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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 to be taken, you should consult a licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

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

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**ZHAOJIN**

**ZHAOJIN MINING INDUSTRY COMPANY LIMITED\***

**招金礦業股份有限公司**

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

**(Stock Code: 1818)**

**PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION  
AND  
PROPOSED RE-ELECTION OR APPOINTMENT OF DIRECTORS OF  
THE THIRD SESSION OF THE BOARD  
AND  
PROPOSED RE-ELECTION OF SUPERVISORS OF  
THE THIRD SESSION OF THE SUPERVISORY COMMITTEE  
AND  
PROPOSED REMUNERATION PACKAGE OF DIRECTORS OF  
THE THIRD SESSION OF THE BOARD AND SUPERVISORS OF  
THE THIRD SESSION OF THE SUPERVISORY COMMITTEE  
AND  
NOTICE OF EXTRAORDINARY GENERAL MEETING**

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The notice convening the EGM is set out on pages 22 to 30 of this circular.

The EGM of the Company will be held at the Company's conference room in Xinyuan Gold Hotel, No. 299 Jinhui Road, Zhaoyuan City, Shandong Province, the People's Republic of China (the "PRC") at 9:00 a.m. on Friday, 26 February 2010. The notice of which is set out on pages 22 to 30 of this circular. Any Shareholder(s) entitled to attend and vote at the EGM are entitled to appoint one or more proxies to attend and vote on his/her behalf. A proxy need not be a Shareholder of the Company. In the event that a Shareholder appoints more than one proxy to attend the meeting, such proxies may only exercise their voting rights on a poll. If you intend to appoint a proxy to attend the EGM and vote on your behalf, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's H Share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, as soon as possible and in any event not less than 24 hours before the time appointed for the holding of the EGM (for the holders of H Shares of the Company); or for the holders of Domestic Shares of the Company, to the registered address of the Company in the PRC not less than 24 hours before the time appointed for the holding of the EGM. Shareholders who intend to attend the EGM are required to return the reply slip by hand, by post, by telegram or by fax to 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 of the Company), or the registered address of the Company in the PRC (for holders of Domestic Shares of the Company) on or before 6 February 2010. In order to qualify to attend and vote at the EGM, all transfer documents accompanied by the relevant share certificates must be lodged with 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 of the Company), or the registered address of the Company in the PRC (for holders of Domestic Shares of the Company) no later than 4:30 p.m. on 26 January 2010. Completion and return of the form of proxy shall not preclude you from attending and voting at the EGM or any adjournment thereof if you so wish.

11 January 2010

\* For identification purposes only

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## DEFINITIONS

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*In this circular, unless otherwise indicated in the context, the following expressions have the following meanings:*

“Articles of Association”	the articles of association of the Company
“associates”	has the meaning ascribed thereto in the Listing Rules
“Board”	the board of Directors of the Company
“Company”	Zhaojin Mining Industry Company Limited (招金礦業股份有限公司) (Stock Code: 1818), a joint stock limited company incorporated in the PRC on 16 April 2004 and the issued H Shares of which are listed on Main Board of the Stock Exchange
“Company Law”	the Company Law of the PRC
“Directors”	the directors of the Company
“Domestic Share(s)”	the ordinary shares issued by the Company, with a Renminbi denominated par value of RMB1.00 each, which were subscribed for and paid up in Renminbi
“EGM”	the 2010 first extraordinary general meeting of the Company to be held at the Company’s conference room in Xinyuan Gold Hotel, No. 299 Jinhui Road, Zhaoyuan City, Shandong Province, the PRC on 26 February 2010 (Friday) at 9:00 a.m., to consider and, if thought fit, approve the amendments to the Articles of Association, re-elect or appoint the Directors of the third session of the Board, re-elect the Supervisors of the third session of the Supervisory Committee and approve the remuneration package of Directors and Supervisors
“Foreign Shares”	ordinary shares issued by the Company, with a Renminbi denominated par value of RMB1.00 each, which are subscribed for and paid up in a currency other than RMB and include the H Shares
“Group”	the Company and its subsidiaries
“Guangxin Investments”	Shenzhen Guangxin Investments Co., Ltd., one of the promoters of the Company which holds 2.9% Domestic Shares in the entire issued ordinary share capital of the Company
“H Share(s)”	the overseas-listed foreign invested shares of RMB1.00 each in the registered share capital of the Company

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## DEFINITIONS

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“Laomiao Gold”	Shanghai Laomiao Gold Co., Ltd. (上海老廟黃金有限公司), a limited liability company established in the PRC on 23 July 1989 and one of the promoters of the Company
“Latest Practicable Date”	8 January 2010, being the latest practicable date prior to the printing of the circular for ascertaining certain information in the circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC” or “China”	the People’s Republic of China
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shandong State-Owned Commission”	Stated-owned Assets Supervision and Administration Commission of Shandong People’s Government
“Shanghai Fosun”, “Fosun Investment”	Shanghai Fosun Industrial Investment Co., Ltd. (上海複星產業投資有限公司), a limited liability company established in the PRC on 22 November 2001 and one of the promoters of the Company
“Shanghai Yuyuan”	Shanghai Yuyuan Tourist Mart Co., Ltd. (上海豫園旅遊商城股份有限公司), a joint stock limited company established in the PRC on 25 November 1987 and one of the promoters of the Company
“Shareholder(s)”	the registered holder(s) of Domestic Shares and H Shares of the Company
“Shares”	the ordinary shares of RMB1.00 each in the share capital of the Company, comprising Domestic Shares and H Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supervisor(s)”	the supervisor(s) of the Company
“Supervisory Committee”	the supervisory committee of the Company

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## DEFINITIONS

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“Zhaojin Group”	Shandong Zhaojin Group Company Limited, a state-owned limited company incorporated in the PRC in June 1992 which holds approximately 37.3% of the entire issued share capital of the Company as at the Latest Practicable Date and one of the controlling Shareholders and promoters of the Company
“Zhaoyuan State-owned Assets Company”	Zhaoyuan City State-owned Assets Operation Limited, a state-owned limited company incorporated in the PRC in April 2004

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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. Lu Dongshang (*Chairman*)  
Mr. Wang Peifu  
Mr. Ma Yushan

*Registered address*

No. 299 Jinhui Road  
Zhaoyuan City  
Shandong Province  
PRC

*Non-executive Directors:*

Mr. Liang Xinjun (*Vice chairman*)  
Mr. Wu Ping  
Mr. Cong Jianmao  
Mr. Chen Guoping

*Principal place of business in*

*Hong Kong*  
8th Floor  
Gloucester Tower  
The Landmark  
15 Queen's Road Central  
Hong Kong

*Independent Non-executive Directors:*

Mr. Yan Hongbo  
Mr. Ye Tianzhu  
Ms. Chen Jinrong  
Mr. Choy Sze Chung Jojo

11 January 2010

*To the Shareholders*

Dear Sir or Madam,

**PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION  
AND  
PROPOSED RE-ELECTION OR APPOINTMENT OF DIRECTORS  
OF THE THIRD SESSION OF THE BOARD  
AND  
PROPOSED RE-ELECTION OF SUPERVISORS OF  
THE THIRD SESSION OF THE SUPERVISORY COMMITTEE  
AND  
PROPOSED REMUNERATION PACKAGE OF DIRECTORS OF  
THE THIRD SESSION OF THE BOARD AND SUPERVISORS OF  
THE THIRD SESSION OF THE SUPERVISORY COMMITTEE  
AND  
NOTICE OF EXTRAORDINARY GENERAL MEETING**

This circular is issued with the notice dated 11 January 2010 in relation to the EGM of the Company to be held on 26 February 2010.

\* *For identification purposes only*

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## **LETTER FROM THE BOARD**

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The purpose of this circular is to provide you with information regarding proposed resolutions in relation to (i) the amendments to the Articles of Association; (ii) the re-election or appointment of Directors of the third session of the Board; (iii) the re-election or appointment of the Supervisors of the third session of the Supervisory Committee; (iv) the determination of remuneration of the Directors and the Supervisors; and (v) other matters related to the service contracts of the Directors and Supervisors to be proposed at the EGM to enable you to make an informed decision on whether to vote for or against these resolutions at the EGM.

