Bonds, Bondholders may require the Issuer to redeem their Bonds under the circumstances as specified in the Terms and Conditions.

## **THE PRC LEGAL SYSTEM**

The PRC legal system is based on the PRC Constitution and is made up of written laws, regulations, directives and local laws and laws resulting from international treaties entered into by the PRC government. In general, only limited volumes of published court decisions may be cited for reference, and such cases have limited precedential value as they are not binding on subsequent cases.

The National People's Congress of the PRC ("NPC") and the Standing Committee of the NPC are empowered by the PRC Constitution to exercise the legislative power of the State. The NPC has the power to amend the PRC Constitution and enact and amend basic laws governing State agencies and civil, criminal and other matters. The Standing Committee of the NPC is empowered to enact and amend all laws except for the laws that are required to be enacted and amended by the NPC.

The State Council is the highest organ of the State administration and has the power to enact administrative rules and regulations. The ministries and commissions under the State Council are also vested with the power to issue orders, directives and regulations within the jurisdiction of their respective departments. All administrative rules, regulations, directives and orders promulgated by the State Council and its ministries and commissions must be consistent with the PRC Constitution and the national laws enacted by the NPC and the Standing Committee of the NPC. In the event that a conflict arises, the Standing Committee of the NPC has the power to annul administrative regulations which contradict the PRC Constitution and the national laws, while the State Council has the power to alter or annul any inappropriate rules of the ministries under the State Council. The people's congresses or their standing committees of the provinces, autonomous regions and municipalities

directly under the Central Government may, in light of the specific conditions and actual needs of their respective administrative areas, enact local regulations, provided that such regulations do not contradict the PRC Constitution, the national laws and the administrative regulations. The People's Congresses or their standing committees of certain large cities may, in light of the specific local conditions and actual needs, enact local regulations, provided that they do not contradict the PRC Constitution, the national laws, the administrative regulations and the local regulations of their respective provinces or autonomous regions, and they shall submit the regulations to the standing committees of the people's congresses of the provinces or autonomous regions for approval before implementation.

The people's governments of the provinces, autonomous regions, municipalities directly under the Central Government and certain large cities may, in accordance with the national laws and administrative regulations and the local regulations of their respective province, autonomous regions or municipalities, enact rules.

In relation to certain matters except the coercive measures and punishment in respect to crime and criminal penalty, deprivation of political rights and restriction of personal liberty, and to judicial system, the State Council can enact administrative regulations under the authorisation from the NPC and the Standing Committee of NPC. After such administrative regulations have been tested in practise and when the conditions are mature for enacting a law on the aforementioned matters, the State Council shall propose to the NPC and the Standing Committee of NPC in a timely manner for enacting the law.

The PRC Constitution vests the power to interpret laws in the Standing Committee of the NPC. The Supreme People's Court has the power to give general interpretation on the application of laws in judicial proceedings, according to Resolution of the Standing Committee of the NPC providing an Improved Interpretation of the Law. (《全國人民代表大會常務委員會關於加強法律解釋工作的決議》). The State Council and its ministries and commissions are also vested with the power to interpret rules and regulations that they have promulgated. At the regional level, the power to interpret regional rules and regulations is vested in the regional legislative and administrative bodies which promulgated such laws.

## **THE PRC JUDICIAL SYSTEM**

Under the PRC Constitution and the Law of Organisation of the People's Courts, the judicial system is made up of the Supreme People's Court, the local courts, military courts and other special courts.

The local courts are comprised of the basic courts, the intermediate courts and the higher courts.

The basic courts are organised into civil, criminal, economic, administrative and other divisions. The intermediate courts are organised into divisions similar to those of the basic courts, and are further organised into other special divisions, such as the intellectual property division. The judicial work of the courts at lower levels is subject to supervision by the courts at higher levels. The people's procuratorates also have the right to exercise legal supervision over the civil proceedings of courts of the same level and lower levels. The Supreme People's Court is the highest judicial body in the PRC. It supervises the administration of justice by all other courts. The courts employ a two-tier appellate system. A party may appeal against a judgement or order of a local court to the court at the next

higher level. Second judgements or orders given at the next higher level and the first judgements or orders given by the Supreme People's Court are final. If, however, the Supreme People's Court or a court at a higher level finds an error in a judgement which has been given by any court at a lower level, or the president of a court finds an error in a judgement which has been given in the court over which he presides, the case may then be retried in accordance with the judicial supervision procedures.

The Civil Procedure Law of the PRC, which was adopted on 9 April 1991 and amended on 28 October 2007, secondly amended on 31 August 2012, thirdly amended on 1 July 2017, fourthly amended on 24 December 2021 and fifthly amended on 1 September 2023 sets forth the criteria for instituting a civil action, the jurisdiction of the courts, the procedures to be followed for conducting a civil action and the procedures for enforcement of a civil judgement or order. All parties to a civil action conducted within the PRC must comply with the Civil Procedure Law. Generally, a civil case is initially heard by a local court of the municipality or province in which the defendant resides. The parties to a contract may, by express agreement, select a jurisdiction where civil actions may be brought, provided that the jurisdiction is either the plaintiff's or the defendant's place of residence, the place of execution or implementation of the contract or the place of the object of the contract. However, such selection cannot violate the stipulations of grade jurisdiction and exclusive jurisdiction in any case.

