

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

ANNOUNCEMENT

CONTINUING CONNECTED TRANSACTIONS

GEOLOGICAL PROSPECTING SERVICES FRAMEWORK AGREEMENT

On 3 January 2023, Shandong Zhaojin Geological and Zhaojin Group entered into the Geological Prospecting Services Framework Agreement in relation to Shandong Zhaojin Geological's provision of exploration services to Zhaojin Group from 1 January 2023 to 31 December 2025.

MATERIAL PROCUREMENT FRAMEWORK AGREEMENT

On 3 January 2023, Materials Supply Center and Zhaojin Group entered into the Material Procurement Framework Agreement in relation to the provision of material procurement services by Materials Supply Center to Zhaojin Group from 1 January 2023 to 31 December 2025.

THE PROCESSING AND SMELTING, DEEP WELL RESOURCE EXTRACTION AND RECYCLING, TESTING AND RELATED TECHNICAL SERVICES FRAMEWORK AGREEMENT

On 3 January 2023, the Company entered into the Processing and Smelting, Deep Well Resource Extraction and Recycling, Testing and Related Technical Services Framework Agreement with Shandong Zhaojin Technology in relation to the provision of processing and smelting, deep well resource extraction and recycling, testing and related technical services by Shandong Zhaojin Technology and its subsidiaries to the Group during the period from 1 January 2023 to 31 December 2025.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Zhaojin Group is the substantial shareholder and controlling shareholder of the Company. According to Rule 14A.07 of the Listing Rules, Zhaojin Group is a connected person of the Company. Both of Shandong Zhaojin Geological and Materials Supply Center are wholly-owned subsidiaries of the Company. In addition, Shandong Zhaojin Technology, being a non-wholly-owned subsidiary of the Company, is held as to 35% by Zhaojin Group. According to Rule 14A.16 of the Listing Rules, Shandong Zhaojin Technology is a connected subsidiary of the Company and a connected person of the Company. Therefore, according to Chapter 14A of the Listing Rules, the Geological Prospecting Services Framework Agreement, the Material Procurement Framework Agreement and the Processing and Smelting, Deep Well Resource Extraction and Recycling, Testing and Related Technical Services Framework Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company.

As all the percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of each of the Geological Prospecting Services Framework Agreement, the Material Procurement Framework Agreement and the Processing and Smelting, Deep Well Resource Extraction and Recycling, Testing and Related Technical Services Framework Agreement are more than 0.1% but less than 5%, the Geological Prospecting Services Framework Agreement, the Material Procurement Framework Agreement and the Processing and Smelting, Deep Well Resource Extraction and Recycling, Testing and Related Technical Services Framework Agreement and the transactions contemplated thereunder are subject to the annual review, reporting and announcement requirements but are exempt from independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

BACKGROUND

On 3 January 2023, Shandong Zhaojin Geological and Materials Supply Center, being the wholly-owned subsidiaries of the Company, entered into the Geological Prospecting Services Framework Agreement and the Material Procurement Framework Agreement, respectively, with Zhaojin Group. On the same date, the Company entered into the Processing and Smelting, Deep Well Resource Extraction and Recycling, Testing and Related Technical Services Framework Agreement with Shandong Zhaojin Technology. The principal terms of the Geological Prospecting Services Framework Agreement, the Material Procurement Framework Agreement and the Processing and Smelting, Deep Well Resource Extraction and Recycling, Testing and Related Technical Services Framework Agreement are as follows:

(1) GEOLOGICAL PROSPECTING SERVICES FRAMEWORK AGREEMENT

Date

3 January 2023

Parties

- (i) Shandong Zhaojin Geological, a wholly-owned subsidiary of the Company; and
- (ii) Zhaojin Group, the substantial shareholder and controlling shareholder of the Company.

Term of the agreement

The term of the Geological Prospecting Services Framework Agreement shall commence from 1 January 2023 until 31 December 2025.

