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# THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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If you are in any doubt as to any aspect of this circular or as to the action you should take, you should consult your stockbroker or other registered dealer in securities, 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 circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, licensed securities dealer, registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

### DISCLOSEABLE TRANSACTION AND CONNECTED TRANSACTION ASSIGNMENT OF LISTED SECURITIES AND PROPOSED APPOINTMENT OF EXECUTIVE DIRECTOR AND NOTICE OF 2024 THIRD EXTRAORDINARY GENERAL MEETING

Independent Financial Adviser to the Independent Board Committee  
and the Independent Shareholders



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Unless the context otherwise requires, capitalised terms used in this circular (including this cover page) have the same meanings as those defined in the section headed "Definitions" in this circular.

The EGM of the Company will be held at the Company's conference room at No. 118 Wenquan Road, Zhaoyuan City, Shandong Province, the PRC at 9:00 a.m. on Monday, 18 November 2024. The notice convening the EGM is set out in this circular.

Shareholders who have the right to attend and vote at the EGM are entitled to appoint one or more proxies (whether or not a Shareholder) in writing to attend and vote at the EGM on his/her behalf. For those Shareholders who have appointed more than one proxy, such proxies can only exercise their voting rights by way of poll. If you intend to appoint one or more proxies, you should first read the instructions on the accompanying proxy form, and deposit the signed proxy form and (if the proxy form is signed by a person under a power of attorney or other authority) the notarially certified copy of such power of attorney or other authority under which it is signed, no later than at 9:00 a.m. on Sunday, 17 November 2024, at (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). Completion and return of the proxy form shall not preclude a Shareholder from attending and voting at the EGM or any adjourned meetings if he or she so wishes.

In order to qualify to attend and vote at the EGM, all transfer documents accompanied by the relevant share certificates must be lodged, no later than 4:30 p.m. on Monday, 11 November 2024, with (i) the Company's share registrar for H Shares in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th 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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# CONTENTS

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	<i>Pages</i>
<b>Definitions</b> .....	1
<b>Letter from the Board</b> .....	5
<b>Letter from the Independent Board Committee</b> .....	13
<b>Letter from the Independent Financial Adviser</b> .....	14
<b>Appendix I – General Information</b> .....	29
<b>Notice of 2024 Third Extraordinary General Meeting</b> .....	34

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## DEFINITIONS

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*In this circular, unless the context specifies otherwise, the following expressions shall have the meanings stated below:*

“Administrative Measures”	the Administrative Measures on Finance Companies within Group Enterprises* (《企業集團財務公司管理辦法》) issued by CBIRC
“Board”	the board of Directors of the Company
“CBIRC”	China Banking and Insurance Regulatory Commission (中國銀行保險監督管理委員會)
“Company”	Zhaojin Mining Industry Company Limited* (招金礦業股份有限公司), a joint stock limited company incorporated in the PRC on 16 April 2004 and the H Shares of which are listed on the main board of the Stock Exchange (stock code: 1818)
“Completion”	the completion of the Transaction, as set forth under the section headed “Letter from the Board – 2. Discloseable transaction and connected transaction in relation to the transfer of listed securities – Completion” in this circular
“Conditions Precedent”	the conditions precedent to Completion, as set forth under the section headed “Letter from the Board – 2. Discloseable transaction and connected transaction in relation to the transfer of listed securities – Conditions Precedent” in this circular
“connected subsidiary”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the consideration of the Transaction, as set forth under the section headed “Letter from the Board – 2. Discloseable transaction and connected transaction in relation to the transfer of listed securities – Consideration and basis of determining the Consideration” in this circular
“Director(s)”	the director(s) of the Company
“Domestic Share(s)”	the ordinary share(s) issued by the Company, with a RMB-denominated par value of RMB1.00 each, which are subscribed for and fully paid up in RMB
“Domestic Shareholder(s)”	holder(s) of Domestic Shares
“EGM”	the 2024 third extraordinary general meeting of the Company to be held at the Company’s conference room at No. 118 Wenquan Road, Zhaoyuan City, Shandong Province, the PRC at 9:00 a.m. on Monday, 18 November 2024

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## DEFINITIONS

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“Finance Company”	Shandong Zhaojin Finance Company Limited* (山東招金集團財務有限公司), a connected subsidiary of the Company, details of which are set forth in the section headed “Letter from the Board – 3. Information about the Parties” in this circular
“Group”	the Company and its subsidiaries from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“H Share(s)”	the overseas-listed foreign invested share(s) in the share capital of the Company, with an RMB-denominated par value of RMB1.00 each, which are traded in Hong Kong dollars and listed on the main board of the Stock Exchange
“H Shareholder(s)”	holder(s) of H Shares
“Independent Board Committee”	an independent committee of the Board, comprising all independent non-executive Directors, established for the purpose of advising the Independent Shareholders on the terms of the Share Transfer Agreement and the Transaction
“Independent Financial Adviser”	Maxa Capital Limited (邁時資本有限公司), a corporation licensed under the SFO to carry on Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities, being the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Share Transfer Agreement and the Transaction
“Independent Shareholders”	Shareholders other than (i) Shandong Zhaojin and its associates; and (ii) those with a material interest in the Transaction, if any
“Latest Practicable Date”	25 October 2024, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“Parties”	the parties to the Transaction, collectively, SIC and the Finance Company
“PRC”	the People’s Republic of China, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan province for the purpose of this circular
“RMB”	Renminbi, the lawful currency of the PRC

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## DEFINITIONS

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“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Shandong Zhaojin”	Shandong Zhaojin Group Company Limited* (山東招金集團有限公司), a limited liability company established in the PRC, being the controlling Shareholder of the Company
“Shareholder(s)”	holder(s) of the Share(s), comprising the Domestic Shareholder(s) and H Shareholder(s)
“Share(s)”	the ordinary share(s) of RMB1.00 each in the share capital of the Company, comprising Domestic Share(s) and H Share(s)
“Share Transfer Agreement”	the share transfer agreement dated 25 October 2024 entered into by the Parties in relation to the Transaction
“SIC”	Sparky International Company Limited (斯派柯國際有限公司), a company incorporated in Hong Kong with limited liability, being a wholly-owned subsidiary of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“Target Share(s)”	68,712,000 H shares of Weihai Bank, representing approximately 1.15% of the total issued share capital of Weihai Bank as of the date of this circular
“Transaction”	the transfer of Target Shares from Finance Company to SIC
“Weihai Bank”	Weihai City Commercial Bank Co., Ltd.* (威海市商業銀行股份有限公司), a joint stock limited company incorporated in the PRC in July 1997 and the H shares of which are listed on the main board of the Stock Exchange (stock code: 9677)
“Zhaoyuan Gold Smelting”	Shandong Zhaojin Group Zhaoyuan Gold Smelting Co., Ltd.* (山東招金集團招遠黃金冶煉有限公司), a company established in accordance with the laws of the PRC with limited liability, being a wholly-owned subsidiary of Shandong Zhaojin

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## DEFINITIONS

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“Zijin Mining” Zijin Mining Group Co., Ltd.\* (紫金礦業集團股份有限公司), a joint stock company incorporated in the PRC with limited liability, whose H shares are listed on the main board of the Stock Exchange (stock code: 2899); and whose A shares are listed on the Shanghai Stock Exchange (stock code: 601899)

“%” per cent.

\* *In this circular, the English names of the PRC entities are translations of their Chinese names and included herein for identification purpose only. In the event of any inconsistency, the Chinese names shall prevail.*

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# LETTER FROM THE BOARD

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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)

*Executive Directors:*

Mr. Jiang Guipeng (Chairman)  
Mr. Duan Lei  
Mr. Wang Ligang  
Mr. Wang Peiwu

*Registered address:*

No. 118 Wenquan Road  
Zhaoyuan City  
Shandong Province  
PRC

*Non-executive Directors:*

Mr. Long Yi (Vice chairman)  
Mr. Li Guanghui  
Mr. Luan Wenjing

*Principal place of business in Hong Kong:*

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

*Independent Non-executive Directors:*

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

31 October 2024

*To the Shareholders*

Dear Sir or Madam,

**DISCLOSEABLE TRANSACTION AND CONNECTED TRANSACTION  
ASSIGNMENT OF LISTED SECURITIES  
AND  
PROPOSED APPOINTMENT OF EXECUTIVE DIRECTOR  
AND  
NOTICE OF 2024 THIRD EXTRAORDINARY GENERAL MEETING**

**1. INTRODUCTION**

References are made to the announcements of the Company in relation to (i) the discloseable transaction and connected transaction in relation to the transfer of the Target Shares; and (ii) the resignation and appointment of executive Director, member of the nomination and remuneration committee of the Company and the vice president of the Company, both dated 25 October 2024.

