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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)**

### **INSIDE INFORMATION POTENTIAL JOINT VENTURE**

This announcement is made by Zhaojin Mining Industry Company Limited (the “**Company**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

#### **POTENTIAL JOINT VENTURE**

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) that the Company is considering whether to participate in a joint venture arrangement (the “**Joint Venture**”) with Shanghai Fosun High Technology (Group) Co., Ltd. (上海復星高科技(集團)有限公司) (“**Shanghai Fosun**”) and Hainan Mining Co., Ltd. (海南礦業股份有限公司) (“**Hainan Mining**”) with respect to Shanghai Ping Ju Investment Management Co., Ltd. (上海平聚投資管理有限公司) (the “**Joint Venture Company**”) for the purpose of the acquisition (the “**Acquisition**”) of 10% shareholding (excluding treasury shares) in Public Joint Stock Company Polyus, a public joint stock company incorporated in Russia principally engaged in extraction, processing, refining and sale of gold.

As at the date of this announcement, the Joint Venture Company is held as to 49.90%, 37.37% and 12.73% by Hainan Mining, Shanghai Fosun and the Company, respectively. The Company acquired the 12.73% equity interest in the Joint Venture Company at nil consideration from a wholly-owned subsidiary of Shanghai Fosun pursuant to an equity transfer agreement dated 18 April 2017. As at the date of this announcement, the registered capital of the Joint Venture Company is RMB500,000, none of which has been paid up.

To the best knowledge of the directors of the Company (the “**Directors**”), Shanghai Fosun and Hainan Mining have entered into an investment co-operation agreement (the “**Joint Venture Agreement**”) on the date of this announcement to set out the Joint Venture arrangement between themselves with respect to the Joint Venture Company for the purpose of the Acquisition, and that it was a term of the Joint Venture Agreement that if the Board approves the Company’s participation of the Joint Venture within 15 days from the date of the Joint Venture Agreement or such other date as may be determined by Shanghai Fosun, the Company, Shanghai Fosun and Hainan Mining shall inject capital into the Joint Venture Company (the “**Capital Injection**”) in such proportion corresponding to their respective shareholding proportion in the Joint Venture Company at US\$62 million, US\$182 million and US\$243 million, respectively, such that the total registered capital of the Joint Venture Company shall be US\$487 million. If, however, the Board does not approve the Company’s participation in the Joint Venture, the Company shall transfer its 12.73% equity interest in the Joint Venture Company to Shanghai Fosun or such other third party as may be designated by Shanghai Fosun at nil consideration. The Capital Injection shall take place upon the fulfilment of the conditions precedent set out in the Joint Venture Agreement. To the best knowledge of the Directors, it is also a term of the Joint Venture Agreement that the Company shall have the right to appoint two directors to the board of directors of the Joint Venture Company if the Company participates in the Joint Venture.

Should the Company participate in the Joint Venture, it is expected that the total capital commitment of the Company with respect to the Joint Venture shall be no more than US\$62 million.

To the best knowledge of the Directors, the Joint Venture Company has entered into a sale and purchase agreement in respect of the Acquisition on the date of this announcement.

#### **LISTING RULES IMPLICATIONS**

Hainan Mining, Shanghai Fosun and the Joint Venture Company are subsidiaries of Fosun International Limited (“**Fosun International**”), a company listed on the main board of The Stock Exchange of Hong Kong Limited (stock code: 656). Fosun International, through certain of its wholly-owned subsidiaries, holds approximately 3.29% interest in the issued share capital of the Company.

The Company deems Fosun International and its subsidiaries (the “**Fosun Group**”) to be its connected persons under the Listing Rules given that Fosun International is regarded by Shanghai Yuyuan Tourist Mart Co., Ltd. (上海豫園旅遊商城股份有限公司) (a substantial Shareholder of the Company which, as at the date of this announcement, holds approximately 23.04% interest in the issued share capital of the Company and to the best knowledge of the Directors, is held as to approximately 26.45% by Fosun International) to be its controlling shareholder and actual controller.

By virtue of the Company deeming the Fosun Group to be its connected persons, any transaction entered into between the Company and the Fosun Group constitutes a connected transaction of the Company under the Listing Rules.

The initial acquisition of the 12.73% equity interest in the Joint Venture Company at nil consideration by the Company on 18 April 2017 constituted a connected transaction of the Company that is exempt from the reporting, announcement and independent Shareholders’ approval requirement under the Listing Rules.

Should the Company participate in the Joint Venture, the Joint Venture will constitute a connected transaction of the Company under the Listing Rules. Based on the expected maximum total capital commitment of the Company of US\$62 million, it is expected that the participation in the Joint Venture will constitute a connected transaction of the Company that is subject to the reporting and announcement requirements but is exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules since the highest applicable percentage ratio calculated with reference to the total capital commitment of the Company is above 0.1% but below 5%.

Further announcement on the Joint Venture will be made as and when it is appropriate in compliance with applicable requirements of the Listing Rules.

**THE COMPANY MAY OR MAY NOT PARTICIPATE IN THE JOINT VENTURE. SHAREHOLDERS AND POTENTIAL INVESTORS ARE ADVISED TO EXERCISE CAUTION WHEN DEALING IN THE SHARES OF THE COMPANY.**

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

Zhaoyuan, the PRC, 31 May 2017

*As at the date of this announcement, the directors of the Company are Mr. Weng Zhanbin, Mr. Li Xiuchen and Mr. Cong Jianmao as executive Directors, Mr. Liang Xinjun, Mr. Li Shousheng, Mr. Xu Xiaoliang and Mr. Gao Min as non-executive Directors, and Ms. Chen Jinrong, Mr. Choy Sze Chung Jojo, Mr. Wei Junhao and Mr. Shen Shifu as independent non-executive Directors.*

\* *For identification purpose only*