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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)**

**CONNECTED TRANSACTION  
INVOLVING ISSUE OF CONSIDERATION SHARES**

**THE TRANSFER AGREEMENT**

The Board announces that on 23 March 2012, the Company entered into the Transfer Agreement with Zhaojin Non-Ferrous, a wholly-owned subsidiary of Zhaojin Group, pursuant to which Zhaojin Non-Ferrous conditionally agreed to sell and the Company has conditionally agreed to purchase the Hou Cang Exploration Right and the entire equity interest in Jin Han Zun Mining for an aggregate consideration of RMB597,845,200, which will be satisfied in full by the allotment and issue of the Consideration Shares by the Company.

**LISTING RULES IMPLICATIONS**

Zhaojin Non-Ferrous, being a wholly-owned subsidiary of Zhaojin Group, a controlling Shareholder of the Company, is a connected person of the Company under Chapter 14A of the Listing Rules. Since the Acquisition involved the allotment and issue of the Consideration Shares to Zhaojin Non-Ferrous, the Acquisition therefore constitutes a connected transaction of the Company and is subject to the reporting, announcement and approval of the Independent Shareholders requirements under Chapter 14A of the Listing Rules.

The Independent Board Committee has been established to make recommendation to the Independent Shareholders regarding the fairness and reasonableness of the terms of the Transfer Agreement and the transactions contemplated thereunder so far as the Independent Shareholders are concerned. An Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the Transfer Agreement and the transactions contemplated thereunder.

Pursuant to Rule 19A.38 of the Listing Rules and the articles of association of the Company, the allotment and issue of the Consideration Shares is also subject to the approval of the H Shares Shareholders and the Domestic Shares Shareholders at the Class Meetings, by way of special resolution.

A circular containing, inter alia, further information regarding the Acquisition, the allotment and the issue of the Consideration Shares, a letter from the Independent Board Committee, a letter from the Independent Financial Adviser and notices of AGM and the Class Meetings will be despatched to the Shareholders as soon as practicable in accordance with the Listing Rules, which is expected to be on or before 18 April 2012.

**Shareholders and investors should note that the completion of the Acquisition is subject to various conditions as stated in the paragraph headed “Conditions Precedent” in this announcement and therefore the Acquisition may or may not complete. As such, investors and Shareholders are urged to exercise caution when dealing in the Shares.**

## **THE TRANSFER AGREEMENT**

### **Date**

23 March 2012

### **Parties**

Vendor: Zhaojin Non-Ferrous, a wholly-owned subsidiary of Zhaojin Group, a controlling Shareholder of the Company

Purchaser: The Company

### **Assets to be acquired**

Subject to the terms and conditions of the Transfer Agreement, including the satisfaction or waiver (as the case may be) of all the conditions precedent under the paragraph headed "Conditions precedent" in this announcement, Zhaojin Non-Ferrous has agreed to transfer the Hou Cang Exploration Right and the entire equity interest in Jin Han Zun Mining to the Company free from any encumbrances including any charge or freezing order by any judicial body.

The completion of the transfer of the Hou Cang Exploration Right and the entire equity interest in Jin Han Zun Mining by Zhaojin Non-Ferrous to the Company shall be inter-conditional.

### **Consideration**

The aggregate consideration for the sale and purchase of the Hou Cang Exploration Right and the entire equity interest in Jin Han Zun Mining is RMB597,845,200 (comprising the considerations for the sale and purchase of the Hou Cang Exploration Right and the entire equity interest of Jin Han Zun Mining of RMB244,970,600 and RMB352,874,600, respectively). The consideration will be satisfied in full by the allotment and issue of the Consideration Shares at the issue price of RMB11.73 per Consideration Share.

The respective consideration for each of the Hou Cang Exploration Right and the entire equity interest in Jin Han Zun Mining was arrived at after arm's length negotiation between the Company and Zhaojin Non-Ferrous with reference to the valuation of the Hou Cang Exploration Right of RMB244,970,600 as at 31 July 2011 conducted by the Mine Valuer and Jin Han Zun Mining of RMB352,874,600 as at 31 July 2011 conducted by the Company Valuer and the prevailing market price of the H Shares.

