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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)**

**REVISION OF ANNUAL CAP FOR  
CONTINUING CONNECTED TRANSACTION**

**REVISION OF ANNUAL CAP FOR CONTINUING CONNECTED TRANSACTION**

Reference is made to the announcement of the Company dated 29 December 2023 in relation to, among other things, the Framework Agreement for Sales of Silver entered into between the Company and Zhaojin Refinery on 29 December 2023 for the sales of silver by the Group to Zhaojin Refinery and its subsidiaries, with a term from 1 January 2024 to 31 December 2026.

Taking into account the impact of the significant increase in silver prices, the Directors expect that the existing annual cap for the year ending 31 December 2026 of RMB210 million (the “**Existing Annual Cap**”) under the Framework Agreement for Sales of Silver will be insufficient to meet the transaction needs between the Company and Zhaojin Refinery. Accordingly, on 11 February 2026, the Company (for itself and on behalf of its subsidiaries) entered into a supplemental agreement with Zhaojin Refinery (for itself and on behalf of its subsidiaries), pursuant to which the parties agreed to amend the terms of the Framework Agreement for Sales of Silver by adjusting the Existing Annual Cap from the Existing Annual Cap of RMB210 million to RMB570 million (the “**Revised Annual Cap**”). In addition, subject to the approval of the independent Shareholders, the annual cap for the year ending 31 December 2026 will be further adjusted from RMB570 million to RMB2.0 billion (the “**Proposed Revised Annual Cap**”).

Save for the revision of the annual cap under the Framework Agreement for Sales of Silver, all other terms of the Framework Agreement for Sales of Silver remain unchanged.

\* For identification purposes only

## **LISTING RULES IMPLICATIONS**

As at the date of this announcement, Shandong Zhaojin is the Controlling Shareholder of the Company. Zhaojin Refinery is a subsidiary of Shandong Zhaojin and is therefore a connected person of the Company. Accordingly, the transactions contemplated under the Framework Agreement for Sales of Silver (as amended by the Supplemental Agreement) constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Given that the highest applicable percentage ratio (as defined under Rule 14.07 of the Listing Rules) in respect of the Revised Annual Cap of the Framework Agreement for Sales of Silver (as amended by the Supplemental Agreement) is more than 0.1% but less than 5%, the transactions contemplated thereunder are subject to the reporting, annual review and announcement requirements but are exempt from the circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. Given that the highest applicable percentage ratio (as defined under Rule 14.07 of the Listing Rules) in respect of the Proposed Revised Annual Cap of the Framework Agreement for Sales of Silver (as amended by the Supplemental Agreement) is more than 5%, the transactions contemplated thereunder are subject to the reporting, annual review, announcement, circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **GENERAL**

In respect of the Proposed Revised Annual Cap under the Framework Agreement for Sales of Silver (as amended by the Supplemental Agreement), a circular containing, among other things, (i) details of the Proposed Revised Annual Cap under the Framework Agreement for Sales of Silver (as amended by the Supplemental Agreement); (ii) the opinions and recommendations of the independent board committee and an independent financial adviser in relation to the Proposed Revised Annual Cap under the Framework Agreement for Sales of Silver (as amended by the Supplemental Agreement); and (iii) the notice of the extraordinary general meeting, will be despatched to the Shareholders on or before 27 February 2026.

Prior to the approval of the Proposed Revised Annual Cap under the Framework Agreement for Sales of Silver (as amended by the Supplemental Agreement) at the extraordinary general meeting, the transactions under the Framework Agreement for Sales of Silver will only be conducted within the scope of the Revised Annual Cap under the Framework Agreement for Sales of Silver (as amended by the Supplemental Agreement).

## Revision of Annual Cap for Continuing Connected Transaction

Reference is made to the announcement of the Company dated 29 December 2023 in relation to, among other things, the Framework Agreement for Sales of Silver entered into between the Company and Zhaojin Refinery on 29 December 2023 for the sales of silver by the Group to Zhaojin Refinery and its subsidiaries, with a term from 1 January 2024 to 31 December 2026.