A foreign individual or enterprise generally has the same litigation rights and obligations as a citizen or legal person of the PRC. If the courts of a foreign country impose restrictions on the civil procedural rights of PRC citizens, legal persons and other organisations, the PRC courts shall apply the principle of reciprocity to the civil procedural rights of citizens, legal persons and organisations of such a foreign country. If any party to a civil action refuses to comply with a judgement or order made by a court or an award granted by an arbitration panel in the PRC, the aggrieved party may apply to the court to request for enforcement of the judgement, order or award. The time limit imposed on the right to apply for such enforcement is two years. If a person fails to satisfy a judgement made by the court within the stipulated time, the court will, upon application by either party, mandatorily enforce the judgement.

Where a party applies for enforcement of an effective judgement or ruling of a court, if the party against whom enforcement is sought or the property thereof is not within the territory of the PRC, the applicant may apply directly to the foreign court having jurisdiction for recognition and enforcement, or apply to a PRC court for such court to request recognition and enforcement by the foreign court in accordance with the provisions of an international treaty concluded or acceded to by the PRC or under the principle of reciprocity. Where a valid and effective judgement or ruling of a foreign court requires recognition and enforcement by a court of the PRC, a party may apply directly to the intermediate court of the PRC having jurisdiction for recognition and enforcement, or apply to the foreign court for the foreign court to request recognition and enforcement by the PRC court in accordance with the provisions of an international treaty concluded or acceded to by the PRC or under the principle of reciprocity. After examining an application or request for recognition and enforcement of a valid and effective judgement or ruling of a foreign court in accordance with an international treaty concluded or acceded to by the PRC or under the principle of reciprocity, a PRC court shall issue a ruling to recognise the legal force of the judgement or ruling and issue an order for enforcement as needed to enforce the judgement or ruling according to the relevant provisions of the Civil Procedure Law of the PRC if the PRC court deems that the judgement or ruling does not violate the basic principles of the

laws of the PRC and the sovereignty, security and public interest of the PRC. If the judgement or ruling violates the basic principles of the laws of the PRC or the sovereignty, security or public interest of the PRC, the PRC court shall not grant recognition and enforcement.

## **EIT LAW**

According to the Enterprise Income Tax Law of the PRC (the “**EIT Law**”), which took effect on 1 January 2008 and was amended on 24 February 2017 and 29 December 2018, and its implementation rules, a company which is identified as a resident enterprise by relevant PRC tax authorities, the dividends (not including investment income from stocks issued publicly by other PRC resident enterprises and traded on PRC stock exchanges where the holding period is less than 12 months consecutively) received by the company from its direct equity investment in other PRC resident enterprises shall be exempt from enterprise income tax, and furthermore, the company would be obligated to withhold PRC income tax of up to 10%, or a lower rate if tax treaty benefits are available, on the payments of interest and certain other amounts to the creditors that are non-resident enterprises, because the interest and other amounts would be regarded as being derived from sources within the PRC.

## **VALUE-ADDED TAX**

The Ministry of Finance and the State Administration of Taxation of PRC has implemented the pilot programme of replacing business tax with value-added tax since 2016. According to Notice of the Ministry of Finance and the State Administration of Taxation on Overall Implementation of the Pilot Programme of Replacing Business Tax with Value-added Tax (Caishui No. [2016]36), which is promulgated in March 2016 and became effective in May 2016, (i) entities and individuals engaging in the sale of services, intangible assets or real property within the territory of the People’s Republic of China shall be the taxpayers of value-added tax (“**VAT**”) and shall, instead of business tax, pay VAT in accordance with these Measures; (ii) sale of services refers to the provisions of transportation services, postal services, telecommunication services, construction services, financial services, modern services and consumer services; and (iii) financial services refer to the business activities of financial and insurance operation, including loan processing services, financial services of direct charges, insurance services and the transfer of financial instruments.

## **INTELLECTUAL PROPERTY LAWS AND REGULATIONS**

China has adopted legislation related to intellectual property rights, including trademarks, patents and copyrights. China is a signatory to all major intellectual property conventions, including the Paris Convention for the Protection of Industrial Property, Madrid Agreement on the International Registration of Marks and Madrid Protocol, Patent Cooperation Treaty, Budapest Treaty on the International Recognition of the Deposit of Microorganisms for the Purposes of Patent Procedure and the Agreement on Trade-Related Aspects of Intellectual Property Rights (the “**TRIPs**”).

## **REGULATIONS ON PATENTS**

Under the revised Patent Law of the PRC promulgated on 17 October 2020 and effective on 1 June 2021, there are three types of patents, including invention patents, design patents and utility model patents. Invention patents are valid for 20 years, utility model patents are valid for 10 years and design patents are valid for 15 years, in each case commencing on

their respective application dates. Persons or entities who use patents without the consent of the patent owners, make counterfeits of patented products, or engage in activities that infringe upon patent rights are held liable to the patent owner for compensation and may be subject to fines and even criminal punishment.

