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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)**

**PLACING OF NEW H SHARES UNDER GENERAL MANDATE**

**Overall Coordinators and Placing Agents**

*(in no particular order)*



The Board is pleased to announce that on 14 April 2024, the Company (as the issuer) entered into the Placing Agreement with the Placing Agents (of which UBS AG Hong Kong Branch and Huatai Financial Holdings (Hong Kong) Limited serve as the Overall Coordinators), pursuant to which the Company has agreed to issue and the Placing Agents have agreed to act as the agents of the Company on a several (and not joint nor joint and several) basis, to procure, on a best effort basis, not less than six Placees to subscribe for the Placing Shares at the Placing Price upon the terms and subject to the Conditions set out in the Placing Agreement.

The Placing Shares under the Placing represent (i) approximately 4.04% and 5.06% of the existing total number of issued Shares and H Shares, respectively, and (ii) approximately 3.88% and 4.81% of the total number of issued Shares and H Shares, respectively, as enlarged by the Placing Shares to be issued pursuant to the Placing (assuming there will be no change to the total number of Shares in issue from the date of this announcement to the Completion other than the issue by the Company of the Placing Shares).

The Placing Shares will be allotted by the Company pursuant to the General Mandate.

Assuming that all Placing Shares are subscribed for in full, the aggregate gross proceeds and the net proceeds (after deducting relevant costs and expenses, commission and levies) from the Placing are expected to be approximately HK\$1,742.4 million and HK\$1,725.3 million, respectively. On this basis, the net price per Placing Share will be approximately HK\$13.07. The net proceeds of the Placing will be used for replenishing the Company's working capital and repaying bank loans.

The Company will apply to the Listing Committee for the listing of the Placing Shares, and for the permission to deal in Placing Shares.

**As the Completion is subject to the satisfaction of the Conditions and the Placing Agents' termination rights, the Placing may or may not proceed. Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.**

## THE PLACING

The Board is pleased to announce that on 14 April 2024, the Company (as the issuer) entered into the Placing Agreement with the Placing Agents (of which UBS AG Hong Kong Branch and Huatai Financial Holdings (Hong Kong) Limited serve as the Overall Coordinators), pursuant to which Company has agreed to issue and the Placing Agents have agreed to act as the agents of the Company on a several (and not joint nor joint and several) basis, to procure, on a best effort basis, not less than six Placees to subscribe for a total of up to 132,000,000 new H Shares (the "**Placing Shares**") at HK\$13.20 per Placing Share (exclusive of any brokerage, SFC transaction levy and Stock Exchange trading fee as may be payable by the Placees) (the "**Placing Price**") upon the terms and subject to the Conditions set out in the Placing Agreement (the "**Placing**").

## **THE PLACING AGREEMENT**

The principal terms of the Placing Agreement are set out below:

### **Date**

14 April 2024

### **Parties**

- (1) The Company (as the issuer); and
- (2) The Placing Agents.

### **The Placing Agents**

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the Placing Agents and their ultimate beneficial owners are third parties independent of, and not connected with, the Company and the connected persons of the Company.

### **Number of the Placing Shares**

The Placing Agents have agreed to act as the agents of the Company, to procure, on a best effort basis, not less than six Placées to subscribe for up to 132,000,000 new H Shares at the Placing Price upon the terms and subject to the Conditions set out in the Placing Agreement.

The Placing Shares under the Placing represent (i) approximately 4.04% and 5.06% of the existing total number of issued Shares and H Shares, respectively, and (ii) approximately 3.88% and 4.81% of the total number of issued Shares and H Shares, respectively, as enlarged by the Placing Shares to be issued pursuant to the Placing (assuming there will be no change to the total number of Shares in issue from the date of this announcement to the Completion other than the issue by the Company of the Placing Shares).

Based on the nominal value of RMB1.00 per Placing Share, the aggregate nominal value of the 132,000,000 Placing Shares will be RMB132,000,000.

