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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 TRANSACTIONS  
CAPITAL INCREASE IN SHANDONG RUIYIN**

**CAPITAL INCREASE**

The Board is pleased to announce that, on 21 March 2025 (after trading hours), the Company, Zijin Investment and Shandong Ruiyin entered into the Capital Increase Agreement, pursuant to which the Company and Zijin Investment shall make the Capital Contribution in a total amount of approximately RMB689.07 million to Shandong Ruiyin in proportion to their respective existing shareholding percentages in Shandong Ruiyin (under which the Company shall contribute approximately RMB482.35 million, and Zijin Investment shall contribute approximately RMB206.72 million). Upon completion of the Capital Increase, the registered capital of Shandong Ruiyin will increase from approximately RMB1,441.17 million to approximately RMB2,130.24 million, while the Company and Zijin Investment will continue to hold 70% and 30% of the equity interest in Shandong Ruiyin, respectively.

**LISTING RULES IMPLICATIONS**

As at the date of this announcement, Shandong Ruiyin is owned by the Company as to 70% and owned by Zijin Mining (through Zijin Investment) as to 30%. Zijin Mining is a substantial Shareholder of the Company. Pursuant to the Rule 14A.07 and Rule 14A.16 of the Listing Rules, (i) Zijin Investment, being an indirect wholly-owned subsidiary of Zijin Mining, is a connected person of the Company; and (ii) Shandong Ruiyin is a connected subsidiary of the Company and thus a connected person of the Company. Accordingly, the transactions contemplated under the Capital Increase Agreement constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio (as defined in Rule 14.07 of the Listing Rules) of the transactions contemplated under the Capital Increase Agreement is more than 0.1% but less than 5%, the transactions contemplated under the Capital Increase Agreement shall be subject to the reporting and announcement requirements but are exempt from the circular (including independent financial advice) and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **CAPITAL INCREASE**

The Board is pleased to announce that, on 21 March 2025 (after trading hours), the Company, Zijin Investment and Shandong Ruiyin entered into the Capital Increase Agreement, pursuant to which the Company and Zijin Investment shall make the Capital Contribution in a total amount of approximately RMB689.07 million to Shandong Ruiyin in proportion to their respective existing shareholding percentages in Shandong Ruiyin (under which the Company shall contribute approximately RMB482.35 million, and Zijin Investment shall contribute approximately RMB206.72 million). Upon completion of the Capital Increase, the registered capital of Shandong Ruiyin will increase from approximately RMB1,441.17 million to approximately RMB2,130.24 million, while the Company and Zijin Investment will continue to hold 70% and 30% of the equity interest in Shandong Ruiyin, respectively.

The Capital Contribution to be made by the Company amounted to approximately RMB482.35 million is expected to be funded by the Group's internal capital resources.

## **REASONS FOR AND BENEFITS OF THE TRANSACTIONS**

Upon completion of the Capital Contribution, it is expected that Shandong Ruiyin will further contribute the same amount into its wholly-owned subsidiary, Ruihai Mining, with an aim to supporting the construction and development of Haiyu Gold Mine.

Haiyu Gold Mine is owned by Ruihai Mining, which is the largest standalone gold mine in China with excellent geological conditions of mineralization and great potential for future exploration and reserve increase and is within the Shandong Laizhou – Zhaoyuan Gold Belt, the third largest gold belt in the world. Haiyu Gold Mine will further enhance the gold reserve and gold production of the Group and hence bringing positive returns to the Company and the Shareholders. As of the date of this announcement, the Group is putting full efforts in the construction of Haiyu Gold Mine. The Directors believe that the Capital Increase will provide additional capital resources to Haiyu Gold Mine, which is a concrete step to support its construction and development.

Based on the above reasons, the Directors (including the independent non-executive Directors) consider that the Capital Increase Agreement and the transactions contemplated thereunder are: (i) in the ordinary and usual course of business of the Company; (ii) fair and reasonable; and (iii) in the interest of the Company and the Shareholders as a whole.

## **APPROVAL FROM THE BOARD**

The resolution in relation to the Capital Increase Agreement and the transactions contemplated thereunder were approved at the Board meeting of the Company convened on 21 March 2025. None of the Directors had material interests in the Capital Increase Agreement and the transactions contemplated thereunder. As Mr. Long Yi and Mr. Wang Peiwu are the management personnel of Zijin Mining, they have abstained from voting on the approval of the Capital Increase Agreement and the transactions contemplated thereunder at the Board meeting.