### **AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

Given that (1) 42,400,000 Domestic Shares of the Company were transferred from Guangxin Investments, one of the promoters of the Company, to Zhaoyuan State-owned Assets Company; (2) the procedures upon the occurrence of contingencies, such as election of Directors and Supervisors prior to the expiry of their term, were revised; and (3) the criteria of being Directors, Supervisors and senior management were revised and stricter terms for the qualifications of independent non-executive Directors were imposed, the Articles of Association were therefore proposed to be amended. Details of such proposed amendments are set out in Appendix I.

### **ELECTION OF DIRECTORS AND SUPERVISORS**

In accordance with the Articles of Association, the Directors and the Supervisors of the Company shall have a term of 3 years from the date of their appointments and are eligible for re-election. Each Director of the Board and two-thirds of the Supervisors of the Supervisory Committee shall be elected at the general meeting and approved by the Shareholders attending the general meeting (including proxy(ies) of the Shareholders) holding more than one-half of the voting rights.

Pursuant to the Articles of Association, the term of office of each of the Directors and Supervisors of the Company shall commence from the date of the appointment until the expiry of the term of the relevant session of the Board and the Supervisory Committee. The Company adopted 16 April 2007, being the date of the first extraordinary general meeting of the Company in 2007, as the date of the commencement of the second session of each of the Board and the Supervisory Committee for a term of three years. Therefore, all existing Directors and Supervisors shall retire from offices and shall be subject to re-election.

The Company issued on 11 January 2010 a notice in relation to the EGM to be held at 9:00 a.m. on Friday, 26 February 2010 to re-elect or appoint the Directors of the third session of the Board and two-thirds of the Supervisors of the third session of the Supervisory Committee. The length of service for each of the Directors of the third session of the Board and the Supervisors of the third Supervisory Committee will be 3 years with effect from the approval at the EGM.

#### **I. Re-election or appointment of Directors**

As at the Latest Practicable Date, the second session of the Board consists of 11 Directors, including 3 executive Directors namely, Mr. Lu Dongshang (Chairman), Mr. Wang Peifu and Mr. Ma Yushan; 4 non-executive Directors namely, Mr. Liang Xinjun (Vice Chairman), Mr. Wu Ping, Mr.

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## LETTER FROM THE BOARD

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Cong Jianmao and Mr. Chen Guoping, and 4 independent non-executive Directors namely, Mr. Yan Hongbo, Mr. Ye Tianzhu, Ms. Chen Jinrong and Mr. Choy Sze Chung Jojo.

According to Article 10.2 of the Articles of Association, the Directors shall be elected at the general meeting with a term of 3 years commencing from the date of appointment and subject to re-election upon the expiry of the term of the Directors. The third session of the Board will consist of 11 Directors, including 2 executive Directors, 5 non-executive Directors and 4 independent non-executive Directors to be appointed at the EGM.

Eleven candidates for election as the Directors of the third session of the Board were negotiated and jointly nominated by Zhaojin Group, the controlling Shareholder of the Company, and Shanghai Yuyuan, Shanghai Fosun, Laomiao Gold and Zhaoyuan State-owned Assets Company, the substantial Shareholders.

Mr. Lu Dongshang (Chairman), Mr. Wang Peifu, Mr. Liang Xinjun (Vice Chairman), Mr. Cong Jianmao, Mr. Chen Guoping, Mr. Yan Hongbo, Mr. Ye Tianzhu, Ms. Chen Jinrong and Mr. Choy Sze Chung Jojo were Directors of the second session of the Board and are nominated as the candidates for re-election as Directors of the third session of the Board.

Mr. Weng Zhanbin and Mr. Wu Zhongqing, were newly nominated as candidates for non-executive Directors of the third session of the Board.

Mr. Ma Yushan and Mr. Wu Ping, the current executive Directors are not nominated as Directors for the third session of the Board. Mr. Ma and Mr. Wu have confirmed that they have no disagreement with the Board and there is no matter which needs to be brought to the attention of the Shareholders.

The existing Directors of the second session of the Board, including Mr. Lu Dongshang (Chairman), Mr. Wang Peifu, Mr. Liang Xinjun (Vice Chairman), Mr. Cong Jianmao, Mr. Chen Guoping, Mr. Yan Hongbo, Mr. Ye Tianzhu, Ms. Chen Jinrong and Mr. Choy Sze Chung Jojo, are nominated as candidates for the election of Directors of the third session of the Board and proposed for re-election as Directors of the third session of the Board. Mr. Weng Zhanbin and Mr. Wu Zhongqing are newly-nominated candidates for Directors of the third session of the Board and proposed for re-election as Directors of the third session of the Board. The existing Directors, Mr. Ma Yushan and Mr. Wu Ping, will not be proposed for re-election as Directors for the third session of the Board at the EGM.

A written notice of intention to nominate a candidate as a Director and the candidate's written consent indicating acceptance of nomination shall be delivered to the Company at least 7 days before the convening of the EGM.

The Directors shall serve a term of three years from the date on which the appointment takes effect. Accordingly, upon the approval for the appointment of Directors at the EGM, the Directors shall serve a term of three years from the date of the EGM.

The Company will propose separate resolutions regarding the election of the Directors of the third session of the Board at the EGM. The biographies of the candidates of Directors of the third session of the Board at the EGM are set out in Appendix II of this circular.



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## LETTER FROM THE BOARD

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A resolution will therefore be proposed at the EGM to authorise the Board to enter into new service contracts and/or appointment letters with each of the newly-elected Directors whose term shall commence from the date of the EGM.

The Company will make further announcement in respect of the re-election or appointment of new Directors after passing of the relevant resolutions at the EGM in compliance with the requirements of the Listing Rules.

### **II. Re-election or appointment of Supervisors**

As at the Latest Practicable Date, the second session of the Supervisory Committee consists of 3 Supervisors, including 2 Supervisors acting as Shareholders' representatives, namely Mr. Wang Xiaojie (Chairman of Supervisory Committee) and Mr. Cheng Binghai; and 1 Supervisor as the Company's staff representative, namely Mr. Chu Yushan.

In accordance with the Articles of Association, the Supervisory Committee shall consist of three Supervisors, two-thirds of which are Supervisors acting as Shareholders' representatives and the remaining one-third is the Company's staff representative. Such Shareholders' representatives shall be elected and dismissed at the general meeting, and such staff representative shall be democratically elected and dismissed by the staff and workers of the Company. The Supervisors shall have a term of 3 years and are eligible for re-election.

Two-thirds of the candidates for election as the Supervisors of the third session of the Supervisory Committee were negotiated and jointly nominated by Zhaojin Group, the controlling Shareholder of the Company, and Shanghai Yuyuan, Shanghai Fosun, Laomiao Gold and Zhaoyuan State-owned Assets Company, the substantial Shareholders.

The Supervisor of the second session of the Supervisory Committee, Mr. Wang Xiaojie (Chairman of Supervisory Committee), is nominated as a candidate for the election of a Supervisor of the third session of the Supervisory Committee and proposed for re-election as a Supervisor of the third session of the Supervisory Committee.

The candidate newly appointed as the Supervisor of the third session of the Supervisory Committee is Ms. Jin Ting.

Mr. Chen Binghai, the current Supervisor is not nominated as a Supervisor for the third session of the Supervisory Committee. Mr. Chen has confirmed that he has no disagreement with the Supervisory Committee and there is no matter which needs to be brought to the attention of the Shareholders.

The existing Supervisor of the second session of the Supervisory Committee, Mr. Wang Xiaojie (Chairman of Supervisory Committee), is nominated as a candidate for the election of a Supervisor of the third session of the Supervisory Committee and proposed for re-election as a member of the third session of the Supervisory Committee. Ms. Jin Ting is a newly-nominated candidate for a Supervisor of the third session of the Supervisory Committee. The existing Supervisor, Mr. Chen Binghai, will not be proposed for re-election as a Supervisor for the third session of the Supervisory Committee at the EGM.