The issue price of the Consideration Shares was arrived at based on the average price per H Share of the Company for the last 20 consecutive trading days up to and including the Last Trading Day. The applicable exchange rate of Renminbi to Hong Kong dollar shall be the middle price for quoting Hong Kong dollar against Renminbi on the interbank foreign exchange market as announced by the China Foreign Exchange Trade System under the authorisation of the People's Bank of China on the Last Trading Day.

The issue price of RMB11.73 of each of the Consideration Shares represents:

- (i) a premium of approximately 8.56% to the closing price of HK\$13.32 per H Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a premium of approximately 9.21% to the average closing price of approximately HK\$13.24 per H Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day; and
- (iii) a premium of approximately 4.33% to the average closing price of approximately HK\$13.86 per H Share as quoted on the Stock Exchange for the last ten consecutive trading days up to and including the Last Trading Day.

The Consideration Shares to be allotted and issued by the Company to Zhaojin Non-Ferrous under the Transfer Agreement, represents:

- (i) approximately 2.50% and 1.75% of the existing Domestic Shares in issue and the existing total registered share capital of the Company, respectively; and
- (ii) approximately 2.44% and 1.72% of the Domestic Shares in issue as enlarged by the allotment and issue of the Consideration Shares, the total registered share capital of the Company as enlarged by the allotment and issue of the Consideration Shares.

The aggregate nominal value of the Consideration Shares is RMB50,967,195. As at the date of this announcement, the market price of the H share is HK\$13.26 per H share.

The Directors (excluding the independent non-executive Directors who will form their view upon considering the advice of the Independent Financial Adviser) considered that the issue price of RMB11.73 (equivalent to approximately HK\$14.46) per Consideration Share to be fair and reasonable and the Acquisition is in the interests of the Company and the Independent Shareholders as a whole.

The Consideration Shares shall be allotted and issued under the Specific Mandate to be obtained at the AGM and the Class Meetings, respectively.

### **Ranking**

The Consideration Shares, when issued and fully paid, will rank *pari passu* among themselves and with the Shares then in issue at the time of the allotment and issue of the Consideration Shares. Pursuant to the Transfer Agreement, Zhaojin Non-Ferrous will not be entitled to any dividend for the year ended 31 December 2011 to be distributed by the Company.

### **Conditions Precedent**

The completion of the Acquisition is subject to the following conditions being satisfied:

- (a) *conditions to be satisfied jointly by the Company and Zhaojin Non-Ferrous:*
  - (i) all necessary approvals, consents and permits required to be obtained from all the competent governmental bodies and monitoring departments including the People's Government State-owned Assets Monitoring Committee of the Shandong Province (山東省人民政府國有資產監督管理委員會) in respect of the Transfer Agreement and the transactions contemplated thereunder having been obtained; and
  - (ii) all such approvals, consents and permits have not caused any material change to any terms and conditions of the Transfer Agreement and the transactions contemplated thereunder (including but not limited to the consideration and the assets to be transferred under the Transfer Agreement).

- (b) *conditions to be satisfied by the Company (or waived by Zhaojin Non-Ferrous provided that such waiver complies with the relevant laws):*
- (i) the completion of Company’s relevant internal approval procedures for approving the Acquisition, including but not limited to the passing of the resolutions by the Independent Shareholders at the AGM, H Shares Shareholders at the H Shareholders Meeting and the Domestic Shares Shareholders at the Domestic Shareholders Meeting, respectively;
  - (ii) the warranties given by the Company not being breached; and
  - (iii) the obligations of the Company under the Transfer Agreement not being breached.
- (c) *conditions to be satisfied by Zhaojin Non-Ferrous (or waived by the Company provided that such waiver complies with the relevant laws):*
- (i) the completion of the relevant internal approval procedures of Zhaojin Non-Ferrous for approving the Acquisition;
  - (ii) the Hou Cang Exploration Right being true, legally and validly held by Zhaojin Non-Ferrous and is not subject to any encumbrance including any charge or freezing order by any judicial body and is in good condition for the purpose of transfer;
  - (iii) the entire equity interest in Jin Han Zun Mining being true, legally and validly held by Zhaojin Non-Ferrous and is not subject to any encumbrance including any charge or freezing order by any judicial body and is in good condition for the purpose of transfer;
  - (iv) the Da Sha Gou Exploration Right being true, legally and validly held by Jin Han Zun Mining and is not subject to any encumbrance including any charge or freezing order by any judicial body;
  - (v) the warranties given by Zhaojin Non-Ferrous not being breached; and
  - (vi) the obligations of Zhaojin Non-Ferrous under the Transfer Agreement not being breached by Zhaojin Non-Ferrous.