\* For identification purpose only

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## LETTER FROM THE BOARD

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The purpose of this circular is to provide you with, among other things, (i) details of the Share Transfer Agreement and the Transaction to be contemplated thereunder; (ii) the proposal for the appointment of executive Director; (iii) other information as required under the Listing Rules; and (iv) the notice of EGM, to enable you to make an informed decision on whether to vote for or against the resolutions proposed at the EGM.

### 2. DISCLOSEABLE TRANSACTION AND CONNECTED TRANSACTION IN RELATION TO THE ASSIGNMENT OF LISTED SECURITIES

On 25 October 2024 (after trading hours), SIC entered into the Share Transfer Agreement with Finance Company, pursuant to which the Finance Company has agreed to transfer the Target Shares to SIC at the Consideration of HK\$180,712,560. The principal terms of the Share Transfer Agreement agreed by the Parties are summarised as below:

#### Date

25 October 2024 (after trading hours)

#### Parties

- (i) SIC (as the transferee); and
- (ii) Finance Company (as the transferor).

#### Subject matter

SIC has conditionally agreed to purchase, and Finance Company has conditionally agreed to sell, the Target Shares. The Target Shares represent 68,712,000 H shares of Weihai Bank, representing approximately 1.15% of the total issued share capital of Weihai Bank. The Finance Company obtained the Target Shares at an original cost of approximately HK\$221.9 million.

#### Consideration and basis of determining the Consideration

Pursuant to the Share Transfer Agreement, the Consideration amounted to HK\$180,712,560 in total, representing HK\$2.63 per Target Share (the “**Target Price**”), being the average closing price of the Target Shares quoted on the Stock Exchange for the 60 consecutive trading dates prior to 23 September 2024 (the “**Benchmark Date**”).



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## LETTER FROM THE BOARD

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The Consideration and the Target Price were determined after arm's length negotiation by the Parties after taking into account of the recent market price, the historical price trend and the trading liquidity of the Target Shares. The Company took into account of the average closing prices of the Target Shares quoted on the Stock Exchange for the 10, 30, 60, 120 and 180 consecutive trading dates prior to the Benchmark Date. The Company noticed that the Target Price (i.e. the average closing price of the Target Shares quoted on the Stock Exchange for the 60 consecutive trading dates prior to the Benchmark Date) is the lowest among the abovementioned average closing prices, which represents a discount of 2.23%, 1.13%, 1.52% and 3.04% as compared to the average closing prices of the Target Shares quoted on the Stock Exchange for the 10, 30, 120 and 180 consecutive trading dates prior to the Benchmark Date. The Company considers that the Target Price and the above discounts are fair and reasonable after taking into account of the limited trading liquidity of the Target Shares.

### **Payment of Consideration**

The Consideration shall be paid by SIC to the bank account designated by Finance Company in one lump sum within three business days upon the completion of the Registration (as defined below). The Company currently expects to finance the Consideration of the Transaction by way of utilising the Group's internal resources.

### **Conditions Precedent**

Pursuant to the Share Transfer Agreement, Completion is subject to the following Conditions Precedent being fulfilled:

- (i) the Share Transfer Agreement having been duly executed and become effective; and
- (ii) the approval of the Transaction by the Independent Shareholders.

The Conditions Precedent may not be waived.

### **Completion**

Subject to the compliance with the requirements under all applicable laws and regulations, Completion will take place on the date that the Conditions Precedent being fulfilled. Upon Completion, SIC shall register the Target Shares under its own name (the "**Registration**"); and the Target Shares will be recorded as investments in other equity instruments held by SIC.

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## LETTER FROM THE BOARD

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### 3. INFORMATION ABOUT THE PARTIES

#### Information about SIC and the Company

SIC is a company incorporated in Hong Kong with limited liability, being a wholly-owned subsidiary of the Company. SIC is principally engaged in investment holding.

The Company is joint stock company incorporated in the PRC with limited liability, whose H Shares are listed on the main board of the Stock Exchange (stock code: 1818). The Company is principally engaged in gold exploration, mining, ore processing and smelting, as well as processing and sale of by-products in the PRC.

#### Information about Finance Company

Finance Company is a non-wholly-owned subsidiary of the Company. It is directly owned as to 51% by the Company, as to 40% by Shandong Zhaojin and as to 9% by Zhaoyuan Gold Smelting, a wholly-owned subsidiary of Shandong Zhaojin. Finance Company is a limited liability company established in the PRC on 1 July 2015 and is operating in accordance with the Administrative Measures as well as other applicable PRC laws and regulations. It is principally engaged in, among others, providing financial services to the Group and Shandong Zhaojin and its subsidiaries. The Finance Company is a PRC non-bank financial institution and is regulated by the CBIRC.

### 4. INFORMATION ABOUT WEIHAI BANK

Weihai Bank is a city commercial bank based in Shandong Province. The H shares of Weihai Bank are listed on the Stock Exchange (stock code: 9677). The following is a summary of the audited consolidated financial information of Weihai Bank for the three years ended 31 December 2023 and the unaudited financial information of Weihai Bank for the six months ended 30 June 2024:

	For the year ended 31 December			For the six months ended
	2021	2022	2023	30 June
	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>
	(audited)	(audited)	(audited)	(unaudited)
Operating income	7,377.4	8,290.9	8,735.4	4,556.0
Profit before tax	2,214.9	2,222.0	2,291.8	1,415.9
Net profit	1,891.7	2,078.5	2,116.3	1,188.2

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## LETTER FROM THE BOARD

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	As at 31 December			As a June 30
	2021	2022	2023	2024
	<i>RMB million</i> (audited)	<i>RMB million</i> (audited)	<i>RMB million</i> (audited)	<i>RMB million</i> (unaudited)
Total assets	304,520.8	343,703.0	391,876.8	422,864.1
Total liabilities	280,350.6	317,970.4	363,868.9	393,541.6
Total equity	24,170.2	25,732.6	28,007.9	29,322.5

### 5. REASONS FOR AND BENEFITS OF THE TRANSACTION

Pursuant to the Notice of the General Office of the State Financial Supervision Administration on Further Implementing the Administrative Measures of Financial Companies within Groups Enterprises (Jin Ban Fa [2023] No. 34)\* (《國家金融監督管理總局辦公廳關於進一步做好<企業集團財務公司管理辦法>實施工作的通知》(金辦發[2023]34號)) issued by the General Office of the State Financial Supervision Administration\* (國家金融監督管理總局辦公廳), enterprise group financial companies (including Finance Company) shall dispose securities investments with non-fixed income by 31 December 2024. Accordingly, the Finance Company is required to dispose all of its equity interest in Weihai Bank (i.e., the Target Shares) within the above time frame (the “**Required Disposal**”). The Parties noticed the limited trading liquidity of the H shares of Weihai Bank and considered the Transaction as the most efficient method to complete the Required Disposal.

The Company and SIC also noticed the operating status, financial position and historical dividend distribution records of Weihai Bank. Weihai Bank is a city commercial bank based in Shandong Province with prominent regional advantages and comprehensive network layout. From the accounting perspective, the Target Shares will be recorded as the Group’s equity investments at fair value through other comprehensive income prior to and after the completion of the Transaction. The Transaction represents an inter-group transaction with no impact on the consolidated profit or loss or consolidated financial statements of the Company. In addition, the Consideration represents a discount to the market price of the H shares of Weihai Bank quoted on the Stock Exchange, which, in the view of the Board, is in the interest of the Company and the Shareholders as a whole.

Based on the above, the Directors (including the independent non-executive Directors) consider that the Transaction was negotiated on normal commercial terms, and the terms and conditions of the Transaction are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

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## LETTER FROM THE BOARD

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### 6. LISTING RULES IMPLICATIONS

As at the Latest Practicable Date, Shandong Zhaojin is the controlling Shareholder of the Company and is therefore a connected person of the Company. Finance Company is a non-wholly-owned subsidiary of the Company and is directly held as to 51% by the Company, as to 40% by Shandong Zhaojin, and as to 9% by Zhaoyuan Gold Smelting, a wholly-owned subsidiary of Shandong Zhaojin. Accordingly, Finance Company is a connected subsidiary of the Company pursuant to Rule 14A.16 of the Listing Rules, and the Transaction constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios in respect of the Transaction exceeds 5% but are all less than 25%, the Transaction constitutes discloseable transaction and connected transaction of the Company subject to the reporting, announcement, circular and Independent Shareholders' approval requirements under Chapter 14 and Chapter 14A of the Listing Rules.

### 7. APPROVAL FROM THE BOARD

The Board has approved the Share Transfer Agreement and the Transaction to be contemplated thereunder. None of the Directors has any material interests in the Share Transfer Agreement and the Transaction to be contemplated thereunder. Mr. Li Guanghui and Mr. Luan Wenjing, being the management personnel of Shandong Zhaojin, had abstained from voting at the Board meeting for approving the Share Transfer Agreement and the Transaction to be contemplated thereunder.

