
THIS SUPPLEMENTAL CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ACTION

If you are in any doubt as to any aspect of this supplemental circular or as to the action to be taken, you should consult a licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **ZHAOJIN MINING INDUSTRY COMPANY LIMITED***, you should at once hand this supplemental circular together with the accompanying supplemental form of proxy to the purchaser(s) or transferee(s) or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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ZHAOJIN

ZHAOJIN MINING INDUSTRY COMPANY LIMITED*

招金礦業股份有限公司

(a joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 1818)

**ISSUE OF CORPORATE BONDS IN THE PRC
AND
SUPPLEMENTAL NOTICE OF
2018 SECOND EXTRAORDINARY GENERAL MEETING**

This supplemental circular is supplemental to, and should be read in conjunction with, the circular of the Company dated 14 September 2018.

A supplemental notice convening the EGM of the Company is set out in this supplemental circular.

Any Shareholder(s) entitled to attend and vote at the EGM are entitled to appoint one or more proxies to attend and vote on his/her behalf. A proxy need not be a Shareholder of the Company. In the event that a Shareholder appoints more than one proxy to attend the meeting, such proxies may only exercise their voting rights in a poll. If you intend to appoint a proxy to attend the EGM and vote on your behalf, you are requested to complete the accompanying supplemental form of proxy in accordance with the instructions printed thereon and return it not less than 24 hours before the time appointed for the holding of the EGM, to (i) the Company's share registrar for H Shares in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for holders of H Shares), or (ii) the registered address of the Company in the PRC (for holders of Domestic Shares).

* *For identification purpose only*

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SUPPLEMENTAL LETTER FROM THE BOARD



ZHAOJIN

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招金礦業股份有限公司

(a joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 1818)

Executive Directors:

Mr. Weng Zhanbin (Chairman)
Mr. Dong Xin
Mr. Wang Ligang

Non-executive Directors:

Mr. Xu Xiaoliang (Vice chairman)
Mr. Liu Yongsheng
Mr. Yao Ziping
Mr. Gao Min

Independent Non-executive Directors:

Ms. Chen Jinrong
Mr. Choy Sze Chung Jojo
Mr. Wei Junhao
Mr. Shen Shifu

Registered address:

No. 299 Jinhui Road
Zhaoyuan City
Shandong Province
PRC

Principal place of business

in Hong Kong:

31st Floor
Tower Two
Times Square
1 Matheson Street
Causeway Bay
Hong Kong

11 October 2018

To the Shareholders

Dear Sir or Madam,

ISSUE OF CORPORATE BONDS IN THE PRC AND SUPPLEMENTAL NOTICE OF 2018 SECOND EXTRAORDINARY GENERAL MEETING

INTRODUCTION

This supplemental circular is supplemental to, and should be read in conjunction with, the circular of the Company dated 14 September 2018 (the “Circular”). Unless otherwise defined, terms undefined herein shall have the meaning ascribed to them in the Circular.

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SUPPLEMENTAL LETTER FROM THE BOARD

On 2 October 2018, the Company received a proposal from Shandong Zhaojin Group Company Limited, the substantial Shareholder of the Company which is interested in 1,181,371,195 shares in the Company, representing approximately 36.68% of the total share capital of the Company as at 2 October 2018, in respect of the issue of corporate bonds (the “**Corporate Bonds**”) in the PRC by the Company (the “**Proposed New Resolution**”). Pursuant to the relevant requirements of Article 18 of the “Rules of Procedures for General Meetings” of the Company which stipulates that “Shareholders who individually or jointly hold more than 3% of the shares of the Company shall have the right to propose an additional proposal”, the Company will present the Proposed New Resolution for Shareholders’ consideration and approval at the EGM to be held on 29 October 2018. In addition, according to Article 8.23 of the Articles of Association, the proposed issue of Corporate Bonds requires the approval of the Shareholders by way of special resolution.

The purpose of this supplemental circular is to provide you with information regarding the supplemental notice of EGM and the Proposed New Resolution to be considered at the EGM.

