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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)

**CONNECTED TRANSACTION
IN RELATION TO
ESTABLISHMENT OF A JOINT VENTURE**

The Board is pleased to announce that on 9 October 2024, the Company, Zhaojin Group, Zijin Investment and Ningbo Ransheng Shengtong entered into the Establishment Agreement for the joint establishment of Ruining Mining. Pursuant to the Establishment Agreement, the Company, Zhaojin Group, Zijin Investment and Ningbo Ransheng Shengtong each shall contribute RMB220 million, RMB400 million, RMB100 million and RMB180 million, accounting for 24.44%, 44.45%, 11.11% and 20%, respectively, of the registered capital of Ruining Mining.

The resolution in relation to the joint establishment of Ruining Mining has been approved at the Board meeting held on 9 October 2024. Certain Directors, being Mr. Long Yi, Mr. Chen Lunan, Mr. Li Guanghui and Mr. Luan Wenjing who also assume managerial positions in Zhaojin Group and Zijin Mining, have abstained from voting at the meeting. The management of the Company has been authorized at the Board meeting to deal with all procedures and matters relating to the establishment of Ruining Mining.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Zhaojin Group is a controlling shareholder of the Company, and Zijin Investment is a wholly-owned subsidiary of Zijin Mining, a substantial shareholder of the Company. Accordingly, under Chapter 14A of the Listing Rules, each of Zhaojin Group and Zijin Investment is a connected person of the Company, and thus the joint establishment of Ruining Mining by the Company, Zhaojin Group, Zijin Investment and Ningbo Ransheng Shengtong constitutes a connected transaction of the Company. As one or more of the applicable percentage ratios in respect thereof calculated pursuant to Rule 14.07 of the Listing Rules exceed 0.1%, but all of such ratios are less than 5%, the transaction is therefore subject to the reporting and announcement requirements, but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

On 9 October 2024, the Company, Zhaojin Group, Zijin Investment and Ningbo Ransheng Shengtong confirmed and entered into the Establishment Agreement for the joint establishment of Ruining Mining. Pursuant to the Establishment Agreement, the Company, Zhaojin Group, Zijin Investment and Ningbo Ransheng Shengtong each shall contribute RMB220 million, RMB400 million, RMB100 million and RMB180 million, accounting for 24.44%, 44.45%, 11.11% and 20%, respectively, of the registered capital of Ruining Mining.

PRINCIPAL TERMS OF THE ESTABLISHMENT AGREEMENT

1. Shareholders (“Contributors”) of Ruining Mining

Pursuant to the Establishment Agreement, Ruining Mining shall have a registered capital of RMB900 million, of which:

- Contributor 1: the Company, to contribute RMB220 million, accounting for 24.44% of the registered capital of Ruining Mining;
- Contributor 2: Zhaojin Group, to contribute RMB400 million, accounting for 44.45% of the registered capital of Ruining Mining;
- Contributor 3: Zijin Investment, to contribute RMB100 million, accounting for 11.11% of the registered capital of Ruining Mining; and
- Contributor 4: Ningbo Ransheng Shengtong, to contribute RMB180 million, accounting for 20% of the registered capital of Ruining Mining.

Upon the establishment of Ruining Mining, the Company will hold 24.44% of its equity interest.

2. Contribution Method

The Contributors have agreed to remit their respective subscribed registered capital to the capital verification account of Ruining Mining in accordance with the contribution amount and method prescribed in the Establishment Agreement. As agreed in the Establishment Agreement, contributions from each Contributor shall be made by cash before 31 December 2025.

The Company currently expects to finance its contribution with internal financial resources.

3. Organizational Structure of Ruining Mining

Pursuant to the Establishment Agreement, Ruining Mining will establish a shareholders’ meeting, board of directors and management team, and will not establish a supervisory committee or supervisors. The board of directors of Ruining Mining shall comprise five directors, among which two will be appointed by Zhaojin Group, and each of the Company, Zijin Investment and Ningbo Ransheng Shengtong will appoint one director. Besides, an audit committee shall be established under the board of directors of Ruining Mining.

4. Validity of the Establishment Agreement

The Establishment Agreement will take effect upon the approval by the respective board of directors of the Contributors as well as the signatures and seals of the Contributors or person(s) entrusted by them.

REASONS FOR AND BENEFITS OF ESTABLISHMENT OF RUINING MINING

The joint establishment of Ruining Mining by the Company, Zhaojin Group, Zijin Investment and Ningbo Ransheng Shengtong will be beneficial for the Parties to tap upon their respective advantages, get proactively involved in acquisition, integration, reorganization and development of gold resource projects both at home and abroad, increase reserve and production, enhance market competitiveness and promote quality development.

In view of the above, the Directors (including the independent non-executive Directors) are of the opinion that the Establishment Agreement is negotiated on normal commercial terms, and the terms and conditions are fair and reasonable, and in the interests of the Company and the shareholders of the Company as a whole.

