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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

CONTINUING CONNECTED TRANSACTIONS

(1) INFORMATIZATION SERVICES FRAMEWORK AGREEMENT

On 29 December 2023, Goldsoft Technology entered into the Informatization Services Framework Agreement with Shandong Zhaojin, pursuant to which Goldsoft Technology and its subsidiaries agreed to provide informatization services to Shandong Zhaojin Group for a term of three years commencing from 1 January 2024 to 31 December 2026.

(2) FRAMEWORK AGREEMENT FOR SALES OF SILVER

On 29 December 2023, the Company entered into the Framework Agreement for Sales of Silver with Zhaojin Refinery, pursuant to which the Group agreed to sell silver to Zhaojin Refinery and its subsidiaries for a term of three years commencing from 1 January 2024 to 31 December 2026.

(3) FRAMEWORK AGREEMENT FOR SALES OF SULPHUR CONCENTRATE

On 29 December 2023, Zhaojin Jinhe entered into the Framework Agreement for Sales of Sulphur Concentrate with Guoda Gold, pursuant to which Zhaojin Jinhe agreed to sell sulphur concentrate to Guoda Gold and its subsidiaries for a term of three years commencing from 1 January 2024 to 31 December 2026.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Shandong Zhaojin is the controlling Shareholder of the Company. Zhaojin Refinery and Guoda Gold are subsidiaries of Shandong Zhaojin and therefore the connected persons of the Company, and Goldsoft Technology and Zhaojin Jinhe are subsidiaries of the Company. Accordingly, the transactions contemplated under the Informatization Services Framework Agreement, the Framework Agreement for Sales of Silver and the Framework Agreement for Sales of Sulphur Concentrate 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 each of the Informatization Services Framework Agreement, the Framework Agreement for Sales of Silver and the Framework Agreement for Sales of Sulphur Concentrate is more than 0.1% but less than 5%, the transactions contemplated under the Informatization Services Framework Agreement, the Framework Agreement for Sales of Silver and the Framework Agreement for Sales of Sulphur Concentrate are subject to the reporting, annual review and announcement requirements but are exempt from the circular and independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

(1) INFORMATIZATION SERVICES FRAMEWORK AGREEMENT

Date

29 December 2023

Parties

- (i) Shandong Zhaojin (for itself and on behalf of the Shandong Zhaojin Group); and
- (ii) Goldsoft Technology (for itself and on behalf of its subsidiaries), as the service provider

Term

From 1 January 2024 to 31 December 2026

Subject to compliance with applicable laws and regulations including but not limited to the Listing Rules, the Informatization Services Framework Agreement may be extended or renewed by the parties.

Informatization services

Goldsoft Technology and its subsidiaries have agreed to provide informatization services to Shandong Zhaojin Group, including design and construction of security technology protection system; communication and computer software and hardware technology development; computer system design; computer technology services and technology consultation; system integration; smart building project and safety protection project; sale and distribution of instruments; construction of automated integration project; e-commerce trading platform service; online trading agency; internet information service.

Specific execution agreements

As the Informatization Services Framework Agreement is only a framework agreement, during the term of the Informatization Services Framework Agreement and subject to the bidding process as described below, the parties will enter into specific execution agreement for each specific informatization service to be provided to Shandong Zhaojin Group by Goldsoft Technology and its subsidiaries to determine the terms, including but not limited to the specific price, duration and product or service content of informatization services, and such specific execution agreement shall be in line with and subject to the principles of the Informatization Services Framework Agreement.

Pricing policies and payment terms

Shandong Zhaojin will have a public tender process to invite bids from service providers for the provision of informatization services. Only when the price tendered by Goldsoft Technology is fair and reasonable, having regard to factors such as the site of provision of such kind of services, the complexity of the services provided, the actual workload required and the time of completion, may Goldsoft Technology be awarded with a specific execution agreement.

In determining the bid price for each specific execution agreement, Goldsoft Technology will take into account factors including, but not limited to: (i) the complexity level of each individual project and the estimated cost required to meet the quality standards; (ii) the comparison of prices that have been provided to at least three different independent third-party clients and the costs incurred within a three-month period preceding the date of each specific execution agreement (the “**Comparable Transactions**”); and (iii) a reasonable profit margin which shall not be less favourable than that of the Comparable Transactions and to be determined after taking into account various relevant factors such as prevailing market conditions, competition landscape, project duration and any associated risk factors.