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## LETTER FROM THE BOARD

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The Supervisors shall serve a term of three years from the date on which the appointment takes effect. Accordingly, the Supervisors shall serve a term of three years from the date of the EGM upon the approval for appointment of Supervisors at the EGM.

The Company will propose separate resolutions regarding the election for Supervisors acting as Shareholders' representatives of the third session of the Supervisory Committee and authorize the Board to determine other matters related to the service contracts of each of the Supervisors at the EGM.

The biographies of the candidates proposed for election at the EGM as Supervisors acting as Shareholders' representatives of the third session of the Supervisory Committee are set out in Appendix III of this circular.

A resolution will therefore be proposed at the EGM to authorise the Board to enter into new service contracts and/or appointment letters with each of the newly-elected Supervisors whose term shall commence from the date of the EGM.

The Company will make further announcement in respect of the appointment of new Supervisors after passing of the relevant resolutions at the EGM in compliance with the requirements of the Listing Rules.

### **III. Proposal on Remuneration Package of Directors of the Third Session of the Board and Supervisors of the Third Session of the Supervisory Committee**

#### *Directors' Remuneration*

Under the terms of the service contract, the term of each Director is 3 years.

The executive Directors will not receive fixed salary from the Company as their remuneration during their term of office. Instead, their remuneration will be determined by the remuneration and appraisal committee of the Board upon assessment of the management of the Company in accordance with relevant requirements of the PRC and the policy which remuneration is linked with the Company's results and the executive Directors' performance.

The non-executive Directors will not receive any directors' remuneration during their term of office. Instead, their remuneration will be determined by their respective Shareholders with reference to their specific administrative duties and upon assessment by their respective Shareholders in accordance with relevant requirements of the PRC and its internal remuneration management regulations.

The independent non-executive Directors will receive a remuneration of RMB160,000 (before taxation) per annum for their service under the service contract, which is determined by the Board with reference to their duties and responsibilities with the Company and the prevailing market rate.

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## LETTER FROM THE BOARD

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The Company will disclose the remuneration payable by the Company to the Directors in its annual report.

### *Supervisors' Remuneration*

Under the terms of the service contract, the term of each Supervisor is 3 years.

The Supervisors acting as Shareholders' representatives will not receive any Supervisors' remuneration during their term of office. Instead, their remuneration will be determined by the respective Shareholders with reference to their specific administrative duties and upon assessment by their respective Shareholders in accordance with relevant requirements of the PRC and its internal remuneration management regulations.

The Supervisor as staff representative will not receive fixed salary from the Company as supervisors' remuneration during his term of office. Instead, his remuneration will be determined based on his duties with the Company and by the management of the Company upon assessment of the mid-level management of the Company in accordance with relevant requirements of the PRC and the policy which remuneration is linked with the Company's results and his performance.

The Company will disclose the remuneration payable by the Company to the Supervisors in its annual report.

### **EGM**

The EGM of the Company will be held at the Company's conference room in Xinyuan Gold Hotel, No. 299 Jinhui Road, Zhaoyuan City, Shandong Province, the PRC at 9:00 a.m. on Friday, 26 February 2010. At the EGM, (i) the proposed amendments to the Articles of Association is subject to passing by way of special resolution by the Shareholders at the EGM; and (ii) the appointment or re-election of Directors of the third session of the Board; (iii) the re-election of the Supervisors of the third session of the Supervisory Committee; (iv) the authorization of the Board of the Company to determine the remuneration of the members of the third session of the Board and third session of the Supervisory Committee of the Company and other matters related to the entering into of the service contracts are subject to passing by way of ordinary resolutions by the Shareholders at the EGM.

Accordingly, the notice of the EGM is attached herewith, which is set out on pages 22 to 30 of this circular and published on the website of Stock Exchange (<http://www.hkexnews.hk>) and the website of the Company (<http://www.zhaojin.com.cn>).

The reply slip and form of proxy for use at the EGM are attached herewith. The form is also posted on the website of Stock Exchange (<http://www.hkexnews.hk>) and the website of the Company (<http://www.zhaojin.com.cn>). Whether you attend the EGM or not, you are requested to (i) complete the accompanying reply slip in accordance with the instructions printed thereon and return on or before Saturday, 6 February 2010; and (ii) complete the accompanying form of proxy in accordance with the instructions printed thereon and return it in 24 hours before the time appointed for the holding of

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## LETTER FROM THE BOARD

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the EGM or its adjournment (as the case may be). Completion and return of the form of proxy shall not preclude you from attending and voting at the EGM if you so wish.

Each Shareholder who wishes to appoint a proxy/proxies to attend the EGM is requested to complete and sign the proxy form (the “Form”) in accordance with the instructions printed thereon and return it to the Company’s H share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not later than 24 hours before the time appointed for the holding of the EGM (for the holders of H Shares of the Company); or for the holders of Domestic Shares of the Company to the registered address of the Company in the PRC not less than 24 hours before the time appointed for the holding of the EGM (i.e., on or before 9:00 a.m. on 25 February 2010).

### VOTING BY POLL

Pursuant to Rule 13.39(4) of the Listing Rules of the Stock Exchange, any vote of Shareholders at a general meeting must be taken by poll. The Chairman of the EGM shall therefore demand voting on the resolution set out in the notice of EGM be taken by way of poll pursuant to Article 8.18 of the Articles of Association.

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 votes or cast all the votes he uses in the same manner.

### RECOMMENDATIONS

The Directors consider that the resolutions in relation to the amendments to the Articles of Association, the re-election or appointment of the Directors of the third session of the Board and the re-election of the Supervisors of the third Supervisory Committee and the remuneration package of Directors and Supervisors set out in the notice of the EGM are fair and reasonable as far as the Company is concerned and in the best interests of the Company and its Shareholders. In addition, the Board considers that (i) Mr. Lu Dongshang and Mr. Wang Peifu are candidates capable of performing the duty as executive Directors; (ii) Mr. Liang Xinjun, Mr. Cong Jianmao, Mr. Weng Zhanbin, Mr. Wu Zhongqing and Mr. Chen Guoping are candidates capable of performing the duty as non-executive Directors; (iii) Mr. Yan Hongbo, Mr. Ye Tianzhu, Ms. Chen Jinrong and Mr. Choy Sze Chung Jojo are candidates capable of performing the duty as independent non-executive Directors; and (iv) Mr. Wang Xiaojie and Ms. Jin Ting are candidates capable of performing the duty as Supervisors. As such, the Board recommends the Shareholders to vote in favour of the above resolutions.

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

**(A) THE ORIGINAL ARTICLE 3.5 OF THE ARTICLES OF ASSOCIATION AS SET OUT BELOW:**

“The capital structure of the Company is as follows: 1,457,430,000 ordinary shares, of which, 543,257,000 domestic shares are held by Zhaojin Group, representing 37.3% of the total issued ordinary shares of the Company; 371,000,000 domestic shares are held by Yuyuan Tourist Mart, representing 25.5% of the total issued ordinary shares of the Company; 53,000,000 domestic shares are held by Fosun Investment, representing 3.6% of the total issued ordinary shares of the Company; 42,400,000 domestic shares are held by Guangxin Investments, representing 2.9% of the total issued ordinary shares of the Company; 10,600,000 domestic shares are held by Laomiao Gold, representing 0.7% of the total issued ordinary shares of the Company; 437,173,000 shares are held by the holders of the overseas listed foreign shares, representing 30% of the total issued ordinary shares of the Company.”

