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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)

**FURTHER DELAY IN DESPATCH OF CIRCULARS
AND
WAIVER UNDER RULES 14.60A AND
14.62 OF THE LISTING RULES**

Reference is made to (i) the announcement of Zhaojin Mining Industry Company Limited (the “**Company**”) dated 29 December 2015 relating to the Acquisition (the “**Acquisition Announcement**”); (ii) the announcement of the Company dated 29 December 2015 relating to the ESSP (the “**ESSP Announcement**”); (iii) the announcement of the Company dated 12 January 2016 relating to the appointment of Independent Financial Adviser (the “**IFA Announcement**”); (iv) the announcement of the Company dated 12 January 2016 in relation to the grant of waiver under Rules 14.60A and 14.62 of the Listing Rules (the “**Waiver Announcement**”); (v) the announcement of the Company dated 15 January 2016 relating to the issue of a supplemental announcement (the “**Announcement**”); (vi) the announcement of the Company dated 19 January 2016 relating to the delay in despatch of the Circular (the “**Delay in Despatch Announcement**”); (vii) 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**”); (viii) the announcement of the Company dated 27 January 2016 relating to further supplemental information on the Acquisition and the Whitewash Waiver (the “**Third Supplemental Announcement**”); (ix) the announcement of the Company dated 29 January 2016 in relation to the further grant of waiver under Rules 14.60A and 14.62 of the Listing Rules (the “**Further Waiver Announcement**”); (x) the announcement of the Company dated 4 February 2016 relating to the change of Independent Financial Adviser (the “**Change of IFA Announcement**”); (xi) the announcement of the Company dated 26 February 2016 relating to the further delay in the despatch of the Circular and the ESSP Circular (the “**Second Delay in Despatch Announcement**”); (xii) the announcement of the Company dated 29 April 2016 in respect of its unaudited quarterly financial statement for the three months ended 31 March 2016 (the “**2016 First Quarter Results Announcement**”); and (xiii) the clarification announcement of the Company dated 3 May 2016 in respect of the 2016 First Quarter Results Announcement (the “**Clarification Announcement**”, together with the Acquisition Announcement, ESSP Announcement, the IFA Announcement, the Waiver Announcement, the Announcement, the Delay in Despatch Announcement, the Second Supplemental Announcement, the Third Supplemental Announcement, the Further Waiver Announcement, the Change of IFA Announcement, the Second Delay in Despatch Announcement and the 2016 First Quarter Results Announcement, the “**Announcements**”).

Unless otherwise defined, capitalized terms used herein shall have the same meanings as defined in the Announcements.

THE WHITEWASH CIRCULAR

Pursuant to Rule 8.2 of the Takeovers Code, unless the consent of the Executive is obtained, the Circular should normally be despatched to the Shareholders within 21 days from the date of the Acquisition Announcement.

As disclosed in the Delay in Despatch Announcement, the Executive indicated that it will grant its consent to an extension of time to despatch the Circular by no later than 26 February 2016. Pursuant to a letter from the Executive dated 20 January 2016, the Executive has granted consent to extend the latest date for the despatch of the Circular to 26 February 2016.

As disclosed in the Second Delay in Despatch Announcement and pursuant to a letter from the Executive dated 26 February 2016, the Executive has granted consent to further extend the latest date for the despatch of the Circular to 27 May 2016 (the “**Second Extension**”).

As disclosed in the Announcement, the Delay in Despatch Announcement, the Second Supplemental Announcement and the Third Supplemental Announcement, the Acquisition Announcement did not fully comply with the relevant requirements under the Takeovers Code. In order to comply with the relevant requirements of the Takeovers Code, the Company has to include in the Circular, among others, (i) the valuation reports on the exploration rights in Luanjiahe gold mine and Zhangjiazhuang gold mine, the Supplies Centre and the Properties (the “**Valuation Reports**”) in accordance with Rule 11 of the Takeovers Code; and (ii) the relevant reports in respect of Rule 10 of the Takeovers Code.

After the grant of the Second Extension, for the past three months from March to May 2016, the Company has been working with the other professional parties involved in the Acquisition and the Whitewash Waiver in the preparation of the Circular, including (i) working with its Financial Adviser on establishing the independence and qualifications of the Mine Valuer and Shandong Appraisal under the relevant requirements of the Takeovers Code; (ii) working with the various valuers (including the Mine Valuer, Shandong Appraisal and Knight Frank) on finalising the Valuation Reports relating to the exploration rights in Luanjiahe gold mine and Zhangjiazhuang gold mine (prepared by the Mine Valuer), the Supplies Centre (prepared by Shandong Appraisal) and the Properties (prepared by Knight Frank) (which have been ready for further review by the Company and its Financial Adviser as to compliance with the relevant requirements under the Takeovers Code and the Listing Rules); and (iii) working with the legal counsels on the preparation of the Circular (which was going to include the content of the ESSP Circular as disclosed in the Second Delay in Despatch Announcement).