### **Ranking and Rights of the Placing Shares**

The Placing Shares shall, when fully paid, rank *pari passu* in all respects with the other existing H Shares then in issue free from all liens, charges and encumbrances, and together with all rights attaching to them or to be issued by the Company on or prior to the date of Completion, including the rights to all dividends and other distributions declared, made or paid on or after the date of issue of the Placing Shares.

## **Placees**

The Placing Shares are expected to be placed to no less than six Placees, who, together with their respective ultimate beneficial owners, are third parties independent of, and not connected with, the Company and the connected persons of the Company.

Immediately after the Completion, it is expected that none of the Placees will become a substantial shareholder of the Company.

## **Placing Price**

The Placing Price is HK\$13.20 per Placing Share (exclusive of any brokerage, SFC transaction levy and Stock Exchange trading fee as may be payable by the Placees) and represents:

- (i) a discount of approximately 9.7% to the closing price of HK\$14.62 per H Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 2.9% to the average closing price of HK\$13.60 per H Share as quoted on the Stock Exchange for the five consecutive trading days of the H Shares immediately prior to and including the Last Trading Day;
- (iii) a premium of approximately 21.9% to the average closing price of HK\$10.83 per H Share as quoted on the Stock Exchange for the twenty consecutive trading days of the H Shares immediately prior to and including the Last Trading Day;
- (iv) a premium of approximately 29.3% to the average closing price of HK\$10.21 per H Share as quoted on the Stock Exchange for the thirty consecutive trading days of the H Shares immediately prior to and including the Last Trading Day; and
- (v) a premium of approximately 46.5% to the average closing price of HK\$9.01 per H Share as quoted on the Stock Exchange for the sixty consecutive trading days of the H Shares immediately prior to and including the Last Trading Day.

The Placing Price was determined after arm's length negotiations between the Company and the Placing Agents with reference to the prevailing market price of the H Shares and with due consideration to the capital market conditions, the interests of the existing Shareholders, investors' acceptance and the issuance risks, as well as the international practices and regulatory requirements.

The Directors (including the independent non-executive Directors) consider that the Placing Price and the terms and conditions are fair and reasonable and that the Placing is in the interests of the Company and the Shareholders as a whole.

## Conditions of the Placing

Completion is conditional upon the fulfillment or waiver of the following Conditions:

- (i) before the Closing, there shall not have occurred
  - (A) any material adverse change, or any development involving or reasonably likely to involve a prospective material adverse change, in the condition, financial or otherwise, or in the earnings, assets, business, operations or prospects of the Company, or the Company and its subsidiaries taken as a whole; or
  - (B) any suspension or limitation of trading (a) in any of the Company's securities by Stock Exchange or any other exchange or over the counter market on which the Company's securities are admitted or listed for trading, or (b) generally on the Stock Exchange, the Shanghai Stock Exchange, the Shenzhen Stock Exchange, the Tokyo Stock Exchange, the Singapore Stock Exchange, the London Stock Exchange, the New York Stock Exchange or the Nasdaq National Market;
- (ii) the representations and warranties made by the Company pursuant to the Placing Agreement being true and accurate and not misleading as of the date of the Placing Agreement and the Closing Date;
- (iii) the Company having complied with all of the agreements and undertakings and satisfied all of the conditions on its part to be complied with or satisfied under the Placing Agreement on or before the Closing Date;
- (iv) the Placing Agents having received on the Closing Date the final draft or substantially complete draft of the CSRC Filings and (where applicable) the opinion of the counsel for the Company as to the PRC laws, in relation to the CSRC Filings, such drafts to be in form and substance reasonably satisfactory to the Placing Agents;
- (v) the Listing Committee granting listing of and permission to deal in the Placing Shares (the "**Listing Approval**") and such Listing Approval not subsequently revoked prior to the delivery of definitive share certificate(s) representing the Placing Shares;
- (vi) the Placing Agents having received on the Closing Date an opinion of the counsel for the Company as to Hong Kong laws, relating to such matters as the Placing Agents shall reasonably request, such opinion to be in form and substance reasonably satisfactory to the Placing Agents;
- (vii) the Placing Agents having received on the Closing Date an opinion of the counsel for the Placing Agents as to PRC laws, in relation to the CSRC Filings; and
- (viii) the Placing Agents having received on the Closing Date an opinion of the United States counsel to the Placing Agents, to the effect that the offer and sale of the Placing Shares as set forth in the Placing Agreement are not required to be registered under the Securities Act.