### **Time of payment**

The Company shall allot and issue the Consideration Shares to Zhaojin Non-Ferrous and complete the registration at the China Securities Depository and Clearing Corporation Limited within 30 business days after the satisfaction or waiver (as the case may be) of all the conditions precedent under the paragraph headed “Conditions Precedent” in this announcement. Upon completion of the aforesaid registration, Zhaojin Non-Ferrous will become the shareholder of the Consideration Shares.

After completion of all the change and registration procedures in respect of the transfer of the Hou Cang Exploration Right and the entire equity interest in Jin Han Zun Mining, Jin Han Zun Mining will become a wholly-owned subsidiary of the Company.

## INFORMATION ON THE HOU CANG EXPLORATION RIGHT AND JIN HAN ZUN MINING

### The Hou Cang Exploration Right

The Hou Cang Exploration Right enables its holder to conduct exploration and detailed investigation on the gold mine in Hou Cang District, Zhao Yuan City, Shandong Province, the PRC, which is located about 18 km southwest of Zhaoyuan City, Shandong Province, the PRC, with an area of approximately 8.2 km<sup>2</sup>. It possesses a gold resource of 15,691 kg, with an average grade of 2.71g/ton. The Hou Cang Exploration Right was initially granted on 17 July 2001 and will expire on 30 September 2013.

According to the valuation by the Mine Valuer based on 地質要素評序法 (geology essential factor appraisal method\*), the valuation of the Hou Cang Exploration Right as at 31 July 2011 was approximately RMB244,970,600. No revenue has been generated from the Hou Cang Exploration Right so far.

As at the date of this announcement, the mining operation in the area of mine covered by the Hou Cang Exploration Right has not been commenced. As at the date of this announcement, no capital commitment has been made by Zhaojin Non-Ferrous nor the Company in respect of the Hou Cang Exploration Right and the total costs to be incurred on the exploration of the mine under the Hou Cang Exploration Right cannot be ascertained.

The original cost of purchase of the Hou Cang Exploration Right by Zhaojin Non-Ferrous on 7 January 2011 was RMB88,000,000.

### Jin Han Zun Mining

Jin Han Zun Mining is a company incorporated in the PRC on 25 August 2005 with limited liability and as at the date of this announcement, it is wholly-owned by Zhaojin Non-Ferrous. Jin Han Zun Mining is principally engaged in the exploration work on mine.

Set out below is the unaudited consolidated financial information of Jin Han Zun Mining prepared in accordance with PRC accounting standards:

	<b>For the financial year ended 31 December</b>	
	<b>2010</b>	<b>2011</b>
	<i>RMB</i>	<i>RMB</i>
Net loss before taxation and extraordinary items	3,394,308.99	1,625,671.4
Net loss after taxation and extraordinary items	3,429,803.84	1,625,671.4

According to the unaudited consolidated financial information of Jin Han Zun Mining prepared in accordance with PRC accounting standards, the unaudited net assets of Jin Han Zun Mining as at 31 December 2011 was approximately RMB4,150,000.

As the principal business carried out by Jin Han Zun Mining is exploration work on mine and it does not have any operation activity, no turnover was generated by Jin Han Zun Mining so far.

The original cost of purchase of Jin Han Zun Mining by Zhaojin Non-Ferrous on 8 November 2010 was RMB120,000,000.

Dai Sha Gou Gold Mine was wholly-owned by Jin Han Zun Mining. Jin Han Zun Mining holds the Da Sha Gou Exploration Right.

The Da Sha Gou Exploration Right enables its holder to conduct exploration and general prospecting on the Dai Sha Gou Gold Mine in Da Sha Gou District, Fu Yun Xian, Xinjiang, the PRC, which is located in the southeast of Xinjiang Fu Yun Xian, about 260 km away from Fu Yun Xian City, the PRC, with an area of 3.3 km<sup>2</sup>. It possesses a gold resource of 10,508.82 kg, with an average grade of 4.62g/ton. The Da Sha Gou Exploration Right was initially granted on 18 September 2005 and will expire on 13 December 2013.

