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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)

**ANNOUNCEMENT
REGARDING
THE H SHARE FULL CIRCULATION
LISTING APPROVAL GRANTED BY THE STOCK EXCHANGE**

INTRODUCTION

Reference is made to the announcement of Zhaojin Mining Industry Company Limited* dated 13 January 2020 in relation to the proposed conversion (the “**Conversion**”) of up to 1,560,340,597 domestic shares of the Company (“**Domestic Shares**”) into H shares of the Company (“**H Shares**”). Unless otherwise indicated, capitalized terms used in this announcement shall have the same meanings as those defined in the announcement dated 13 January 2020.

LISTING APPROVAL

The Company is pleased to announce that the approval (the “**Listing Approval**”) for the listing of and the permission to deal in 1,560,340,597 H Shares (the “**Converted H Shares**”), representing the maximum number of Domestic Shares to be converted under the Conversion, was granted by the Stock Exchange on 3 August 2020.

SHAREHOLDING STRUCTURE

Set out below is the percentage holding in the Company in relation to the holders of the Domestic Shares upon completion of the Conversion.

Name of the holder of the Domestic Shares	Number of Converted H Shares	Approximate percentage of total issued shares of the Company upon completion of the Conversion %
Shandong Zhaojin Group Company Limited* (山東招金集團有限公司)	517,773,402	15.83
Shanghai Yuyuan Tourist Mart (Group) Co., Ltd.* (上海豫園旅遊商城 (集團)股份有限公司)	742,000,000	22.69
Zhaoyuan City State-owned Assets Operation Company Limited (招遠市國有資產經營有限公司)	42,400,000	1.30
Zhaojin Non-Ferrous Mining Company Limited* (招金有色礦業有限公司)	50,967,195	1.56
Shanghai Laomiao Gold Co., Ltd.* (上海老廟黃金有限公司)	21,200,000	0.65
Zhaojin Mining Industry Company Limited First Employee Share Subscription Plan (招金礦業股份有限公司第一期員工 股權認購計劃)	80,000,000	2.45
Shanghai Fosun Industrial Investment Co., Ltd.	106,000,000	3.24
Total	<u>1,560,340,597</u>	<u>47.71</u>

Upon completion of the Conversion, the share capital structure of the Company is set out below:

Class of shares	As at the date of this announcement		Upon completion of the Conversion	
	Number of shares	Percentage (approximately)	Number of shares	Percentage (approximately)
Domestic Shares				
Shandong Zhaojin Group Company Limited* (山東招金集團 有限公司)	1,136,211,009	34.74%	618,437,607	18.91%
Shanghai Yuyuan Tourist Mart (Group) Co., Ltd.* (上海豫園旅遊商城 集團)股份有限公司)	742,000,000	22.69%	–	–
Directors				
Weng Zhanbin	1,200,000	0.04%	–	–
Dong Xin	300,000	0.009%	–	–
Wang Ligang	1,000,000	0.03%	–	–
Supervisor				
Zhao Hua	200,000	0.006%	–	–
Other domestic shareholders	340,267,195	10.404%	42,400,000	1.30%
Subtotal	<u>2,221,178,204</u>	<u>67.92%</u>	<u>660,837,607</u>	<u>20.21%</u>
H Shares				
Shandong Zhaojin Group Company Limited* (山東招金集團 有限公司)	–	–	517,773,402	15.83%
Shanghai Yuyuan Tourist Mart (Group) Co., Ltd.* (上海豫園旅遊商城 集團)股份有限公司)	–	–	742,000,000	22.69%
Directors				
Weng Zhanbin	–	–	1,200,000	0.04%
Dong Xin	–	–	300,000	0.009%
Wang Ligang	–	–	1,000,000	0.03%
Supervisor				
Zhao Hua	–	–	200,000	0.006%
Luyin Trading Pte Ltd.	26,656,000	0.82%	26,656,000	0.82%
Other H shareholders	<u>1,022,559,000</u>	<u>31.26%</u>	<u>1,320,426,195</u>	<u>40.37%</u>
Subtotal	<u>1,049,215,000</u>	<u>32.08%</u>	<u>2,609,555,597</u>	<u>79.79%</u>
	<u><u>3,270,393,204</u></u>	<u><u>100%</u></u>	<u><u>3,270,393,204</u></u>	<u><u>100%</u></u>

Note: The percentages have been rounded up to two decimal places. Accordingly, the total percentage may not be equal to the apparent total percentage.