*is proposed to be amended as follows:*

“The capital structure of the Company is as follows: 1,457,430,000 ordinary shares, of which, 543,257,000 domestic shares are held by Zhaojin Group, representing 37.3% of the total issued ordinary shares of the Company; 371,000,000 domestic shares are held by Yuyuan Tourist Mart, representing 25.5% of the total issued ordinary shares of the Company; 53,000,000 domestic shares are held by Fosun Investment, representing 3.6% of the total issued ordinary shares of the Company; 42,400,000 domestic shares are held by Zhaoyuan City State-owned Assets Operation Limited, representing 2.9% of the total issued ordinary shares of the Company; 10,600,000 domestic shares are held by Laomiao Gold, representing 0.7% of the total issued ordinary shares of the Company; 437,173,000 shares are held by the holders of the overseas listed foreign shares, representing 30% of the total issued ordinary shares of the Company.”

**(B) THE ORIGINAL ARTICLE 10.1 OF THE ARTICLES OF ASSOCIATION AS SET OUT BELOW:**

“The company shall establish a board of directors which shall report to the shareholders’ general meeting. The board of directors shall comprise 11 members, of which three members shall be executive directors who are responsible for managing daily affairs assigned by the Company; and the rest shall be non-executive directors who are not responsible for managing daily affairs. The board of directors shall have no less than three independent non-executive directors. The board of directors shall have one chairman and one vice chairman.”

*is proposed to be amended as follows:*

“The company shall establish a board of directors which shall report to the shareholders’ general meeting. The board of directors shall comprise 11 members, of which no less than two members shall be executive directors who shall be responsible for managing daily affairs assigned by the Company; and the rest shall be non-executive directors who shall not be responsible for managing daily affairs. The board of directors shall have no less than three independent non-executive directors. The board of directors shall have one chairman and one vice chairman.”

**(C) THE ORIGINAL ARTICLE 10.2 OF THE ARTICLES OF ASSOCIATION AS SET  
BELOW:**

“Directors shall be elected by shareholders at the general meeting for a term of three years from the effective date of appointment. Directors may be re-elected and re-appointed for consecutive terms upon the expiry of their term.

Directors elected as additional or supplemented directors at a general meeting shall hold office from the effective date of such election to the expiry of the term of such session of the Board.

Any person appointed by the Board to fill a casual vacancy on or as an addition to the Board shall hold office only until the next following annual general meeting of the Company, and shall then be eligible for re-election and re-appointment.

A written notice stating the intention to nominate a candidate for directorship and the nominee’s consent to the nomination shall be submitted to the Company after the despatch of the notice of general meeting at which the election of directors will be held and which shall not be less than 7 days before the convening of general meeting, and the notice period shall not be less than 7 days.

Subject to the compliance with relevant laws and administrative regulations, any director may be removed during his/her service term by way of an ordinary resolution at the general meeting (however, any claim for compensation pursuant to any contract shall not be prejudiced).

The chairman and vice-chairman shall be elected or removed by more than half of all directors. The chairman and vice-chairman shall serve for a term of three years from the date of appointment and may be re-elected and re-appointed for consecutive terms.

A director is not required to hold any shares of the Company.”

*is proposed to be amended as follows:*

“Directors shall be elected by shareholders at the general meeting for a term of three years from the effective date of appointment. Directors may be re-elected and re-appointed for consecutive terms upon the expiry of their term.

A director may not be removed by the general meeting without any reason prior to the expiry of his/her term.

Directors elected as additional or supplemented directors at a general meeting shall hold office from the effective date of such election to the expiry of the term of such session of the Board.

If, upon the expiry of a director’s term of office, a new director is not elected on a timely basis, or the resignation of any director during the term of office causes the number of directors to fall below the statutory requirement, such director shall continue to perform his/her duties as director under the requirements as stipulated by laws, administrative regulations and the Articles of Association until a new director is elected and assumes his/her office.

Any person appointed by the Board to fill a casual vacancy of or as an addition to the Board shall hold office only until the next following annual general meeting of the Company, and shall then be eligible for re-election and re-appointment.

A written notice stating the intention to nominate a candidate for directorship and the nominee's consent to the nomination shall be submitted to the Company after the despatch of the notice of general meeting at which the election of directors will be held but not less than 7 days before the convening of such general meeting, and the notice period shall not be less than 7 days.

The chairman and vice-chairman shall be elected or removed by more than half of all directors. The chairman and vice-chairman shall serve for a term of three years from the date of appointment and may be re-elected or re-appointed for consecutive terms.

A director is not required to hold any shares of the Company."

**(D) THE ORIGINAL ARTICLE 13.2 OF THE ARTICLES OF ASSOCIATION AS SET OUT BELOW:**

"The board of supervisors shall comprise three members of which one of them shall act as the chairman of the board of supervisors. The appointment and removal of the chairman of the board of supervisors shall be passed by more than two-thirds of the members of the board of supervisors. The supervisors shall hold office for a term of three years and may be re-elected or re-appointed for consecutive terms."

*is proposed to be amended as follows:*

"The board of supervisors shall comprise three members, of which one of them shall act as the chairman of the board of supervisors. The appointment and removal of the chairman of the board of supervisors shall be passed by more than two-thirds of the members of the board of supervisors. The supervisors shall hold office for a term of three years and may be re-elected or re-appointed for consecutive terms.

If, upon the expiry of a supervisor's term of office, a new supervisor is not elected on a timely basis, or the resignation of any supervisor during term of office causes the number of supervisors to fall below the statutory requirement, such supervisor shall continue to perform his/her duties as supervisor under the requirements as stipulated by laws, administrative regulations and the Articles of Association until a new supervisor is elected and assumes his/her office."

**(E) THE ORIGINAL ARTICLE 14.1 OF THE ARTICLES OF ASSOCIATION AS SET OUT BELOW:**

“A person, may not serve as director, supervisor, general manager, deputy general manager or other senior management of the Company if he/she is under any of the following situations:

- (1) a person who does not have or who has limited capacity for civil acts;
- (2) a person who has been sentenced for corruption, bribery, infringement of property, misappropriation of property or other crimes which destroy the social economic order, where less than five years have elapsed since the sentence was served or a person who has been deprived of his/her political rights for committing a crime, where less than five years have elapsed since the sentence was served;
- (3) a person who is a former director, factory manager or general manager of a company or enterprise which has put into liquidation as a result of mismanagement and who was personally liable for the insolvency of such company or enterprise, where less than three years have elapsed since the completion of the insolvent liquidation of the company or enterprise;
- (4) a person who is a former legal representative of a company or enterprise whose business licence was revoked due to violation of law and who was personally liable therefor, where less than three years have elapsed since the date of the revocation of the business license;
- (5) a person who has a relatively large amount of debts due and outstanding;
- (6) a person who is under criminal investigation or prosecution by judicial authority for violation of criminal law and the case is not yet concluded;
- (7) a person who is not eligible for enterprise leadership under the laws and administrative regulations;
- (8) a person other than a natural person;
- (9) a person who has been convicted by the relevant competent authority for violation of relevant securities regulations, and such conviction involves a finding that such person has acted fraudulently or dishonestly, where less than five years have elapsed from the date of such conviction.”



*is proposed to be amended as follows:*

“A person, may not serve as director, supervisor, general manager, deputy general manager or other senior management of the Company if he/she is under any of the following situations:

- (1) a person who does not have or who has limited capacity for civil acts;
- (2) a person who has been sentenced for corruption, bribery, infringement of property, misappropriation of property or other crimes which destroy the social economic order, where less than five years have elapsed since the sentence was served or a person who has been deprived of his/her political rights for committing a crime, where less than five years have elapsed since the sentence was served;
- (3) a person who is a former director, factory manager or general manager of a company or enterprise which has put into liquidation as a result of mismanagement and who was personally liable for the insolvency of such company or enterprise, where less than three years have elapsed since the completion of the insolvent liquidation of the company or enterprise;
- (4) a person who is a former legal representative of a company or enterprise whose business licence was revoked due to violation of law and who was personally liable therefor, where less than three years have elapsed since the date of the revocation of the business license;
- (5) a person who has a relatively large amount of debts due and outstanding;
- (6) a person who has been prohibited from entering the market by CSRC, where such prohibition has not been removed;
- (7) a person who is an employee of the companies or its subsidiaries which are engaging in business that competes with that of the Company and its immediate family members and principal associates;
- (8) other contents as required by laws, administrative regulations or departmental rules.