I. ISSUE OF CORPORATE BONDS IN THE PRC

Background

The aggregate principal amount of the Corporate Bonds proposed to be issued by the Company amounts to not more than RMB1.5 billion. Further details of the Corporate Bonds are set out below.

The proposed issue of the Corporate Bonds requires the approval of the China Securities Regulatory Commission (“**CSRC**”). The issue of the Corporate Bonds will be subject to the timing of the approval of the CSRC and the conditions of the bond market in the PRC.

Details of the Corporate Bonds

- | | |
|-----------------------|---|
| (i) Issuer: | the Company |
| (ii) Method of issue: | public issue to eligible investors. To the best of the Directors’ knowledge, information and belief having made all reasonable inquiry, such eligible investors are expected to be third parties independent of the Company and the connected person (as defined in the Listing Rules) of the Company |
| (iii) Place of issue: | the PRC |
| (iv) Size of issue: | the aggregate principal amount shall not be more than RMB1.5 billion (RMB1.5 billion inclusive), to be issued in one or more tranches |

SUPPLEMENTAL LETTER FROM THE BOARD

- (v) Term of the bond: the term of the Corporate Bonds is not more than 10 years (10 years inclusive). They may be single-term bonds or multiple term hybrids
- (vi) Use of proceeds: mainly used for the production and operation of the Company, including but not limited to replenishment of liquidity, repayment of interest-bearing debt and project investment expenses, which shall be within the scope as permitted by the relevant regulatory authorities
- (vii) Order of repayment: in the event of winding up, the order of settlement of the Corporate Bonds is the same as that of ordinary debts of the issuer
- (viii) Measures to secure repayment: to further secure the interests of the holders of the Corporate Bonds, during the term of the Corporate Bonds, if it is anticipated that it may not be possible to repay the principal and interest of the Corporate Bonds as scheduled, the following measures shall be adopted as a minimum:
- (a) no distribution of profit to the Shareholders; (b) suspension of the implementation of projects relating to capital expenditure, such as material external investments, mergers and acquisitions, etc; (c) reduction or suspension of salary and bonus of the Directors and senior management of the Company; and (d) no re-designation of the key responsible persons.
- (ix) Validity period for the resolution: 24 months from the date of passing of the resolution at the EGM

SUPPLEMENTAL LETTER FROM THE BOARD

Granting of authority to the Board to deal with such matters relating to the issue of the Corporate Bonds

To ensure the proper completion of the proposed issue of the Corporate Bonds, it is proposed that a special resolution be passed by the Shareholders generally and unconditionally at the EGM to grant the authority to the Board to deal with all such matters relating to the proposed issue of the Corporate Bonds, including but not limited to the following:

- (i) so far as permitted by laws and regulations and according to the actual conditions of the Company and the market, determine the actual plans for the issue of the Corporate Bonds, amend and adjust the plans and relevant terms of the issue of the Corporate Bonds, including but not limited to the timing, method, quantity, price, term and type of the issue, method of determining interest rates, any redemption provisions, repurchase provisions, options of adjusting coupon rates and the details thereof, tranche structure, arrangements to secure repayment (including but not limited to the measures to secure repayment under the resolution), use of proceeds and proportion of proceeds thereof and listing of the Corporate Bonds, determine and appoint the relevant intermediaries to participate in the issue of the Corporate Bonds, select bond trustees, sign the legal documents, agreements and bond trustee management agreements relating to the issue and listing of the Corporate Bonds and formulate rules for bondholders' meetings;
- (ii) handle matters in relation to the listing of the Corporate Bonds as well as the repayment of the principal and interest upon completion of the issue of the Corporate Bonds;
- (iii) should there be any changes in the opinions and policies of the PRC regulatory authorities in relation to the issue of the Corporate Bonds or any changes in the market conditions, save for those matters subject to the resolutions by the Shareholders at general meetings as stipulated by the relevant laws, regulations and the Articles of Association, amend the specific plan for the issue of the Corporate Bonds based on the feedback (if any) from the relevant PRC regulatory authorities or exercise discretion to postpone or suspend the issue of the Corporate Bonds;
- (iv) handle other matters in relation to the issue of the Corporate Bonds; and
- (v) the Board may delegate the authority to Mr. Weng Zhanbin, the chairman of the Board, or Mr. Dong Xin, a Director, for dealing with the abovementioned matters, subject to consideration and approval at the general meetings.

