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ZHAOJIN

**ZHAOJIN MINING INDUSTRY COMPANY LIMITED\***

**招金礦業股份有限公司**

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

**(Stock Code: 1818)**

### **THIRD QUARTERLY REPORT OF 2011**

This announcement is made pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Reference is made to the Company's announcement dated 27 October 2011.

On 27 October 2011, the Company made an announcement in respect of the issue of the short-term bonds and the relevant prospectus. The principal amount of the short-term bonds is RMB700 million with a maturity period of 366 days. Details of the relevant documents relating to the short-term bonds have been published on the websites of ChinaMoney (<http://www.chinamoney.com.cn>) and Shanghai Clearing House (<http://www.shclearing.com>).

Pursuant to the relevant regulations in the PRC, the Company's unaudited quarterly financial statement shall be published on the websites of ChinaMoney (<http://www.chinamoney.com.cn>) and Shanghai Clearing House (<http://www.shclearing.com>) during the life of the short-term bonds.

The following is the unaudited third quarterly consolidated financial information of the Group for the period ended 30 September 2011 prepared in accordance with PRC GAAP, which is also published on the website of ChinaMoney (<http://www.chinamoney.com.cn>) and Shanghai Clearing House (<http://www.shclearing.com>).

**CONSOLIDATED BALANCE SHEET***Zhaojin Mining Industry Company Limited (Consolidated)*

As at 30 September 2011

Unit: RMB Yuan

<b>Assets</b>	<b>At Beginning of Year</b>	<b>At End of Period</b>
Current assets:		
Cash and cash equivalents	774,752,470.70	494,752,960.41
Trading financial assets	16,212,935.09	77,827,928.40
Notes receivables	14,408,875.37	32,967,786.98
Account receivables	171,300,646.53	833,761.38
Advance to suppliers	408,422,164.50	831,038,523.84
Interest receivables	227,922.92	
Dividend receivables		
Other receivables	210,877,932.62	424,325,103.10
Inventory	910,013,607.22	1,359,301,722.59
Non-current assets due within one year		
Other current assets	100,000.00	
Total current assets	2,506,316,554.95	3,221,047,786.70
Non-current Assets:		
Available-for-sale financial assets		
Held-to-maturity investments		1,328,420.00
Long-term receivables		
Long-term equity investments	40,735,360.82	71,835,360.82
Investment properties		
Fixed assets	3,330,058,289.23	3,401,533,846.44
Construction in progress	489,973,458.19	1,112,203,993.44
Construction materials		605,857.16
Fixed assets pending for disposal	68,633.69	-274,948.53
Productive biological assets		
Oil and gas assets		
Intangible assets	2,073,367,385.36	2,490,384,415.64
Development expenditures		415,582.28
Goodwill	485,828,754.57	314,902,498.18
Long-term deferred expenses	20,967,247.35	19,167,377.12
Deferred tax asset	38,454,284.28	35,593,256.87
Other non-current assets		
Total non-current assets	6,479,453,413.49	7,447,695,659.42
Total assets	8,985,769,968.44	10,668,743,446.12