According to the valuation by the Mine Valuer based on 地質要素評序法 (geology essential factor appraisal method\*), the valuation of the Da Sha Gou Exploration Right as at 31 July 2011 was approximately RMB349,177,600. No revenue has been generated from the Da Sha Gou Exploration Right so far.

As at the date of this announcement, the mining operation in the area of mine covered by the Da Sha Gou Exploration Right has not been commenced. As at the date of this announcement, no capital commitment has been made by Jin Han Zun Mining nor the Company in respect of the Da Sha Gou Exploration Right and the total costs to be incurred on the exploration of the mine under the Da Sha Gou Exploration Right cannot be ascertained.

Based on the asset valuation report issued by the Company Valuer on 22 December 2011, the appraised value of the entire equity interest in Jin Han Zun Mining as at 31 July 2011 was RMB352,874,600.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE TRANSFER AGREEMENT**

The Directors (excluding the independent non-executive Directors who will form their view after considering the advice of the Independent Financial Adviser) consider that the Acquisition will be beneficial to the Group as both of the mines which are permitted to be explored under the Hou Cang Exploration Right and Da Sha Gou Exploration Right are located in the districts with higher mine formation potential and greater potential of higher reserves. In addition, both of the mines are located relatively near to the current mines owned by the Group, this can achieve a synergy effect with the mines and facilities currently owned by the Group and provide a strategic advantage to the overall planning and development of the Group. Through the Acquisition, the Group is able to further increase the amount of gold resources by non-cash method and provide resources for the Company's long term development.

The Directors (excluding the independent non-executive Directors who will form their view upon considering the advice of the Independent Financial Adviser), consider that the terms of the Transfer Agreement are fair and reasonable and on normal commercial terms and that the Acquisition is in the interests of the Company and the Independent Shareholders as a whole.

## **INFORMATION ON THE GROUP**

The Group is principally engaged in gold exploration, mining, ore processing and smelting, and processing and sale of by-products in the PRC.

## **INFORMATION ON ZHAOJIN GROUP AND ZHAOJIN NON-FERROUS**

Zhaojin Group 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.

Zhaojin Non-Ferrous is principally engaged in the business of geological exploration, mining and comprehensive development of non-ferrous metal mines.

## EFFECT ON SHAREHOLDING STRUCTURE AFTER COMPLETION OF THE ACQUISITION

To the best knowledge of the Directors, the simplified shareholding structure of the Company as at the date of this announcement and the shareholding structure of the Company after completion of allotment and issue of the Consideration Shares are as follows:

<i>Shareholders</i>	<b>Number of Domestic Shares/H Shares held as at the date of this announcement</b>		<b>Number of Domestic Shares/H Shares after allotment and issue of the Consideration Shares</b>	
	<i>Shares</i>	<i>%</i>	<i>Shares</i>	<i>%</i>
Zhaojin Group	1,086,514,000 Domestic Shares	37.27	1,086,514,000 Domestic Shares	36.63
上海豫園旅遊商城股份有限公司 (Shanghai Yu Yuan Tourism Commercial City Joint Stock Limited Company*)	742,000,000 Domestic Shares	25.46	742,000,000 Domestic Shares	25.02
上海複星產業投資有限公司 (Shanghai Fuxing Property Investment Company Limited*)	106,000,000 Domestic Shares	3.64	106,000,000 Domestic Shares	3.57
招遠市國有資產經營有限公司 (Zhaoyuan City State-owned Assets Operation Company Limited*)	84,800,000 Domestic Shares	2.91	84,800,000 Domestic Shares	2.86
上海老廟黃金有限公司 (Shanghai Old Temple Gold Company Limited*)	21,200,000 Domestic Shares	0.73	21,200,000 Domestic Shares	0.71
Zhaojin Non-Ferrous	–	–	50,967,195 Domestic Shares	1.72
Public Shareholders	874,346,000 H Shares	30	874,346,000 H Shares	29.48
Total	<u>2,914,860,000</u>	<u>100</u>	<u>2,965,827,195</u>	<u>100</u>

## FUND RAISING ACTIVITY IN THE PAST TWELVE MONTHS

The Company has not conducted any fund raising activity by the issue of securities in the 12 months immediately preceding the date of this announcement.



