



紫金礦業集團股份有限公司
ZIJIN MINING GROUP COMPANY LIMITED*

(a joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code : 2899)



2019
ANNUAL REPORT



*For identification purpose only

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Corporate Information

(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

EXECUTIVE DIRECTORS

Chen Jinghe (*Chairman*)

Lan Fusheng (*Vice-chairman*)

(Resigned as President on 29 December 2019)

Zou Laichang (*President*)

(Appointed as President on 30 December 2019)

Lin Hongfu

Lin Hongying

Xie Xionghui (Appointed on 30 December 2019)

Fang Qixue (Resigned on 29 December 2019)

NON-EXECUTIVE DIRECTOR

Li Jian

INDEPENDENT NON-EXECUTIVE DIRECTORS

Zhu Guang

Mao Jingwen (Appointed on 30 December 2019)

Li Changqing (Appointed on 30 December 2019)

He Fulong (Appointed on 30 December 2019)

Suen Man Tak (Appointed on 30 December 2019)

Lu Shihua (Resigned on 29 December 2019)

Sit Hoi Wah, Kenneth (Resigned on 29 December 2019)

Cai Meifeng (Resigned on 29 December 2019)

AUDIT AND INTERNAL CONTROL COMMITTEE

Li Changqing (Appointed on 30 December 2019)

He Fulong (Appointed on 30 December 2019)

Zou Laichang (Appointed as a committee member on 30 December 2019)

Lin Hongying (Appointed as a committee member on 30 December 2019)

Li Jian

Zhu Guang

Suen Man Tak (Appointed on 30 December 2019)

Lu Shihua (Resigned on 29 December 2019)

Lan Fusheng (Resigned as a committee member on 29 December 2019)

Sit Hoi Wah, Kenneth (Resigned on 29 December 2019)

Cai Meifeng (Resigned on 29 December 2019)

AUTHORISED REPRESENTATIVE

Chen Jinghe

Lan Fusheng

SUPERVISORS

Lin Shuiqing

Fan Wensheng

Xu Qiang

Liu Wenhong

Cao Sanxing (Appointed on 30 December 2019)

Lan Liying (Resigned on 29 December 2019)

COMPANY SECRETARY

Fan Cheung Man

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 7503A, Level 75, International Commerce Centre
1 Austin Road West, Kowloon, Hong Kong

LEGAL ADDRESS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

1 Zijin Road, Shanghang County, Fujian Province, the PRC

LEGAL CONSULTANT OF THE COMPANY (HONG KONG LAWS)

Chungs Lawyers in association with DeHeng Law Offices

AUDITORS

PRC Auditors:

Ernst & Young Hua Ming LLP

HONG KONG H SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor, Hopewell Centre
183 Queen's Road East, Wanchai, Hong Kong

WEBSITE

www.zjky.cn

STOCK CODE

Hong Kong Stock Exchange: 02899

Shanghai Stock Exchange: 601899

Corporate Information *(continued)*

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DEFINITION

In this report, unless otherwise indicated in the context, the following expressions have the meanings set out below:

A Share(s)	The domestic share(s) issued by the Company to domestic investors with a nominal value of RMB0.10 each, which are listed on the Shanghai Stock Exchange
Altynken	Altynken Limited Liability Company, a subsidiary of the Company
Bayannur Zijin	Bayannur Zijin Non-ferrous Metals Co., Ltd., a subsidiary of the Company
BNL	Barrick (Niugini) Limited, a company under joint operation of the Company
Board, Board of Directors	The board of Directors of the Company
CAD	Canadian dollar, the lawful currency of Canada
Chongli Zijin	Chongli Zijin Mining Co., Ltd.
COMMUS	La Compagnie Minière de Musonoie Global Société par Actions Simplifiée, a subsidiary of the Company
Company, Zijin, Zijin Mining	Zijin Mining Group Co., Ltd.*
Continental Gold	Continental Gold Inc.
CSRC	China Securities Regulatory Commission
Director(s)	The director(s) of the Company
DR Congo	The Democratic Republic of the Congo
Guizhou Zijin	Guizhou Zijin Mining Co., Ltd., a subsidiary of the Company
H Share(s)	The overseas-listed foreign invested share(s) in the Company's share capital, with a nominal value of RMB0.10 each, which are listed on the Hong Kong Stock Exchange
Heilongjiang Zijin Copper	Heilongjiang Zijin Copper Co., Ltd., a wholly-owned subsidiary of the Company
HKD	Hong Kong dollar, the lawful currency of Hong Kong
Hong Kong	the Hong Kong Special Administrative Region of the PRC
Hong Kong Stock Exchange, Stock Exchange	The Stock Exchange of Hong Kong Limited
Ivanhoe	Ivanhoe Mines Ltd.
Jilin Zijin Copper	Jilin Zijin Copper Co., Ltd., a wholly-owned subsidiary of the Company
Listing Rules	The Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
Longnan Zijin	Longnan Zijin Mining Co., Ltd., a subsidiary of the Company
Longxing	Longxing Limited Liability Company, a subsidiary of the Company