### 8. PROPOSAL FOR THE APPOINTMENT OF EXECUTIVE DIRECTOR

Reference is made to the announcement of the Company dated 25 October 2024 in relation to, among other things, the appointment of Mr. Wang Peiwu (“**Mr. Wang**”) as an executive Director.

The biographies of Mr. Wang are as follows:

**Mr. Wang Peiwu (王培武)**, aged 50, born in November 1974 in Yongding, Fujian, is a senior engineer. Mr. Wang graduated from Shandong University of Mining and Technology\* (山東礦業學院) with a bachelor's degree in mining engineering in July 1998. He started working in July 1998 and previously worked at Shandong Fengyuan Coal Company Limited\* (山東豐源煤炭有限責任公司). Mr. Wang joined Zijin Mining (together with its subsidiaries, collectively referred to as “**Zijin Mining Group**”) in February 2000 and successively served as the deputy manager of Yongding Rare Earth Project\* (永定稀土項目) of Zijin Mining Group, the deputy director of Site Management and Mining Plant Office of Zijinshan Gold Mine Engineering Office\* (紫金山金礦工程處現場管理、採礦廠辦公室), the deputy director of engineering department of Xizang Jindi Mining Company Limited\* (西藏金地礦業有限責任公司), the director of mining plant of Xinjiang Jinbao Mining Company Limited\* (新疆金寶礦業有限責任公司), the assistant general manager of Xinjiang Zijin Mining Company Limited\* (新疆紫金礦業有限責任公司), the deputy general manager of investment department of Zijin Mining Group, the general manager of Gansu Yate Mining Company Limited\* (甘肅亞特礦業有限公司), the general manager of Chongli Zijin Mining Company Limited\* (崇禮紫金礦業有限責任公司), the executive deputy general manager of Wancheng Commerce Dongshengmiao Company Limited\* (萬城商務東昇廟有限責任公司) and the deputy mine manager of Zijinshan Gold and Copper Mine\* (紫金山金銅礦). Mr. Wang currently acts as the executive deputy mine manager of Zijinshan Gold and Copper Mine\* (紫金山金銅礦).

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## LETTER FROM THE BOARD

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Mr. Wang has entered into a service contract with the Company for a term commencing from 25 October 2024 and ending on the expiry of the term of the current session of the Board, and is subject to retirement by rotation and re-election at the general meeting in accordance with the articles of association of the Company. Mr. Wang will not be entitled to receive any Director's emolument from the Company by being an executive Director.

Save as disclosed above, as of the Latest Practicable Date, (i) Mr. Wang did not hold any positions in the Company or any other subsidiaries of the Company in the preceding three years, and did not hold any directorships in any other listed companies in the preceding three years; (ii) Mr. Wang does not have any relationship with any Directors, supervisors, senior management, substantial Shareholders or controlling Shareholders of the Company; and (iii) Mr. Wang does not have any interests in the Shares within the meaning of Part XV of the SFO.

Save as disclosed above, there are no other matters concerning the appointment of Mr. Wang as an executive Director that need to be brought to the attention of the Shareholders, and there are no other matters which shall be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules.

### **9. EGM**

A notice convening the EGM is set out on pages 34 to 35 of this circular, at which the ordinary resolutions will be proposed for the Independent Shareholders to consider, and if thought fit, to approve the Share Transfer Agreement and the Transaction to be contemplated thereunder and for the Shareholders to consider and approve the appointment of Mr. Wang as an executive Director.

### **10. VOTING**

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll. The chairman of the EGM shall therefore demand voting on all resolutions set out in the notice of EGM be taken by way of poll pursuant to Article 8.18 of the articles of association of the Company.

On a poll, every Shareholder present 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 name in the register of Shareholders. A Shareholder entitled to more than one vote needs not use all his/her votes or cast all the votes he/she uses in the same manner.

Any person with a material interest in the Transaction will abstain from voting at the relevant resolutions. Shandong Zhaojin and its associates, which hold approximately 35.63% of the Shares of the Company as at the Latest Practicable Date, will abstain from voting at the EGM to approve the Share Transfer Agreement and the Transaction to be contemplated thereunder.

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## LETTER FROM THE BOARD

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### 11. CLOSURE OF REGISTER OF MEMBERS

The Shareholders should note that the register of members of the Company will be closed from Tuesday, 12 November 2024 to Monday, 18 November 2024 (both days inclusive), during which period no transfer of Shares can be registered. In order to qualify to attend and vote at the EGM, all transfer documents accompanied by the relevant share certificates must be lodged, no later than 4:30 p.m. on Monday, 11 November 2024, with (i) the Company's share registrar for H Shares in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th 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).

### 12. RECOMMENDATIONS

The Independent Board Committee, after considering the advice from the Independent Financial Adviser, is of the view that (i) the terms of the Share Transfer Agreement and the Transaction to be contemplated thereunder are fair and reasonable; and (ii) the entering into of the Share Transfer Agreement, though not in the ordinary and usual course of business of the Group, is in the interests of the Company and the Shareholders as a whole. Your attention is drawn to the letter from the Independent Board Committee set out on page 13 of this circular which contains the recommendation to the Independent Shareholders as to voting at the EGM regarding the Transaction. The Board shared the same view of the Independent Board Committee. Therefore, the Board recommends the Independent Shareholders to vote in favour of the ordinary resolution in respect of the Transaction at the EGM.

The Board considers that the ordinary resolution in relation to the proposal for the appointment of executive Director is in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of such ordinary resolution at the EGM.

### 13. FURTHER INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this circular.

The English text of this circular, the notice of the EGM and the form of proxy for use at the EGM shall prevail over the Chinese text in case of inconsistency.

For and on behalf of  
**Zhaojin Mining Industry Company Limited\***  
**Jiang Guipeng**  
*Chairman of the Board*

\* For identification purpose only

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# LETTER FROM THE INDEPENDENT BOARD COMMITTEE

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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)**

31 October 2024

*To the Shareholders*

Dear Sir or Madam,

## **DISCLOSEABLE TRANSACTION AND CONNECTED TRANSACTION ASSIGNMENT OF LISTED SECURITIES**

We refer to the circular of the Company dated 31 October 2024 (the “**Circular**”), of which this letter forms part. Unless the context requires otherwise, capitalised terms used herein shall have the same meanings as those defined in the Circular.

We have been appointed by the Board as the Independent Board Committee to advise you on the terms of the Share Transfer Agreement and the Transaction to be contemplated thereunder. Maxa Capital Limited has been appointed as the Independent Financial Adviser to advise you and us in this regard. Details of their advice, together with the principal factors and reasons they have taken into consideration in giving such advice, are set out on pages 14 to 28 of the Circular. Your attention is also drawn to the “Letter from the Board” in the Circular and the additional information set out in the appendices thereto.

Having considered the terms of the Share Transfer Agreement and the Transaction to be contemplated thereunder and taking into account the independent advice of Maxa Capital Limited, in particular the principal factors, reasons and recommendation as set out in their letter, we consider that (i) the terms of the Share Transfer Agreement and the Transaction to be contemplated thereunder are on normal commercial terms and are fair and reasonable in so far as the Independent Shareholders are concerned; and (ii) the entering into of the Share Transfer Agreement, though not in the ordinary and usual course of business of the Group, is in the interests of the Company and the Independent Shareholders as a whole. Accordingly, we recommend you to vote in favour of the resolutions to be proposed at the EGM to approve the Share Transfer Agreement and the Transaction to be contemplated thereunder.

Yours faithfully,  
Independent Board Committee

**Chen Jinrong**

**Choy Sze Chung Jojo**

**Wei Junhao**

**Shen Shifu**

*Independent non-executive Directors*

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# LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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*The following is the full text of the letter from Maxa Capital Limited, the Independent Financial Adviser, to the Independent Board Committee and the Independent Shareholders, setting out its advice in respect of the terms of the Share Transfer Agreement and the transactions contemplated thereunder, which has been prepared for the purpose of inclusion in this circular.*



Unit 2602, 26/F, Golden Centre  
188 Des Voeux Road Central  
Sheung Wan  
Hong Kong

31 October 2024

*To the Independent Board Committee and the Independent Shareholders*

Dear Sir or Madam,

## **DISCLOSEABLE TRANSACTION AND CONNECTED TRANSACTION ASSIGNMENT OF LISTED SECURITIES**

### **INTRODUCTION**

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the terms of the Share Transfer Agreement and the transactions contemplated thereunder, details of which are set out in the letter from the Board (the “**Letter from the Board**”) contained in the circular of the Company dated 31 October 2024 (“**the Circular**”) of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as those defined in the Circular unless the context requires otherwise.

Reference is made to the announcement of the Company dated 25 October 2024 in relation to, among other things, the discloseable transaction and connected transaction in relation to the transfer of the Target Shares. On 25 October 2024, SIC entered into the Share Transfer Agreement with Finance Company, pursuant to which Finance Company has agreed to transfer the Target Shares to SIC at the Consideration of HK\$180,712,560.