The pricing policies under the Informatization Services Framework Agreement will be reviewed regularly and if necessary to ensure that they are consistent with market-oriented, fair and reasonable principles.

Historical figures

The historical amounts of the fees for the provision of informatization services by Goldsoft Technology and its subsidiaries to Shandong Zhaojin Group for the two years ended 31 December 2022 and the eleven months ended 30 November 2023 are set out as follows:

	For the year ended 31 December 2021	For the year ended 31 December 2022	For the eleven months ended 30 November 2023
	<i>RMB' million</i>	<i>RMB' million</i>	<i>RMB' million</i>
	(approximately)	(approximately)	(approximately)
Informatization services			
fee paid by Shandong			
Zhaojin Group to Goldsoft			
Technology and its			
subsidiaries	11.63	9.60	3.43

Reference is made to the 2020 Informatization Services Framework Agreement which stated that, for the three financial years ending 31 December 2023, the annual caps of the fees for the provision of informatization services by Goldsoft Technology to Shandong Zhaojin Group under the 2020 Informatization Services Framework Agreement shall not exceed RMB17 million, RMB17 million and RMB17 million, respectively.

The Directors have been monitoring the transaction amounts under the 2020 Informatization Services Framework Agreement, and such amounts did not exceed the annual caps for the two years ended 31 December 2022. As of the date of this announcement, the transaction amount incurred in 2023 did not exceed and is not expected to exceed the annual cap for the year ending 31 December 2023 under the 2020 Informatization Services Framework Agreement.

Annual caps

The Company expects that the annual caps for the provision of informatization services for the three years ending 31 December 2024, 31 December 2025 and 31 December 2026 shall not exceed RMB20 million, RMB20 million and RMB20 million, respectively.

The above annual caps are determined based on the following factors: (i) the historical transaction amounts under 2020 Informatization Services Framework Agreement; (ii) the fee level of Goldsoft Technology and its subsidiaries for provision of informatization services; (iii) the market price and quality of service provided by other third-party providers for similar services; and (iv) the increase in Shandong Zhaojin Group's demand for informatization services, such as the fact that due to the continuous increase in Shandong Zhaojin Group's demand for software and cloud services for refined operational management, intelligent mine and smart park construction as well as production and safety management and the gradual increase in demand from relevant projects. In addition, in view of the trend of cost reduction and efficiency improvement for production activities, projects based on internet of things, big data and cloud services will increase significantly, resulting in gradual increase in transaction amount for the provision of informatization services by Goldsoft Technology and its subsidiaries to Shandong Zhaojin Group in the future.

Reasons for and benefits of entering into the Informatization Services Framework Agreement

Goldsoft Technology and its subsidiaries principally engages in the provision of information and automated systems for mines and digital mine and smart mine construction in the PRC. Shandong Zhaojin Group has increasing demand for informatization services due to the need for refined operational management, intelligent mine and smart park construction as well as production and safety management. As the controlling Shareholder of the Company, Shandong Zhaojin has good reputation and strong financial strength, which ensures payment obligations of each specific execution agreements under the Informatization Services Framework Agreement. Accordingly, Goldsoft Technology and its subsidiaries will be able to generate stable income through the provision of certain information products and services pursuant to the Informatization Service Framework Agreement to Shandong Zhaojin Group.

Given the aforesaid reasons, the Directors (including the independent non-executive Directors) consider that the Informatization Services Framework Agreement is entered into on normal commercial terms, which are fair and reasonable and in the interests of the Company and the Shareholders as a whole, and the terms thereof are fair and reasonable, and is entered into on normal commercial terms in the ordinary and usual course of business of the Company.

(2) FRAMEWORK AGREEMENT FOR SALES OF SILVER

Date

29 December 2023

Parties

- (i) the Company (for itself and on behalf of the Group), as the seller; and
- (ii) Zhaojin Refinery, as the buyer

Term

From 1 January 2024 to 31 December 2026

Subject to compliance with applicable laws and regulations including but not limited to the Listing Rules, the Framework Agreement for Sales of Silver may be extended or renewed by the parties.