<b>Liabilities and Equity</b>	<b>At Beginning of Year</b>	<b>At End of Period</b>
Current Liabilities:		
Short-term loans	370,000,000.00	1,005,250,000.00
Trading financial liabilities		
Notes payables		
Account payables	622,332,464.06	518,228,826.43
Advance from customers	5,436,522.02	41,037,094.63
Payroll payables	162,832,162.24	116,588,300.72
Tax payables	244,069,570.51	167,748,881.10
Interest payables	2,146,835.67	59,172,482.59
Dividend payables	45,375,097.89	45,375,097.89
Other payables	81,274,913.86	284,356,068.56
Non-current liabilities due within one year		
Other current liabilities	10,000,000.00	
Total current liabilities	1,543,467,566.25	2,237,756,751.92
Non-current Liabilities:		
Long-term borrowings	55,467,124.09	54,758,942.09
Bonds payables	1,490,219,779.58	1,491,928,860.23
Long-term payables	550,224.74	557,256.74
Specific payables	28,539,000.00	64,154,000.00
Provisions	11,975,600.55	10,858,035.27
Deferred tax liabilities	239,399,867.62	194,303,332.31
Other non-current liabilities		
Total non-current liabilities	1,826,151,596.58	1,816,560,426.64
Total liabilities	3,369,619,162.83	4,054,317,178.56
Equity:		
Paid-in-capital	1,457,430,000.00	2,914,860,000.00
Capital reserves	1,854,150,618.05	1,121,641,294.74
Less: Treasury Stock		
Surplus reserves	312,051,771.61	312,051,771.61
Retained earnings	1,642,446,472.69	1,631,463,791.38
Translation difference	-8,165,647.54	-10,145,220.18
Equity attributable to equity holders of the Company	5,257,913,214.81	5,969,871,637.55
Minority interests	358,237,590.80	644,554,630.01
Total equity	5,616,150,805.61	6,614,426,267.56
Total liabilities and equity	8,985,769,968.44	10,668,743,446.12

## CONSOLIDATED INCOME STATEMENT

Zhaojin Mining Industry Company Limited (Consolidated)

Unit: RMB Yuan

Items	Jan-Sep 2011 Amount	Jan-Sep 2010 Amount
I. Operating revenue	3,698,883,712.25	2,470,051,775.34
Less: Cost of sales	1,446,158,142.94	902,209,359.03
Taxes and surcharges	28,179,932.67	19,163,816.87
Impairment loss	1,873,545.83	1,211,437.61
Operating expenses	56,473,554.99	14,850,601.27
General and administrative expenses	508,800,087.04	391,462,446.75
Financial expenses	61,184,619.84	56,103,744.09
Add: Gain on changes in fair value (loss is marked by “-”)	-20,038,079.41	7,401,235.34
Investment income (loss is marked by “-”) Including: Share of profit of an associate	71,248.52	-2,730,307.92
II. Operating profit	1,576,246,998.05	1,089,721,297.14
Non-operating income	10,296,860.90	9,964,070.31
Non-operating expenses	27,883,699.40	29,965,374.44
Including: Loss on disposal of non-current assets	1,481,363.75	8,038,171.62
III. Total profit before taxation	1,558,660,159.55	1,069,719,993.01
Less: Income tax	339,816,575.59	257,195,732.58
IV. Net profit after taxation	1,218,843,583.96	812,524,260.43
Attributable to shareholders of the Company	1,154,961,318.69	762,054,883.63
Minority interests	63,882,265.27	50,469,376.80
V. Earnings per share		
(I) Basis earnings per share	0.40	0.52
(II) Diluted earnings per share		

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
*Zhaojin Mining Industry Company Limited (Consolidated)*

Unit: RMB Yuan

Items	Jan – Sep 2011 Amount
I. Net cash flows from operating activities	
Cash received from sale of goods or rendering of services	3,518,941,201.75
Refunds of taxes	20,613,274.10
Cash received relating to other operating activities	123,672,864.68
Sub-total of cash inflows	3,663,227,340.53
Cash paid for goods and services	1,913,370,936.09
Cash paid to and on behalf of employees	372,994,405.63
Cash paid for all types of taxes	547,188,923.69
Cash paid relating to other operating activities	155,158,803.24
Sub-total of cash outflows	2,988,713,068.65
Net cash flows from operating activities	674,514,271.88
II. Net cash from investing activities	
Cash received from sale of investments	
Cash received from return on investments	6,653,410.37
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	3,939,372.11
Cash received from disposal of subsidiaries or other companies	
Cash received relating to other investing activities	
Sub-total of cash inflows	10,592,782.48
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	888,897,586.15
Cash paid for investments	183,976,793.93
Cash paid for subsidiaries or other companies acquisitions	
Cash paid relating to other investing activities	3,285,628.47
Sub-total of cash outflows	1,076,160,008.55
Net cash from investing activities	-1,065,567,226.07
III. Net cash from financing activities	
Cash received from capital contributions	
Cash received from borrowings	1,087,369,406.40
Cash received relating to other financing activities	557,130.13
Sub-total of cash inflows	1,087,926,536.53
Cash repayments of borrowings	477,437,226.05
Cash paid for distribution of dividends or profits and for interest expenses	499,435,866.58
Cash paid relating to other financing activities	
Sub-total of cash outflows	976,873,092.63
Net cash from financing activities	111,053,443.90
IV. Effect of changes in exchange rate on cash	
V. Net increase in cash and cash equivalents	-279,999,510.29