As at the date of this announcement, the Conditions have not yet been satisfied.

The Company shall use its reasonable endeavours to procure the fulfilment of the Conditions on or before the Closing Date. The Placing Agents, in their sole discretion may waive the Conditions, in whole or in part and with or without conditions, by notice to the Company.

In the event that (a) any of the events set out in Condition (i) as mentioned above occurs at any time between the date of the Placing Agreement and the Closing Date, or (b) the Company does not deliver the Placing Shares on the Closing Date, or (c) any of the Conditions set out in Condition (ii) to Condition (viii) as mentioned above has not been satisfied or waived in writing on the dates specified therein, the Placing Agents may elect, in their sole discretion, to terminate the Placing Agreement, and provided further that if the Company shall have delivered some but not all of the Placing Shares on the Closing Date, the Placing Agents shall have the option to effect the Placing with respect to such Placing Shares as have been delivered.

The Company shall, as soon as is reasonably practicable, apply to the Stock Exchange for the granting of the Listing Approval after the signing of the Placing Agreement and the Company shall promptly inform the Placing Agents following the receipt of the Listing Approval. The Company shall furnish such information, supply such documents, pay such fees and do all such acts and things as may reasonably be required by the Placees, the Placing Agents, the Stock Exchange and/or the SFC in connection with the fulfilment of the Conditions.

### **Completion**

Subject to the fulfillment (or waiver, as the case may be) of the Conditions, the Completion will take place on the Closing Date.

### **Termination**

In the event that (a) any of the events set out in Condition (i) of the Conditions occurs at any time between the date of the Placing Agreement and the Closing Date, or (b) the Company does not deliver the Placing Shares on the Closing Date, or (c) any of the Conditions set out in Condition (ii) to Condition (viii) of the Conditions has not been satisfied or waived in writing on the dates specified therein, the Placing Agents may elect, in their sole discretion, to terminate the Placing Agreement.

### **LOCK-UP UNDERTAKING**

The Company has undertaken to the Placing Agents that for a period beginning on the date of the Placing Agreement and ending on the date which is 90 days after the Closing Date, the Company shall not, without the prior written consent of the Placing Agents: (i) effect or arrange or procure placement of, allot or issue or offer to allot or issue or grant any option, right or warrant to subscribe for, or enter into any transaction which is designed to, or might reasonably be expected to, result in any of the aforesaid (whether by actual disposition or effective economic disposition due to cash settlement or otherwise), directly or indirectly, any equity securities of the Company or any securities convertible into, or exercisable, or exchangeable for, equity securities of the Company, or; (ii) enter into any swap or similar agreement that transfers, in whole or in part, the economic risk of ownership of such Shares, whether any such transaction described in (i) or (ii) above is to be settled by delivery of Shares or such other securities, in cash or otherwise, or (iii) publicly announce an intention to effect any such transaction.

The foregoing shall not apply to the issue of the Placing Shares under the Placing Agreement.

## **GENERAL MANDATE TO ISSUE THE PLACING SHARES**

The Placing Shares will be allotted by the Company pursuant to the General Mandate, under which the Board and their authorized persons are authorized to determine to allocate, issue and handle, at their discretion, a number of H Shares not exceeding 20% of the issued H Shares as at the 2022 AGM, representing a total of 521,911,119 H Shares.

As at the date of this announcement, the Company has not issued any new H Shares pursuant to the General Mandate. The Placing Shares will be issued pursuant to the General Mandate. The issuance of the Placing Shares will utilize 25.3% of the General Mandate. As such, the Placing is not subject to any further approval of the Shareholders.

## **REGULATORY AND CORPORATE APPROVALS**

The Company has obtained all necessary PRC regulatory approvals in respect of the Placing.

As disclosed above, the Placing Shares will be allotted by the Company pursuant to the General Mandate and the Placing is not subject to any further approval of the Shareholders.