CONVERSION AND TRADING PROCEDURES

Conversion

The Company has completed the following procedures in connection with the Conversion:

- (i) With their authorisation and on behalf of the participating domestic shareholders, the Company has cancelled the registration procedure for Domestic Shares held by the participating domestic shareholders in China Securities Depository and Clearing Corporation Limited (“**China Clearing**”) Beijing Branch. On 15 July 2020, the names of the participating domestic shareholders holding 1,560,340,597 Domestic Shares have been removed from the register of members of Domestic Shares maintained by China Clearing.
- (ii) With their authorisation and on behalf of the participating domestic shareholders, the Company has appointed China Clearing as the nominee to deposit the relevant securities at China Securities Depository and Clearing (Hong Kong) Company Limited (“**China Clearing HK**”) and China Clearing HK in its own name will deposit the relevant securities at Hong Kong Securities Clearing Company Limited (“**HKSCC**”). China Clearing as the nominee of the participating shareholders of the Domestic Shares will handle all custody, maintenance of detailed records, cross-border settlement and corporate actions etc. relating to the Converted H Shares for the participating domestic shareholders.
- (iii) The Company has instructed the H Share registrar of the Company in relation to the issue of the relevant share certificates of the Converted H Shares.
- (iv) The Company has made arrangements to enable the Converted H Shares be accepted as eligible securities by HKSCC for deposit, clearance and settlement in Central Clearing and Settlement System (“**CCASS**”).

Trading

The holders of the Converted H Shares may conduct trading of the Converted H Shares after completion of the following arrangements:

- (i) The Company will apply to China Clearing, Shenzhen Branch for the maintenance of the detailed records of the initial holding of the Converted H Shares held by the relevant holders. Meanwhile, the Company will submit applications for a domestic transaction commission code and abbreviation, which will be confirmed by China Clearing, Shenzhen Branch pursuant to the authorisation of the Shenzhen Stock Exchange (the “**Shenzhen Stock Exchange**”).

- (ii) According to the “Circular of the State Administration of Foreign Exchange on Issues concerning the Administration of Foreign Exchange Involved in Overseas Listing” (《國家外匯管理局關於境外上市外匯管理有關問題的通知》), the holders of the Converted H Shares should complete the overseas shareholding registration with the local foreign exchange administration bureau before the shares are sold, and after the overseas shareholding registration, open a specified bank account for the holding of shares overseas by onshore investors at an onshore bank with relevant qualifications and a specified fund account for H Share “Full Circulation” at Huatai Securities Co., Ltd. (the “**Huatai Securities**”). Huatai Securities will open a securities trading account for H Share “Full Circulation” at Huatai Financial Holdings (Hong Kong) Limited (“**Huatai Financial Holdings**”).
- (iii) The holders of the Converted H Shares should give instructions on the trading of the Converted H Shares through Huatai Securities. The relevant instructions of the participating shareholders will be submitted to the Stock Exchange via the securities trading account opened by Huatai Securities at Huatai Financial Holdings. After completion of the transaction, Huatai Financial Holdings and China Clearing HK, China Clearing HK and China Clearing, China Clearing and Huatai Securities, Huatai Securities and the participating shareholders will conduct settlement respectively.
- (iv) The Shenzhen Stock Exchange having authorised Shenzhen Securities Communications Co., Ltd. to provide services relating to entrusted sell orders and completion report between Huatai Securities and Huatai Financial Holdings for the Converted H Shares, and the real-time market forwarding services of the relevant H Shares.

Based on the current timetable, it is expected that the share certificates for the Converted H Shares will be issued to China Clearing HK and deposited into CCASS operated by HKSCC on 7 August 2020 and the listing of the Converted H Shares on the Stock Exchange will commence at 9:00 a.m. on 10 August 2020.

It is expected that the procedures set out in (i) to (iv) can be completed within 2 months of obtaining the Listing Approval.

Further Announcement(s) will be made by the Company when and where appropriate.

Shareholders and potential investors of the Company 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, 3 August 2020

As at the date of this announcement, the board of directors of the Company comprises Mr. Weng Zhanbin, Mr. Dong Xin and Mr. Wang Ligang as executive directors; Mr. Zhang Banglong, Mr. Liu Yongsheng, Mr. Gao Min and Mr. Huang Zhen 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 purposes only