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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 SUPPLEMENTAL ANNOUNCEMENT**

#### **(1) DISCLOSEABLE AND CONNECTED TRANSACTIONS REGARDING THE ACQUISITION OF TWO EXPLORATION RIGHTS, LAND USE RIGHTS IN 20 PIECES OF STATE-OWNED LAND PARCELS AND 100% EQUITY INTEREST IN ZHAOYUAN GOLD SUPPLIES CENTRE COMPANY LIMITED OWNED BY SHANDONG ZHAOJIN COMPANY LIMITED**

**AND**

#### **(2) WHITEWASH WAIVER APPLICATION**

Reference is made to the announcement of Zhaojin Mining Industry Company Limited (the “**Company**”) dated 29 December 2015 relating to the Acquisition (the “**Acquisition Announcement**”), the announcement of the Company dated 15 January 2016 relating to the issue of a supplemental announcement (the “**Announcement**”), the announcement of the Company dated 19 January 2016 relating to the delay in despatch of circular (the “**Delay in Despatch Announcement**”) and the announcement of the Company dated 21 January 2016 relating to the supplemental information on the Acquisition and the Whitewash Waiver (the “**Second Supplemental Announcement**”, together with the Acquisition Announcement, the Announcement and the Delay in Despatch Announcement, the “**Announcements**”). Unless otherwise defined, capitalized terms used herein shall have the same meanings as defined in Announcements.

#### **CLARIFICATION TO THE ANNOUNCEMENTS**

The Company wishes to clarify that all of the references to “mining rights” with respect to Luanjiahe gold mine and Zhangjiazhuang gold mine in Zhaoyuan city, Shandong province in the Announcements should be replaced with “exploration rights”. The Chinese version of the Announcements remains unchanged.

## **FURTHER INFORMATION ON THE ACQUISITION AND WHITEWASH WAIVER**

In order to address certain outstanding disclosure requirements under the Takeovers Code, the Company provides the following further information on the Acquisition and the Whitewash Waiver.

### *Long Stop Date of the Transfer Agreement*

The Transfer Agreement does not have a long stop date.

### *Relevant securities in issue*

As at the date of the Acquisition Announcement and this announcement, the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) issued by the Company comprised 2,091,481,195 Domestic Shares and 874,346,000 H Shares. Save for the aforesaid, the Company has no other relevant securities (as defined in the Note 4 to Rule 22 of the Takeovers Code) as at the date of the Acquisition Announcement and this announcement.

### *Exploration rights in Luanjiahe gold mine and Zhangjiazhuang gold mine*

It was disclosed in the Acquisition Announcement that both the Zhaojin Group and the Company had not made any capital commitment with respect to the exploration rights in Luanjiahe gold mine and Zhangjiazhuang gold mine. While the exploration rights of these two mines would belong to Zhaojin Group before the Acquisition, the Company disclosed in the Acquisition Announcement that it had not made any capital commitment with respect to these two exploration rights to inform the Shareholders that the Company proposed to acquire such exploration rights not because of any prior capital commitment made by the Company.

### *Exploration permits in relation to the exploration rights in Luanjiahe gold mine and Zhangjiazhuang gold mine*

As at the date of this announcement, the exploration permits in relation to the exploration rights in (i) Luanjiahe gold mine will expire on 31 December 2016; and (ii) Zhangjiazhuang gold mine will expire on 31 March 2016 (the “**Exploration Permit**”). Zhaojin Group is in the process of carrying out the relevant procedures in extending the terms of the Exploration Permit which, upon successful extension, will generally be valid for another two years. According to the relevant laws and regulations in the PRC, as long as Zhaojin Group has (i) completed the minimum prescribed exploration capital commitment during the period in which the subject Exploration Permit is valid; (ii) passed the relevant annual assessment of the subject Exploration Permit; and (iii) completed the relevant registration procedures at the relevant government authorities 30 days prior to the expiry of the Exploration Permit, the relevant government authorities would normally grant an extension of the Exploration Permit. Procedures referred to in (i) and (ii) above in this paragraph in respect of the Exploration Permit have been complied with. In the event that the terms of the Exploration Permit in respect of the Zhangjiazhuang gold mine cannot be extended, the Company will not proceed with the Acquisition.

*Information relating to the Company and Zhaojin Group*

Zhaojin Group is held as to 100% by 招遠市人民政府 (Zhaoyuan City People's Government\*) in Shandong Province.