Subject to re-compliance with the reporting, announcement and independent Shareholders' approval requirements (where applicable) under Chapter 14A of the Listing Rules and/or any other applicable requirements under the Listing Rules and/or any other relevant laws and regulations at the relevant time and the articles of association of the parties, the Geological Prospecting Services Framework Agreement may be renewed for a further term of three years upon further agreement by the parties.

Services

Pursuant to the Geological Prospecting Services Framework Agreement, Shandong Zhaojin Geological agreed to provide geological prospecting services to Zhaojin Group and/or its subsidiaries, which include geological prospecting, resource verification, environmental protection testing, occupational health monitoring, soil and water conservation and comprehensive management of environmental pollution.

Pricing and Payment Terms

Shandong Zhaojin Geological and Zhaojin Group and/or its subsidiaries shall, from time to time during the term of the Geological Prospecting Services Framework Agreement, enter into separate agreement(s) in respect of the provision of the geological prospecting services provided that such separate agreement(s) shall always be subject to the terms of the Geological Prospecting Services Framework Agreement. The fees and terms with respect to the geological prospecting services to be provided by Shandong Zhaojin Geological to Zhaojin Group and/or its subsidiaries shall be determined in the ordinary course of business on normal commercial terms upon negotiation on an arm's length basis, and the specific terms agreed with and fees payable by Zhaojin Group and/or its subsidiaries shall be no less favourable than the terms and fees agreed between Shandong Zhaojin Geological and independent third parties for similar business in the ordinary course of business. Before entering into any transactions in relation to the Geological Prospecting Services Framework Agreement, our legal and finance departments will review quotations provided by Shandong Zhaojin Geological to Zhaojin Group and/or its subsidiaries to ensure that such quotations are on terms and at fees no less favourable than those agreed between Shandong Zhaojin Geological and independent third parties in the ordinary course of business for similar business.

The fees for the geological prospecting services also include the fees for drilling works, geological services fees and other fees to be incurred according to actual circumstances.

The provision of geological prospecting services may also involve relevant drilling works. The fees for drilling works and geological services fees are determined based on the prevailing market rates with reference to the Budget Standards for Geological Survey Projects (2020 Version for Trial Implementation) published by China Geological Survey, while other fees are to be negotiated and determined according to actual circumstances.

The payment of fees for the provision of geological prospecting services shall be individually agreed by the parties in separate agreements entered into from time to time.

Historical Transaction Amounts

The historical transaction amounts in respect of the provision of geological prospecting services by Shandong Zhaojin Geological to Zhaojin Group are set out as follows:

	For the year ended 31 December 2020 RMB'000 (audited)	For the year ended 31 December 2021 RMB'000 (audited)	For the eleven months ended 30 November 2022 RMB'000 (unaudited)
Historical transaction amounts	6,027	4,471	0

Annual Caps

The Company expects that the maximum aggregate annual values (the “**Geological Prospecting Services Annual Caps**”) in respect of the transactions contemplated under the Geological Prospecting Services Framework Agreement will be as follows:

	<i>RMB'000</i>
For the year ending 31 December 2023	8,000
For the year ending 31 December 2024	10,000
For the year ending 31 December 2025	8,000

The above Geological Prospecting Services Annual Caps are determined with reference to: (i) amounts of the historical transaction in respect of the provision of geological prospecting services provided by Shandong Zhaojin Geological to Zhaojin Group; (ii) the projection of business development and project implementation of Zhaojin Group from 2023 to 2025; and (iii) the estimated demand for geological prospecting services for the relevant business and projects.

Reasons for and Benefits of Entering into the Geological Prospecting Services Framework Agreement

Since its establishment, Shandong Zhaojin Geological has been principally engaged in geological exploration of gold, with integration of geological, exploration and scientific research activities. It has a comprehensive exploration capability from general exploration to detailed exploration, from surface exploration to underground exploration and from shallow exploration to deep exploration. Its strong technical capabilities can be shown by its advanced mapping, geological exploration and testing equipment as well as various types of exploration and construction equipment. In addition, its subsidiaries have robust environmental protection testing strength and complete testing equipment, which can provide high-quality environmental protection testing services. Shandong Zhaojin Geological has been providing excellent geological exploration services and environmental protection testing services to Zhaojin Group and both parties have maintained good cooperation relationship for years. As such, the continuous provision of such services to Zhaojin Group will bring stable source of business to Shandong Zhaojin Geological and is therefore conducive to enhancing the economic benefits of Shandong Zhaojin Geological.

