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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)

**ANNOUNCEMENT
PROPOSED BONUS ISSUE
AND
PROPOSED PAYMENT OF FINAL DIVIDENDS**

Reference is made to the annual results announcement for the year ended 31 December 2010 of Zhaojin Mining Industry Company Limited (the “**Company**”) dated 4 March 2011.

PROPOSED BONUS ISSUE

The board of directors (the “**Board**”) of the Company is pleased to announce that at a meeting of the Board held on 4 March 2011 (the “**Board Meeting**”), the Board proposed the bonus issue of the shares of the Company to the shareholders (the “**Bonus Issue**”) whose names appear on the register of members of the Company on 13 June 2011 (the “**Record Date**”) on the basis of one bonus share to be issued (0.5 of which is to be made by way of capitalization of retained profits and 0.5 of which is to be made by way of capitalization of the capital reserve fund) for every one share held by such shareholders (i.e., one bonus H share and one bonus domestic share to be issued in respect of every one H share and one domestic share held by the shareholders, respectively) on the Record Date.

The Bonus Issue is subject to (i) the approval of the shareholders of the Company at the 2010 annual general meeting of the Company to be held on 13 June 2011 (the “**AGM**”); and (ii) the approval of the H shares shareholders and the domestic shares shareholders at the respective class meeting of the Company (the “**Class Meetings**”) to be held on 13 June 2011. Once such approvals are obtained, application will be made by the Company to the Listing Committee of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) for the listing of and the permission to deal in the bonus H shares to be issued under the Bonus Issue.

PROPOSED PAYMENT OF FINAL DIVIDENDS

It was also proposed at the Board Meeting for the payment of final dividends for the year ended 31 December 2010 of RMB0.3 (before taxation) per share to the shareholders whose names appear on the register of members of the Company on the Record Date. For distribution of such dividends, dividends for domestic shares will be paid in Renminbi, whereas dividends for H shares will be paid in Hong Kong dollars.

The proposed payment of final dividends for the year ended 31 December 2010 is still subject to the approval by the shareholders of the Company at the AGM.

CLOSURE OF BOOKS

The register of members of the Company will be closed from 14 May 2011 to 13 June 2011 (both days inclusive) during which period no transfer of shares will be effected. In order to be qualified for the entitlement of the Bonus Issue and the final dividends, all transfer instruments accompanied by the relevant share certificates must be lodged by the H shares shareholders with the Company's H share registrar and transfer office, Computershare Hong Kong Investor Services Limited, at Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong; or by the domestic shares shareholders with the registered office of the Company at 299 Jinhui Road, Zhaoyuan City, Shandong Province, the PRC no later than 4:30 p.m. on 13 May 2011.

The expected timetable for the Bonus Issue and the payment of final dividends is set out as follows:

2011

Last day of dealings in H shares on a cum-entitlement basis	11 May (Wednesday)
First day of dealings in H shares on an ex-entitlement basis	12 May (Thursday)
Latest time for lodging transfer of shares for entitlement to the Bonus Issue and the final dividends	4:30 p.m. on 13 May (Friday)
Book Closure Period (both days inclusive).	14 May (Saturday) to 13 June (Monday)
Record Date	13 June (Monday)
AGM and Class Meetings.	13 June (Monday)
Register of members of the Company reopens	14 June (Tuesday)
Dispatch of certificates for bonus H shares and dividends cheques	30 June (Tuesday)
Dealings in bonus H shares are expected to commence	5 July (Tuesday)

The Company will issue the notices for the AGM and the Class Meetings together with the relevant circular containing, among other things, details of the Bonus Issue in accordance with the requirements under the Rules Governing the Listing of Securities on the Stock Exchange in due course.

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

Zhaoyuan, the PRC, 8 March 2011

As at the date of this announcement, the directors of the Company are: Executive directors: Mr. Lu Dongshang and Mr. Weng Zhanbin; Non-executive directors: Mr. Liang Xinjun, Mr. Cong Jianmao, Mr. Wang Peifu, Mr. Wu Zhongqing and Mr. Chen Guoping; Independent non-executive directors: Mr. Yan Hongbo, Mr. Ye Tianzhu, Ms. Chen Jinrong and Mr. Choy Sze Chung Jojo.

* *For identification purposes only*