According to the Patent Law of the PRC, the “first to file” principle is adopted for the patent application, which means when more than one person files a patent application for the same invention, the patent will be granted to the person who files the application first. In addition, China requires absolute novelty for the sake of an invention to be patentable. Therefore, in general, a patent will be denied if it is publicly known in or outside of China. Furthermore, patents issued in China are not enforceable in Hong Kong, Taiwan or Macau, each of which has an independent patent system.

According to the Patent Cooperation Treaty (the “PCT”) to which China is a signatory, applications for the protection of inventions in any of the contracting states of the PCT may be filed as international applications.

## **REGULATIONS ON TRADEMARKS**

Both Trademark Law of the PRC promulgated by the National People’s Congress Standing Committee in 1982 and amended in 2001, 2013 and 2019 and the Regulation on Implementation of Trademark Law of the PRC promulgated by the State Council in 2002 and amended in 2014 provide protection to the holders of registered trademarks. In the PRC, registered trademarks include commodity trademarks, service trademarks, collective marks and certificate marks.

The Trademark Office under the State Administration for Industry and Commerce handles trademark registrations and grants a term of ten years to registered trademarks, renewable every ten years where a registered trademark needs to be used after the expiration of its validity term, a registration renewal application shall be filed within six months prior to the expiration of the term.

Under the Trademark Law of the PRC, any of the following acts may be regarded as an infringement upon the right to exclusive use of a registered trademark, including (1) use of a trademark identical to a registered trademark on the same type of commodities without licencing by the trademark registrant; (2) use of a trademark similar to a registered trademark on the same type of commodities without licencing by the trademark registrant, or use of a trademark identical or similar to the registered trademark on similar commodities which easily causes confusion; (3) sale of commodities which infringes upon exclusive rights to use registered trademarks; (4) forgery or unauthorised manufacturing of labels of other’s registered trademarks or sale of forged or unauthorised labels of other’s registered trademarks; (5) change of a registered trademark without the consent of the trademark registrant, and sale of commodities bearing the changed trademark in the market; (6) intentionally facilitating the infringement of other’s exclusive rights to use trademarks, assisting others in implementation of infringement of exclusive rights to use trademarks; or (7) causing harm to other’s exclusive rights to use registered trademarks.

## REGULATIONS ON DOMAIN NAMES

The Administrative Measures on Internet Domain Names, which were promulgated by the Ministry of Information Industry on 24 August 2017 and effective on 1 November 2017, regulate registrations of domain names with the Internet country code “.cn” and domain names in Chinese.

The Measures on National Top-Level Domain Name Dispute Resolution, which were promulgated by the Chinese Internet Network Information Centre on 18 June 2019, require domain name disputes to be accepted and settled by the domain name dispute resolution agency recognised by China Internet Network Information Center.

## REGULATIONS ON LABOUR PROTECTION

Enterprises in China are mainly subject to the following PRC labour laws and regulations: Labour Law of the PRC, PRC Employment Contracts Law (the “**Employment Contracts Law**”), the Regulation of Insurance for Work-Related Injury, the Regulations on Unemployment Insurance, the Provisional Measures on Insurance for Maternity of Employees, the Interim Provisions on Registration of Social Insurance, the Interim Regulation on the Collection and Payment of Social Insurance Premiums, the Administrative Regulation on Housing Fund and other related regulations, rules and provisions issued by the relevant governmental authorities from time to time.

Pursuant to Labour Law of the PRC companies must enter into employment contracts with their employees, based on the principles of equality, consent and agreement through consultation. Companies must establish and effectively implement a system of ensuring occupational safety and health, educate employees on occupational safety and health, preventing work-related accidents and reducing occupational hazards. Companies must also pay for their employees’ social insurance premium.

The principal regulations governing the employment contract is the PRC Employment Contracts Law, which was promulgated by the Standing Committee of the NPC on 29 June 2007 and came into effect on 1 January 2008, and was amended on 28 December 2012. Pursuant to the Employment Contracts Law, employers shall establish employment relationship with employees on the date that they start employing the employees. To establish employment, a written employment contract shall be concluded, or employers will be liable for the illegal actions. Furthermore, the probation period and liquidated damages shall be restricted by the law to safeguard employees’ rights and interests.

As required under the Regulation of Insurance for Work-Related Injury, the Provisional Measures on Insurance for Maternity of Employees, the Interim Provisions on Registration of Social Insurance and the Administrative Regulation on Housing Fund, enterprises in China are obliged to provide employees with welfare schemes covering pension insurance, unemployment insurance, maternity insurance, injury insurance, medical insurance and housing accumulation fund.

## **DIVIDEND DISTRIBUTIONS**

Under the Company Law, before dividends can be paid, a company shall set aside a minimum of 10% of its after-tax profit as a statutory surplus reserve fund. A company is not required to do so until the reserve balance reaches 50% of its registered capital. If a company's statutory reserve fund is not sufficient to cover its losses in previous years, a company shall use its profit of the current year to cover losses before retaining the statutory reserve fund. After a company has retained the statutory reserve fund as required, it may retain discretionary reserve fund from the after-tax profit (as approved by shareholders' meeting). After losses are covered and the reserve fund is retained, a company may distribute dividends to its shareholders.