The grant of authority to the Board to deal with the above matters shall take effect from the date of the passing of such resolution at the EGM.

SUPPLEMENTAL LETTER FROM THE BOARD

II. VOTING

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. The Chairman of the EGM shall therefore demand voting on all resolutions set out in the supplemental notice of EGM be taken by way of poll pursuant to Article 8.18 of the Articles of Association.

On a poll, every Shareholder presents in person or by proxy (or being a corporation, by its duly authorized representative) shall have one vote for each Share registered in his/her/its name in the register of members of the Company. A Shareholder entitled to more than one vote needs not use all his/her/its votes or cast all his/her/its votes in the same manner.

III. RECOMMENDATION

The Board is of the view that the resolution on the proposed issue of the Corporate Bonds is fair and reasonable and is in the interests of the Company and its Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the resolution to be proposed at the EGM as set out in the supplemental notice of the EGM.

IV. RESPONSIBILITY STATEMENT

This supplemental circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with respect to the Company. The information contained herein relating to the Company has been supplied by the Directors, who collectively and individually accept full responsibility for the accuracy of the information contained in this supplemental circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts not contained in this supplemental circular the omission of which would make any statement herein misleading insofar as it relates to the Company.

Yours faithfully,
By order of the Board
Zhaojin Mining Industry Company Limited*
WENG Zhanbin
Chairman

* For identification purpose only



ZHAOJIN

ZHAOJIN MINING INDUSTRY COMPANY LIMITED*
招金礦業股份有限公司

(a joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 1818)

**SUPPLEMENTAL NOTICE OF
2018 SECOND EXTRAORDINARY GENERAL MEETING**

Reference is made to (i) the notice of the 2018 second extraordinary general meeting (the “EGM”) of Zhaojin Mining Industry Company Limited (the “Company”) dated 14 September 2018 (the “Notice”); (ii) the circular of the Company dated 14 September 2018 (the “Circular”) in respect of the EGM; and (iii) the supplemental circular of the Company dated 11 October 2018 (the “Supplemental Circular”) in respect of additional resolution to be proposed for approval at the EGM. Unless otherwise defined herein, capitalised terms used in this supplemental notice shall have the same meaning as those defined in the Circular and/or the Supplemental Circular.

SUPPLEMENTAL NOTICE IS HEREBY GIVEN that, for the reasons set out in the Supplemental Circular, the EGM of the Company to be held at the conference room of the Company at No. 299 Jinhui Road, Zhaoyuan City, Shandong Province, the PRC at 9:00 a.m. on Monday, 29 October 2018 will consider and approve the following resolution by way of special resolution, in addition to the resolutions set out in the Notice:

SPECIAL RESOLUTION

(c) Issue of Corporate Bonds in the PRC

Each of the following proposed items in respect of the proposed issue of Corporate Bonds in the PRC be and is hereby individually approved (subject to the approval of the CSRC and the conditions of the bonds market in the PRC):

1. Details of the Corporate Bonds
 - (i) Issuer: the Company
 - (ii) Method of issue: public issue to eligible investors. To the best of the Directors' knowledge, information and belief having made all reasonable inquiry, such eligible investors are expected to be third parties independent of the Company and the connected person (as defined in the Listing Rules) of the Company