Taking into account the impact of the significant increase in silver prices, the Directors expect that the Existing Annual Cap under the Framework Agreement for Sales of Silver will be insufficient to meet the transaction needs between the Company and Zhaojin Refinery. Accordingly, on 11 February 2026, the Company (for itself and on behalf of its subsidiaries) entered into a supplemental agreement with Zhaojin Refinery (for itself and on behalf of its subsidiaries), pursuant to which the parties agreed to amend the terms of the Framework Agreement for Sales of Silver by adjusting the Existing Annual Cap of RMB210 million to the Revised Annual Cap of RMB570 million. In addition, subject to the approval of the independent Shareholders, the annual cap for the year ending 31 December 2026 will be further adjusted from the Revised Annual Cap of RMB570 million to the Proposed Revised Annual Cap of RMB2.0 billion.

Save for the revision of the annual cap under the Framework Agreement for Sales of Silver, all other terms of the Framework Agreement for Sales of Silver remain unchanged.

## Historical Transaction Amounts

The historical transaction amounts generated from the Group's sales of silver to Zhaojin Refinery for the two years ended 31 December 2024 and 31 December 2025 are set out as follows:

<b>For the year ended 31 December 2024</b> <i>RMB'million</i> (Audited)	<b>For the year ended 31 December 2025</b> <i>RMB'million</i> (Audited)
81.69	75.94

The Directors have been monitoring the transaction amounts under the Framework Agreement for Sales of Silver, and such amounts have not exceeded the annual caps for each of the years ended 31 December 2024 and 31 December 2025. As at the date of this announcement, the Existing Annual Cap under the Framework Agreement for Sales of Silver for the year ending 31 December 2026 has not been exceeded.

## **The Existing Annual Cap, the Revised Annual Cap and the Proposed Revised Annual Cap**

Set out below are the Existing Annual Cap, the Revised Annual Cap and the Proposed Revised Annual Cap for the Framework Agreement for Sales of Silver for the year ending 31 December 2026:

**For the  
year ending  
31 December  
2026  
RMB'million**

The Existing Annual Cap	210
The Revised Annual Cap	570
The Proposed Revised Annual Cap	2,000

### ***Basis of the Revised Annual Cap and the Proposed Revised Annual Cap***

The Revised Annual Cap and the Proposed Revised Annual Cap of the Framework Agreement for Sales of Silver were determined with reference to the following factors: (i) the recent market price of silver and its upward trend; (ii) the production capacity and inventory level of the Group's silver; and (iii) the Group's silver sales strategy.

### **Reasons for and Benefits of Revising the Annual Cap for the Year Ending 31 December 2026 under the Framework Agreement for Sales of Silver**

- (i) In view of the continued upward trend in silver prices, which have repeatedly hit new highs, the Group may take advantage of such market trends to dispose of its silver inventory at appropriate times, effectively locking in prices at high levels, thereby significantly enhancing the Group's overall profitability and performance.
- (ii) As a long-term cooperation partner, Zhaojin Refinery will provide the Group with more superior team and process arrangements in the transaction process, which will substantially shorten the delivery time for silver sales, enabling the Group's sales team to respond promptly to market quotations, swiftly secure favourable transaction terms, and improve sales efficiency and performance certainty.
- (iii) Based on the long-term stable cooperative relationship with Zhaojin Refinery, the Group can achieve silver sales at a price that is no less favourable than those offered by market third parties and stable, thereby reducing the market risks associated with silver transactions.

- (iv) As a subsidiary of Shandong Zhaojin, Zhaojin Refinery benefits from intra-group synergies and demonstrates significant efficiency in personnel communication and business management coordination. Its comprehensive advantages in terms of financial strength and arrangements for pick up and delivery can provide the Group with highly convenient and reliable transaction support, effectively reducing the Group's risks and pressure in respect of transportation, delivery and collection of funds arising from silver sales.