## TAXATION

*The following summary of certain Hong Kong and PRC tax consequences of the purchase, ownership and disposition of Bonds and Shares is based upon applicable laws, regulations, rulings and decisions as of the date of this Offering Circular, all of which are subject to change (possibly with retroactive effect). This discussion does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the Bonds or the H Shares and does not purport to deal with consequences applicable to all categories of investors, some of which may be subject to special rules. Persons considering the purchase of Bonds should consult their own tax advisors concerning the tax consequences of the purchase, ownership and disposition of Bonds and Shares, including such possible consequences under the laws of their country of citizenship, residence or domicile.*

### HONG KONG

#### **Withholding tax**

No withholding tax is payable in Hong Kong in respect of payments of principal or interest on the Bonds.

#### **Stamp Duty**

No Hong Kong stamp duty will be chargeable upon the issuance or initial transfer of a Bond.

### PRC TAXATION

The following summary of certain PRC tax consequences of the purchase, ownership and disposition of Bonds is based upon applicable laws, rules and regulations in effect as of the date of this Offering Circular, all of which are subject to change (possibly with retroactive effect). This discussion does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the Bonds and does not purport to deal with consequences applicable to all categories of investors, some of which may be subject to special rules. Persons considering the purchase of Bonds should consult their own tax advisors concerning the tax consequences of the purchase, ownership and disposition of Bonds, including such possible consequences under the laws of their country of citizenship, residence or domicile.

#### **Income Tax**

Pursuant to the EIT Law effective on 1 January 2008 and amended on 29 December 2018 and the Individual Income Tax Law of the PRC amended on 31 August 2018 and effective on 1 January 2019 (the “**IIT Law**”) and their implementation rules respectively, an income tax is imposed on the interests by way of withholding in respect of the bonds, and is paid by the Issuer (if such interests are regarded as income derived from sources within the PRC under the EIT Law or the IIT Law, as the case may be) to non-resident bondholders, including non-resident enterprises and non-resident individuals. The current rates of such income tax are 20% (for non-resident individuals) and 10% (for non-resident enterprises) of the gross amount of the interests, unless there is an applicable tax treaty or arrangement that reduces or exempts such income tax.

Under the EIT Law and its implementation rules, any gains realised on the transfer of the bonds by holders who are deemed under the EIT Law as non-resident enterprises may be subject to PRC enterprise income tax if such gains are regarded as incomes derived from sources within the PRC. Under the EIT Law, a “non-resident enterprise” means an enterprise which is established under the laws of a jurisdiction other than the PRC, whose actual administrative organisation is not in the PRC, and which has established offices or premises in the PRC or has not established any offices or premises in the PRC but has obtained incomes derived from sources within the PRC. In addition, there is uncertainty as to whether gains realised on the transfer of the bonds by individual holders who are not PRC citizens or residents will be subject to PRC individual income tax under the IIT Law and its implementation rules. If such gains are subject to PRC income tax, the 10% enterprise income tax rate and 20% individual income tax rate will apply respectively unless there is an applicable tax treaty or arrangement that reduces or exempts such income tax.

If the Issuer is not able to make payments under the Bonds, the Guarantor fulfils the payment obligations of the Guarantee and the PRC tax authority views such payment as an interest income arising within the territory of the PRC, the Guarantor might need to withhold PRC income tax on payments with respect to the Bonds to non-PRC resident enterprises bondholders at the rate of 10% and to non-PRC resident individuals bondholders at a rate of 20%, unless there is an applicable tax treaty or arrangement that reduces or exempts such income tax.

### **Value-add Tax**

According to the Circular of Full Implementation of Replacing Business Tax with Value-Added Tax Reform (Caishui [2016] No. 36) (關於全面推行營業稅改徵增值稅試點的通知) (“**Circular 36**”), the entities and individuals providing services within the PRC shall be subject to VAT. The services are treated as being provided within China where either the service provider or the service recipient is located in China. The services subject to VAT include the provision of financial services such as the provision of loans. It is further clarified under Circular 36 that the “loans” refer to the activity of lending capital for another’s use and receiving the interest income thereon. It is not clear from the interpretation of Circular 36 whether the provision of loans to the Issuer could be considered as services provided within the PRC which could be regarded as the provision of financial services subject to VAT. Furthermore, there is no assurance that the Issuer will not be treated as resident enterprises under the EIT Law. PRC tax authorities could take the view that the Bondholders are providing loans within the PRC because the Issuer is treated as PRC tax residents. In which case, the issuance of the Bonds could be regarded as the provision of financial services within the PRC that is subject to VAT.

### **Stamp duty**

No PRC stamp duty will be chargeable upon the issue or transfer (as long as the register of holders of the Bonds is maintained outside the PRC) of the Bonds.

## SUBSCRIPTION AND SALE

The Issuer and the Guarantor have entered into a subscription agreement with the Managers dated 17 June 2024 (the “**Subscription Agreement**”) pursuant to which, and subject to certain conditions contained therein, the Issuer agreed to sell to the Managers, and each of the Managers has agreed to severally and not jointly subscribe and pay for, or to procure subscribers to subscribe and pay for, the aggregate principal amount of the Bonds set forth opposite its name below.