Products to be sold by the Group to Zhaojin Refinery

Silver.

Specific execution agreements

As the Framework Agreement for Sales of Silver is only a framework agreement, during the term of the Framework Agreement for Sales of Silver, the parties will enter into specific execution agreement for each transaction contemplated under the Framework Agreement for Sales of Silver, determining the terms, including but not limited to the specific price, quality and quantity of the silver. Such specific execution agreements shall be in line with and subject to the principles of the Framework Agreement for Sales of Silver.

Pricing policies and payment terms

The Group agreed to sell, and Zhaojin Refinery agreed to buy, silver at market price, which will be determined on a fair basis with reference to the real-time prices of Ag T+D on the Shanghai Gold Exchange (上海黄金交易所) on the date of price determination under each specific execution agreement. The parties will also fully consider factors including the quality, capital security and delivery time of the products, and will reflect such factors in the specific executive agreements. The price of Ag T+D on the Shanghai Gold Exchange is also applied to the sale of silver by the Group to other independent third parties and is the reference standard commonly used in the mining industry.

In addition, the parties to the Framework Agreement for Sales of Silver have agreed that the price at which the Group sells silver to Zhaojin Refinery shall not be lower than the price of the sales of the same type of silver for the same batch to buyers who are independent third parties.

Payment should be made by Zhaojin Refinery within two days from the date of price determination under each specific execution agreement by bank draft or telegraphic transfer. Zhaojin Refinery shall take delivery of the goods after making full payment.

Other major terms

According to the Framework Agreement for Sales of Silver, each party under the Framework Agreement for Sales of Silver shall give priority in purchasing the same batch of silver from, or selling the same batch of silver to, the other party provided that the terms offered by any other third party are no more favourable than those offered by that other party.

Pursuant to the Framework Agreement for Sales of Silver, entering into of such agreement does not preclude the parties from selecting other counterparties and conducting transactions with them independently.

The parties under the Framework Agreement for Sales of Silver shall ensure and procure their respective subsidiaries to enter into specific execution agreements, subject to the terms of the Framework Agreement for Sales of Silver.

Historical figures

The historical amounts of the fees for the sales of silver by the Group to Zhaojin Refinery for the two years ended 31 December 2022 and the eleven months ended 30 November 2023 are set out as follows:

	For the year ended 31 December 2021	For the year ended 31 December 2022	For the eleven months ended 30 November 2023
	<i>RMB' million</i> (approximately)	<i>RMB' million</i> (approximately)	<i>RMB' million</i> (approximately)
Silver sales expenses paid by Zhaojin Refinery to the Group	172.00	36.20	41.49

Reference is made to the 2021 Framework Agreement for Sales of Silver which stated that, for the three financial years ending 31 December 2023, the annual caps of the fees for the sales of silver by the Company to Zhaojin Refinery under the 2021 Framework Agreement for Sales of Silver shall not exceed RMB200 million, RMB210 million and RMB230 million, respectively.

The Directors have been monitoring the transaction amounts under the 2021 Framework Agreement for Sales of Silver, and such amounts did not exceed the annual caps for the two years ended 31 December 2022. As of the date of this announcement, the transaction amount incurred in 2023 did not exceed and is not expected to exceed the annual cap for the year ending 31 December 2023 under the 2021 Framework Agreement for Sales of Silver.

Annual caps

The Company expects the annual caps for the sales of silver for the three years ending 31 December 2024, 31 December 2025 and 31 December 2026 shall not exceed RMB130 million, RMB170 million and RMB210 million, respectively, which are determined with reference to: (i) the historical sales of silver to Zhaojin Refinery by the Group under the 2021 Framework Agreement for Sales of Silver especially the relatively low historical utilization rate of the annual caps for the year ended 31 December 2022 and the eleven months ended 30 November 2023; (ii) the market prices of silver in previous years and their trend of future movements; (iii) the production capacity and stock of the silver of the Group; (iv) the historical demand and estimated future demand for silver of Zhaojin Refinery; and (v) the historical processing capacity and estimated future processing capacity for silver of Zhaojin Refinery.