* For identification purpose only

- (iii) Place of issue: the PRC
- (iv) Size of issue: the aggregate principal amount shall not be more than RMB1.5 billion (RMB1.5 billion inclusive), to be issued in one or more tranches
- (v) Term of the bond: the term of the Corporate Bonds is not more than 10 years (10 years inclusive). They may be single-term bonds or multiple term hybrids
- (vi) Use of proceeds: mainly used for the production and operation of the Company, including but not limited to replenishment of liquidity, repayment of borrowings and project investment expenses, which shall be within the scope as permitted by the relevant regulatory authorities
- (vii) Order of repayment: in the event of winding up, the order of settlement of the Corporate Bonds is the same as that of ordinary debts of the issuer
- (viii) Measures to secure repayment: to further secure the interests of the holders of the Corporate Bonds, during the term of the Corporate Bonds, if it is anticipated that it may not be possible to repay the principal and interest of the Corporate Bonds as scheduled, the following measures shall be adopted as a minimum:
 - (a) no distribution of profit to the Shareholders; (b) suspension of the implementation of projects relating to capital expenditure, such as material external investments, mergers and acquisitions, etc; (c) reduction or suspension of salary and bonus of the Directors and senior management of the Company; and (d) no re-designation of the key responsible persons.
- (ix) Validity period for the resolution: 24 months from the date of passing of this resolution at the EGM

2. Authority to the Board

The Board be and is hereby authorised to deal with such matters in connection with the issue of the Corporate Bonds in the PRC, including but not limited to the following:

- (i) so far as permitted by laws and regulations and according to the actual conditions of the Company and the market, determine the actual plans for the issue of the Corporate Bonds, amend and adjust the plans and relevant terms of the issue of the Corporate Bonds, including but not limited to the timing, method, quantity, price, term and type of the issue, method of determining interest rates, any redemption provisions, repurchase provisions, options of adjusting coupon rates and the details thereof, tranche structure, arrangements to secure repayment (including but not limited to measures to secure repayment under the resolution), use of proceeds and proportion of proceeds thereof and listing of the Corporate Bonds, determine and appoint the relevant intermediaries to participate in the issue of the Corporate Bonds, select bond trustees, sign the legal documents, agreements and bond trustee management agreements relating to the issue and listing of the Corporate Bonds and formulate rules for bondholders' meetings;

APPENDIX SUPPLEMENTAL NOTICE OF 2018 SECOND EXTRAORDINARY GENERAL MEETING

- (ii) handle matters in relation to the listing of the Corporate Bonds as well as the repayment of the principal and interest upon completion of the issue of the Corporate Bonds;
- (iii) should there be any changes in the opinions and policies of the PRC regulatory authorities in relation to the issue of the Corporate Bonds or any changes in the market conditions, save for those matters subject to the resolutions by the Shareholders at general meetings as stipulated by the relevant laws, regulations and the Articles of Association, amend the specific plan for the issue of the Corporate Bonds based on the feedback (if any) from the relevant PRC regulatory authorities or exercise discretion to postpone or suspend the issue of the Corporate Bonds;
- (iv) handle other matters in relation to the issue of the Corporate Bonds; and
- (v) the Board may delegate the authority to Mr. Weng Zhanbin, the chairman of the Board, and Mr. Dong Xin, a Director, for dealing with the abovementioned matters, subject to consideration and approval at the general meetings.

The grant of authority to the Board to deal with the above matters will take effect from the date of the passing of this resolution at the EGM.

By order of the Board
Zhaojin Mining Industry Company Limited*
WENG Zhanbin
Chairman

Zhaoyuan, the PRC, 11 October 2018

* *For identification purpose only*

APPENDIX SUPPLEMENTAL NOTICE OF 2018 SECOND EXTRAORDINARY GENERAL MEETING

Notes:

1. A supplemental form of proxy in respect of the above special resolution is enclosed with this supplemental notice of EGM.
2. Apart from the additional resolution and other information set out in this supplemental notice of EGM, all other matters relating to the EGM as set out in the Notice remain unchanged. Please refer to the Notice for details of other resolutions to be considered and approved at the EGM, eligibility of attendance, registration procedures, appointment of proxies and other relevant matters.

As at the date of this supplemental notice, the members of the Board are as follows:

Executive Directors:

Mr. Weng Zhanbin, Mr. Dong Xin and Mr. Wang Ligang

Non-executive Directors:

*Mr. Xu Xiaoliang, Mr. Liu Yongsheng, Mr. Yao Ziping and
Mr. Gao Min*

*Independent non-executive
Directors:*

*Ms. Chen Jinrong, Mr. Choy Sze Chung Jojo, Mr. Wei Junhao and
Mr. Shen Shifu*