## **LISTING RULES IMPLICATIONS**

Zhaojin Non-Ferrous, being a wholly-owned subsidiary of Zhaojin Group, a controlling Shareholder of the Company, is a connected person of the Company under Chapter 14A of the Listing Rules. Since the Acquisition involved the allotment and issue of the Consideration Shares to Zhaojin Non-Ferrous, the Acquisition therefore constitutes a connected transaction of the Company and is subject to the reporting, announcement and approval of the Independent Shareholders requirements under Chapter 14A of the Listing Rules.

Pursuant to Rule 19A.38 of the Listing Rules and the articles of association of the Company, the allotment and issue of the Consideration Shares is also subject to the approval of the H Shares Shareholders and the Domestic Shares Shareholders at the Class Meetings, by way of special resolution.

Any connected person with a material interest in the transactions contemplated under the Transfer Agreement, and any Shareholder with a material interest in the transactions contemplated under the Transfer Agreement and its associates, will abstain from voting at the relevant resolutions approving the Transfer Agreement and the transactions contemplated thereunder at the AGM and the Class Meetings. Zhaojin Group and its associates will abstain from voting at the AGM and the relevant Class Meetings to approve the Transfer Agreement and the transactions contemplated thereunder, including authorizing the Board to deal with the matters relating to the Transfer Agreement.

## **INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER**

The Independent Board Committee has been established to make recommendation to the Independent Shareholders regarding the fairness and reasonableness of the terms of the Transfer Agreement and the transactions contemplated thereunder so far as the Independent Shareholders are concerned. An Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the Acquisition and the transactions contemplated thereunder.

## **DESPATCH OF CIRCULAR**

A circular containing, inter alia, further information regarding the Acquisition, the allotment and issue of the Consideration Shares, a letter from the Independent Board Committee, a letter from the Independent Financial Adviser and notices of AGM and the Class Meetings will be despatched to the Shareholders as soon as practicable in accordance with the Listing Rules, which is expected to be on or before 18 April 2012.

**Shareholders and investors should note that the completion of the Acquisition is subject to various conditions as stated in the paragraph headed “Conditions Precedent” in this announcement and therefore the Acquisition may or may not complete. As such, investors and Shareholders are urged to exercise caution when dealing in the Shares.**

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meaning:

“Acquisition”	the acquisition of the Hou Cang Exploration Right and the entire equity interest in Jin Han Zun Mining by the Company from Zhaojin Non-Ferrous pursuant to the Transfer Agreement
“AGM”	the 2011 annual general meeting of the Company to be convened and held to approve, among other things, the Transfer Agreement and the transactions contemplated thereunder including the allotment and issue of the Consideration Shares and the grant of the Specific Mandate
“associates”	has the meaning ascribed thereto in the Listing Rules
“Board”	the board of Directors
“Class Meetings”	the Domestic Shareholders Meeting and the H Shareholders Class Meeting
“Company”	Zhaojin Mining Industry Company Limited* (招金礦業股份有限公司) (Stock Code: 1818), a joint stock limited company established in the PRC on 16 April 2004, the issued H Shares of which are listed on the Main Board of the Stock Exchange
“Company Valuer”	山東正源和信資產評估有限公司 (Shandong Zhengyuan Hexin Assets Appraisal Limited*), the valuer appointed for the purpose of the Acquisition and an Independent Third Party
“connected persons”	has the meaning ascribed thereto in the Listing Rules
“Consideration”	the aggregate consideration of RMB597,845,200 in respect of the sale and purchase of the Hou Cang Exploration Right and the entire equity interest of Jin Han Zun Mining
“Consideration Shares”	the 50,967,195 new Domestic Shares having a total cash value equivalent to the Consideration based on an issue price of RMB11.73 per Consideration Share to be allotted and issued by the Company to Zhaojin Non-Ferrous pursuant to the Transfer Agreement
“Da Sha Gou Exploration Right”	the exploration right (No. T65120080402005897) (prospecting) in the Dai Sha Gou Gold Mine held by Jin Han Zun Mining
“Dai Sha Gou Gold Mine”	新疆富蘊縣大沙溝金礦 (Xinjiang Fu Yun Xian Da Sha Gou Gold Mine), a gold mine which is located at Fu Yun Xian of the PRC and is wholly-owned by Jin Han Zun Mining