Any election and appointment of directors, supervisors and senior management who is in breach of the preceding sub-paragraphs shall be void.

Directors, supervisors and senior management are prohibited from making use of their powers to accept bribes or other unlawful income and from appropriating the properties of the Company.

A person may not serve as an independent non-executive director if he/she is:

- (1) a person who is an employee of the Company or its subsidiary and its immediate family member and principal associate of such person;

- (2) a person who directly or indirectly holds more than 1% of the issued share capital of the Company or who is a natural person shareholder amongst the top ten shareholders of the Company or an immediate family member of such person;
- (3) a person who is an employee of a shareholder's entity which directly or indirectly holds more than 5% of the issued share capital of the Company or in the entities of the top five shareholders of the Company or an immediate family member of such person;
- (4) a person falling under the conditions mentioned in the preceding three paragraphs in the past twelve months;
- (5) a person who provides financial, legal and consultancy services to the Company or its subsidiaries;
- (6) other persons who may not serve as independent non-executive directors as stipulated by CSRC, the Listing Rules and the Articles of Association.”

Please note that the above English version of the Articles of Association is an unofficial translation of its Chinese version. In case of any inconsistencies between two versions, the Chinese version shall prevail.

Biographical details of the candidates to be re-elected or appointed as Directors of the third session of the Board are set out as follows:

**BIOGRAPHIES OF CANDIDATES FOR EXECUTIVE DIRECTORS**

**Mr. Lu Dongshang** (路東尚先生), aged 48, the chairman and an executive Director of the Company, the Communist Party secretary to the Company, the chairman of and the Communist Party secretary to Zhaojin Group, the vice president of the China Gold Association, the chairman of chairmen board of the China Mining Association and a council member of the Shanghai Gold Exchange. Mr. Lu has 28 years of professional experience in the gold mining industry and has made outstanding contribution to the development of China's mining industry. Mr. Lu worked for and held senior positions at several gold mines and mining groups in Zhaoyuan. Mr. Lu has received numerous awards, at the provincial, municipality and national levels, for his achievement in technological advancement. For instance, Mr. Lu was awarded the top award of Science and Technology in Yantai City, Middle-aged and Youth Expert with Outstanding Contributions in Shandong Province, the Second Award in National Scientific and Technological Advancement and Gold Medal for Outstanding Business Persons in the National Gold Industry, and granted a special allowance by the State Council. Mr. Lu graduated from the department of mining engineering of Shenyang Gold Institute, graduated from the Cheung Kong Graduate School of Business with an EMBA degree and qualified as an applied engineering technology researcher. Mr. Lu has been the chairman and executive director of the Company since April 2004.

**Mr. Wang Peifu** (王培福先生), aged 53, an executive Director, president and Chief Executive Officer of the Company. He has over 34 years of experience in the gold production industry. Mr. Wang has served as the deputy mine manager of Zhaoyuan Canzhuang Gold Mine, the mine manager of Xiadian Gold Mine, the chairman and general manager of and the Communist Party secretary to Xiadian Gold Mine Co., Ltd, Director and the deputy general manager of the Company. Mr. Wang has received numerous national patents and honors for his achievement in technology and business management. He was awarded Middle-aged and Youth Expert with Outstanding Contributions in Shandong Province, and granted a special allowance by the State Council. He had been a part-time professor at Kunming University of Science and Technology, Shandong University of Technology, Northeastern University and University of Science & Technology Beijing. Mr. Wang is an applied engineering technology researcher and a certified safety engineer. Mr. Wang graduated from Kunming Industry University and Yantai University and obtained an EMBA degree from the Cheung Kong Graduate School of Business in October 2008. Mr. Wang has been the executive Director of the Company since April 2004.

**BIOGRAPHIES OF CANDIDATES FOR NON-EXECUTIVE DIRECTORS**

**Mr. Liang Xinjun** (梁信軍先生), aged 41, a non-executive Director, vice chairman of the Company, and has been an executive director, vice chairman and chief operating officer of Shanghai Fosun Group, a director of Yuyuan Tourist Mart and an independent director of Shanghai Oriental Pearl (Group) Co., Ltd.. Mr. Liang is a member of the Eleventh Shanghai Committee of Chinese People's

Political Consultative Conference; vice chairman of China Young Entrepreneurs Association; executive vice chairman of China Science and Technology Private Entrepreneurs Association; executive vice president of Chamber of Metallurgy Industry of All- China Federation of Industry and Commerce; chairman of Taizhou Chamber of Commerce in Shanghai and executive vice chairman of Shanghai Fudan University Alumni Association. In October 2002, Mr. Liang was awarded the “First Session of Innovation Award of Shanghai Science and Technology Entrepreneur”. In 2002, 2003, 2004 and 2007, Mr. Liang was named an “Outstanding Entrepreneur of China’s Science and Technology Private Entrepreneur”. In April 2004, Mr. Liang was named “Shanghai Municipal Labour Model” of the years 2001 to 2003. In December 2005, Mr. Liang was awarded the “First Session of Innovation Management Award for Young Entrepreneur in China”. In June 2006, Mr. Liang was named an “Outstanding Party Member of Shanghai New Economic and Social Organisations”. In April 2007, Mr. Liang was named a “Shanghai Outstanding Builder of Socialism with Chinese Characteristics”. In July 2008, Mr. Liang was named a “Ten Outstanding Young People in Shanghai”. Mr. Liang received a bachelor’s degree in genetic engineering in 1991 from Fudan University and obtained a master’s degree in business administration in 2007 from Cheung Kong Graduate School of Business. Mr. Liang has been appointed as non-executive Director of the Company since April 2007.

**Mr. Cong Jianmao** (叢建茂先生), aged 47, a non-executive Director of the Company, and also the deputy director of Zhaoyuan Municipal Finance Bureau. Mr. Cong has been the chief accountant of Zhaoyuan Municipal Commerce Bureau, the chairman of the board of supervisors of Zhaoyuan City State-owned Assets Operation Limited, and the chairman of the board of supervisors of Zhaojin Group. Mr. Cong graduated from Shandong TV University and Shandong Business Administration Institute. Mr. Cong has been the non-executive Director of the Company since April 2004.

**Mr. Weng Zhanbin** (翁占斌先生), aged 43, the general manager of Zhaojin Group. Mr. Weng has 21 years of experience in the gold production industry. He had held positions of deputy mine general manager of Zhaoyuan Jinchiling Gold Mine; the Communist Party deputy secretary and deputy mine general manager of Zhaoyuan Jinchiling Gold Mine; the Communist Party deputy secretary, vice chairman and deputy mine general manager of Zhaojin Group Jinchiling Mining & Metallurgy Co., Ltd; mine manager of Jinchiling Gold Mine of the Company; and general manager of Shandong Zhaojin Group Company Limited. Mr. Weng has been granted numerous provincial and national awards, such Science & Technology Pacesetter of National Gold Industry in the 10th Five-Year Plan Period, Shandong Provincial People-enrich and Qilu-thriving Labour Medal and Shandong Provincial Excellent Entrepreneur in recognition of his technological and business management achievements. He has obtained national patents for five of his inventions. Mr. Weng graduated from Baotou Steel and Iron College in 1989 with a degree in mining engineering. He obtained a master degree in mining engineering from Northeastern University in 2002 and a master degree in business administration from Cheung Kong Graduate School of Business in 2008.

**Mr. Wu Zhongqing** (吳仲慶先生), aged 51, the vice president of Shanghai Yuyuan. He had held positions of deputy general manager of business department and general manager of investment development department of Shanghai Yuyuan; assistant to general manager and vice president of Shanghai Yuyuan. Mr. Wu obtained a senior business administration master degree from Cheung Kong Graduate School of Business, a business administration master degree from East Asia School of Business (Macau) and an on-the-job postgraduate degree in economics from East China University of Political Science and Law. He has extensive experience in business operation and investment.