Reasons for and benefits of entering into the Framework Agreement for Sales of Silver

Zhaojin Refinery is a well-established enterprise and a professional manufacturer of gold and silver processing. Entering into the Framework Agreement for Sales of Silver will allow the Company to generate a steady, reliable and relatively higher income.

According to the payment terms of the Framework Agreement for Sales of Silver, Zhaojin Refinery would take delivery of the silver itself after making full payment for each specific transaction, such arrangement does not only ensure that payment will not be delayed and the credit risks involved will be minimized, but also saves delivery costs of the Group.

Given the aforesaid and after taking into account the terms of the transactions under the Framework Agreement for Sales of Silver, the Directors (including the independent non-executive Directors) consider that entering into the Framework Agreement for Sales of Silver is in the interests of the Company and the Shareholders as a whole, and the terms thereof are fair and reasonable, and is entered into on normal commercial terms in the ordinary and usual course of business of the Company.

(3) FRAMEWORK AGREEMENT FOR SALES OF SULPHUR CONCENTRATE

Date

29 December 2023

Parties

- (i) Zhaojin Jinhe, as the seller; and
- (ii) Guoda Gold (for itself and on behalf of its subsidiaries), as the buyer

Term

From 1 January 2024 to 31 December 2026

Subject to compliance with applicable laws and regulations including but not limited to the Listing Rules, the Framework Agreement for Sales of Sulphur Concentrate may be extended or renewed by the parties.

Products to be sold by Zhaojin Jinhe to Guoda Gold and its subsidiaries

Sulphur concentrate.

Specific execution agreements

As the Framework Agreement for Sales of Sulphur Concentrate is only a framework agreement, during the term of the Framework Agreement for Sales of Sulphur Concentrate, the parties will enter into specific execution agreement for each sulphur concentrate sale transaction to be provided to Guoda Gold and its subsidiaries by Zhaojin Jinhe to determine the terms, including but not limited to the specific price, quality and quantity of the sulphur concentrate, and such specific execution agreements shall be in line with and subject to the principles of the Framework Agreement for Sales of Sulphur Concentrate.

Pricing policies and payment terms

Zhaojin Jinhe will have a public tender process to invite bids for the purchase of the sulphur concentrate. Guoda Gold (or its subsidiaries) may be awarded with a specific execution agreement only if the prices tendered by Guoda Gold (or its subsidiaries) is fair and reasonable and not less favourable than the prices offered to the Group by purchasers who are independent third parties having regard to product quality, security of funds and delivery time. In particular, Zhaojin Jinhe has considered the following factors during the selection of purchaser and the determination of prices: (i) the performance of the cooperation with the Group of the candidates of purchaser (where applicable); (ii) the historical processing capacity and estimated future processing capacity for sulphur concentrate of candidates of purchaser; and (iii) the prevailing market price for the provision of sulphur concentrate of similar quality.

The specific unit prices of sulphur concentrate products shall be determined through the above tendering and bidding process and stipulated in the specific execution agreements. Guoda Gold shall take delivery of the goods after making full payment.

Other major terms

According to the Framework Agreement for Sales of Sulphur Concentrate, entering into the Framework Agreement for Sales of Sulphur Concentrate does not prevent both parties from selecting collaborating partner in relation to sale or purchase of the sulphur concentrate and conduct transactions with such partner independently.

Historical figures

The historical amounts of the fees for the sales of sulphur concentrate by Zhaojin Jinhe to Guoda Gold for the two years ended 31 December 2022 and the eleven months ended 30 November 2023 are set out as follows:

	For the year ended 31 December 2021	For the year ended 31 December 2022	For the eleven months ended 30 November 2023
	<i>RMB' million</i>	<i>RMB' million</i>	<i>RMB' million</i>
	(approximately)	(approximately)	(approximately)
Sulphur concentrate sales expenses paid by Guoda Gold to Zhaojin Jinhe	9.91	20.40	5.38

Reference is made to the 2021 Framework Agreement for Sales of Sulphur Concentrate which stated that, for the three financial years ending 31 December 2023, the annual caps of the fees for the sales of sulphur concentrate by Zhaojin Jinhe to Guoda Glod under the 2021 Framework Agreement for Sales of Sulphur Concentrate shall not exceed RMB20 million, RMB23 million and RMB25 million.