RELATIONSHIP AMONG THE CONTRIBUTORS AND LISTING RULES IMPLICATIONS

- Contributor 1: the Company;
- Contributor 2: Zhaojin Group, which directly holds approximately 33.39% of the shares of the Company and is a controlling shareholder of the Company;
- Contributor 3: Zijin Investment, together with Gold Mountains H.K. (directly holding approximately 19.22% of the shares of the Company), the second largest shareholder of the Company, are wholly-owned subsidiaries of Zijin Mining, a substantial shareholder of the Company; and
- Contributor 4: Ningbo Ransheng Shengtong, which is an Independent Third Party as at the date of the Establishment Agreement.

Accordingly, each of Zhaojin Group and Zijin Investment is a connected person of the Company, and thus the joint establishment of Ruining Mining by the Company, Zhaojin Group, Zijin Investment and Ningbo Ransheng Shengtong constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios in respect of the joint establishment of Ruining Mining calculated pursuant to Rule 14.07 of the Listing Rules exceed 0.1%, but all of such ratios are less than 5%, the transaction is therefore subject to the reporting and announcement requirements, but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

BOARD APPROVAL

The resolution in relation to the joint establishment of Ruining Mining has been approved at the Board meeting held on 9 October 2024. No Director is materially interested in the joint establishment of Ruining Mining, and certain Directors, being Mr. Long Yi, Mr. Chen Lunan, Mr. Li Guanghui and Mr. Luan Wenjing who also assume managerial positions in Zhaojin Group and Zijin Mining, have abstained from voting at the meeting. The management of the Company has been authorized at the Board meeting to deal with all procedures and matters relating to the joint establishment of Ruining Mining, including but not limited to execution of relevant agreements.

INFORMATION OF THE PARTIES

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

Zhaojin Group is principally engaged in capital operation, gold and silver exploration and mining, ore processing and smelting, etc. As at the date of this announcement, Zhaojin Group directly holds approximately 33.39% of the shares of the Company, and is a controlling shareholder of the Company.

Zijin Investment is principally engaged in investment management, asset management, information consulting services, investment consulting, domestic trade agents, trade brokerage, corporate headquarters management, and sales of metal materials, metal ores, non-ferrous metal alloys, gold and silver products. As at the date of this announcement, it is a wholly-owned subsidiary of Zijin Mining, a substantial shareholder of the Company.

Ningbo Ransheng Shengtong is a limited partnership established in the PRC, and is principally engaged in investment with internal financial resources. As at the date of this announcement, its executive partner is Ransheng (Ningbo) Equity Investment Fund Management Co., Ltd.* (冉盛(寧波)股權投資基金管理有限公司) (“**Ransheng Ningbo**”). The ultimate owner of Ransheng Ningbo is Guo Changwei* (郭昌瑋). So far as the Directors are aware, as at the date of this announcement, each of Ningbo Ransheng Shengtong, Ransheng Ningbo and Guo Changwei is an Independent Third Party.

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
“Contributor(s)” or “Parties”	individually or collectively, the Company, Zhaojin Group, Zijin Investment and Ningbo Ransheng Shengtong
“controlling shareholders”	has the meaning ascribed to it under the Listing Rules
“Directors”	directors of the Company
“Establishment Agreement”	the entity establishment agreement entered into among the Company, Zhaojin Group, Zijin Investment and Ningbo Ransheng Shengtong on 9 October 2024 in relation to the joint establishment of Ruining Mining
“Gold Mountains H.K.”	Gold Mountains (H.K.) International Mining Co., Limited, a company incorporated in Hong Kong, the PRC with limited liability, a wholly-owned subsidiary of Zijin Mining
“Independent Third Party(ies)”	to the best knowledge, information and belief of the Directors having made all reasonable enquiries, a party or parties not being a connected person or connected persons (as defined under the Listing Rules) of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Ningbo Ransheng Shengtong”	Ningbo Meishan Bonded Port Ransheng Shengtong Investment Partnership (Limited Partnership)* (寧波梅山保稅港區冉盛盛通投資合夥企業(有限合夥)), a partnership established in the PRC
“PRC”	the People’s Republic of China, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan province for the purpose of this announcement
“RMB”	Renminbi, the lawful currency of the PRC

“Ruining Mining”	the new entity proposed to be jointly established by the Company, Zhaojin Group, Zijin Investment and Ningbo Ransheng Shengtong pursuant to the Establishment Agreement, with the proposed name of Shandong Zhaojin Ruining Mining Co., Ltd.* (山東招金瑞寧礦業有限公司) (tentative name which is subject to that registered with the authorities of industry and commerce)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Zhaojin Group”	Shandong Zhaojin Group Company Limited* (山東招金集團有限公司), a controlling shareholder of the Company, further details of which are set out in the section headed “Information of the Parties”
“Zijin Investment”	Zijin Mining Investment (Shanghai) Co., Ltd.* (紫金礦業投資(上海)有限公司), a wholly-owned subsidiary of Zijin Mining, further details of which are set out in the section headed “Information of the Parties”
“Zijin Mining”	Zijin Mining Group Co., Ltd.* (紫金礦業集團股份有限公司), a joint stock limited company incorporated in the PRC, whose H shares and A shares are listed on the Stock Exchange (stock code: 2899) and the Shanghai Stock Exchange (stock code: 601899), respectively

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

Zhaoyuan, the PRC, 9 October 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 purposes only*