### **LISTING RULES IMPLICATIONS**

As at the Latest Practicable Date, Shandong Zhaojin is the controlling shareholder of the Company and is therefore a connected person of the Company. Finance Company is a non-wholly-owned subsidiary of the Company and is directly held as to 51% by the Company, as to 40% by Shandong Zhaojin, and as to 9% by Zhaoyuan Gold Smelting, a wholly-owned subsidiary of Shandong Zhaojin. Accordingly, Finance Company constitutes a connected subsidiary of the Company pursuant to Rule 14A.16 of the Listing Rules, and the Transaction constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.



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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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As one or more of the applicable percentage ratios in respect of the Transaction exceeds 5% but are all less than 25%, the Transaction constitutes discloseable transaction and connected transaction of the Company subject to the reporting, announcement, circular and independent Shareholders' approval requirements under Chapter 14 and Chapter 14A of the Listing Rules.

### **INDEPENDENT BOARD COMMITTEE**

The Independent Board Committee comprising Ms. Chen Jinrong, Mr. Choy Sze Chung Jojo, Mr. Wei Junhao and Mr. Shen Shifu, being all the independent non-executive Directors, has been established to advise the Independent Shareholders in respect of the terms of the Share Transfer Agreement and the transactions contemplated thereunder. We, Maxa Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

### **OUR INDEPENDENCE**

As at the Latest Practicable Date, we did not have any relationship with or interest in the Company, its subsidiaries and any other parties that could reasonably be regarded as relevant to our independence in accordance with Rule 13.84 of the Listing Rules and accordingly, were qualified to give independent advice to the Independent Board Committee and the Independent Shareholders in respect of the terms of the Share Transfer Agreement and the transactions contemplated thereunder. In the past two years, we were appointed by the Company as the independent financial adviser in respect of the major transactions and continuing connected transactions, details of which were set out in the circular of the Company dated 15 January 2024. Save as disclosed above and apart from the normal advisory fee payable to us in connection with this appointment, no arrangement exists whereby we shall receive any other fees or benefits from the Company.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### BASIS OF OUR OPINION

In formulating our opinion and recommendation, we have reviewed, among other things: (i) the Share Transfer Agreement; (ii) the annual report of the Company for the year ended 31 December 2023 (the “**2023 AR**”) and the interim report of the Company for the six months ended 30 June 2024 (the “**2024 IR**”); and (iii) the annual report of Weihai Bank for the year ended 31 December 2023 (the “**2023 WBAR**”) and the interim report of Weihai Bank for the six months ended 30 June 2024 (the “**2024 WBIR**”). We consider that we have reviewed sufficient and relevant information and documents and have taken reasonable steps as required under Rule 13.80 of the Listing Rules to reach an informed view and to provide a reasonable basis for our recommendation. We have relied on the statements, information, opinions and representations contained in the Circular and the information and representations provided to us by the Directors and the management of the Group (the “**Management**”). We have reviewed, inter alia, the statements, information, opinions and representations contained or referred to in the Circular and the information and representations as provided to us by the Directors and the Management. We have assumed that (i) all statements, information and representations provided by the Directors and the Management; and (ii) the information referred to in the Circular, for which they are solely responsible, were true and accurate at the time when they were provided and continued to be so as at the Latest Practicable Date and the Shareholders will be notified of any material changes to such information and representations before the EGM. We have also assumed that all statements of belief, opinion, intention and expectation made by the Directors in the Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the representations and opinions expressed by the Company, its advisers and/or the Directors. We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent verification of the information included in the Circular and provided to us by the Directors and the Management nor have we conducted any form of in-depth investigation into the business and affairs or the future prospects of the Group.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in the Circular and have confirmed, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement in the Circular misleading.

Our opinion is necessarily based on the financial, economic, market and other conditions in effect and the information made available to us as at the Latest Practicable Date. Nothing contained in this letter should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company. Where information in this letter has been extracted from published or otherwise publicly available sources, the sole responsibility of us is to ensure that such information has been correctly and fairly extracted, reproduced or presented from the relevant stated sources and not be used out of context.

# LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

## PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the Share Transfer Agreement and the transactions contemplated thereunder, we have taken into consideration the following principal factors and reasons:

### 1. Background information of the Group

The Company is principally engaged in gold exploration, mining, ore processing and smelting, as well as processing and sale of by-products in the PRC. The principal products include “Au9999” and “Au9995” standard gold bullions and other gold products under the brand name of “Zhaojin”.

Set out below is a summary of the consolidated financial information of the Group for the years ended 31 December 2022 (“FY2022”) and 31 December 2023 (“FY2023”) as extracted from the 2023 AR, and for the six months ended 30 June 2023 (“1H2023”) and 30 June 2024 (“1H2024”) as extracted from the 2024 IR:

	For the year ended		For the six months ended	
	31 December		30 June	
	2022	2023	2023	2024
	RMB'000	RMB'000	RMB'000	RMB'000
	(audited)	(audited)	(unaudited)	(unaudited)
Revenue	7,885,557	8,423,618	3,446,912	4,627,203
Gross profit	2,655,912	3,370,285	1,344,407	1,976,643
Net profit	560,186	838,418	365,360	726,420

	As at 31 December		As at 30 June
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
	(audited)	(audited)	(unaudited)
Cash and cash equivalents	3,583,213	2,916,103	2,229,078
Total assets	45,887,495	46,867,396	52,557,541
Total liabilities	25,840,043	24,623,070	28,027,447
Net assets	20,047,452	22,244,326	24,530,094

As illustrated in the above table, the Group’s revenue amounted to approximately RMB8.42 billion for FY2023, representing an increase of approximately 6.82% as compared to approximately RMB7.89 billion for FY2022. According to the 2023AR, the increase in revenue was mainly due to the increase in gold prices. The Group’s gross profit was approximately RMB3.37 billion for FY2023, representing an increase of approximately 26.90% as compared to approximately RMB2.66 billion for FY2022. The increase in gross profit was primarily due to the increase in gold prices and the increase in sales of self-produced gold. The net profit amounted to approximately RMB838.42 million for FY2023, representing an increase of approximately 49.67% as compared to approximately RMB560.19 million for FY2022, which was mainly attributable to the abovementioned increase in gold prices and increase in sales of self-produced gold.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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The Group's cash and cash equivalents decreased by 18.62% from approximately RMB3.58 billion as at 31 December 2022 to approximately RMB2.92 billion as at 31 December 2023, which was mainly due to the net effect of cash outflows from financing activities as the Group made repayment of its borrowings and debt instruments during FY2023. The Group's total assets increased by 2.14% from approximately RMB45.89 billion as at 31 December 2022 to approximately RMB46.87 billion as at 31 December 2023, which was primarily due to the increase in (i) property, plant and equipment; (ii) inventories; and (iii) equity investments designated at fair value through other comprehensive income. The total liabilities of the Group decreased by 4.71% from approximately RMB25.84 billion as at 31 December 2022 to approximately RMB24.62 billion as at 31 December 2023. Such decrease in total liabilities of the Group was mainly due to the decrease in total interest-bearing bank and other borrowings. The Group's net asset value amounted approximately RMB22.24 billion as at 31 December 2023, representing an increase of 10.96% from approximately RMB20.05 billion as at 31 December 2022.

During 1H2024, the Group's revenue increased by 34.24% to approximately RMB4.63 billion as compared with that for 1H2023, which was primarily due to the increase in gold sales prices and the sales volume of the Group. The Group's gross profit was approximately RMB1.98 billion for 1H2024, representing an increase of approximately 47.03% as compared to approximately RMB1.34 billion for 1H2023. The increase in gross profit was primarily due to the abovementioned increase in gold sales price and sales volume of the Group. Net profit of the Group recorded an increase of approximately 98.82% to approximately RMB726.42 million for 1H2024 as compared with that for 1H2023. Such increase in net profit was mainly attributable to the increase in the gross profit from sales and the decrease in the financial costs of the Group.

The Group's cash and cash equivalents recorded a decrease of approximately 23.56% from approximately RMB2.92 billion as at 31 December 2023 to approximately RMB2.23 billion as at 30 June 2024, which was attributable to the Group's net cash outflows from investing activities as a result of acquisition of 90.52% equity interest in Tietto Mineral Limited ("**Tietto Acquisition**") and partially set off by the net cash inflows from financing activities as the Group increase its bank and other borrowings during 1H2024. The total assets of the Group increased by approximately 12.14% to approximately RMB52.56 billion as at 30 June 2024 as compared to approximately RMB46.87 billion as at 31 December 2023. The increase in total assets was mainly due to the increase in other intangible assets resulting from Tietto Acquisition. The total liabilities of the Group increased by approximately 13.83% to approximately RMB28.03 billion as at 30 June 2024, as compared to approximately RMB24.62 billion as at 31 December 2023. The increase in total liabilities was mainly due to the increase in total interest-bearing bank and other borrowings. The Group's net asset value amounted to approximately RMB24.53 billion as at 30 June 2024, representing an increase of 10.28% from approximately RMB22.24 billion as at 31 December 2023.

# LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

## 2. Background information of SIC and Finance Company

SIC is a company incorporated in Hong Kong with limited liability, being a wholly-owned subsidiary of the Company. SIC is principally engaged in investment holding.

Finance Company is a non-wholly-owned subsidiary of the Company. It is directly owned as to 51% by the Company, as to 40% by Shandong Zhaojin and as to 9% by Shandong Zhaojin Group Zhaoyuan Gold Smelting Co., Ltd. (山東招金集團黃金招遠冶煉有限公司), a wholly-owned subsidiary of Shandong Zhaojin. Finance Company is a limited liability company established in the PRC on 1 July 2015 and is operating in accordance with the Measures for the Administration of Finance Companies of Enterprise Groups as well as other applicable PRC laws and regulations. It is principally engaged in, among others, providing financial services to the Group and Shandong Zhaojin and its subsidiaries. The Finance Company is a PRC non-bank financial institution and is regulated by the CBIRC.

## 3. Background information of Weihai Bank

According to the 2024 WBIR, Weihai Bank was established in 1997 and currently has 126 branches and sub-branches in Jinan, Tianjin, Qingdao, etc., and is the first local legal person bank in Shandong Province to achieve “full coverage of the province”. On October 12, 2020, Weihai Bank was successfully listed on the Main Board of the Hong Kong Stock Exchange.

Set out below is a summary of the consolidated financial information of Weihai Bank for FY2022 and FY2023 as extracted from the 2023 WBAR, and for 1H2023 and 1H2024 as extracted from the 2024 WBIR:

	For the year ended		For the six months ended	
	31 December		30 June	
	2022	2023	2023	2024
	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>
	(audited)	(audited)	(unaudited)	(unaudited)
Operating income	8,290.9	8,735.4	4,349.0	4,556.0
Profit before tax	2,222.0	2,291.8	1,288.5	1,415.9
Net profit	2,078.5	2,116.3	1,154.7	1,188.2

As illustrated in the above table, Weihai Bank’s operating income amounted to approximately RMB8.74 billion for FY2023, representing an increase of approximately 5.36% as compared to approximately RMB8.29 billion for FY2022. According to the 2023 WBAR, the increase in revenue was mainly due to increases in net interest income and net trading gains and losses. Weihai Bank’s net profit amounted to approximately RMB2.12 billion for FY2023, representing an increase of approximately 1.82% as compared to approximately RMB2.08 billion FY2022, which was mainly attributable to the abovementioned increases in net interest income and net trading gains and losses.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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For 1H2024, Weihai Bank's operating income increased by approximately 4.76% to approximately RMB4.56 billion as compared with that for 1H2023, which was primarily due to the increases in net interest income. Net profit of Weihai Bank recorded an increase of approximately 2.90% to approximately RMB1.19 billion for 1H2024 as compared with that for 1H2023. Such increase in net profit was mainly attributable to the abovementioned increase in net interest income.

#### 4. Reasons for and benefits of the Transaction

As disclosed in the Letter from the Board, pursuant to the Notice of the General Office of the State Financial Supervision Administration on Further Implementing the Measures for the Administration of Enterprise Group Financial Companies (Jin Ban Fa [2023] No. 34)\* (《國家金融監督管理總局辦公廳關於進一步做好<企業集團財務公司管理辦法>實施工作的通知》(金辦發[2023]34號)) issued by the General Office of the State Financial Supervision Administration\* (國家金融監督管理總局辦公廳), enterprise group financial companies (including Finance Company) shall dispose securities investments with non-fixed income by 31 December 2024. Accordingly, the Finance Company is required to dispose all of its equity interest in Weihai Bank (i.e., the Target Shares) within the above time frame. The Parties noticed the limited trading liquidity of the H Shares of Weihai Bank (“**WB H Share(s)**”) and considered the Transaction as the most efficient method to complete the Required Disposal. The Company and SIC also noticed the operating status, financial position and historical dividend records of Weihai Bank. Weihai Bank is a city commercial bank based in Shandong Province with prominent regional advantages and comprehensive network layout. From the accounting perspective, the Target Shares will be recorded as the Group's equity investments at fair value through other comprehensive income prior to and after the completion of the Transaction. The Transaction represents an inter-group transaction with no impact on the consolidated profit or loss or consolidated financial statements of the Company.

As discussed with Management, we understand that, owing to the relatively thin trading volume of the WB H Shares, on-market disposals of the Target Shares by Finance Company may cause significant price fluctuations to WB H Shares. In addition, given that the Target Shares accounted for approximately 6.81% of the total issued WB H Shares, Finance Company may not be able to complete the Required Disposal before the end of 2024 in light of the poor liquidity of WB H Shares. In this regard, we have reviewed the trading volume of WB H Shares as extracted from Wind from 25 October 2023, being one year prior to the date of the Share Transfer Agreement (“**STA Date**”), up to and including the STA Date (the “**Review Period**”) and noted the percentage of average daily trading volume of WB H Share per month to the total issued WB H Shares as at the relevant month/period end during the Review Period ranged from approximately 0.0000% to 0.0019%, with the average daily trading volume of WB H Share to the total issued WB H Shares of approximately 0.0002% during the Review Period. Given the historical trading volume of WB H Shares was generally thin, we concur with the Management's view that the Transaction made via an off-market trade between SIC and Finance Company would be more preferable to avoid unnecessary short-term volatility to the Target Shares' prices.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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As further advised by the Management, it is expected the Group could gain financial return from the Target Shares by way of the dividend distributions from Weihai Bank. As part of our due diligence works, we have reviewed the announcements published by Weihai Bank on the Stock Exchange website in the past two years prior to the STA Date and noted that, for FY2023, a cash dividend of RMB10 (tax inclusive) per 100 shares was declared and approved, which is equivalent to an Implied Dividend Yield (as defined below) of approximately 4.14%. For comparison purpose, we have obtained and reviewed the list of term deposits placed by the Group in the recent two years prior to the STA Date (the “**Comparable Investments**”), and noted that Implied Dividend Yield is higher than the interest return of the Comparable Investments.

In light of the above, we concur with the Directors’ view that the Transaction is in the interests of the Company and the Shareholders as a whole.

### 5. Principal terms of the Share Transfer Agreement

The principal terms of the Share Transfer Agreement agreed by the Parties are summarised as below:

Date:	25 October 2024 (after trading hours)
Parties:	(i) SIC (as the transferee); and  (ii) Finance Company (as the transferor).
Subject matter:	SIC has conditionally agreed to purchase, and Finance Company has conditionally agreed to sell, the Target Shares. The Target Shares represent 68,712,000 H shares of Weihai Bank, representing approximately 1.15% of the total issued share capital of Weihai Bank. The Finance Company obtained the Target Shares at an original cost of approximately HK\$221.9 million.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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Consideration and  
basis of determining  
the Consideration:

Pursuant to the Share Transfer Agreement, the Consideration amounted to HK\$180,712,560 in total, representing HK\$2.63 per Target Share, being the average closing price of the Target Shares quoted on the Stock Exchange for the 60 consecutive trading dates prior to 23 September 2024.

The Consideration and the Target Price were determined after arm's length negotiation by the Parties after taking into account of the recent market price, the historical price trend and the trading liquidity of the Target Shares. The Company took into account of the average closing prices of the Target Shares quoted on the Stock Exchange for the 10, 30, 60, 120 and 180 consecutive trading dates prior to the Benchmark Date. The Company noticed that the Target Price (i.e. the average closing price of the Target Shares quoted on the Stock Exchange for the 60 consecutive trading dates prior to the Benchmark Date) is the lowest among the abovementioned average closing prices, which represents a discount of 2.23%, 1.13%, 1.52% and 3.04% as compared to the average closing prices of the Target Shares quoted on the Stock Exchange for the 10, 30, 120 and 180 consecutive trading dates prior to the Benchmark Date. The Company considers that the Target Price and the above discounts are fair and reasonable after taking into account of the limited trading liquidity of the Target Shares.

Payment of  
consideration:

The Consideration shall be paid by SIC to the bank account designated by Finance Company in one lump sum within three business days upon the completion of the Registration. The Company currently expects to finance the consideration of the Transaction by way of utilising the Group's internal resources.



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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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Conditions Precedent: Pursuant to the Share Transfer Agreement, Completion is subject to the following Conditions Precedent being fulfilled:

- (i) the Share Transfer Agreement having been duly executed and become effective; and
- (ii) the approval of the Transaction by the Independent Shareholders.