*Interest of Zhaojin Group and the Zhaojin Group's Concert Parties in the securities of the Company*

As at the date of the Announcements and this announcement:

- (1) Zhaojin Group was interested in 1,086,514,000 Domestic Shares, representing 36.63% of the total issued share capital of the Company and Zhaojin Group's Concert Parties, namely Luyin Trading Pte Ltd and Zhaojin Non-Ferrous Mining Company Limited (both of which are subsidiaries of Zhaojin Group) were interested in 47,455,000 H Shares and 50,967,195 Domestic Shares, respectively, representing 1.60% and 1.72% of the total issued share capital of the Company, respectively;
- (2) save as disclosed in (1) above, neither Zhaojin Group nor any Zhaojin Group's Concert Parties owns or has control or direction over any voting rights or rights over the Shares or convertible securities, options, warrants or derivatives of the Company or holds any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company;
- (3) neither Zhaojin Group nor any Zhaojin Group's Concert Parties has received any irrevocable commitment or arrangements to vote in favour of or against the resolutions in respect of the Acquisition and/or the Whitewash Waiver;
- (4) neither Zhaojin Group nor any Zhaojin Group's Concert Parties holds any convertible securities, warrants or options of the Company;
- (5) there is no outstanding derivative in respect of securities in the Company entered into by Zhaojin Group or any Zhaojin Group's Concert Parties;
- (6) there is no arrangement referred to in Note 8 to Rule 22 of the Takeovers Code (whether by way of option, indemnity or otherwise) in relation to shares of Zhaojin Group or of the Company which may be material to the Acquisition and/or the Whitewash Waiver, between Zhaojin Group and/or any of the Zhaojin Group's Concert Parties and any other persons;
- (7) there was no agreement or arrangement to which Zhaojin Group or any Zhaojin Group's Concert Parties is a party which relates to the circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Acquisition and the Whitewash Waiver, other than the conditions precedent to the completion of the Acquisition; and
- (8) neither Zhaojin Group nor any Zhaojin Group's Concert Parties has borrowed or lent any relevant securities (as defined in note 4 to Rule 22 of the Takeovers Code) in the Company.

## *Implications under the Takeovers Code*

The Whitewash Waiver is subject to approval by the Independent Shareholders at the general meeting and the relevant Class Meetings of the Company by way of a poll. Zhaojin Group and Zhaojin Group's Concert Parties and any Shareholders who are interested in or are involved in the Acquisition and/or the Whitewash Waiver and their respective associates are required to abstain from voting on the relevant resolutions relating to the Acquisition and the Whitewash Waiver at the general meeting and the relevant Class Meetings of the Company.

## **CLARIFICATIONS TO THE ACQUISITION ANNOUNCEMENT**

In addition, the Company wishes to clarify the information below contained in the Acquisition Announcement:

### *Summary Box*

In the summary box with the caption headed "Independent Board Committee and Independent Financial Adviser" on page 2 of the Acquisition Announcement, the reference to the sentence "An Independent Board Committee has been established by the Company... so far as the Independent Shareholders are concerned" should be replaced with the following:

"Independent Board Committees have been established by the Company to advise and make recommendation to the Independent Shareholders regarding the fairness and reasonableness of the terms of the Acquisition and the Whitewash Waiver so far as the Independent Shareholders are concerned"

### *Pricing of Consideration Shares*

In the first paragraph under this section headed "Pricing of Consideration Shares" on page 10 of the Acquisition Announcement, the reference to the phrase "the exchange rate of RMB against Hong Kong dollar shall be" should be replaced with "based on the exchange rate of RMB1: HK\$1.1970, which is".

The second paragraph under this section should be replaced with the paragraph below:

"The issue price of each of the Consideration Shares shall be determined based on: (i) no less than 85% of the average price of H Shares during 20 trading days immediately preceding 29 December 2015 (i.e. the date of the Acquisition Announcement) (average price of H Shares during 20 trading days immediately preceding 29 December 2015 equals to total transaction amount of H Shares during 20 trading days immediately preceding 29 December 2015 divided by the total transaction volume of H Shares during 20 trading days immediately preceding 29 December 2015); and (ii) no less than the audited net asset value attributable to the owner of the Company per Share as at 31 December 2014 (i.e. RMB2.92)."