**Mr. Chen Guoping** (陳國平先生), aged 52, a non-executive Director of the Company. He has been the chairman of Hainan Mining United Co., Ltd. since August 2007 and general manager of Mineral Resources Division of Fosun High Technology since June 2009. Since October 2003, Mr. Chen had held positions of technology director of Iron and Steel Division, assistant general manager and deputy general manager of Fosun High Technology. During July 1998 to September 2003, Mr. Chen served as the supervisor of Engineering Project and Technology Division of Shanghai Krupp Stainless Co., Ltd.. From 1983 to 1998, Mr. Chen held a number of positions in the Engineering and Technology Division of Shanghai Pudong Iron and Steel Co., Ltd. Mr. Chen graduated from Shanghai University of Technology with a bachelor's degree in technology and engineering. Mr. Chen has extensive experience in gold smelting. Mr. Chen has been the non-executive Director of the Company since November 2009.

### **BIOGRAPHIES OF CANDIDATES FOR INDEPENDENT NON-EXECUTIVE DIRECTORS**

**Mr. Yan Hongbo** (燕洪波先生), aged 70, an independent non-executive Director of the Company, and a supervisor of Beijing Zhonganjian Mining Investment Limited. Mr. Yan was the department head of the construction department of the State Administration for Gold, the chief engineer of the China Gold Company, the chairman of the expert committee of CITIC Guoan Gold Company Limited. Mr. Yan graduated from the Beijing Institute of Steel (currently known as University of Science and Technology Beijing). Mr. Yan has been the independent non-executive Director of the Company since October 2004.

**Mr. Ye Tianzhu** (葉天竺先生), aged 69, an independent non-executive Director of the Company, and a chief engineer of the Administrative Office for the Management of Projects Concerning the Replacing Resources for Mine in Risk in the PRC, a chief engineer of Potential Evaluation Projects of Mining Resources in the PRC, a director of the Chinese Association of Mining Rights Assessors, a committee member of the 38th Committee of the Geological Society of China and a deputy officer of the Third Committee for Land Layers. Mr. Ye has been an engineer and the chief engineer of the Second, the Fifth and the Sixth Geological Brigade of the Jilin Province, the chief engineer of the Department of Land and Resources of Jilin Province, the deputy chief engineer of the Ministry of Geology and Mineral Resources of the PRC, the deputy director of General Bureau and the China Geological Survey, the head of the Department of Reserves of the Ministry of Land and Resources of the PRC and the Director-General of the China Geological Survey and so on. Mr. Ye received National Awards for Technological Development for various achievements in scientific researches and was awarded the 9th Li Siguang Awards for Geosciences. Mr. Ye graduated from Beijing College of Geosciences majoring in geological survey and mine exploration. Mr. Ye has been the independent non-executive Director of the Company since April 2007.

**Ms. Chen Jinrong** (陳普蓉女士), aged 50, an associate professor, an independent non-executive Director of the Company, and is working in the Training Centre of Senior Management of School of Economics and Management of Tsinghua University, a professor of Beijing Union University, and a part-time professor of University MOTOROLA etc. Ms. Chen is qualified as an accountant in China and an independent director. Ms. Chen mainly focuses on research into, teaching of and counseling on corporate financial management, analysis of financial report for listing companies and operations of corporate capital, corporate organization and risk control, comprehensive corporate budget management etc. Ms. Chen had served as the deputy head of the finance department of China Information Industry

Research Institute (中國信息產業研究院) under the Ministry of Information Industry, the deputy general manager of Beijing Hua Tsing Cai Zhi Corporate Management Counseling Company etc. She has also served as an independent director of Synutra International Inc (Code: SUYT), a senior financial advisor of various companies including China National Textile Machinery (Group), China Merchants Newspaper Group, XianJu Pharmaceutical, Hebei Meihua Group. Ms. Chen has solid experience in aspects such as corporate restructuring, comprehensive corporate budget management, capital operations and corporate internal control. Ms. Chen has gained the reputation as the outstanding elementary personnel in Beijing City and an outstanding teacher of Economic Committee of Beijing Municipal Government. Ms. Chen graduated from the Renmin University of China. Ms. Chen has been the independent non-executive Director of the Company since April 2007.

**Mr. Choy Sze Chung Jojo** (蔡思聰先生), aged 50, an independent non-executive Director of the Company, and also the vice chairman of National Resources Securities Limited. Mr. Choy is also the vice chairman of the Institute of Securities Dealers Limited, an independent non-executive director of Chengdu PUTIAN Telecommunications Cable Limited, an independent non-executive directors of Mandarin Entertainment (Holdings) Ltd., an independent non-executive director of Sparkle Roll Group Limited, a committee member of Society of Registered Financial Planner Ltd., a fellow member of Institute of Financial Accountants, a fellow member of the Institute of Compliance Officer, a member of CPPCC Shantou, a honorary president of Shantou Overseas Friendship Association, a honorary president of Shantou Overseas Exchanges Association (汕頭市海外交流會), a honorary principal of the school of Chen Po Sum (陳葆心學校) and a council member of Rotary Club Kowloon West. Mr. Choy has extensive experience in the securities industry and business management. Mr. Choy obtained his Master of Business Administration Degree from University of Wales, Newport and his Master of Business Law Degree form Monash University, Australia. Mr. Choy has been the independent non-executive Director of the Company since May 2007.

The above candidates for appointment as executive Directors, non-executive Directors and independent non-executive Directors will enter into service contracts with the Company upon the approval of their appointments at the EGM. Pursuant to the terms of the service contracts, the term of their appointments will be three years from the date of their appointments. The proposed remuneration package of the Directors is set out in page 8 of this circular.

As at the Latest Practicable Date, none of the above candidates for the executive Directors, non-executive Directors and independent non-executive Directors have any interest in the shares of the Company within the meaning of Part XV of the SFO. They have not been subject to any public sanctions by statutory or regulatory authority.

Save as disclosed above, the above candidates for the executive Directors, non-executive Directors and independent non-executive Directors have not held any directorships in any public listed companies in the past three years and are not connected with any Directors, senior management or substantial Shareholders or controlling Shareholders (as defined in the Listing Rules) of the Company.

Save as disclosed above, there are no other matters concerning the proposed appointment of the above candidates as the Directors of the third session of the Board that need to be brought to the attention of the Shareholders and the Stock Exchange and there are no other matters which shall be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules.

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## APPENDIX III                      BIOGRAPHIES OF THE CANDIDATES PROPOSED FOR THE THIRD SESSION OF THE SUPERVISORY COMMITTEE

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Biographical details of the candidates to be re-elected as Supervisors acting as Shareholders' representatives and staff representative elected through democratic means of the third session of the Supervisory Committee are set out as follows:

### **BIOGRAPHIES OF CANDIDATES FOR SUPERVISORS AS SHAREHOLDERS' REPRESENTATIVES**

**Mr. Wang Xiaojie** (王曉杰先生), aged 36, the chairman of the Supervisory Committee of the Company, and also the secretary of Commission for Disciplinary Inspection of Zhaojin Group and the chairman of the Labour Union. He has served as the deputy manager of Zhaoyuan City Gold Software Science and Technology Co., Ltd., and then the deputy manager and manager of Information Centre of Zhaojin Group. Mr. Wang graduated with a degree in applied electronic technology from Institute of Information Engineering of Shandong, a degree in computer application from Qingdao Chemical & Engineer College and a degree in economics and management from the Party School of the Shandong Provincial Committee of the Communist Party of China. Mr. Wang has been the Supervisor of the Supervisory Committee of the Company since April 2007.

**Ms. Jin Ting**, aged 46, the assistant to president of Shanghai Yuyuan. She had held positions of deputy general manager of finance department, manager of finance department and manager of fund management department of Shanghai Yuyuan. Ms. Jin graduated from Shanghai Light Industry Bureau Vocational University (上海輕工業局職工大學) majoring in finance and accounting. She has extensive experience in finance, audit and human resources.