The Directors have been monitoring the transaction amounts under the 2021 Framework Agreement for Sales of Sulphur Concentrate, and such amounts did not exceed the annual caps for the two years ended 31 December 2022. As of the date of this announcement, the transaction amount incurred in 2023 did not exceed and is not expected to exceed the annual cap for the year ending 31 December 2023 under the 2021 Framework Agreement for Sales of Sulphur Concentrate.

Annual caps

Zhaojin Jinhe expects the annual caps for the sales of sulphur concentrate for the three years ending 31 December 2024, 31 December 2025 and 31 December 2026 shall not exceed RMB20 million, RMB23 million and RMB25 million, respectively, which are determined with reference to: (i) the historical sales of sulphur concentrate to Guoda Gold under the 2021 Framework Agreement for Sales of Sulphur Concentrate by Zhaojin Jinhe; (ii) the market prices of sulphur concentrate in previous years and their trend of future movements; (iii) the production capacity and stock of the sulphur concentrate of Zhaojin Jinhe; (iv) the historical demand and estimated future demand for sulphur concentrate of Guoda Gold; and (v) the historical processing capacity and estimated future processing capacity for sulphur concentrate of Guoda Gold.

Reasons for and benefits of entering into the Framework Agreement for Sales of Sulphur Concentrate

Guoda Gold is a professional manufacturer of sulfuric acid, and has good reputation and strong financial capability. Entering into the Framework Agreement for Sales of Sulphur Concentrate will allow Zhaojin Jinhe to receive a steady, reliable and relatively higher income, and Guoda Gold would take delivery of the sulphur concentrate after making full payment for each specific transaction, which does not only ensure that payment will not be delayed and the credit risks involved will be minimized, but also saves delivery costs of Zhaojin Jinhe.

Given the aforesaid and after taking into account the terms of the transactions under the Framework Agreement for Sales of Sulphur Concentrate, the Directors (including the independent non-executive Directors) consider that entering into the Framework Agreement for Sales of Sulphur Concentrate is in the interests of the Company and the Shareholders as a whole, and the terms thereof are fair and reasonable, and is entered into on normal commercial terms in the ordinary and usual course of business of the Company.

INTERNAL CONTROL MEASURES

The Group has established various internal control measures in order to ensure that the transactions contemplated under the Informatization Services Framework Agreement, the Framework Agreement for Sales of Silver and the Framework Agreement for Sales of Sulphur Concentrate are in accordance with the pricing policies and the terms of each of the Informatization Services Framework Agreement, the Framework Agreement for Sales of Silver and the Framework Agreement for Sales of Sulphur Concentrate. Such internal control measures mainly include the following:

- (i) before entering into specific executive agreements pursuant to the each of the Informatization Services Framework Agreement, the Framework Agreement for Sales of Silver and the Framework Agreement for Sales of Sulphur Concentrate, the business department of the Group will review the specific executive agreements and ensure that the pricing policies have been properly adopted in determining the price of the relevant products/services. In particular, for the Informatization Services Framework Agreement, the reasonable profit margins are no less favourable than those of the Comparable Transactions, and for the Framework Agreement for Sales of Silver and the Framework Agreement for Sales of Sulphur Concentrate, the relevant transaction prices are no less favourable than those of the Group's transactions with independent third parties. If the terms and conditions are subject to revision due to actual changes in circumstances, the appropriate approval process shall be re-performed;
- (ii) the management of the Group will regularly review the terms of the Informatization Services Framework Agreement, the Framework Agreement for Sales of Silver and the Framework Agreement for Sales of Sulphur Concentrate and conduct spot checks on the execution of specific executive agreements and relevant transactions under the Informatization Services Framework Agreement, the Framework Agreement for Sales of Silver and the Framework Agreement for Sales of Sulphur Concentrate to ensure that (a) the execution of such executive agreements and transactions are in compliance with the provisions of the Informatization Services Framework Agreement, the Framework Agreement for Sales of Silver and the Framework Agreement for Sales of Sulphur Concentrate; and (b) the terms of the Informatization Services Framework Agreement, the Framework Agreement for Sales of Silver and the Framework Agreement for Sales of Sulphur Concentrate are fair and reasonable and in the interests of the Company and its Shareholders as a whole;
- (iii) the financial department of the Group will consolidate, on a monthly basis, the transaction amounts under each of these agreements incurred for the previous month and the results will be reported to the management of the Group and the Board. The financial department will inform the management of the Group and the Board on a timely basis in the event the annual cap for any of these agreements is likely to be exceeded;
- (iv) the external auditors of the Group will report by issuing a letter to the Board every year on the continuing connected transactions of the Company in relation to the pricing policies and annual caps of the continuing connected transactions (including the transactions contemplated under the Informatization Services Framework Agreement, the Framework Agreement for Sales of Silver and the Framework Agreement for Sales of Sulphur Concentrate) of the Company conducted during the preceding financial year pursuant to the Listing Rules;
- (v) the independent non-executive Directors of the Company will conduct an annual review with respect to the continuing connected transactions of the Company throughout the preceding financial year and confirm on the transactional amounts and terms of the continuing connected transactions in the annual report of the Company pursuant to the requirements under the Listing Rules, and to ensure that they are entered into on normal commercial terms, are fair and reasonable, and are carried out pursuant to the terms of the relevant agreements governing the continuing connected transactions; and