Moreover, the Company has inadvertently breached Rule 10 of the Takeovers Code again by publishing the 2016 First Quarter Unaudited Profit contained in the 2016 First Quarter Results Announcement on 29 April 2016 in compliance with the relevant requirements under the PRC laws. Accordingly, the Circular needs to include additional reports on the 2016 First Quarter Unaudited Profit. The Company has yet to work with its Financial Adviser and its auditor on preparing the reports on the 2016 First Quarter Unaudited Profit in accordance with Rule 10.4 of the Takeovers Code.

Given the amount of work that is needed to be done to comply with the relevant requirements under the Takeovers Code and the Listing Rules, the Company is exploring the opportunity of revising the structure or terms of the Acquisition, including but not limited to the possibility of terminating the Acquisition (the “**Possible Termination**”), so as to reduce the time to be spent and cost to be incurred in connection with the Acquisition and the Whitewash Waiver (including the cost to be incurred for other possible corporate actions/publication of the Company which may trigger any Takeovers Code implication due to the Acquisition and the Whitewash Waiver). Nevertheless, no decision as to whether to terminate or proceed with the Acquisition (with or without revisions to the structure or terms of the Acquisition) has been reached by the Company at this stage. The Company will inform the Executive and make timely disclosure to the public when further decision is made on the Acquisition. The Company expects to reach a decision on whether to terminate or proceed with the Acquisition (with or without revisions to the structure or terms of the Acquisition) by the end of June 2016.

In view of the possibility of the Possible Termination, the preparation of the Circular (including the Valuation Reports and Rule 10 reports under the Takeovers Code) has been gradually slowed down after the publication of the Clarification Announcement pending the Company’s decision on whether to proceed with the Acquisition (with or without revisions to structure or terms). Should there be no revision to the structure or terms of the Acquisition and the Acquisition not being terminated, the Company will be working closely with the various professional parties to finalise the content of the Circular as soon as possible. Nevertheless, additional time is required to finalise the content of the Circular given that preparation of the Circular was slowed down pending the Company’s decision on whether to proceed with the Acquisition, and substantial time is required for the preparation of the reporting on of the 2016 First Quarter Unaudited Profit in accordance with Rule 10 of the Takeovers Code.

In such case, the Company expects to (i) submit the draft Circular (including the Valuation Reports and Rule 10 reports under the Takeovers Code) to the Stock Exchange and the Executive for review and approval by the end of June 2016; (ii) finalise the reporting on of the 2016 First Quarter Unaudited Profit in accordance with Rule 10 of the Takeovers Code in the middle of July 2016; and (iii) address the comments on the draft Circular from the Stock Exchange and the Executive in July 2016. Accordingly, the Company expects that the despatch date of the Circular will, subject to the consent of the Executive, be further postponed from 27 May 2016 to 29 July 2016.

An application has been made by the Company to the Executive for consent to the extension of the latest date for despatching the Circular from 27 May 2016 to 29 July 2016 and the Executive has indicated that it is minded to grant its consent to an extension of the latest time to despatch the Circular to 29 July 2016. The Executive has also indicated that unless under exceptional circumstances, this is the final consent to the extension of time to be granted.

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 and in view of the Possible Termination, the Acquisition may or may not proceed. Accordingly, investors and Shareholders should exercise caution when dealing in the Shares.

THE ESSP CIRCULAR

It was disclosed in the Second Delay in Despatch Announcement, among others, that (i) the Company intends to include all the details and information to be contained in the ESSP Circular in the Circular instead and despatch the Circular on or before 27 May 2016; and (ii) if the Circular is not despatched to the Shareholders by 27 May 2016, the Company may despatch the ESSP Circular to its Shareholders independent from the Circular.

In light of the status of the Circular as stated above, the Company intends to separate the ESSP Circular from the Circular and despatch the ESSP Circular on or before 29 July 2016.

Shareholders and potential investors of the Company should note that the proposed implementation of the ESSP by way of non-public issuance of Domestic Shares to the Asset Management Plan is subject to the approval of the Independent Shareholders and certain regulatory authorities and may or may not proceed. Accordingly, Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the Shares.

WAIVER FROM RULES 14.60A AND 14.62 OF THE LISTING RULES

In view of the further delay in the despatch date of the Circular from 27 May 2016 to 29 July 2016, the Company has applied for a waiver from the strict compliance with Rules 14.60A and 14.62 of the Listing Rules.

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

Zhaoyuan, the PRC, 31 May 2016

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

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

Non-executive Directors: Mr. Liang Xinjun, Mr. Xu Xiaoliang, Mr. Li Shousheng and Mr. Gao Min

Independent non-executive Directors: Ms. Chen Jinrong, Mr. Choy Sze Chung Jojo, Mr. Wei Junhao and Mr. Shen Shifu

The Directors jointly and severally accept full responsibility for the accuracy of information 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.

* For identification purposes only