The fifth paragraph under this section should be replaced with the following paragraph:

"The Directors (excluding members of the Independent Board Committees who will form their views upon considering the advice of the Independent Financial Adviser) consider that, the issue price of the Consideration Shares and the terms of the Acquisition and the Whitewash Waiver are fair and reasonable and in the interests of the Company and Shareholders as a whole."

### *Reasons and benefits of entering into the Transfer Agreement*

In the section headed “Reasons and benefits of entering into the Transfer Agreement” on page 12 of the Acquisition Announcement, the fourth paragraph under this section should be replaced with the following paragraph:

“The Directors (excluding the members of the Independent Board Committees who will form their views upon considering the advice of the Independent Financial Adviser) consider that, the Acquisition is beneficial to the Group. The Transfer Agreement is entered into on normal commercial terms and the terms of which are fair and reasonable. The Acquisition is in the interest of the Company and Shareholders as a whole.”

### *Definitions*

The definition of “Independent Board Committee” on page 16 of the Acquisition Announcement should be replaced by “Independent Board Committees” and should be defined as follows:

“collectively, the Connected Transaction IBC and the Whitewash Waiver IBC”

As a result of the change of the definition of Independent Board Committee, the following definitions should be added to the Acquisition Announcement:

- (i) “Connected Transaction IBC” to be defined as “an independent board committee, comprising all the independent non-executive Directors, namely Ms. Chen Jinrong, Mr. Choy Sze Chung Jojo, Mr. Xie Jiyuan and Mr. Nie Fengjun, established to advise the Independent Shareholders in respect of the Acquisition (including the issue and allotment of the Consideration Shares)”
- (ii) “Whitewash Waiver IBC” to be defined as “an independent board committee, comprising all the non-executive Directors and independent non-executive Directors, namely Mr. Liang Xinjun, Mr. Xu Xiaoliang, Mr. Wu Yijian, Ms. Chen Jinrong, Mr. Choy Sze Chung Jojo, Mr. Xie Jiyuan and Mr. Nie Fengjun, established to advise the Independent Shareholders in respect of the Acquisition (including the issue and allotment of the Consideration Shares) and the Whitewash Waiver”

In the definition of “Independent Financial Adviser” on page 17 of the Acquisition Announcement, the phrase “in respect of the Transfer Agreement and the transactions contemplated thereunder” should be replaced with “as to whether the Acquisition and the Whitewash Waiver are or are not fair and reasonable and as to voting”.

In the definition of “Independent Shareholder(s)” on page 17 of the Acquisition Announcement, the phrase “has the meaning ascribed to it under the Listing Rules” should be replaced with “Shareholders other than Zhaojin Group and Zhaojin Group’s Concert Parties and those who are involved in or interested in the Acquisition and the Whitewash Waiver”

Shareholders and potential investors are reminded that the completion of the Acquisition is subject to certain conditions set out in the paragraph headed “CONDITIONS PRECEDENT” in the Acquisition Announcement and the Executive may or may not grant the Whitewash Waiver. The Acquisition may or may not proceed. In the event that the Whitewash Waiver is not granted or approved in the general meeting and the relevant Class Meetings, the Company will not proceed with the Acquisition. Accordingly, investors and Shareholders should exercise caution when dealing in the Shares.

By order of the Board  
**Zhaojin Mining Industry Company Limited\***  
**Weng Zhanbin**  
*Chairman*

Zhaoyuan, the PRC, 27 January 2016

As at the date of this announcement, the board of directors comprises:

*Executive Directors:* Mr. Weng Zhanbin, Mr. Li Xiuchen,  
Mr. Lu Dongshang and Mr. Cong Jianmao

*Non-executive Directors:* Mr. Liang Xinjun, Mr. Xu Xiaoliang and  
Mr. Wu Yijian

*Independent non-executive Directors:* Ms. Chen Jinrong, Mr. Choy Sze Chung Jojo,  
Mr. Xie Jiyuan and Mr. Nie Fengjun

*The Directors jointly and severally accept full responsibility for the accuracy of information (other than those relating to the Zhaojin Group) contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.*

*The directors of the Zhaojin Group, accept full responsibility for the accuracy of the information relating to the Zhaojin Group contained in this announcement and confirms, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statement in this announcement misleading.*

\* For identification purposes only