In view of the above reasons, the Directors (including the independent non-executive Directors) consider that the Geological Prospecting Services Framework Agreement is on normal commercial terms and in the ordinary and usual course of business of the Group, fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

(2) MATERIAL PROCUREMENT FRAMEWORK AGREEMENT

Date

3 January 2023

Parties

- (i) Materials Supply Center, a wholly-owned subsidiary of the Company; and
- (ii) Zhaojin Group, the substantial shareholder and controlling shareholder of the Company.

Term of the agreement

From 1 January 2023 to 31 December 2025.

Subject to re-compliance with the reporting, announcement and independent Shareholders' approval requirements (where applicable) under Chapter 14A of the Listing Rules and/or any other applicable requirements under the Listing Rules and/or any other relevant laws and regulations at the relevant time and the articles of association of the parties, the Material Procurement Framework Agreement may be renewed for a further term of three years upon further agreement by the parties.

Services

Pursuant to the Material Procurement Framework Agreement, Materials Supply Center agreed to sell the materials as required to Zhaojin Group and/or its subsidiaries. The materials to be sold shall be within the business scope of Materials Supply Center.

Pricing and Payment Terms

Zhaojin Group and/or its subsidiaries will, from time to time, enter into separate agreements with Materials Supply Center for specific sales of materials, and the prices of the materials to be purchased shall be determined in accordance with the separate agreements and their respective terms based on the actual conditions. The terms of these separate agreements shall not be in contradiction with those of the Material Procurement Framework Agreement. The prices and terms of the materials to be supplied by Materials Supply Center to Zhaojin Group and/or its subsidiaries shall be determined in the ordinary course of business on normal commercial terms upon negotiation on an arm's length basis, and at prices and terms no less favourable than prices and terms provided to third parties by Materials Supply Center in its ordinary course of business. Before making specific sales of materials, our legal and finance departments will review the quotations provided by Material Supply Center to Zhaojin Group and/or its subsidiaries to ensure that such quotations are on terms and at fees no less favourable than those agreed between Material Supply Center and independent third parties in the ordinary course of business for similar business.

The payment of prices of specific sales of materials shall be individually agreed by the parties in separate agreements entered into from time to time.

Historical Transaction Amounts

The historical transaction amounts between Materials Supply Center and Zhaojin Group under the Material Procurement Framework Agreement are set out as follows:

	For the year ended 31 December 2020 RMB'000 (audited)	For the year ended 31 December 2021 RMB'000 (audited)	For the eleven months ended 30 November 2022 RMB'000 (unaudited)
Historical transaction amounts	4,247	1,666	15,049

Annual Caps

The Company expects that the maximum aggregate annual values (the “**Material Procurement Annual Caps**”) in respect of the transactions contemplated under the Material Procurement Framework Agreement will be as follows:

	<i>RMB'000</i>
For the year ending 31 December 2023	20,000
For the year ending 31 December 2024	20,000
For the year ending 31 December 2025	25,000

The above Material Procurement Annual Caps are determined with reference to: (i) the amounts of the historical transactions between Materials Supply Center and Zhaojin Group under the Material Procurement Framework Agreement; (ii) the projection of business development and project implementation of the subsidiaries of Zhaojin Group from 2023 to 2025 (especially Zhaojin Group will initiate various property development projects from 2023 to 2025); and (iii) the estimated demand for materials under the Material Procurement Framework Agreement for relevant business and projects.