## **APPLICATION FOR LISTING**

The Company will apply to the Listing Committee for the listing of the Placing Shares, and for the permission to deal in Placing Shares.

## **REASONS FOR AND BENEFITS OF THE PLACING AND USE OF PROCEEDS**

The Group has been focusing on in exploration, mining, ore processing, smelting and sale of gold and other metallic products. The Directors consider that the net proceeds arising from the Placing can replenish the Company's working capital and provide support to the Group for the development of its principal businesses and implementation of the its major projects, and will also contribute to provide better investment returns to the Shareholders.

The Directors have also considered various options of raising funds. Having reviewed the terms and conditions to the Placing, the Board considers that it is in the interests of the Company to raise equity funding through the Placing so as to strengthen the capital base, reduce the gearing ratio and enhance the financial position and net assets base of the Group for its long-term development and growth. The Placing will also diversify the Company's shareholder base by attracting a number of high-quality investors to participate in the Placing and will expand the Company's equity capital and lay a foundation for debt financing in the future.

Based on the above, the Directors (including the independent non-executive Directors) are of the view that the terms of the Placing are fair and reasonable, and consider that the Placing are in the interests of the Company and the Shareholders as a whole.

## USE OF PROCEEDS

Assuming that all Placing Shares are subscribed for in full, the aggregate gross proceeds and the net proceeds (after deducting relevant costs and expenses, commission and levies) from the Placing are expected to be approximately HK\$1,742.4 million and HK\$1,725.3 million, respectively. On this basis, the net price per Placing Share will be approximately HK\$13.07. The net proceeds of the Placing will be used for replenishing the Company's working capital and repaying bank loans.

## EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

As at the date of this announcement, the number of the total issued ordinary Shares of the Company is 3,270,393,204 Shares, comprising 660,837,607 Domestic Shares and 2,609,555,597 H Shares.

Assuming that all Placing Shares are subscribed for in full, and there is no other change in the share capital of the Company immediately prior to the Completion, the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after the Completion are set out as follows:

	As at the date of this announcement		Immediately after the Completion	
		Approximate percentage of total issued Shares of the Company <sup>(1)</sup>		Approximate percentage of total issued Shares of the Company <sup>(1)</sup>
	Number of Shares		Number of Shares	
<b>Domestic Shares</b>	<b>660,837,607</b>	<b>20.21%</b>	<b>660,837,607</b>	<b>19.42%</b>
Controlling Shareholders	618,437,607	18.91%	618,437,607	18.18%
Domestic Shares held by other				
Domestic Shareholders	42,400,000	1.30%	42,400,000	1.25%
<b>H Shares</b>	<b>2,609,555,597</b>	<b>79.79%</b>	<b>2,741,555,597</b>	<b>80.58%</b>
Controlling Shareholders	598,855,097	18.31%	598,855,097	17.60%
H Shares held by other core connected persons	654,853,741	20.02%	654,853,741	19.25%
Placees <sup>(2)</sup>	–	–	132,000,000	3.88%
H Shares held by other public holders of H Shares	1,355,846,759	41.46%	1,355,846,759	39.85%
<b>Total</b>	<b><u>3,270,393,204</u></b>	<b><u>100.00%</u></b>	<b><u>3,402,393,204</u></b>	<b><u>100.00%</u></b>

### Notes:

- (1) Certain amounts and percentage figures included in the table above have been subject to rounding adjustments, and any discrepancy between the total amount and the arithmetical sum of the amounts listed is due to rounding.
- (2) None of the Placees is a substantial shareholder as at the date of this announcement, and it is expected that none of the Placees will become a substantial shareholder of the Company immediately upon the Completion.



## **EQUITY FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST TWELVE MONTHS**

The Directors confirm that the Company has not been involved in any fund raising activities in relation to the issuance of its equity securities within the twelve months immediately preceding the date of this announcement.