	<b>Principal amount of the Bonds to be subscribed</b>
	<i>(US\$)</i>
Morgan Stanley Asia Limited . . . . .	U.S.\$990,000,000
CLSA Limited . . . . .	U.S.\$770,000,000
UBS AG Hong Kong Branch. . . . .	U.S.\$200,000,000
GF Securities (Hong Kong) Brokerage Limited . . . . .	U.S.\$40,000,000
<b>Total</b> . . . . .	<b>U.S.\$2,000,000,000</b>

The Subscription Agreement provides that the Issuer (failing which, the Guarantor) will indemnify the Managers against certain liabilities in connection with the offer and sale of the Bonds. The Subscription Agreement provides that the obligations of the Managers are subject to certain conditions precedent, and entitles the Managers to terminate it in certain circumstances prior to payment being made to the Issuer.

The Managers or their respective affiliates may purchase the Bonds or the H Shares for their own account and enter into transactions, including, without limitation, credit derivatives, including asset swaps, repackaging and credit default swaps relating to the Bonds or the H Shares at the same time as the offer and sale of the Bonds or in secondary market transactions. Such transactions would be carried out as bilateral trades with selected counterparties and separately from any existing sale or resale of the Bonds or the H Shares to which this Offering Circular relates (notwithstanding that such selected counterparties may also be purchaser of the Bonds). The Managers and their respective affiliates have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with the Issuer, the Guarantor or their respective subsidiaries or affiliates from time to time. The Managers may receive customary fees and commissions for these transactions. The Managers or certain of their respective affiliates may purchase Bonds or the H Shares and be allocated Bonds or the H Shares for asset management and/or proprietary purposes but not with a view to distribution. In addition to the transactions noted above, the Managers and their respective affiliates may, from time to time, engage in other transactions with, and perform services for, the Issuer, the Guarantor or their respective subsidiaries or affiliates in the ordinary course of their business. In addition, the Managers and certain of their respective subsidiaries and affiliates may hold shares or other securities in the Issuer or the Guarantor as beneficial owners, on behalf of clients or in the capacity of investment advisers.

Each of the Issuer and the Guarantor has agreed in the Subscription Agreement that neither the Issuer, the Guarantor nor any person acting on its or their behalf will (a) issue, offer, sell, contract to sell, pledge, encumber or otherwise dispose of or grant options, issue warrants or offer rights entitling persons to subscribe or purchase any interest in any H Shares or securities of the same class as the Bonds or the H Shares or any securities

convertible into, exchangeable for or which carry rights to subscribe or purchase the Bonds, the H Shares or securities of the same class as the Bonds, the H Shares or other instruments representing interests in the Bonds, the H Shares or other securities of the same class as them, (b) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of the ownership of the H Shares, (c) enter into any transaction with the same economic effect as, or which is designed to, or which may reasonably be expected to result in, or agree to do, any of the foregoing, whether any such transaction of the kind described in (a), (b) or (c) is to be settled by delivery of the H Shares or other securities, in cash or otherwise or (d) announce or otherwise make public an intention to do any of the foregoing, in any such case without the prior written consent of the Managers between the date of the Subscription Agreement and the date which is 90 days after the Issue Date (both dates inclusive); except for (i) the Bonds and the New Shares issued on conversion of the Bonds; (ii) the issuance of the 251,900,000 new H Shares pursuant to the placing agreement entered into among the Guarantor and the Managers on 18 June 2024; and (iii) Shares issued pursuant to exercise of the share options granted under the Share Schemes. For the purpose of this paragraph, “**Shares**” means (i) ordinary shares with a nominal value of RMB0.1 each issued by the Guarantor to investors which are traded in HK dollars on the Hong Kong Stock Exchange; (ii) ordinary shares with a nominal value of RMB0.1 each issued by the Guarantor and which are traded in Renminbi on the Shanghai Stock Exchange and (iii) any other fully-paid and non-assessable shares of any class or classes of the ordinary shares of the Guarantor authorised after the date hereof which have no preference in respect of dividends or of amounts payable in the event of any voluntary or involuntary liquidation or dissolution of the Guarantor.

On or about the date of the Subscription Agreement, the Guarantor entered into a placing agreement with the Managers to procure purchasers for an equity placement of 251,900,000 H Shares issued by the Guarantor at a placement price of HK\$15.50 per Share (the “**Concurrent Equity Placement**”). The Concurrent Equity Placement was conducted concurrently with the offering of the Bonds but the completion of the issuance of the Bonds and the H Shares under the Concurrent Equity Placement are not inter-conditional. The closing date for the Concurrent Equity Placement was 25 June 2024.

Concurrent with the offering of the Bonds and the Concurrent Equity Placement, the Managers may facilitate sales of existing H Shares notionally underlying the Bonds by buyers of the Bonds who wish to sell such H Shares in short sales to purchasers procured by the Managers in order to hedge the market risk to which buyers of the Bonds are exposed with respect to the Bonds that they acquire in the offering of the Bonds.