Reasons for and Benefits of Entering into the Material Procurement Framework Agreement

The Company considers that the sales of materials as required to Zhaojin Group by Materials Supply Center has the following advantages:

- (1) Expand the scope of procurement to achieve synergy. On the basis of the existing procurement scope, Materials Supply Center will increase the variety of purchased materials to expand the scope of procurement, and provide high-quality and guaranteed material supply services, aiming to maximize the synergy effect.

- (2) Reduce procurement costs. Materials Supply Center will fully develop the internal scope and increase the scale of centralized procurement, thereby enhancing the ability to provide centralized procurement services for mining enterprises. Materials Supply Center will have stronger bargaining power after achieving the large-scale purchasing effect. After bidding and inquiring for quotation, it may win the bidding for some materials to be purchased at a lower price, which is conducive to meeting the needs of the companies within the Group for materials, improving the procurement efficiency and reducing the Company's procurement costs.
- (3) Enhance economic benefits. When providing procurement services to Zhaojin Group, Materials Supply Center will comprehensively balance, organize and coordinate the procurement needs of Zhaojin Group with the planning, procurement, stocking, warehousing, transportation, distribution and other links of materials needed by companies within the Group to manage and control materials in a comprehensive and overall manner, which can effectively improve the corporate economic benefits of Materials Supply Center.

In view of the above reasons, the Directors (including the independent non-executive Directors) consider that the Material Procurement Framework Agreement is on normal commercial terms and in the ordinary and usual course of business of the Group, fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

(3) THE PROCESSING AND SMELTING, DEEP WELL RESOURCE EXTRACTION AND RECYCLING, TESTING AND RELATED TECHNICAL SERVICES FRAMEWORK AGREEMENT

Date

3 January 2023

Parties

- (i) the Company; and
- (ii) Shandong Zhaojin Technology, a connected subsidiary of the Company.

Term of the agreement

From 1 January 2023 to 31 December 2025.

Subject to re-compliance with the reporting, announcement and independent Shareholders' approval requirements (where applicable) under Chapter 14A of the Listing Rules and/or any other applicable requirements under the Listing Rules and/or any other relevant laws and regulations at the relevant time and the articles of association of the parties, the Processing and Smelting, Deep Well Resource Extraction and Recycling, Testing and Related Technical Services Framework Agreement may be renewed for a further term of three years upon further agreement by the parties.

Services

Shandong Zhaojin Technology and its subsidiaries shall provide the processing and smelting, deep well resource extraction and recycling, testing and related technical services to the Group, mainly including: the comprehensive utilization of tailings, process investigation, technical services for improving the recovery rate of ore processing, positioning and directional measurement, aerial survey, geological prospecting research, element detection, underground ventilation, laboratory testing, chlorination gold-extraction process, biological oxidation and cyaniding tailings treatment experimental research and study on new environmental protection gold-extraction process – chemical pre-oxidation of knotty gold concentrates containing sulfur and arsenic, and shall submit materials and achievements in accordance with relevant business regulations.

Pricing and Payment Terms

Shandong Zhaojin Technology and its subsidiaries and the Group shall, from time to time, enter into separate agreement(s) regarding the provision of various services during the term of the Processing and Smelting, Deep Well Resource Extraction and Recycling, Testing and Related Technical Services Framework Agreement to the extent that such separate agreement(s) shall comply with the terms of the Processing and Smelting, Deep Well Resource Extraction and Recycling, Testing and Related Technical Services Framework Agreement. The fees and terms of the processing and smelting, deep well resource extraction and recycling, testing and related technical services to be provided by Shandong Zhaojin Technology and its subsidiaries to the Group shall be determined in the ordinary course of business on normal commercial terms upon negotiation on an arm's length basis, and at fees and terms no less favourable to the Group than the fees and terms offered by independent third parties to the Group for similar services.

The payment of fees for the processing and smelting, deep well resource extraction and recycling, testing and related technical services shall be individually agreed by the parties in separate agreements entered into from time to time.