- (vi) in case where tendering and/or bidding procedures are adopted, the Group will organize public tendering procedures and/or participate in bidding procedures in accordance with the Group's internal tendering and/or bidding rules and applicable laws, regulations and rules. The audit department of the Group will supervise the implementation of procurement and/or sale policies (including the Group's internal tendering and/or bidding rules), and will be responsible for supervising the implementation and improving the Group's compliance procedures and internal control measures for prevention of conflict of interest, including risk assessment, identification and prevention of potential conflict of interest involved in procurement and/or sale activities, and to ensure that the procurement and/or sale activities (including the tendering and/or bidding procedures) and the actions taken by the personnel so involved are in compliance with the relevant laws, regulations, industry norms and the Group's internal policies, as well as participate in negotiations with suppliers/customers on terms of the relevant contracts and conducting regular reviews thereof.

By implementing the above procedures and measures, the Directors consider that the Company has established an adequate internal control system to ensure the relevant continuing connected transactions under the Informatization Services Framework Agreement, the Framework Agreement for Sales of Silver and the Framework Agreement for Sales of Sulphur Concentrate are conducted in accordance with the terms of such agreements, on normal commercial terms (or terms no less favourable to the Company than terms available to or offered by independent third parties) and in accordance with the pricing policies of the Company, which are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

INFORMATION ON THE PARTIES

1. The Group is principally engaged in gold exploration, mining, ore processing and smelting, and processing and sales of by-products in the PRC.
2. Shandong Zhaojin is a promoter and controlling Shareholder of the Company, which is principally engaged in the business of gold exploration, mining and refining, and has investments in gold exploration, mining, smelting and refining and other gold-related business. As at the date of this announcement, Shandong Zhaojin directly holds 34.74% of the Shares of the Company. The ultimate beneficial owner of Shandong Zhaojin is People's Government of Zhaoyuan City (招遠市人民政府), which holds 90% of the equity interest of Shandong Zhaojin.
3. Zhaojin Refinery, a subsidiary of Shandong Zhaojin, is principally engaged in the smelting of gold and silver, acquisition, processing and sales of precious metal compounds in the PRC.
4. Guoda Gold, a subsidiary of Shandong Zhaojin, is principally engaged in the the production and sales of gold, silver, electrolytic copper, sulfuric acid, and iron powder in the PRC.
5. Goldsoft Technology, a subsidiary of the Company, is principally engaged in the provision of information and automated systems for mines and digital mine and smart mine construction in the PRC.
6. Zhaojin Jinhe, a subsidiary of the Company, is principally engaged in the processing and sales of precious metal cyanide smelting and by-products, the manufacture of sulfuric acid and the sales of high-sulfur concentrates in the PRC.