## **INFORMATION ON THE PARTIES TO THE CAPITAL INCREASE AGREEMENT**

### **The Company**

The Company is a joint stock limited company incorporated in the PRC on 16 April 2004 and the H Shares of which are listed on the main board of Hong Kong Stock Exchange (Stock Code: 1818). The Company and its subsidiaries are principally engaged in gold exploration, mining, ore processing and smelting, as well as processing and sale of by-products in the PRC.

### **Shandong Ruiyin**

Shandong Ruiyin is a limited company established in the PRC, mainly engaged in the technical development and sales of metal mineral products. As at the date of this announcement, Shandong Ruiyin is owned by the Company as to 70% and owned by Zijin Mining (through Zijin Investment) as to 30%. Shandong Ruiyin holds the entire equity interest of Ruihai Mining, which owns Haiyu Gold Mine. Please see “Reasons for and benefits of the transactions” above for details.

### **Zijin Investment**

Zijin Investment is a limited company established in the PRC, mainly engaged in mining industry investment and management. Zijin Investment is indirectly wholly-owned by Zijin Mining, 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. Zijin Mining is principally engaged in the exploration, mining, processing, refining and sales of gold, non-ferrous metals and other mineral resources.

## **LISTING RULES IMPLICATIONS**

As at the date of this announcement, Shandong Ruiyin is owned by the Company as to 70% and owned by Zijin Mining (through Zijin Investment) as to 30%. Zijin Mining is a substantial Shareholder of the Company. Pursuant to the Rule 14A.07 and Rule 14A.16 of the Listing Rules, (i) Zijin Investment, being an indirect wholly-owned subsidiary of Zijin Mining, is a connected person of the Company; and (ii) Shandong Ruiyin is a connected subsidiary of the Company and thus a connected person of the Company. Accordingly, the transactions contemplated under the Capital Increase Agreement constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio (as defined in Rule 14.07 of the Listing Rules) of the transactions contemplated under the Capital Increase Agreement is more than 0.1% but less than 5%, the transactions contemplated under the Capital Increase Agreement shall be subject to the reporting and announcement requirements but are exempt from the circular (including independent financial advice) and independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules.

## DEFINITIONS

“Board”	the board of Directors
“Capital Contribution”	the capital contribution made by the Company and Zijin Investment to Shandong Ruiyin in a total amount of approximately RMB689.07 million, as further described under the section headed “Capital Increase” in this announcement
“Capital Increase”	the increase of registered capital of Shandong Ruiyin from approximately RMB1,441.17 million to approximately RMB2,130.24 million
“Capital Increase Agreement”	the capital increase agreement dated 21 March 2025 entered into by the Company, Zijin Investment and Shandong Ruiyin with respect to the Capital Increase
“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
“connected subsidiary”	has the meaning ascribed to it under the Listing Rules
“connected transaction”	has the meaning ascribed to it under the Listing Rules
“Directors”	directors of the Company
“Group”	the Company and its subsidiaries
“Haiyu Gold Mine”	a gold mine owned by Ruihai Mining located at the north of Sanshan Island in Laizhou City, Shandong Province (山東省萊州市三山島北部), which is owned by Ruihai Mining
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excluding Hong Kong, Macau Special Administrative Region and Taiwan region
“RMB”	Renminbi, the lawful currency of the PRC

“Ruihai Mining”	Laizhou Ruihai Mining Industry Company Limited* (萊州市瑞海礦業有限公司), a limited company established in the PRC and a wholly-owned subsidiary of Shandong Ruiyin
“Shandong Ruiyin”	Shandong Ruiyin Mining Industry Company Limited* (山東瑞銀礦業發展有限公司), which is owned as to 70% by the Company and as to 30% by Zijin Investment
“Share(s)”	share(s) of RMB1.0 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
“Zijin Investment”	Zijin Mining Group Southern Investment Co., Ltd.* (紫金礦業集團南方投資有限公司), a limited liability company incorporated in the PRC and an indirect wholly-owned subsidiary of Zijin Mining
“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
“%”	per cent.

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

Zhaoyuan, the PRC, 21 March 2025

*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

\* For identification purpose only