The Conditions Precedent may not be waived.

Completion: Subject to the compliance with the requirements under all applicable laws and regulations, Completion will take place on the date that the Conditions Precedent being fulfilled. Upon Completion, SIC shall register the Target Shares under its own name; and the Target Shares will be recorded as investments in other equity instruments held by SIC.

### **6. Assessment of the terms of Share Transfer Agreement**

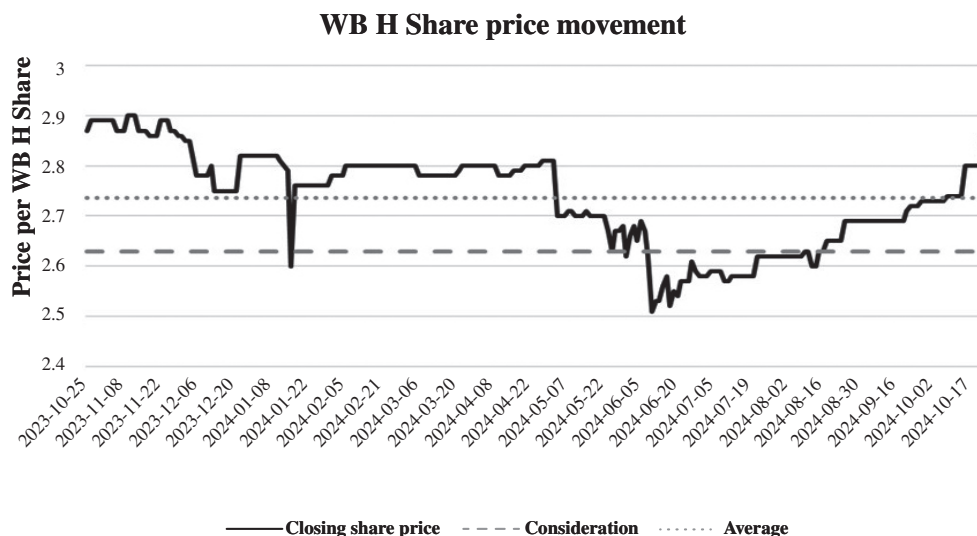
Based on our discussion with the Management, the Consideration (being approximately HK\$2.63 per Target Share) was determined with reference to the market price of the Target Shares prior to the Benchmark Date. In assessing the fair and reasonableness of the Consideration, we have conducted the following analyses:

#### ***6.1 Prevailing market prices of the Target Shares***

The Consideration of HK\$2.63 per Target Share being the average closing price of the Target Shares quoted on the Stock Exchange for the 60 consecutive trading dates prior to the Benchmark Date. Such price represents a discount of 2.23%, 1.13%, 1.52% and 3.04% as compared to the average closing price of the Target Shares quoted on the Stock Exchange for the 10, 30, 120 and 180 consecutive trading dates prior to the Benchmark Date.

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

In assessing the fairness and reasonableness of HK\$2.63 per Target Shares, we have conducted an analysis on the share price movement of the Target Shares. Set out below is the chart illustrating the historical closing price of the Target Shares during the Review Period. We consider that a period of 12 months, which reflects the prevailing market sentiment, is adequate to illustrate the recent price movement of the Target Shares for the purpose of conducting our analysis.



Source: Wind

During the Review Period, the WB H Shares recorded a highest closing price of HK\$2.9 and a lowest closing price of HK\$2.51. The average daily closing price per WB H Share was approximately HK\$2.74 during the Review Period. The Consideration of HK\$2.63 per Target Share represents a slight discount of approximately 4.01% to the average closing price of approximately HK\$2.74 per WB H Share and premium of approximately 4.78% to the lowest closing price per WB H Share during the Review Period.

### 6.2 Comparable banks analysis

To further assess the fairness and reasonableness of the Consideration, we have compared the Consideration against the market valuation of other comparable banks using the price-to-earnings ratio (“**PE Ratio(s)**”) and the price-to-book ratio (“**PB Ratio(s)**”) given that PE Ratio and PB Ratio are the commonly used valuation benchmarks since the data for calculating these ratios can be obtained directly from publicly available information and reflect the value of the company determined by the open market. Nonetheless, having considered that Weihai Bank is principally engaged in the banking business, we are of the view that the PB Ratio is a more relevant ratio to assess the fairness and reasonableness of the Consideration as it is more often used in valuing financial institution or capital-intensive company. In addition, given the Management would expect to gain financial returns from the dividend payment of the Target Shares, we have included the analysis of dividend yield of the Comparable Banks for reference.

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

In view of the business nature of Weihai Bank, we have conducted an independent search for the PRC city commercial banks which are listed on the Stock Exchange, the Shenzhen Stock Exchange and the Shanghai Stock Exchange. On the best effort basis, we have identified an exhaustive list of 42 comparable PRC city commercial banks (the “**Comparable Banks**”). As the Comparable Banks consist of all listed city commercial banks which operate in Mainland China and have similar business nature with Weihai Bank, we consider that the Comparable Banks are fair and representative samples.

Stock Code	Company Name	PB Ratio <sup>2</sup>	PE Ratio <sup>3</sup>	Dividend Yield (%) <sup>4</sup>
1216.HK	Zhongyuan Bank Co., Ltd	0.13	4.96	Nil
1551.HK	Guangzhou Rural Commercial Bank Co., Ltd.	0.25	17.07	2.52
1578.HK	Bank of Tianjin Co., Ltd.	0.14	1.93	7.78
1916.HK	Jiangxi Bank Co., Ltd.	0.11	43.98	5.71
1963.HK/ 601963.SH	Bank of Chongqing Co., Ltd.	0.46	4.80	6.29
1983.HK	Luzhou Bank Co., Ltd.	0.44	4.13	5.75
2066.HK	Shengjing Bank Co., Ltd.	0.12	17.01	Nil
2139.HK	Bank of Gansu Co., Ltd.	0.11	6.10	Nil
2558.HK	Jinshang Bank CO., LTD.	0.29	3.68	7.95
3618.HK	Chongqing Rural Commercial Bank Co., Ltd.	0.37	4.19	7.22
3698.HK	Huishang Bank Corporation Limited	0.23	2.12	6.61
3866.HK/ 002948.SZ	Bank of Qingdao Co., Ltd.	0.51	4.79	5.39
6122.HK	Jilin Jiutai Rural Commercial Bank Corporation Limited	0.28	31.81	Nil
6138.HK	Harbin Bank Co., Ltd.	0.07	10.71	Nil
6190.HK	Bank of Jiujiang Co., Ltd.	0.38	674.33 <sup>5</sup>	1.32
6196.HK/ 002936.SZ	Bank of Zhengzhou Co., Ltd.	0.30	11.08	Nil
6199.HK	Bank of Guizhou Co., Ltd.	0.38	5.27	4.06
9889.HK	Dongguan Rural Commercial Bank Co., Ltd.	0.46	5.49	7.01

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Stock Code	Company Name	PB Ratio <sup>2</sup>	PE Ratio <sup>3</sup>	Dividend Yield (%) <sup>4</sup>
600908.SH	Wuxi Rural Commercial Bank Co., Ltd	0.56	5.57	3.42
600919.SH	Bank of Jiangsu Co., Ltd.	0.58	5.39	5.26
600926.SH	Bank of Hangzhou Co., Ltd.	0.64	5.12	6.22
600928.SH	Bank of Xi'an Co., Ltd.	0.50	6.52	1.55
601009.SH	Bank of Nanjing Co., Ltd.	0.62	5.56	8.38
601077.SH	Chongqing Rural Commercial Bank Co., Ltd.	0.55	5.89	4.93
601128.SH	Jiangsu Changshu Rural Commercial Bank Co., Ltd.	0.78	5.75	3.19
601169.SH	Bank of Beijing Co., Ltd.	0.36	4.67	5.57
601187.SH	Xiamen Bank Co., Ltd	0.45	5.57	6.00
601229.SH	Bank of Shanghai Co., Ltd.	0.45	4.92	9.41
601528.SH	Zhejiang Shaoxing Ruifeng Rural Commercial Bank Co., Ltd	0.58	5.50	3.49
601577.SH	Bank of Changsha Co., Ltd.	0.48	4.38	4.57
601665.SH	Qilu Bank Co., Ltd	0.60	5.76	4.04
601825.SH	Shanghai Rural Commercial Bank Co., Ltd.	0.64	6.25	7.82
601838.SH	Bank of Chengdu Co., Ltd.	0.80	4.83	5.77
601860.SH	Jiangsu Zijin Rural Commercial Bank Co., Ltd	0.53	6.18	3.57
601997.SH	Bank of Guiyang Co., Ltd.	0.35	4.13	4.79
603323.SH	Jiangsu Suzhou Rural Commercial Bank Co., Ltd	0.56	4.95	3.46
001227.SZ	Bank of Lanzhou Co., Ltd.	0.41	7.58	4.07
002142.SZ	Bank of Ningbo Co., Ltd.	0.80	6.68	2.26