The above candidates for election as Supervisors will enter into service contracts with the Company respectively upon the approval of their appointments at the EGM. Pursuant to the terms of the service contracts, the term of their appointments will be three years from the date of their appointments. The proposed remuneration package of the Supervisors is set out on pages 8 to 9 of this circular.

As at the Latest Practicable Date, none of the candidates for Supervisors have any interest in the shares of the Company within the meaning of Part XV of the SFO. They have never been subject to any public sanctions by statutory or regulatory committees.

Save as disclosed above, the candidates for Supervisors have not held any directorships in any public listed companies in the past three years and are not connected with any Directors, senior management or substantial Shareholders or controlling Shareholders (as defined in the Listing Rules) of the Company.

Save as disclosed above, there are no other matters concerning the proposed appointment of the above candidates for the election as Supervisors of the third session of the Supervisory Committee that need to be brought to the attention of the Shareholders and the Stock Exchange and there are no other matters which shall be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules.

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## NOTICE OF THE EGM

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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 2010 FIRST EXTRAORDINARY GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that the 2010 first extraordinary general meeting (the “EGM”) of Zhaojin Mining Industry Company Limited (the “Company”) will be held at the Company’s conference room in Xinyuan Gold Hotel, No. 299 Jinhui Road, Zhaoyuan City, Shandong Province, the People’s Republic of China (the “PRC”) at 9:00 a.m. on Friday, 26 February 2010 for the following purposes:

To consider and approve the following as special resolutions:

#### **SPECIAL RESOLUTIONS**

**“THAT**

##### **Amendments to the Articles of Association**

**(a) The original Article 3.5 of the Articles of Association as set out below:**

“The capital structure of the Company is as follows: 1,457,430,000 ordinary shares, of which, 543,257,000 domestic shares are held by Zhaojin Group, representing 37.3% of the total issued ordinary shares of the Company; 371,000,000 domestic shares are held by Yuyuan Tourist Mart, representing 25.5% of the total issued ordinary shares of the Company; 53,000,000 domestic shares are held by Fosun Investment, representing 3.6% of the total issued ordinary shares of the Company; 42,400,000 domestic shares are held by Guangxin Investments, representing 2.9% of the total issued ordinary shares of the Company; 10,600,000 domestic shares are held by Laomiao Gold, representing 0.7% of the total issued ordinary shares of the Company; 437,173,000 domestic shares are held by the holders of the overseas listed foreign shares, representing 30% of the total issued ordinary shares of the Company.”

\* *For identification purposes only*



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## NOTICE OF THE EGM

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*is proposed to be amended as follows:*

“The capital structure of the Company is as follows: 1,457,430,000 ordinary shares, of which, 543,257,000 domestic shares are held by Zhaojin Group, representing 37.3% of the total issued ordinary shares of the Company; 371,000,000 domestic shares are held by Yuyuan Tourist Mart, representing 25.5% of the total issued ordinary shares of the Company; 53,000,000 domestic shares are held by Fosun Investment, representing 3.6% of the total issued ordinary shares of the Company; 42,400,000 domestic shares are held by Zhaoyuan City State-owned Assets Operation Limited, representing 2.9% of the total issued ordinary shares of the Company; 10,600,000 domestic shares are held by Laomiao Gold, representing 0.7% of the total issued ordinary shares of the Company; 437,173,000 domestic shares are held by the holders of the overseas listed foreign shares, representing 30% of the total issued ordinary shares of the Company.”

**(b) The original Article 10.1 of the Articles of Association as set out below:**

“The company shall establish a board of directors which shall report to the shareholders’ general meeting. The board of directors shall comprise 11 members, of which three members shall be executive directors who shall be responsible for managing daily affairs assigned by the Company; and the rest shall be non-executive directors who shall not be responsible for managing daily affairs. The board of directors shall have no less than three independent non-executive directors. The board of directors shall have one chairman and one vice chairman.”

*is proposed to be amended as follows:*

“The company shall establish a board of directors which shall report to the shareholders’ general meeting. The board of directors shall comprise 11 members, of which no less than two members shall be executive directors who are responsible for managing daily affairs assigned by the Company; and the rest shall be non-executive directors who are not responsible for managing daily affairs. The board of directors shall have no less than three independent non-executive directors. The board of directors shall have one chairman and one vice chairman.”

**(c) The original Article 10.2 of the Articles of Association as set below:**

“Directors shall be elected by shareholders at the general meeting for a term of three years from the effective date of appointment. Directors may be re-elected and re-appointed for consecutive terms upon the expiry of their term.

Directors elected as additional or supplemented directors at a general meeting shall hold office from the effective date of such election to the expiry of the term of such session of the Board.

Any person appointed by the Board to fill a casual vacancy on or as an addition to the Board shall hold office only until the next following annual general meeting of the Company, and shall then be eligible for re-election and re-appointment.

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## NOTICE OF THE EGM

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A written notice stating the intention to nominate a candidate for directorship and the nominee's consent to the nomination shall be submitted to the Company after the despatch of the notice of general meeting at which the election of directors will be held and which shall not be less than 7 days before the convening of general meeting, and the notice period shall not be less than 7 days.

Subject to the compliance with relevant laws and administrative regulations, any director may be removed during his/her service term by way of an ordinary resolution at the general meeting (however, any claim for compensation pursuant to any contract shall not be prejudiced).

The chairman and vice-chairman shall be elected or removed by more than half of all directors. The chairman and vice-chairman shall serve for a term of three years from the date of appointment and may be re-elected and re-appointed for consecutive terms.

A director is not required to hold any shares of the Company.”

*is proposed to be amended as follows:*

“Directors shall be elected by shareholders at the general meeting for a term of three years from the effective date of appointment. Directors may be re-elected and re-appointed for consecutive terms upon the expiry of their term.

A director may not be removed by the general meeting without any reason prior to the expiry of his/her term.

Directors elected as additional or supplemented directors at a general meeting shall hold office from the effective date of such election to the expiry of the term of such session of the Board.

If, upon the expiry of a director's term of office, a new director is not elected on a timely basis, or the resignation of any director during the term of office causes the number of directors to fall below the statutory requirement, such director shall continue to perform his/her duties as director under the requirements as stipulated by laws, administrative regulations and the Articles of Association until a new director is elected and assumes his/her office.

Any person appointed by the Board to fill a casual vacancy of or as an addition to the Board shall hold office only until the next following annual general meeting of the Company, and shall then be eligible for re-election and re-appointment.

A written notice stating the intention to nominate a candidate for directorship and the nominee's consent to the nomination shall be submitted to the Company after the despatch of the notice of general meeting at which the election of directors will be held but not less than 7 days before the convening of such general meeting, and the notice period shall not be less than 7 days.

The chairman and vice-chairman shall be elected or removed by more than half of all directors. The chairman and vice-chairman shall serve for a term of three years from the date of appointment and may be re-elected or re-appointed for consecutive terms.

A director is not required to hold any shares of the Company.”

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## NOTICE OF THE EGM

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**(d) The original Article 13.2 of the Articles of Association as set out below:**

“The board of supervisors shall comprise three members of which one of them shall act as the chairman of the board of supervisors. The appointment and removal of the chairman of the board of supervisors shall be passed by more than two-thirds of the members of the board of supervisors. The supervisors shall hold office for a term of three years and may be re-elected or re-appointed for consecutive terms.”

*is proposed to be amended as follows:*

“The board of supervisors shall comprise three members of which one of them shall act as the chairman of the board of supervisors. The appointment and removal of the chairman of the board of supervisors shall be passed by more than two-thirds of the members of the board of supervisors. The supervisors shall hold office for a term of three years and may be re-elected or re-appointed for consecutive terms.