**Notice to capital market intermediaries and prospective investors pursuant to paragraph 21 of the Hong Kong SFC Code of Conduct — Important Notice to CMIs (including private banks):** This notice to CMIs (including private banks) is a summary of certain obligations the SFC Code imposes on CMIs, which require the attention and cooperation of other CMIs (including private banks). Certain CMIs may also be acting as OCs for this offering and are subject to additional requirements under the SFC Code.

Prospective investors who are the directors, employees or major shareholders of the Issuer, the Guarantor, a CMI or its group companies would be considered under the SFC Code as having an Association with the Issuer, the Guarantor, the CMI or the relevant group company. CMIs should specifically disclose whether their investor clients have any Association when submitting orders for the Bonds. In addition, private banks should take

all reasonable steps to identify whether their investor clients may have any Associations with the Issuer, the Guarantor or any CMI (including its group companies) and inform the Managers accordingly.

CMIs are informed that the marketing and investor targeting strategy for this offering includes institutional investors, sovereign wealth funds, pension funds, hedge funds, family offices and high net worth individuals, in each case, subject to the selling restrictions set out elsewhere in this Offering Circular.

CMIs should ensure that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e. two or more corresponding or identical orders placed via two or more CMIs). CMIs should enquire with their investor clients regarding any orders which appear unusual or irregular. CMIs should disclose the identities of all investors when submitting orders for the Bonds (except for omnibus orders where underlying investor information may need to be provided to any OCs when submitting orders). Failure to provide underlying investor information for omnibus orders, where required to do so, may result in that order being rejected. CMIs should not place “X-orders” into the order book.

CMIs should segregate and clearly identify their own proprietary orders (and those of their group companies, including private banks as the case may be) in the order book and book messages.

CMIs (including private banks) should not offer any rebates to prospective investors or pass on any rebates provided by the Issuer or the Guarantor. In addition, CMIs (including private banks) should not enter into arrangements which may result in prospective investors paying different prices for the Bonds.

The SFC Code requires that a CMI disclose complete and accurate information in a timely manner on the status of the order book and other relevant information it receives to targeted investors for them to make an informed decision. In order to do this, those Managers in control of the order book should consider disclosing order book updates to all CMIs.

When placing an order for the Bonds, private banks should disclose, at the same time, if such order is placed other than on a “principal” basis (whereby it is deploying its own balance sheet for onward selling to investors). Private banks who do not provide such disclosure are hereby deemed to be placing their order on such a “principal” basis. Otherwise, such order may be considered to be an omnibus order pursuant to the SFC Code.

In relation to omnibus orders, when submitting such orders, CMIs (including private banks) that are subject to the SFC Code should disclose underlying investor information in respect of each order constituting the relevant omnibus order (failure to provide such information may result in that order being rejected). Underlying investor information in relation to omnibus orders should consist of:

- The name of each underlying investor;
- A unique identification number for each investor;
- Whether an underlying investor has any “Associations” (as used in the SFC Code);

- Whether any underlying investor order is a “Proprietary Order” (as used in the SFC Code);
- Whether any underlying investor order is a duplicate order.

Underlying investor information in relation to omnibus order should be sent to: omnibus\_equity@morganstanley.com, ib.equitylinked@clsa.com, ol-asia-syndicate-core@ubs.com and ecm@gfgroup.com.hk.

To the extent information being disclosed by CMI and investors is personal and/or confidential in nature, CMIs (including private banks) agree and warrant: (A) to take appropriate steps to safeguard the transmission of such information to any OCs; and (B) that they have obtained the necessary consents from the underlying investors to disclose such information to any OCs. By submitting an order and providing such information to any OCs, each CMI (including private banks) further warrants that it and the underlying investors have understood and consented to the collection, disclosure, use and transfer of such information by any OCs and/or any other third parties as may be required by the SFC Code, including to the Issuer, the Guarantor, relevant regulators and/or any other third parties as may be required by the SFC Code, for the purpose of complying with the SFC Code, during the bookbuilding process for this offering. CMIs that receive such underlying investor information are reminded that such information should be used only for submitting orders in this offering. The Managers may be asked to demonstrate compliance with their obligations under the SFC Code, and may request other CMIs (including private banks) to provide evidence showing compliance with the obligations above (in particular, that the necessary consents have been obtained). In such event, other CMIs (including private banks) are required to provide the relevant Manager with such evidence within the timeline requested.

## **SELLING RESTRICTIONS**

### **General**

The distribution of this Offering Circular or any offering material and the offering, sale or delivery of the Bonds is restricted by law in certain jurisdictions. Therefore, persons who may come into possession of this Offering Circular or any offering material are advised to consult with their own legal advisers as to what restrictions may be applicable to them and to observe such restrictions. This Offering Circular may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorised.

No action has been taken or will be taken in any jurisdiction by the Issuer, the Guarantor or the Managers that would permit a public offering, or any other offering under circumstances not permitted by applicable law, of the Bonds, or possession or distribution of this Offering Circular or any amendment or supplement thereto issued in connection with the proposed resale of the Bonds or any other offering or publicity material relating to the Bonds, in any country or jurisdiction where action for that purpose is required. Accordingly, the Bonds may not be offered or sold, directly or indirectly, and neither this Offering Circular nor any other offering material or advertisements in connection with the Bonds may be distributed or published, by the Issuer, the Guarantor or the Managers, in or from any country or jurisdiction, except in circumstances which will

result in compliance with all applicable rules and regulations of any such country or jurisdiction and will not impose any obligations on the Issuer, the Guarantor or the Managers.