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Stock Code	Company Name	PB Ratio <sup>2</sup>	PE Ratio <sup>3</sup>	Dividend Yield (%) <sup>4</sup>
002807.SZ	Jiangsu Jiangyin Rural Commercial Bank Co., Ltd.	0.59	5.19	4.60
002839.SZ	Jiangsu Zhangjiagang Rural Commercial Bank Co., Ltd	0.53	5.00	4.65
002958.SZ	Qingdao Rural Commercial Bank Corporation	0.40	5.90	3.48
002966.SZ	Bank of Suzhou Co., Ltd	0.62	5.93	4.90
	<b>Average</b>	<b>0.44</b>	<b>7.62</b>	<b>4.36</b>
	<b>Maximum</b>	<b>0.80</b>	<b>43.98</b>	<b>9.41</b>
	<b>Minimum</b>	<b>0.07</b>	<b>1.93</b>	<b>Nil</b>
<b>9677.HK</b>	<b>Weihai Bank</b>	<b>0.62<sup>6</sup></b>	<b>7.46<sup>7</sup></b>	<b>4.14<sup>8</sup></b>

Source: Wind

Notes:

- Given Bank of Chongqing Co., Ltd., Bank of Qingdao Co., Ltd. and Bank of Zhengzhou Co., Ltd. are listed separately in two different markets, we have taken the average of each of the aforementioned Comparable Banks respectively for the calculation of PB Ratio, PE Ratio and dividend yield.
- The PB Ratios of Comparable Banks are calculated as the market capitalization as at the STA Date divided by the latest published net assets attributable to shareholders (excluding the value of non-controlling interests, preferred stocks and perpetual bonds).
- The PE Ratios of Comparable Banks are calculated as the market capitalization as at the STA Date divided by the net profit attributable to shareholders for its most recent financial year.
- The dividend yields of Comparable Banks are calculated as the annual dividend per share for FY2023 divided by the closing price as at the STA Date.
- Since the PE Ratio of Bank of Jiujiang Co., Ltd. is abnormally high as compared with the other Comparable Banks, it is therefore considered as outlier and excluded from the calculation.
- The implied PB Ratio of Weihai Bank is calculated as the Consideration per Target Share multiplied by the total issued shares of Weihai Bank and divided by the net assets attributable to shareholders (excluding the value of non-controlling interests and perpetual bonds) of Weihai Bank.
- The implied PE Ratio of Weihai Bank is calculated as the Consideration per Target Share multiplied by the total issued shares of Weihai Bank and divided by the net profit attributable to shareholders for its most recent financial year.
- The implied dividend yield (the “**Implied Dividend Yield**”) of Weihai Bank is calculated as the annual dividend per Target Share for FY2023 divided by the Consideration per Target Share.
- An exchange rate of HK\$1.09 = RMB1.00 has been used for currency translation, which applicable. Such exchange rate is for illustration purposes only and does not constitute any representations that any amount in HK\$ or RMB has been, could have been or may be converted at such rate.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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As shown in the table above, the historical PB Ratios of the Comparable Banks ranged from approximately 0.07 times to 0.8 times, with an average of approximately 0.44 times. The implied PB Ratio of Weihai Bank of approximately 0.62 times is within the range but higher than the average of the PB Ratios of the Comparable Banks. The historical PE Ratios of the Comparable Banks ranged from approximately 1.93 times to 43.98 times, with an average of approximately 7.62 times. The implied PE Ratio of Weihai Bank of approximately 7.46 times is within the range and slightly lower than the average of the PE Ratios of the Comparable Banks. We also noted that the Implied Dividend Yield is within the range and slightly lower than the average of the dividend yields of the Comparable Banks.

Having considered that (i) the Consideration per Target Share is lower than the average daily closing price of the WB H Shares during the Review Period; (ii) the implied PB Ratio and implied PE Ratio of Weihai Bank falls within the range of PB Ratios and PE Ratios of the Comparable Banks, respectively; and (iii) the Implied Dividend Yield is generally in line with the average of the dividend yields of the Comparable Banks, we are of the view that the Consideration is fair and reasonable.

### RECOMMENDATION

Having taken into consideration the factors and reasons as stated above, we are of the view that (i) the terms of the Share Transfer Agreement and the transactions contemplated thereunder, are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; and (ii) the entering into of the Share Transfer Agreement, though not in the ordinary and usual course of business of the Group, is in the interests of the Company and the Shareholders as a whole. Accordingly, we advise the Independent Board Committee to recommend, and we ourselves recommend, the Independent Shareholders to vote in favour of the resolution to be proposed at the EGM for approving the Share Transfer Agreement and the transactions contemplated thereunder.

Yours faithfully,  
For and on behalf of  
**Maxa Capital Limited**  
**Sammy Leung**  
*Managing Director*

*Mr. Sammy Leung is a licensed person registered with the Securities and Future Commission of Hong Kong and a responsible officer of Maxa Capital Limited to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO and has over 12 years of experience in corporate finance industry.*

**1. RESPONSIBILITY STATEMENT**

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

**2. DISCLOSURE OF INTERESTS****(a) Interests and short positions of Directors, supervisors and chief executives of the Company in the Shares, underlying Shares and debentures of the Company and its associated corporations**

As at the Latest Practicable Date, according to the information obtained by the Company and to the best knowledge of the Company, none of Directors, supervisors or chief executives of the Company has, for the purpose of Divisions 7 and 8 of Part XV of the SFO, nor is any of them taken to or deemed to have, under Divisions 7 and 8 Part XV of the SFO, any interests and short positions in the Shares, underlying Shares and/or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) and/or any interests which will have to be registered in the register to be kept by the Company pursuant to section 352 of the SFO or which will be required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules.

(b) **Substantial Shareholders' interests and short positions in the Shares and underlying Shares of the Company**

As at the Latest Practicable Date, the interests and short positions of the substantial Shareholders in the Shares and underlying Shares of the Company (i) which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO; or (ii) which were recorded in the register required to be kept by the Company under Section 336 of the SFO, were as follows:

Name of Shareholders	Class of Shares	Capacity	Number of Shares held (Note 1)	Approximate percentage of interest in the registered capital of the Company	Approximate percentage of interest in the total number of Domestic Shares issued	Approximate percentage of interest in the total number of H Shares	Long position/Short position/Lending pool
Shandong Zhaojin	Domestic Shares	Beneficial owner	618,437,607	18.18%	93.58%	-	Long position
	H Shares	Beneficial owner	517,773,402	15.22%	-	18.89%	Long position
	H Shares	Interest of controlled corporation (Note 2)	76,045,695	2.24%	-	2.77%	Long position
Zijin Mining	H Shares	Interest of controlled corporation (Note 3)	654,078,741	19.22%	-	23.86%	Long position
Gold Mountains (H.K.) International Mining Co., Limited	H Shares	Beneficial owner (Note 3)	654,078,741	19.22%	-	23.86%	Long position
Van Eck Associates Corporation	H Shares	Investment manager (Note 4)	216,836,991	6.37%	-	7.91%	Long position
State Street Bank & Trust Company	H Shares	Approved lending agent (Note 5)	192,706,801	5.66%	-	7.03%	Lending pool

*Notes:*

- Pursuant to Section 336 of the SFO, the Shareholders are required to file disclosure of interests forms when certain criteria are fulfilled and the full details of the requirements are available on the designated official website. When a Shareholder's shareholding in the Company changes, it is not necessary for the Shareholder to notify the Company and the Stock Exchange unless certain criteria are fulfilled, therefore substantial Shareholders' latest shareholding in the Company may be different from the shareholding filed with the Company and the Stock Exchange.
- Shandong Zhaojin holds 100% equity interests in Zhaojin Non-Ferrous Mining Company Limited\* (招金有色礦業有限公司) ("Zhaojin Non-Ferrous") and therefore the 50,967,195 H Shares held by Zhaojin Non-Ferrous in the Company is shown as long position of Shandong Zhaojin. Luyin Trading Pte Ltd. ("Luyin") is a wholly-owned subsidiary of Shandong Zhaojin and therefore the 25,078,500 H Shares held by Luyin is shown as long position of Shandong Zhaojin.
- Zijin Mining is indirectly interested in the Shares of the Company through its 100% interest in Gold Mountains (H.K.) International Mining Co., Limited.



4. Van Eck Associates Corporation is the investment manager of the VanEck ETF – VanEck Gold Miners ETF.
5. State Street Bank & Trust Company is interested in the Shares through its directly or indirectly controlled companies.

As at the Latest Practicable Date, save as disclosed above, and to the knowledge of the Directors, supervisors and chief executives of the Company, no other person had interests or short positions in the Shares and underlying Shares under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were entered in the register required to be kept under Section 336 of the SFO.

