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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)

FURTHER INFORMATION ON THE PAYMENT OF FINAL DIVIDENDS

Reference is made to the announcement of Zhaojin Mining Industry Company Limited (the “**Company**”) dated 13 June 2011 in respect of the payment of the final dividend for the year ended 31 December 2010 (the “**Announcement**”). The board of directors of the Company (the “**Board**”) wishes to announce further information in relation to the payment of the final dividend as follows.

Due to the change of PRC tax regulations, the “Circular on the Questions Concerning Tax on the Profits Earned by Enterprises with Foreign Investment, Foreign Enterprises and Individual Foreigners from the Transfer of Stocks (Stock Rights) and on Dividend Income (Guo Shui Fa [1993] No. 45) (《關於外商投資企業、外國企業和外籍個人取得股票(股權)轉讓收益和股息所得稅收問題的通知》(國稅發[1993]45號))” (the “**Circular**”), where individual foreigners, being holders of H shares, were temporarily exempted from PRC individual income tax for the dividends (bonus) paid by domestic enterprises which issued such H shares, was repealed in accordance with the “Announcement on the List of Fully and Partially Invalid and Repealed Tax Regulatory Documents (《關於公佈全文失效廢止、部份條款失效廢止的稅收規範性文件目錄的公告》)” issued by the State Administration of Taxation of China on 4 January 2011. Therefore, the Circular can no longer be the basis for individual shareholders who hold the Company’s H shares and whose names appear on the register of members of H shares of the Company (the “**Individual H Shareholders**”) to be exempted from the PRC individual income tax when the Company distributes the final dividends for the year ended 31 December 2010.

Pursuant to the PRC Individual Income Tax Law (《中華人民共和國個人所得稅法》), the Implementation Regulations of the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法實施條例》), the Provisional Measures on Withholding and Payment of Individual Income Tax (《個人所得稅代扣代繳暫行辦法》) and other relevant laws and regulations (collectively, “**Relevant Laws and Regulations**”), in view of opinions from relevant PRC tax authorities, Individual H Shareholders shall pay individual income tax at a tax rate of 20% upon their receipt of distribution of dividends (bonus) from the Company and subject to further confirmation from relevant PRC tax authorities, which shall be withheld and paid by the Company on behalf of the Individual H Shareholders. The tax rates may be subject to adjustments in accordance with the information provided by such Individual H Shareholders and the relevant requirements of applicable tax agreements (arrangements), or they may be entitled to enjoy tax benefits (if any).

Having considered the time required for collecting information from Individual H Shareholders and obtaining relevant PRC tax authorities' confirmation, the Board hereby announces that, in order to ensure the Company's compliance with Relevant Laws and Regulations while following the previously announced timetable for payment of dividends by the Company, the Company will temporarily withhold 20% of the final dividends to be distributed to Individual H Shareholders with an aggregate amount of approximately HK\$643,538.39, when the Company distributes the final dividends for the year ended 31 December 2010 to Individual H Shareholders. After the competent PRC tax authorities have confirmed such individual income tax withheld by the Company based on the information to be provided by the Individual H Shareholders, the Company would, if applicable, release the corresponding amount of dividends temporarily withheld to qualified individual shareholders on a timely basis, and the Company will issue an announcement in respect of any subsequent significant progress.

Shareholders are recommended to consult their taxation advisors regarding their owning and disposing of H shares of the Company and the PRC, Hong Kong and other tax effects involved.

Save as disclosed in this announcement, other information in respect of the payment of the final dividends as disclosed in the Announcement remains unchanged.

By order of the Board
Zhaojin Mining Industry Company Limited
Lu Dongshang
Chairman

Zhaoyuan, the PRC, 23 June 2011

As at the date of this announcement, the Board comprises two executive directors, namely Mr. Lu Dongshang and Mr. Weng Zhanbin, five non-executive directors, namely Mr. Liang Xinjun, Mr. Cong Jianmao, Mr. Wang Peifu, Mr. Wu Zhongqing and Mr. Chen Guoping, and four independent non-executive Directors, namely Mr. Ye Tianzhu, Mr. Yan Hongbo, Ms. Chen Jinrong and Mr. Choy Sze Chung Jojo.

* *For identification purposes only*