If a jurisdiction requires that the offering be made by a licenced broker or dealer and the Managers or any affiliate of the Managers is a licenced broker or dealer in that jurisdiction, the offering shall be deemed to be made by the Managers or such affiliate on behalf of the Issuer and the Guarantor in such jurisdiction.

### **United States**

The Bonds, the H Shares to be issued upon conversion of the Bonds and the Guarantee have not been and will not be registered under the Securities Act and, subject to certain exceptions, may not be offered or sold within the United States.

The Bonds and the Guarantee are being offered and sold outside of the United States in reliance on Regulation S.

In addition, until 40 days after the commencement of the offering of the Bonds and the Guarantee, an offer or sale of the Bonds or H Shares to be issued upon conversion of the Bonds or the Guarantee within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

### **Hong Kong**

Each Manager has represented and agreed that:

- (i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Bonds other than (a) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the “SFO”) and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions Ordinance (Cap. 32) of Hong Kong (the “C(WUMP)O”) or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and
- (ii) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Bonds, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Bonds which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the SFO and any rules made under the SFO.

## **United Kingdom**

Each Manager has represented and agreed that:

- (a) it has only A-B communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Bonds in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer or the Guarantor; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Bonds in, from or otherwise involving the United Kingdom.

### **Prohibition of Sales to EEA Retail Investors**

Each Manager has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Bond which are the subject of the offering contemplated by this Offering Circular in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision, the expression “**retail investor**” means a person who is one (or more) of the following:

- (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
- (ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

### **Prohibition of Sales to UK Retail Investors**

Each Manager has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Bonds which are the subject of the offering contemplated by this Offering Circular in relation thereto to any retail investor in the United Kingdom. For the purposes of this provision the expression “**retail investor**” means a person who is one (or more) of the following:

- (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or
- (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA.

## **Japan**

The Bonds have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No.25 of 1948, as amended, the “**Financial Instruments and Exchange Act**”). Accordingly, each Manager has represented and agreed that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Bonds in Japan or to, or for the benefit of, any resident of Japan (which term as used



herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

### **The PRC**

Each Manager has represented and agreed that the Bonds are not being offered or sold and may not be offered or sold, directly or indirectly, in the PRC (for such purposes, not including the Hong Kong and Macau Special Administrative Regions or Taiwan Region), except as permitted by applicable laws of the PRC.

### **Singapore**

Each Manager has acknowledged that this Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Manager has represented and agreed that it has not offered or sold any Bonds or caused the Bonds to be made the subject of an invitation for subscription or purchase and will not offer or sell any Bonds or cause the Bonds to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Bonds, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA.

## SUMMARY OF CERTAIN MATERIAL DIFFERENCES BETWEEN PRC GAAP AND IFRS

*The audited financial statements of the Group have been prepared and presented in accordance with PRC GAAP. Certain material differences exist between PRC GAAP and IFRS which might be relevant to the Guarantor's financial information. The following is a general summary of certain material differences between PRC GAAP and IFRS as applicable to the Group. Since this summary is not meant to be exhaustive, there is no assurance regarding the completeness of this summary. The Group has not prepared a complete reconciliation of the consolidated financial information and related disclosure between PRC GAAP and IFRS and has not quantified such differences. Had any such quantification or reconciliation been undertaken by the Group, other potentially significant accounting and disclosure differences may have been required that are not identified below. Additionally, no attempt has been made to identify possible future differences between PRC GAAP and IFRS as a result of prescribed changes in accounting standards. Regulatory bodies that promulgate PRC GAAP and IFRS have significant ongoing projects that could affect future comparisons. Furthermore, no attempt has been made to identify future differences between PRC GAAP and IFRS that may affect the financial information as a result of transactions or events that may occur in the future. As a result, no assurance is provided that the following summary is complete. In making an investment decision, each investor must rely upon its own examination of the Group, the terms of the offering and other disclosure contained herein. Each investor should consult its own professional advisers for an understanding the differences between PRC GAAP and IFRS and/or between PRC GAAP and other generally accepted accounting principles, and how those differences might affect the financial information contained herein.*

The consolidated financial statements of the Group included in this Offering Circular have been prepared and presented in accordance with the PRC Accounting Standards. PRC Accounting Standards is substantially in line with IFRS, except for certain modifications between PRC Accounting Standards and IFRS, which might be relevant to the financial information of the Group included herein. The following is a general summary of certain differences between PRC Accounting Standards and IFRS as applicable to the Group. The differences identified below are limited to those significant differences that are appropriate to the Group's financial statements. Since the summary is not meant to be exhaustive, there can be no assurance regarding the completeness of the summary. The Group has not prepared a complete reconciliation of the consolidated financial information and related footnote disclosure between PRC Accounting Standards and IFRS and has not quantified such differences. Had any such quantification or reconciliation been undertaken by the Group, other potentially significant accounting and disclosure differences may be required that are not identified below. Additionally, no attempt has been made to identify possible future differences between PRC Accounting Standards and IFRS as a result of prescribed changes in accounting standards. Regulatory bodies that promulgate PRC Accounting Standards and IFRS have significant projects ongoing that could affect future comparisons such as this one. Finally, no attempt has been made to identify future differences between PRC Accounting Standards and IFRS that may affect the financial information as a result of transactions or events that may occur in the future. Accordingly, no assurance is provided that the following summary of differences between PRC GAAP and IFRS is complete.