Historical Transaction Amounts

The historical transaction amounts regarding the processing and smelting, deep well resource extraction and recycling, testing and related technical services provided by Shandong Zhaojin Technology to the Company are set out below:

	For the year ended 31 December 2020 RMB'000 (audited)	For the year ended 31 December 2021 RMB'000 (audited)	For the eleven months ended 30 November 2022 RMB'000 (unaudited)
Historical transaction amounts	2,577	1,267	2,519

Annual Caps

The Company expects that the annual caps for the transactions contemplated under the Processing and Smelting, Deep Well Resource Extraction and Recycling, Testing and Related Technical Services Framework Agreement are as follows:

	<i>RMB'000</i>
For the year ending 31 December 2023	27,000
For the year ending 31 December 2024	28,000
For the year ending 31 December 2025	29,500

The above annual caps are determined based on: (i) the actual demand of the Group's various mining projects in the next three years in respect of deep well resource extraction and recycling, optimization of mineral processing technology and harmless treatment of cyanide slag; and (ii) the overall business development and the comprehensive planning of technical innovation of the Group in the next three years, particularly the expected increase in efforts and investment in technology.

Reasons for and Benefits of Entering Into the Processing and Smelting, Deep Well Resource Extraction and Recycling, Testing and Related Technical Services Framework Agreement

Shandong Zhaojin Technology possesses robust professional and technical strength. Relying on national technology-center enterprises and Shandong Applied Research Center of Gold Nanotechnology* (山東省黃金工程技術研究中心) and with a solid foothold in the scientific research and development of gold projects, Shandong Zhaojin Technology has a number of institutes doing research into underground mining, ore processing, metallurgy, environment and testing and has a strong team comprised of experts and outstanding engineers, providing vigorous technical support for the development of technical services. In addition, Shandong Zhaojin Technology boasts advanced laboratories and testing centers for the ore processing and smelting and deep well resource extraction and recycling, together with various processing and smelting experimental instruments and advanced domestic and international laboratory testing facilities, so that it can carry out mineralogical studies for relevant processes, processing and smelting tests and researches and laboratory testing.

The Company believes that Shandong Zhaojin Technology can offer efficient and effective technical services. Since its establishment, Shandong Zhaojin Technology has been carrying out business cooperation with the Group in the fields such as the technical researches on gold ore processing and smelting process, bio-oxidation projects and the optimization of processes and flows in the processing plants. They also helped the Group with technical breakthrough and assisted business units to achieve improvements in the recovery rate of ore processing and the optimization of processes and flows in the processing plants, as well as significant results in areas such as ore testing and elemental analysis, which brought about good economic and social benefits to the Company.

In view of the reasons above, the Directors (including independent non-executive Directors) are of the opinion that, the Processing and Smelting, Deep Well Resource Extraction and Recycling, Testing and Related Technical Services Framework Agreement were entered into on normal commercial terms in the ordinary and usual course of business of the Company, and the terms thereof are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Zhaojin Group is the substantial shareholder and controlling shareholder of the Company. According to Rule 14A.07 of the Listing Rules, Zhaojin Group is a connected person of the Company. Both of Shandong Zhaojin Geological and Materials Supply Center are wholly-owned subsidiaries of the Company. In addition, Shandong Zhaojin Technology, being a non-wholly-owned subsidiary of the Company, is held as to 35% by Zhaojin Group. According to Rule 14A.16 of the Listing Rules, Shandong Zhaojin Technology is a connected subsidiary of the Company and a connected person of the Company. Therefore, according to Chapter 14A of the Listing Rules, the Geological Prospecting Services Framework Agreement, the Material Procurement Framework Agreement and the Processing and Smelting, Deep Well Resource Extraction and Recycling, Testing and Related Technical Services Framework Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company.