**BALANCE SHEET***Zhaojin Mining Industry Company Limited*

As at 30 September 2011

Unit: RMB Yuan

<b>Assets</b>	<b>At Beginning of Year</b>	<b>At End of Period</b>
Current Assets:		
Cash and cash equivalents	535,042,820.66	111,881,211.42
Trading financial assets		49,458,826.75
Notes receivables	5,110,844.24	16,966,600.00
Account receivables	4,069,830.93	14,528,917.62
Advance to suppliers	242,479,117.34	454,596,351.20
Interest receivables	10,902,903.97	17,289,206.98
Dividend receivables	89,800,545.56	89,800,545.56
Other receivables	443,736,670.41	551,053,399.70
Inventories	522,716,708.23	828,111,560.20
Non-current assets due within one year		
Other current assets	795,805,000.00	
Total current assets	2,649,664,441.34	2,133,686,619.43
Non-current Assets:		
Available-for-sale financial assets		
Held-to-maturity investments		1,351,448,420.00
Long-term receivables		
Long-term equity investments	2,326,124,812.56	2,584,024,812.56
Investment properties		
Fixed assets	1,424,319,738.90	1,430,197,196.10
Construction in progress	263,134,276.52	564,122,377.15
Construction materials		
Fixed assets pending for disposal		-125,681.52
Productive biological assets		
Oil and gas assets		
Intangible assets	770,699,416.53	762,348,453.83
Development expenditures		
Goodwill		
Long-term deferred expenses	6,135,464.48	4,668,615.05
Deferred tax asset	33,330,680.61	29,599,577.26
Other non-current assets	351,600,000.00	
Total non-current assets	5,175,344,389.60	6,726,283,770.43
Total assets	7,825,008,830.94	8,859,970,389.86

<b>Liabilities and Equity</b>	<b>At Beginning of Year</b>	<b>At End of Period</b>
<b>Current Liabilities:</b>		
Short-term loans	250,000,000.00	905,250,000.00
Trading financial liabilities		
Notes payables		
Account payables	362,850,100.05	275,660,674.95
Advance from customers	799,303.71	11,884,430.11
Payroll payables	125,772,491.78	86,581,591.05
Tax payables	128,422,041.79	82,966,950.19
Interest payables	2,001,628.35	58,870,603.35
Dividend payables		
Other payables	158,151,703.81	197,773,919.08
Non-current liabilities due within one year		
Other current liabilities		
<b>Total current liabilities</b>	<b>1,027,997,269.49</b>	<b>1,618,988,168.73</b>
<b>Non-current Liabilities:</b>		
Long-term borrowings	7,081,818.00	6,373,636.00
Bonds payables	1,490,219,779.58	1,491,928,860.23
Long-term payables	29,000.00	24,000.00
Specific payables	24,219,000.00	53,129,000.00
Provisions	10,840,895.10	9,723,329.82
Deferred tax liabilities		
Other non-current liabilities		
<b>Total non-current liabilities</b>	<b>1,532,390,492.68</b>	<b>1,561,178,826.05</b>
<b>Total liabilities</b>	<b>2,560,387,762.17</b>	<b>3,180,166,994.78</b>
<b>Equity:</b>		
Paid-in-capital	1,457,430,000.00	2,914,860,000.00
Capital reserves	1,898,770,864.68	1,170,055,864.68
Less: Treasury Stock		
Surplus reserves	311,980,983.51	311,980,983.51
Retained earnings	1,596,439,220.58	1,282,906,546.89
Translation difference		
Equity attributable to equity holders of the Company	5,264,621,068.77	5,679,803,395.08
Minority interests		
<b>Total equity</b>	<b>5,264,621,068.77</b>	<b>5,679,803,395.08</b>
<b>Total liabilities and equity</b>	<b>7,825,008,830.94</b>	<b>8,859,970,389.86</b>