In making an investment decision, investors must rely upon their own examination of the Issuer, the Guarantor, the terms of the offering and other disclosure contained herein. Each investor should consult its own professional advisers for an understanding of the differences

between PRC Accounting Standards and IFRS and/or between PRC GAAP and other generally accepted accounting principles, and how those differences might affect the financial information contained herein.

#### **GOVERNMENT GRANT**

Under PRC Accounting Standards, the relocation compensation for public interests shall be recognised as special payables. The income from compensation attributable to losses of fixed assets and intangible assets, related expenses, losses from production suspension incurred during the relocation and reconstruction period and purchases of assets after the relocation shall be transferred from special payables to deferred income and accounted for in accordance with the government grants standard. The surplus reached after deducting the amount transferred to deferred income shall be recognised in capital reserve.

Under IFRS, if an entity relocates for reasons of public interests, the compensation received shall be recognised in profit and loss.

#### **REVERSAL OF AN IMPAIRMENT LOSS**

Under PRC Accounting Standards, once an impairment loss is recognised for a long term asset (including fixed assets, intangible assets and goodwill, etc.), it shall not be reversed in any subsequent period.

Under IFRS, an impairment loss recognised in prior periods for an asset other than goodwill could be reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised.

#### **FIXED ASSETS AND INTANGIBLE ASSETS**

Under PRC Accounting Standards, only the cost model is allowed.

Under IFRS, an entity can choose either the cost model or the revaluation model as its accounting policy.

## GENERAL INFORMATION

1. **Clearing Systems:** The Bonds have been accepted for clearance through Euroclear and Clearstream under Common Code number 284952065 and the International Securities Identification Number for the Bonds is XS2849520650.
2. **Listing of Bonds:** Application will be made to the Hong Kong Stock Exchange for the listing of, and permission to deal in, the Bonds issued to Professional Investors only. It is expected that dealing in, and listing of, the Bonds on the Hong Kong Stock Exchange will commence on 26 June 2024.
3. **Listing of the H Shares:** Application will be made to the Hong Kong Stock Exchange for the listing of, and permission to deal in, the H Shares arising on conversion of the Bonds. It is expected that dealing in, and listing of, such H Shares on the Hong Kong Stock Exchange will commence when they are issued.
4. **Authorisations:** The Issuer and the Guarantor have obtained all necessary consents, approvals and authorisations in connection with the issue and performance of the Bonds and the Guarantee. The issue of the Bonds was authorised by written resolutions of the Issuer passed on 14 June 2024. The giving of the Guarantee was authorised by the general mandate granted at the annual general meeting of the Guarantor held on 17 May 2024. The Shares to be issued upon conversion of the Bonds are to be issued pursuant to the general mandate granted at the annual general meeting of the Guarantor held on 17 May 2024. This transaction was approved by State-owned Assets Supervision and Administration Commission of Longyan Municipal People's Government on 30 May 2024.
5. **No Material Adverse Change:** There has not occurred any material change (nor any development or event involving a prospective change), in our condition (financial or otherwise), prospects, results of operations, profitability, business, management, shareholders' equity, properties or general affairs since 31 December 2023, and there has not occurred any such material change in the Issuer since its incorporation.
6. **Litigation:** Neither the Issuer, the Guarantor nor any of their respective subsidiaries is involved in any litigation or arbitration proceedings which are material in the context of the Bonds, nor is the Issuer or the Guarantor aware that any such proceedings are pending or threatened.
7. **Available Documents:** Copies of the Deed of Guarantee, the Trust Deed and the Agency Agreement will be (i) available for inspection by the Bondholders at all reasonable times during usual business hours (being between 9:00 a.m. (Hong Kong time) and 3:00 p.m. (Hong Kong time) Monday to Friday, except for public holidays) at the principal place of business of the Trustee, being at the date of the Trust Deed at 5/F., Bank of China Building, 2A Des Voeux Road Central, Central, Hong Kong, and at the specified office for the time being of the Principal Agent or (ii) may be provided by email to any Bondholder, in each case following prior written request and proof of holding and identity to the satisfaction of the Trustee or, as the case may be, the Principal Agent, so long as any of the Bonds is outstanding.

8. **Consolidated Financial Statements:** The Guarantor's consolidated financial statements as at and for the years ended 31 December 2022 and 2023, incorporated by reference in this Offering Circular, have been audited by EY, the independent auditor of the Guarantor.
9. **Auditor's Consent:** The independent auditor of the Guarantor has agreed to the incorporation by reference in this Offering Circular of, and all references to, (i) their name, (ii) their audit report on the consolidated financial statements of the Guarantor for the years ended 31 December 2022 and 2023.

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