As all the percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of each of the Geological Prospecting Services Framework Agreement, the Material Procurement Framework Agreement and the Processing and Smelting, Deep Well Resource Extraction and Recycling, Testing and Related Technical Services Framework Agreement are more than 0.1% but less than 5%, the Geological Prospecting Services Framework Agreement, the Material Procurement Framework Agreement and the Processing and Smelting, Deep Well Resource Extraction and Recycling, Testing and Related Technical Services Framework Agreement and the transactions contemplated thereunder are subject to the annual review, reporting and announcement requirements but are exempt from independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

APPROVAL OF THE BOARD

The Geological Prospecting Services Framework Agreement, the Material Procurement Framework Agreement and the Processing and Smelting, Deep Well Resource Extraction and Recycling, Testing and Related Technical Services Framework Agreement have been approved by the Board where none of the voting Directors bears any material interest in the transactions contemplated under these agreements. As Mr. Weng Zhanbin, Mr. Li Guanghui and Mr. Luan Wenjing also hold positions in Zhaojin Group, they have abstained from voting at the Board meeting relating to approval of these agreements.

INTERNAL CONTROL MEASURES

The Company has developed a set of internal control measures to ensure that the transactions contemplated under the Geological Prospecting Services Framework Agreement, the Material Procurement Framework Agreement and the Processing and Smelting, Deep Well Resource Extraction and Recycling, Testing and Related Technical Services Framework Agreement shall comply with the pricing policy and the respective terms of such agreements are on normal commercial terms and in the ordinary and usual course of business of the Group, and that the terms shall not be less favourable than the terms provided by independent third parties for the provision of similar services so far as the Company is concerned. Such internal control measures mainly include the followings:

- (i) the managers overseeing the transactions under the Geological Prospecting Services Framework Agreement, the Material Procurement Framework Agreement and the Processing and Smelting, Deep Well Resource Extraction and Recycling, Testing and Related Technical Services Framework Agreement will regularly review the terms of such transactions to ensure that the fees charged by Shandong Zhaojin Geological, Materials Supply Center and Shandong Zhaojin Technology will reflect the prevailing market rates and will be on an arm's length basis under normal commercial terms;
- (ii) the financial department of the Company will consolidate, on a monthly basis, the transaction amounts under each of the Geological Prospecting Services Framework Agreement, the Material Procurement Framework Agreement and the Processing and Smelting, Deep Well Resource Extraction and Recycling, Testing and Related Technical Services Framework Agreement incurred for the previous month and the results will be reported to the management of the Company and the Board. The financial department will inform the management of the Company and the Board on a timely basis in the event the annual cap for any of these agreements is likely to be exceeded;
- (iii) the external auditors of the Company will report by issuing a letter to the Board every year on the continuing connected transactions of the Company in relation to the pricing policies, annual caps and annual transaction amount of the continuing connected transactions (including the transactions contemplated under the Geological Prospecting Services Framework Agreement, the Material Procurement Framework Agreement and the Processing and Smelting, Deep Well Resource Extraction and Recycling, Testing and Related Technical Services Framework Agreement) of the Company conducted during the preceding financial year pursuant to the Listing Rules; and
- (iv) the independent non-executive Directors of the Company will conduct an annual review with respect to the continuing connected transactions of the Company throughout the preceding financial year and confirm on the transactional amounts and terms of the continuing connected transactions in the annual report of the Company pursuant to the requirements under the Listing Rules, and to ensure that they are entered into on normal commercial terms, are fair and reasonable, and are carried out pursuant to the terms of the relevant agreements governing the continuing connected transactions.

By implementing the above procedures and measures, the Directors consider that the Company has established an adequate internal control system to ensure the relevant continuing connected transactions under the Geological Prospecting Services Framework Agreement, the Material Procurement Framework Agreement and the Processing and Smelting, Deep Well Resource Extraction and Recycling, Testing and Related Technical Services Framework Agreement are conducted in accordance with the terms of such agreements, on normal commercial terms (or terms no less favourable to the Company than terms available to or offered by independent third parties) and in accordance with the pricing policies of the Company, which are fair and reasonable and in the interest of the Company and its Shareholders as a whole.

GENERAL INFORMATION

The Group is principally engaged in gold exploration, mining, ore processing and smelting, and processing and sale of by-products in the PRC.

Zhaojin Group is principally engaged in the business of gold exploration, mining and refining, and has investments in gold exploration, mining, smelting and refining and other gold-related businesses.