If, upon the expiry of a supervisor’s term of office, a new supervisor is not elected on a timely basis, or the resignation of any supervisor during term of office causes the number of supervisors to fall below the statutory requirement, such supervisor shall continue to perform his/her duties as supervisor under the requirements as stipulated by laws, administrative regulations and the Articles of Association until a new supervisor is elected and assumes his/her office.”

**(e) The original Article 14.1 of the Articles of Association as set out below:**

“A person, may not serve as director, supervisor, general manager, deputy general manager or other senior management of the Company if he/she is under any of the following situations:

- (1) a person who does not have or who has limited capacity for civil acts;
- (2) a person who has been sentenced for corruption, bribery, infringement of property, misappropriation of property or other crimes which destroy the social economic order, where less than five years have elapsed since the sentence was served or a person who has been deprived of his/her political rights for committing a crime, where less than five years have elapsed since the sentence was served;
- (3) a person who is a former director, factory manager or general manager of a company or enterprise which has put into liquidation as a result of mismanagement and who was personally liable for the insolvency of such company or enterprise, where less than three years have elapsed since the completion of the insolvent liquidation of the company or enterprise;
- (4) a person who is a former legal representative of a company or enterprise whose business licence was revoked due to violation of law and who was personally liable therefor, where less than three years have elapsed since the date of the revocation of the business license;

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## NOTICE OF THE EGM

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- (5) a person who has a relatively large amount of debts due and outstanding;
- (6) a person who is under criminal investigation or prosecution by judicial authority for violation of criminal law and the case is not yet concluded;
- (7) a person who is not eligible for enterprise leadership under the laws and administrative regulations;
- (8) a person other than a natural person;
- (9) a person who has been convicted by the relevant competent authority for violation of relevant securities regulations, and such conviction involves a finding that such person has acted fraudulently or dishonestly, where less than five years have elapsed from the date of such conviction.”

*is proposed to be amended as follows:*

“A person, may not serve as director, supervisor, general manager, deputy general manager or other senior management of the Company if he/she is under any of the following situations:

- (1) a person who does not have or who has limited capacity for civil acts;
- (2) a person who has been sentenced for corruption, bribery, infringement of property, misappropriation of property or other crimes which destroy the social economic order, where less than five years have elapsed since the sentence was served or a person who has been deprived of his/her political rights for committing a crime, where less than five years have elapsed since the sentence was served;
- (3) a person who is a former director, factory manager or general manager of a company or enterprise which has put into liquidation as a result of mismanagement and who was personally liable for the insolvency of such company or enterprise, where less than three years have elapsed since the completion of the insolvent liquidation of the company or enterprise;
- (4) a person who is a former legal representative of a company or enterprise whose business licence was revoked due to violation of law and who was personally liable therefor, where less than three years have elapsed since the date of the revocation of the business license;
- (5) a person who has a relatively large amount of debts due and outstanding;
- (6) a person who has been prohibited from entering the market by CSRC, where such prohibition has not been removed;

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## NOTICE OF THE EGM

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- (7) a person who is an employee of the companies or its subsidiaries which are engaging in business that competes with that of the Company and its immediate family members and principal associates;
- (8) other contents as required by laws, administrative regulations or departmental rules.

Any election and appointment of directors, supervisors and senior management who is in breach of the preceding sub-paragraphs shall be void.

Directors, supervisors and senior management are prohibited from making use of their powers to accept bribes or other unlawful income and from appropriating the properties of the Company.

A person may not serve as an independent non-executive director if he/she is:

- (1) a person who is an employee of the Company or its subsidiary and its immediate family member and principal associate of such person;
- (2) a person who directly or indirectly holds more than 1% of the issued share capital of the Company or who is a natural person shareholder amongst the top ten shareholders of the Company or an immediate family member of such person;
- (3) a person who is an employee of a shareholder's entity which directly or indirectly holds more than 5% of the issued share capital of the Company or in the entities of the top five shareholders of the Company or an immediate family member of such person;
- (4) a person falling under the conditions mentioned in the preceding three paragraphs in the past twelve months;
- (5) a person who provides financial, legal and consultancy services to the Company or its subsidiaries;
- (6) other persons who may not serve as independent non-executive directors as stipulated by CSRC, the Listing Rules and the Articles of Association.”

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## NOTICE OF THE EGM

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### ORDINARY RESOLUTIONS

To consider and approve the following matters as ordinary resolutions:

1. Consider and approve the follow candidates as Directors of the third session of the Board of the Company with a term of 3 years commencing from the conclusion of the date of the EGM:
  - (a) to re-elect Mr. Lu Dongshang as executive Director of the Company;
  - (b) to re-elect Mr. Wang Peifu as executive Director of the Company;
  - (c) to re-elect Mr. Liang Xinjun as non-executive Director of the Company;
  - (d) to re-elect Mr. Cong Jianmao as non-executive Director of the Company;
  - (e) to appoint Mr. Weng Zhanbin as non-executive Director of the Company;
  - (f) to appoint Mr. Wu Zhongqing as non-executive Director of the Company;
  - (g) to re-elect Mr. Chen Guoping as non-executive Director of the Company;
  - (h) to re-elect Mr. Yan Hongbo as independent non-executive Director of the Company;
  - (i) to re-elect Mr. Ye Tianzhu as independent non-executive Director of the Company;
  - (j) to re-elect Ms. Chen Jinrong as independent non-executive Director of the Company;
  - (k) to re-elect Mr. Choy Sze Chung Jojo as independent non-executive Director of the Company.
  
2. Consider and approve the follow candidates as Supervisors of the third session of the Supervisory Committee of the Company with a term of 3 years commencing from the conclusion of the date of the EGM:
  - (a) to re-elect Mr. Wang Xiaojie as Supervisor of the Company;
  - (b) to appoint Ms. Jin Ting as Supervisor of the Company.

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3. the Board of the Company be authorised to fix the remuneration of the Directors and Supervisors of the third session of the Board and Supervisory Committee of the Company and other matters related to the entering into of the service contracts with each of the Directors and Supervisors.

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

Zhaoyuan, the PRC, 11 January 2010

*Notes:*

1. Unless otherwise indicated, capitalized terms used herein shall have the same meaning as those defined in the circular of the Company dated 11 January 2010.
2. The shareholders of the Company should note that the register of members of the Company will be closed from 27 January 2010 to 26 February 2010 (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 with the Company's H shares registrar 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 the registered address of the Company in the PRC (for holders of Domestic Shares) no later than 4:30 p.m. on 26 January 2010.
3. Shareholders of the Company whose names appear on the register of members on 27 January 2010 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.
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 proxy 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 valid 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 authorised by its legal representative.
7. If the proxy form is signed by a person under a power of attorney or other authority, the power of attorney or other authority must be notarially certified. In order to be valid, the notarially certified copy of such power of attorney or other authority under which it is signed together with the proxy form must be deposited at the H Shares registrar of the Company, 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 the registered address of the Company in the PRC (for holders of Domestic Shares) not less than 24 hours before the time for holding the EGM.

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8. Shareholders who intend to attend the EGM should return the reply slip by hand, by post, by telegram or by fax to the registered address of the Company in the PRC (for holders of Domestic Shares), or the H Shares registrar of the Company in Hong Kong, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for holders of H Shares) on or before 6 February 2010. Completion and return of the reply slip of the EGM will not preclude a Shareholder from attending the EGM.
9. 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. 299 Jinhui Road,  
Zhaoyuan City,  
Shandong Province, PRC  
Tel: (86 535) 8256086  
Fax: (86 535) 8262256  
Postal code: 265400

As at the date of this notice, members of the Board of the Company comprise:

<i>Executive Directors:</i>	Mr. Lu Dongshang, Mr. Wang Peifu and Mr. Ma Yushan
<i>Non-executive Directors:</i>	Mr. Liang Xinjun, Mr. Wu Ping, Mr. Cong Jianmao and Mr. Chen Guoping
<i>Independent non-executive Directors:</i>	Mr. Yan Hongbo, Mr. Ye Tianzhu, Ms. Chen Jinrong and Mr. Choy Sze Chung Jojo