**As the Completion is subject to the satisfaction of the Conditions and the Placing Agents' termination rights, the Placing may or may not proceed. Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.**

## **DEFINITIONS**

In this announcement, unless the context otherwise required, the following terms have the following meanings:

“2022 AGM”	the annual general meeting of the Company held on 5 June 2023 at which, among other things, a resolution for the grant of the General Mandate to the Directors was duly passed by the Shareholders
“Board”	board of Directors
“Business Day”	means any day (excluding a Saturday, Sunday, public holiday in Hong Kong and a day on which a tropical cyclone warning signal number 8 or above or a “black rainstorm warning signal” is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which licensed banks are generally open for business in Hong Kong and the Stock Exchange is generally open for trading of securities in Hong Kong
“China” or “PRC”	the People’s Republic of China which, for the purpose of this announcement and the Placing Agreement, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan region
“Closing Date”	means the Business Day upon which the last of the Conditions to be satisfied shall have been so satisfied, provided that it shall take place on a date no later than five Business Days after the next Business Day following the date of the Placing Agreement, or such other time and/or date as the Company and the Placing Agents may agree in writing and in compliance with the Listing Rules
“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

“Completion”	completion of the Placing in accordance with the Placing Agreement
“Conditions”	the conditions to the Completion as set out in the Placing Agreement
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Controlling Shareholder(s)”	has the meaning ascribed to it in the Listing Rules
“core connected person(s)”	has the meaning ascribed to it in the Listing Rules
“CSRC”	the China Securities Regulatory Commission
“CSRC Filings”	any letters, filings, correspondences, communications, documents, responses, undertakings and submissions in any form, including any amendments, supplements and/or modifications thereof, made or to be made to the CSRC, relating to or in connection with the Placing pursuant to the CSRC Filing Rules and other applicable rules and requirements of the CSRC (including, without limitation, the CSRC Filing Report)
“CSRC Filing Report”	the filing report of the Company in relation to the Placing and any transactions contemplated by the Placing Agreement, including any amendments, supplements and/or modifications thereof, to submitted to the CSRC pursuant to the CSRC Filing Rules
“CSRC Filing Rules”	means the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) and supporting guidelines issued by the CSRC on 17 February 2023 and took effect on 31 March 2023, as amended, supplemented or otherwise modified from time to time
“Director(s)”	the director(s) of the Company
“Domestic Shares”	the ordinary shares of the Company with a par value of RMB1 each, which were subscribed for and paid up in RMB
“General Mandate”	the general mandate granted to the Board by the Shareholders at the annual 2022 AGM to allot, issue and deal with the H Shares of up to a maximum of 20% of the total number of H Shares in issue as at the date of passing this resolution
“Group”	the Company and its subsidiaries

“H Shares”	the overseas-listed foreign invested shares of the Company with a par value of RMB1 each, which are listed on the Stock Exchange and traded in Hong Kong dollar
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Last Trading Day”	12 April 2024, being the last trading day for the H Shares before the publication of this announcement
“Listing Committee”	Listing Committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Overall Coordinators”	including UBS AG Hong Kong Branch and Huatai Financial Holdings (Hong Kong) Limited
“Placee(s)”	investor(s) procured by the Placing Agents to purchase the Placing Shares pursuant to the Placing Agreement
“Placing Agents”	including UBS AG Hong Kong Branch, Huatai Financial Holdings (Hong Kong) Limited and JA Securities Limited
“Placing Agreement”	the placing agreement entered into between the Company and the Placing Agents dated 14 April 2024 in respect of the Placing
“RMB”	Renminbi, the lawful currency of the PRC
“Securities Act”	the United States Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder
“SFC”	Securities and Futures Commission of Hong Kong
“Share(s)”	share(s) of RMB1 each in the capital of the Company, comprising the Domestic Shares and the H Shares
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules

“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“United States”	has the meaning ascribed to it under Rule 902 of Regulation S under the Securities Act
“%”	per cent

By order of the Board  
**Zhaojin Mining Industry Company Limited\***  
**Jiang Guipeng**  
*Chairman*

Zhaoyuan, the PRC, 14 April 2024

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

*Executive Directors:* *Mr. Jiang Guipeng, Mr. Duan Lei, 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 purpose only*