In view of the above, the Directors (including the independent non-executive Directors) consider that (i) the Supplemental Agreement was entered into in the ordinary and usual course of business of the Group and on normal commercial terms; (ii) the terms and conditions of the Supplemental Agreement, including the Revised Annual Cap and the Proposed Revised Annual Cap, are fair and reasonable and in the interests of the Company and its Shareholders as a whole. The Directors (including the independent non-executive Directors) recommend the Shareholders to vote in favour of the resolution to be proposed at the extraordinary general meeting in relation to the Proposed Revised Annual Cap of the Framework Agreement for Sales of Silver (as amended by the Supplemental Agreement).

### **Internal Control Measures**

The Company has established a number of internal control measures to ensure that the transactions contemplated under the Framework Agreement for Sales of Silver are carried out in accordance with the pricing policies and terms of the Framework Agreement for Sales of Silver:

- (i) prior to entering into specific implementation agreements pursuant to the Framework Agreement for Sales of Silver, the Company's business department will review such specific implementation agreements and ensure that appropriate pricing policies are adopted and that the transaction prices are no less favourable than those offered by the Group to independent third parties. If any amendments to the relevant terms and conditions are required due to changes in actual circumstances, appropriate approval procedures shall be carried out;
- (ii) the management of the Group will regularly review the terms of the Framework Agreement for Sales of Silver, and conduct spot checks on the specific implementation agreements and the execution of the relevant transactions under the Framework Agreement for Sales of Silver, to ensure that (a) such implementation agreements and the execution of the transactions comply with the arrangements under the Framework Agreement for Sales of Silver; and (b) the terms of the Framework Agreement for Sales of Silver are fair and reasonable and in the interests of the Company and its Shareholders as a whole;

- (iii) the finance department of the Group will consolidate the transaction amounts generated under each of such agreements in the preceding month on a monthly basis, and report the results to the management of the Group and the Board. If any of the annual caps under such agreements may be exceeded, the finance department will promptly notify the management of the Group and the Board. In particular, prior to the approval of the Proposed Revised Annual Cap under the Framework Agreement for Sales of Silver (as amended by the Supplemental Agreement) at the extraordinary general meeting, the finance department of the Group will monitor more closely the transactions under the Framework Agreement for Sales of Silver to ensure that they are conducted only within the scope of the Revised Annual Cap under the Framework Agreement for Sales of Silver (as amended by the Supplemental Agreement);
- (iv) the external auditor of the Group will issue a letter to the Board annually reporting on the Company's continuing connected transactions, including the pricing policies and annual caps of the continuing connected transactions (including the transactions proposed to be conducted under the Framework Agreement for Sales of Silver) conducted by the Company in the preceding financial year pursuant to the Listing Rules; and
- (v) the independent non-executive Directors of the Company will conduct an annual review of the continuing connected transactions of the Company in the preceding financial year and confirm the transaction amounts and terms of the continuing connected transactions in the Company's annual report, in accordance with the requirements of the Listing Rules, and confirm that such transactions were conducted on normal commercial terms, are fair and reasonable, and were carried out in accordance with the terms of the relevant agreements governing such continuing connected transactions.

Through the implementation of the above procedures and measures, the Directors consider that the Company has established sufficient internal control systems to ensure that the relevant continuing connected transactions under the Framework Agreement for Sales of Silver are conducted in accordance with the terms of such agreements and the Company's pricing policies on normal commercial terms (or on terms no less favourable than those available to or from independent third parties), are fair and reasonable, and are in the interests of the Company and its Shareholders as a whole.

## **INFORMATION ON THE PARTIES**

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

Zhaojin Refinery is principally engaged in the smelting of gold and silver, acquisition, processing and sales of precious metal compounds in the PRC. As of the date of this announcement, Zhaojin Refinery is a subsidiary of Shandong Zhaojin.