BOARD'S APPROVAL

The Informatization Services Framework Agreement, the Framework Agreement for Sales of Silver and the Framework Agreement for Sales of Sulphur Concentrate were approved by the Board on 29 December 2023 and none of the Directors has any material interest in the transactions contemplated thereunder. Mr. Jiang Guipeng, Mr. Li Guanghui and Mr. Luan Wenjing have abstained from voting at the Board's meeting to approve the Informatization Services Framework Agreement, the Framework Agreement for Sales of Silver and the Framework Agreement for Sales of Sulphur Concentrate by virtue of being a director or management personnel of Shandong Zhaojin.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Shandong Zhaojin is the controlling Shareholder of the Company. Zhaojin Refinery and Guoda Gold are subsidiaries of Shandong Zhaojin and are therefore connected persons of the Company, and Goldsoft Technology and Zhaojin Jinhe are subsidiaries of the Company. Accordingly, the transactions contemplated under the Informatization Services Framework Agreement, the Framework Agreement for Sales of Silver and the Framework Agreement for Sales of Sulphur Concentrate 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 each of the Informatization Services Framework Agreement, the Framework Agreement for Sales of Silver and the Framework Agreement for Sales of Sulphur Concentrate is more than 0.1% but less than 5%, the transactions contemplated under the Informatization Services Framework Agreement, the Framework Agreement for Sales of Silver and the Framework Agreement for Sales of Sulphur Concentrate are subject to the reporting, annual review and announcement requirements but are exempt from the circular and independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

DEFINITIONS

“2020 Informatization Services Framework Agreement”	the informatization services framework agreement entered into between Goldsoft Technology and Shandong Zhaojin on 31 December 2020
“2021 Framework Agreement for Sales of Silver”	the framework agreement for sales of silver entered into between the Company and Zhaojin Refinery on 24 March 2021
“2021 Framework Agreement for Sales of Sulphur Concentrate”	the framework agreement for sales of sulphur concentrate entered into between Zhaojin Jinhe and Guoda Gold on 22 October 2021
“Ag”	the symbol of the chemical element of silver
“Ag T+D”	silver T+D, being silver ingot with a standard weight of 15 kg and a silver content of not less than 99.99%
“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
“Directors”	directors of the Company
“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
“Framework Agreement for Sales of Sulphur Concentrate”	the framework agreement for sales of sulphur concentrate entered into between Zhaojin Jinhe and Guoda Gold on 29 December 2023 in relation to the sales of sulphur concentrate by Zhaojin Jinhe to Guoda Gold
“Goldsoft Technology”	Shandong Goldsoft Technology Company Limited* (山東金軟科技股份有限公司), a limited liability company established in the PRC on 27 August 2001, which is a wholly-owned subsidiary of the Company as at the date of this announcement
“Group”	the Company and its subsidiaries from time to time
“Guoda Gold”	Shandong Guoda Gold Co., Ltd.* (山東國大黃金股份有限公司), a limited liability company established in the PRC on 25 January 1999, and a subsidiary in which Shandong Zhaojin indirectly holds 66.20% equity interest as at the date of this announcement
“H Shares”	overseas listed foreign shares 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
“Informatization Services Framework Agreement”	the framework agreement entered into between Goldsoft Technology and Shandong Zhaojin on 29 December 2023 in relation to the provision of informatization services by Goldsoft Technology and its subsidiaries to Shandong Zhaojin Group
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“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
“Shandong Zhaojin Group”	Shandong Zhaojin and its subsidiaries from time to time
“Share(s)”	share(s) of RMB1 each in the capital of the Company, comprising the domestic shares of the Company and the H Shares
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Zhaojin Jinhe”	Zhaoyuan Zhaojin Jinhe Technology Co., Ltd.* (招遠市招金金合科技有限公司), a limited liability company established in the PRC on 8 January 2013, and a wholly-owned subsidiary of the Company as at the date of this announcement
“Zhaojin Refinery”	Shandong Zhaojin Gold and Silver Refinery Company Limited* (山東招金金銀精煉有限公司), a limited liability company established in the PRC on 16 October 2001 and a 80.5%-owned 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, 29 December 2023

As at the date of this announcement, the Board comprises Mr. Jiang Guipeng, Mr. Duan Lei, Mr. Wang Ligang and Mr. Chen Lunan as executive Directors, Mr. Long Yi, Mr. Li Guanghui and Mr. Luan Wenjing as non-executive Directors, Ms. Chen Jinrong, Mr. Choy Sze Chung Jojo, Mr. Wei Junhao and Mr. Shen Shifu as independent non-executive Directors.

* For identification purposes only