Shandong Zhaojin Geological is a professional geological exploration company holding a Class B qualification in solid mineral exploration, geological drilling and rock test, and owns advanced mapping, drilling, geological exploration and testing instruments. It is a wholly-owned subsidiary of the Company.

Materials Supply Center is a company with limited liabilities and is principally engaged in mining steel, equipment accessories and beneficiation reagents, etc. It is a wholly-owned subsidiary of the Company.

Shandong Zhaojin Technology is principally engaged in technical services for prospecting and processing and smelting tests, technical services for deep well resource extraction and recycling, inspection and testing, management of construction projects and consulting services for ore processing technologies. Shandong Zhaojin Technology is owned as to 55% by the Company; 35% by Zhaojin Group, the controlling shareholder of the Company; and the remaining 10% by Beijing Dongfang Yanjing Engineering Technology Co., Ltd.* (北京東方燕京工程技術有限公司), a subsidiary of the Company.

DEFINITIONS

“Board”	the board of Directors
“Company”	Zhaojin Mining Industry Company Limited* (招金礦業股份有限公司) (stock code: 1818), a joint stock limited company established in the PRC on 16 April 2004, the issued H Shares of which are listed on the Main Board of the Stock Exchange
“connected person”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“Directors”	directors of the Company

“Geological Prospecting Services Framework Agreement”	the geological prospecting services framework agreement entered into between Zhaojin Group and Shandong Zhaojin Geological on 3 January 2023 in relation to the provision of geological prospecting services by Shandong Zhaojin Geological to Zhaojin Group and/or its subsidiaries
“Group”	the Company and its subsidiaries
“H Shares”	H share(s) of the Company with a nominal value of RMB1 each, which are listed on the Stock Exchange and traded in Hong Kong dollars
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Material Procurement Framework Agreement”	the material procurement framework agreement entered into between Zhaojin Group and Materials Supply Center on 3 January 2023 in relation to the provision of materials sales services by Materials Supply Center to Zhaojin Group
“Materials Supply Center”	Zhaoyuan Gold Materials Supply Center Co., Ltd* (招遠市黃金物資供應中心有限公司), a wholly-owned subsidiary of the Company, please refer to the section headed “General Information” for details
“PRC”	the People’s Republic of China which for the purpose of this announcement only, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Processing and Smelting, Deep Well Resource Extraction and Recycling, Testing and Related Technical Services Framework Agreement”	the processing and smelting, deep well resource extraction and recycling, testing and related technical services framework agreement entered into between the Company and Shandong Zhaojin Technology on 3 January 2023 in relation to the provision of processing and smelting, deep well resource extraction and recycling, testing and related technical services by Shandong Zhaojin Technology and its subsidiaries to the Group
“RMB”	Renminbi, the lawful currency of the PRC
“Shandong Zhaojin Geological”	Shandong Zhaojin Geological Prospecting Co., Ltd* (山東招金地質勘查有限公司), a wholly-owned subsidiary of the Company, please refer to the section headed “General Information” for details

“Shandong Zhaojin Technology”	Shandong Zhaojin Technology Company Limited* (山東招金科技有 限公司), a connected subsidiary of the Company, please refer to the section headed “General Information” for details
“Share(s)”	share(s) of RMB1 each in the capital of the Company, comprising of the domestic Shares and H Shares of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules
“Zhaojin Group”	Shandong Zhaojin Group Company Limited* (山東招金集團有限公 司), a state-owned limited company established in the PRC on 28 June 1992 and a promoter and the controlling shareholder of the Company, please refer to the section headed “General Information” for details

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

Zhaoyuan, the PRC, 3 January 2023

As at the date of this announcement, the Board comprises:

Executive Directors: *Mr. Weng Zhanbin, Mr. Jiang Guipeng, Mr. Wang Ligang and
Mr. Chen Lunan*

Non-executive Directors: *Mr. Long Yi, Mr. Li Guanghui and Mr. Luan Wenjing*

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

* *For identification purposes only*