“Directors”	the directors of the Company from time to time
“Domestic Share(s)”	domestic share(s) of nominal value of RMB1 each in the capital of the Company
“Domestic Shares Shareholders”	holder(s) of the Domestic Shares
“Domestic Shareholders Meeting”	the class meeting of Domestic Shares Shareholders to be convened and held to approve, among other things, the Transfer Agreement and the transactions contemplated thereunder including the allotment and issue of the Consideration Shares and the grant of the Specific Mandate
“Group”	the Company and its subsidiaries
“H Share(s)”	H share(s) of nominal value of RMB1 each in the capital of the Company, which are listed on the Stock Exchange
“H Shareholders Meeting”	the class meeting of H Share Shareholders to be convened and held to approve, among other things, the Transfer Agreement and the transactions contemplated thereunder including the allotment and issue of the Consideration Shares and the grant of the Specific Mandate
“H Shares Shareholder(s)”	holders of the H Shares
“HK\$”	the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hou Cang Exploration Right”	the exploration right (No. T3712008042006515) in the gold mine in Hou Cang District, Zhao Yuan City, Shandong Province, the PRC held by Zhaojin Non-Ferrous
“Independent Board Committee”	an independent committee of the Board comprising all the independent non-executive Directors, established to make recommendations to the Independent Shareholders in respect of the Transfer Agreement and the transactions contemplated thereunder
“Independent Financial Advisor”	Quam Capital Limited, the independent financial adviser appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the Transfer Agreement and the transactions contemplated thereunder
“Independent Shareholders”	Shareholders other than those who are required under the Listing Rules to abstain from voting on the resolution(s) to be proposed at the AGM and the Class Meetings to approve the Transfer Agreement and the transactions contemplated thereunder

“Independent Third Party”	a third party independent of the Group
“Jin Han Zun Mining”	新疆金瀚尊礦業投資有限公司 (Xinjiang Jin Han Zun Mining Investment Company Limited*), a company established in the PRC on 25 August 2005 with limited liability
“km”	kilometre
“km <sup>2</sup> ”	square kilometre
“Last Trading Day”	22 March 2012, being the last full trading day of the H Shares immediately preceding the date of the Transfer Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mine Valuer”	北京海地人礦業權評估事務所, the valuer appointed for the purpose of the Acquisition and an Independent Third Party
“PRC”	the People’s Republic of China, which, for the purpose of this announcement, shall exclude Hong Kong, the Macau Special Administration Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	the H Share(s) and the Domestic Share(s)
“Shareholder(s)”	holders of the Shares
“Specific Mandate”	the specific mandate to be granted to the Directors at the AGM, H Shareholders Meeting and Domestic Shareholders Meeting for the allotment and issue of the Consideration Shares to Zhaojin Non-Ferrous in accordance with the Transfer Agreement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transfer Agreement”	the transfer agreement dated 23 March 2012 entered into between the Company and Zhaojin Non-Ferrous in relation to the Acquisition
“Zhaojin Group”	山東招金集團有限公司 (Shandong Zhaojin Group Company Limited*), a state-owned limited company established in the PRC on 28 June 1992 and a promoter and a controlling Shareholder of the Company

“Zhaojin Non-Ferrous” 招金有色礦業有限公司(Zhaojin Non-Ferrous Mining Company Limited\*), a company established in the PRC on 11 January 1992 with limited liability and a wholly-owned subsidiary of Zhaojin Group

“%” per cent

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

Zhaoyuan, the PRC, 23 March 2012

*As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Lu Dongshang, Mr. Weng Zhanbin and Mr. Li Xiuchen, four non-executive Directors, namely Mr. Liang Xinjun, Mr. Cong Jianmao, Mr. Ye Kai and Mr. Kong Fanhe, and four independent non-executive Directors, namely Mr. Ye Tianzhu, Mr. Yan Hongbo, Ms. Chen Jinrong and Mr. Choy Sze Chung Jojo.*

\* *For identification purpose only*

*In this announcement, unless otherwise stated, RMB has been converted to HK\$ at the rate of HK\$1 to RMB0.8115 for illustration purpose only.*