## INCOME STATEMENT

Zhaojin Mining Industry Company Limited

Unit: RMB Yuan

Items	Jan-Sep 2011 Amount	Jan-Sep 2010 Amount
I. Operating revenue	2,404,922,894.20	1,928,803,343.44
Less: Cost of sales	913,265,380.15	642,564,734.11
Taxes and surcharges	15,865,209.69	13,231,393.33
Impairment loss	-858,095.19	1,120,119.89
Operating expenses	9,178,895.70	8,423,321.39
General and administrative expenses	299,637,020.97	258,332,767.34
Financial expenses	58,088,961.27	54,395,058.33
Add: Gain on changes in fair value (loss is marked by “-”)		1,314,713.28
Investment income (loss is marked by “-”) Including: Share of profit of an associate	17,533,641.39	22,841,061.38
II. Operating profit	1,127,279,163.00	974,891,723.71
Non-operating income	4,881,341.35	516,907.86
Non-operating expenses	15,433,718.11	12,101,326.13
Including: Loss on disposal of non-current assets	747,152.20	4,421,996.23
III. Total profit before taxation	1,116,726,786.24	963,307,305.44
Less: Income tax	264,315,459.93	240,826,826.38
IV. Net profit after taxation	852,411,326.31	722,480,479.06
Attributable to shareholders of the Company	852,411,326.31	722,480,479.06
Minority interests		
V. Earnings per share		
(I) Basis earnings per share		
(II) Diluted earnings per share		



## STATEMENT OF CASH FLOWS

Zhaojin Mining Industry Company Limited

Unit: RMB Yuan

Items	Jan – Sep 2011 Amount
I. Net cash flows from operating activities	
Cash received from sale of goods or rendering of services	2,353,651,326.32
Refunds of taxes	
Cash received relating to other operating activities	53,678,435.86
Sub-total of cash inflows	2,407,329,762.18
Cash paid for goods and services	1,256,693,783.43
Cash paid to and on behalf of employees	243,863,092.58
Cash paid for all types of taxes	371,372,676.18
Cash paid relating to other operating activities	75,743,357.32
Sub-total of cash outflows	1,947,672,909.51
Net cash flows from operating activities	459,656,852.67
II. Net cash from investing activities	
Cash received from sale of investments	
Cash received from return on investments	6,653,410.37
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	363,624.02
Cash received from disposal of subsidiaries or other companies	
Cash received relating to other investing activities	
Sub-total of cash inflows	7,017,034.39
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	661,469,005.71
Cash paid for investments	446,672,999.25
Cash paid for subsidiaries or other companies acquisitions	
Cash paid relating to other investing activities	
Sub-total of cash outflows	1,108,142,004.96
Net cash from investing activities	-1,101,124,970.57
III. Net cash from financing activities	
Cash received from capital contributions	
Cash received from borrowings	1,079,229,406.40
Cash received relating to other financing activities	535,508.66
Sub-total of cash inflows	1,079,764,915.06
Cash repayments of borrowings	424,229,406.40
Cash paid for distribution of dividends or profits and for interest expenses	437,229,000.00
Cash paid relating to other financing activities	
Sub-total of cash outflows	861,458,406.40
Net cash from financing activities	218,306,508.66
IV. Effect of changes in exchange rate on cash	
V. Net increase in cash and cash equivalents	-423,161,609.24

The financial information set forth in this announcement is prepared in accordance with PRC GAAP and unaudited. Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company.

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

Zhaoyuan, China, 31 October 2011

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

\* *for identification purposes only*