As at the Latest Practicable Date, (i) Mr. Jiang Guipeng and Mr. Luan Wenjing are directors of Shandong Zhaojin; (ii) Mr. Li Guanghui is a senior management member of Shandong Zhaojin; and (iii) Mr. Long Yi, Mr. Wang Peiwu and Mr. Chen Lunan (resigned from the position as an executive Director with effect from 25 October 2024) are management personnel of Zijin Mining. Save as disclosed above, no Director or proposed Director is a director or employee of a company which has an interest or short position in the Shares and underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

### **3. SERVICE CONTRACTS**

As at the Latest Practicable Date, none of the Directors, proposed Directors, supervisors or proposed supervisors of the Company had entered into or had proposed to enter into any service contract with any member of the Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation other than statutory compensation).

### **4. INTEREST IN ASSETS AND CONTRACTS**

No contract or arrangement in which any of the Directors, proposed Directors, supervisors or proposed supervisors of the Company is materially interested and which is significant in relation to the business of the Group subsisted as at the Latest Practicable Date.

As at the Latest Practicable Date, none of the Directors, proposed Directors, supervisors or proposed supervisors of the Company had any direct or indirect interest in any assets which have been, since 31 December 2023 (being the date to which the latest published audited consolidated financial statements of the Group were made up), acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

### **5. COMPETING BUSINESS**

Mr. Jiang Guipeng and Mr. Luan Wenjing are directors of Shandong Zhaojin, and Mr. Li Guanghui is a senior management member of Shandong Zhaojin. Shandong Zhaojin is principally engaged in the business of gold exploration, mining and refining and has investments in gold exploration, mining, smelting and refining and other gold-related businesses. As at the Latest Practicable Date, Mr. Long Yi, Mr. Wang Peiwu and Mr. Chen Lunan (resigned from the position as an executive Director with effect from 25 October 2024) are the management personnel of Zijin Mining. Zijin Mining is principally engaged in mining, production, refining and sales of gold and other mineral resources.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and their respective associates were considered to have interest in a business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group, other than those businesses where the Directors were appointed as directors to represent the interests of the Company and/or the Group.

## 6. EXPERT AND CONSENT

The following are the qualifications of the expert who has given advice or opinions contained in this circular:

<b>Name</b>	<b>Qualifications</b>
Maxa Capital Limited	the Independent Financial Adviser, which is a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO

The Independent Financial Adviser has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter or references to its name in the form and context in which they respectively appear.

## 7. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2023, being the date to which the latest published audited consolidated financial statements of the Group were made up.

## 8. LITIGATION

No member of the Company and its subsidiaries is at present engaged in any litigation or arbitration of material importance to the Company and its subsidiaries and no litigation or claim of material importance to the Company and its subsidiaries is known to the Directors or the Company to be pending or threatened by or against any member of the Company and its subsidiaries.

## 9. GENERAL

- (a) The branch share registrar and transfer office for H Shares is Computershare Hong Kong Investor Services Limited at Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
- (b) The company secretary of the Company is Ms. Ng Ka Man, who is an associate member of both The Hong Kong Chartered Governance Institute (previously known as the Hong Kong Institute of Chartered Secretaries) and The Chartered Governance Institute (previously known as The Institute of Chartered Secretaries and Administrators) in the United Kingdom.
- (c) In the event of inconsistency, the English texts of this circular and the accompanying form of proxy prevail over their respective Chinese texts.

**10. MATERIAL CONTRACTS**

In the two years immediately preceding the date of this circular and up to the Latest Practicable Date, the following contracts, not being contracts entered into the ordinary course of business, were entered into by the Company or any of its subsidiaries which are or may be material:

- (a) the financial services agreement entered into between the Company and Finance Company on 29 December 2023 for the provision of various of financial services including deposit services, bill discounting services, loan services and other financial services; and
- (b) the financial services agreement entered into between Shandong Zhaojin and Finance Company on 29 December 2023 for the provision of various financial services including deposit services, bill discounting services, loan services and other financial services.

**11. DOCUMENTS ON DISPLAY**

Copies of the following documents will be published and displayed on the website of the HKEXnews (<http://www.hkexnews.hk>) and on the website of the Company (<http://www.zhaojin.com.cn>) for a period of 14 days from the date of this circular (both days inclusive):

- (a) the Share Transfer Agreement;
- (b) the letter of recommendation from the Independent Board Committee to the Independent Shareholders;
- (c) the letter from the Independent Financial Adviser; and
- (d) the written consent from the Independent Financial Adviser as referred to under the section headed “Expert and consent” in this appendix.

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# NOTICE OF 2024 THIRD EXTRAORDINARY GENERAL MEETING

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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)**

## NOTICE OF 2024 THIRD EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the extraordinary general meeting (the “EGM”) of Zhaojin Mining Industry Company Limited\* (the “**Company**”) will be held at the Company’s conference room at No. 118 Wenquan Road, Zhaoyuan City, Shandong Province, the People’s Republic of China (the “**PRC**”) at 9:00 a.m. on Monday, 18 November 2024 for the following purposes:

### ORDINARY RESOLUTIONS

“**THAT:**

1. (a) the Share Transfer Agreement and the Transaction to be contemplated thereunder as set out in the circular of the Company dated 31 October 2024 be and are hereby approved, confirmed and ratified; and  
  
(b) any one director of the Company be and is hereby authorised for and on behalf of the Company to take any action and execute such further documents as such director considers necessary, desirable or expedient to carry out or give effect to or otherwise in connection with the Share Transfer Agreement, and the Transaction to be contemplated thereunder.
  
2. the proposal for the appointment of Mr. Wang Peiwu as an executive Director.”

For and on behalf of  
**Zhaojin Mining Industry Company Limited\***  
**Jiang Guipeng**  
*Chairman of the Board*

Hong Kong, 31 October 2024

\* For identification purpose only

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# NOTICE OF 2024 THIRD EXTRAORDINARY GENERAL MEETING

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*Notes:*

1. Unless otherwise indicated, capitalised terms used herein shall have the same meanings as those defined in the circular of the Company dated 31 October 2024.
2. The Shareholders should note that the register of members of the Company will be closed from 12 November 2024 to 18 November 2024 (both days inclusive), during which period no transfer of Shares can be registered. In order to qualify to attend and vote at the EGM, all transfer documents accompanied by the relevant share certificates must be lodged, no later than 4:30 p.m. on 11 November 2024, with (i) the Company's share registrar for H Shares in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th 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).
3. Shareholders whose names appear on the register of members on 18 November 2024 are entitled to attend and vote at the EGM (or any adjourned meetings).
4. If a Shareholder appoints more than one proxy to attend the meeting, its proxy can only vote by poll.
5. Holders of H Shares who have the right to attend and vote at the EGM are entitled to appoint one or more proxies (whether or not a Shareholder) in writing to attend and vote at the EGM on his/her behalf. For those Shareholders who appoint more than one proxy, such proxies can only exercise their voting rights by way of poll. Shareholders who intend to appoint one or more proxies should first read the accompanying circular. Completion and return of the proxy form of the EGM will not preclude a Shareholder from attending the EGM.
6. If a proxy is appointed to attend the EGM on behalf of a Shareholder, the proxy must produce proof of identity and the authorisation instrument with the date of issue and duly signed by the Shareholder or its legal personal representative, and in the case of legal representatives of legal person Shareholders, such legal representatives must produce proof of identity and effective document to identify its identity as legal representative. If a legal person Shareholder appoints a company representative other than its legal representative to attend the EGM, such representative must produce proof of identity and the authorisation instrument bearing the company chop of the legal person Shareholder and duly signed by its legal representative.
7. If the proxy form is signed by a person under a power of attorney or other authorisation documents, such power of attorney or other authorisation documents must be notarially certified. In order to be valid, the notarially certified copy of such power of attorney or other authorisation documents under which it is signed together with the proxy form must be deposited no later than 9:00 a.m. on Sunday, 17 November 2024 at (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).
8. The EGM is expected to be held for less than half a day. Shareholders and their proxies who attend the meeting shall arrange for their own transportation and accommodation at their own expenses.

The registered address of the Company is as follows:

No. 118 Wenquan Road, Zhaoyuan City, Shandong Province, the PRC  
Tel: (86 535) 8256086  
Fax: (86 535) 8227541  
Postal code: 265400

As at the date of this notice, the Board comprises:

*Executive Directors:* *Mr. Jiang Guipeng, Mr. Duan Lei, Mr. Wang Ligang and Mr. Wang Peiwu*

*Non-executive Directors:* *Mr. Long Yi, Mr. Li Guanghui and Mr. Luan Wenjing*

*Independent non-executive Directors:* *Ms. Chen Jinrong, Mr. Choy Sze Chung Jojo, Mr. Wei Junhao and Mr. Shen Shifu*