## **LISTING RULES IMPLICATIONS**

As at the date of this announcement, Shandong Zhaojin is the Controlling Shareholder of the Company. Zhaojin Refinery is a subsidiary of Shandong Zhaojin and is therefore a connected person of the Company. Accordingly, the transactions contemplated under the Framework Agreement for Sales of Silver constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Given that the highest applicable percentage ratio (as defined under Rule 14.07 of the Listing Rules) in respect of the Revised Annual Cap of the Framework Agreement for Sales of Silver (as amended by the Supplemental Agreement) is more than 0.1% but less than 5%, the transactions contemplated thereunder are subject to the reporting, annual review and announcement requirements but are exempt from the circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. Given that the highest applicable percentage ratio (as defined under Rule 14.07 of the Listing Rules) in respect of the Proposed Revised Annual Cap of the Framework Agreement for Sales of Silver (as amended by the Supplemental Agreement) is more than 5%, the transactions contemplated thereunder are subject to the reporting, annual review, announcement, circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **BOARD'S APPROVAL**

The Supplemental Agreement to the Framework Agreement for Sales of Silver (including the Revised Annual Cap and the Proposed Revised Annual Cap) have been approved by the Board, and none of the Directors who participated in the voting had any material interest in the transactions contemplated under such agreement. As Mr. Li Guanghui and Mr. Luan Wenjing are management personnel of Shandong Zhaojin, they abstained from voting at the relevant Board meeting approving the Supplemental Agreement to the Framework Agreement for Sales of Silver (including the Revised Annual Cap and the Proposed Revised Annual Cap).

## **General**

In respect of the Proposed Revised Annual Cap under the Framework Agreement for Sales of Silver (as amended by the Supplemental Agreement), a circular containing, among other things, (i) details of the Proposed Revised Annual Cap of the Framework Agreement for Sales of Silver (as amended by the Supplemental Agreement); (ii) the opinions and recommendations of the independent board committee and an independent financial adviser in relation to the Proposed Revised Annual Cap under the Framework Agreement for Sales of Silver (as amended by the Supplemental Agreement); and (iii) the notice of the extraordinary general meeting, will be despatched to the Shareholders on or before 27 February 2026.

Prior to the approval of the Proposed Revised Annual Cap under the Framework Agreement for Sales of Silver (as amended by the Supplemental Agreement) at the extraordinary general meeting, the transactions under the Framework Agreement for Sales of Silver will only be conducted within the scope of the Revised Annual Cap under the Framework Agreement for Sales of Silver (as amended by the Supplemental Agreement).

## 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(s)”	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
“Domestic Share(s)”	the ordinary share(s) issued by the Company, with a RMB-denominated nominal value of RMB1 each, which are subscribed for and fully paid up in RMB
“Framework Agreement for Sales of Silver”	the framework agreement for sales of silver entered into between the Company and Zhaojin Refinery on 29 December 2023 in relation to the sales of silver by the Group to Zhaojin Refinery and 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
“PRC”	the People’s Republic of China which for the purpose of this announcement only, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC



“Shandong Zhaojin”	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 of the Company and the Controlling Shareholder as at the date of this announcement
“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 Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“Supplemental Agreement”	the supplemental agreement dated 11 February 2026 entered into by the Company, for itself and on behalf of its subsidiaries, and Zhaojin Refinery, for itself and on behalf of its subsidiaries, to amend the annual cap for the year ending 31 December 2026 under the Framework Agreement for Sales of Silver
“Zhaojin Refinery”	Shandong Zhaojin Gold and Silver Refinery Company Limited* (山東招金金銀精煉有限公司), a company established in the PRC with limited liability on 16 October 2001 and a subsidiary of Shandong Zhaojin as at the date of this announcement
“%”	per cent.

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

Zhaoyuan, the PRC, 11 February 2026

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

*Executive Directors:* **Mr. Jiang Guipeng, Mr. Duan Lei, Mr. Wang Ligang and Mr. Wang Peiwu**

*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**

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