Corporate Information *(continued)*

(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

Malipo Tungsten Group	Wenshan Malipo Zijin Tungsten Group Co., Ltd., a subsidiary of the Company
Minxi Xinghang	Minxi Xinghang State-owned Assets Investment Company Limited, a substantial shareholder of the Company
Nevsun	Nevsun Resources Ltd., a wholly-owned subsidiary of the Company
Norton, Norton Gold Fields	Norton Gold Fields Pty Limited, a wholly-owned subsidiary of the Company
PRC	The People's Republic of China but for the purpose of this report, excludes Hong Kong SAR, Macau SAR and Taiwan
Rakita	Rakita Exploration d.o.o. Bor, a wholly-owned subsidiary of the Company
RMB	Renminbi, the lawful currency of the PRC
SFO	Securities and Futures Ordinance (Cap. 571 of the laws of Hong Kong)
Shanxi Zijin	Shanxi Zijin Mining Co., Ltd., a wholly-owned subsidiary of the Company
Supervisor(s)	The supervisor(s) of the Company
USD	United States dollar, the lawful currency of the United States of America
Xinjiang Zijin Non-ferrous	Xinjiang Zijin Non-ferrous Metals Co., Ltd., a wholly-owned subsidiary of the Company
Zeravshan	Joint Venture Zeravshan Limited Liability Company, a subsidiary of the Company
Zijin America	Zijin (America) Gold Mining Company Limited, a subsidiary of the Company
Zijin Bor	Serbia Zijin Bor Copper doo Bor, a subsidiary of the Company
Zijin Commercial Services	Fujian Zijin Commercial Services Co., Ltd., a wholly-owned subsidiary of the Company
Zijin Copper	Zijin Copper Co., Ltd., a wholly-owned subsidiary of the Company
Zijin Zinc	Xinjiang Zijin Zinc Co., Ltd., a wholly-owned subsidiary of the Company

Corporate Information *(continued)*

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GENERAL

Zijin Mining Group Company Limited* (formerly known as Fujian Zijin Mining Industry Company Limited*) was incorporated on 6 September 2000 with the approval of the People's Government of Fujian Province as a joint stock limited company in the PRC by Minxi Xinghang State-owned Assets Investment Company Limited, Shanghang County Jinshan Trading Company Limited, Xinhua Industrial Group Company Limited, Fujian Xinhua Engineering Company Limited, Xiamen Hengxing Group Company Limited, Fujian Xinhua Department Store Company Limited, Fujian Gold Group Company Limited and Fujian Minxi Geologist as its promoters.

In December 2003, the Company was listed on the Hong Kong Stock Exchange. The Company was the first Mainland gold production enterprise listed overseas. In 2004, 2005, 2006 and 2007, for 4 consecutive years the Company applied reserves to issue new shares, and in April 2008, the Company issued 1.4 billion A Shares at RMB7.13 per share and was listed on the Shanghai Stock Exchange on 25 April 2008 at a nominal value of RMB0.1 each. Pursuant to a resolution in relation to the proposal of conversion of capital reserve into share capital passed at the 2010 annual general meeting, on the basis of 5 new shares for every 10 existing shares, additional 7,270,654,550 shares were issued on the basis of a total of 14,541,309,100 issued shares at the end of 2010. After the conversion, the total number of shares increased to 21,811,963,650 shares. The Company implemented repurchase of H Shares from 21 August 2013 to 13 January 2016 and repurchased 271,220,000 H Shares in total. The shares repurchased mentioned above were cancelled. The total number of shares of the Company decreased by 271,220,000, and the registered capital decreased by RMB27,122,000. After the deduction, the total number of shares of the Company was 21,540,743,650, and the registered capital was RMB2,154,074,365. The Company issued 1,490,475,241 Renminbi-denominated ordinary A Shares under non-public issuance in 2017 and issued 2,346,041,055 Renminbi-denominated ordinary A Shares under public issuance in 2019. The registered capital increased by RMB383,651,629.6. The registered capital of the Company correspondingly changed to RMB2,537,725,994.6. As at 31 December 2019, the registered capital of the Company was RMB2,537,725,994.6 comprising 5,736,940,000 H Shares, representing about 22.61% of the total issued shares, and 19,640,319,946 A Shares, representing about 77.39% of the total issued shares.

The Company and its subsidiaries (the "Group") are mainly engaged in the exploration and mining of gold, copper, zinc and other metal mineral resources, supplemented by refining, processing and sales of related products. Exploitation of gold, copper and zinc mineral resources is the core component of the Group's business. The Group also covers refining and processing businesses to an optimal extent, as well as other mining-related businesses such as research and development, construction, trade and finance, etc.

As at the end of 2019, the Group owned 182 exploration rights covering a total area of 3,260.44 square kilometres and 233 mining rights covering a total area of 982.59 square kilometres.

This report is published in both Chinese and English. In case of any discrepancies, the Chinese version shall prevail over its English version.

Financial Highlights

(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

In this annual report, unless otherwise stated, monetary units are denominated in Renminbi.

2015 TO 2019 FINANCIAL INFORMATION AS PREPARED IN ACCORDANCE WITH CHINA ACCOUNTING STANDARDS FOR BUSINESS ENTERPRISES ("CAS") AND THE RELATED LAWS AND REGULATIONS:

For the year ended 31 December

RMB

	2019	2018	2017	2016	2015
OPERATING INCOME	136,097,978,018	105,994,246,123	94,548,619,098	78,851,137,811	74,303,573,739
Less: Operating costs	120,582,627,749	92,651,374,475	81,371,973,684	69,782,246,837	68,007,729,583
Taxes and surcharges	1,874,141,394	1,598,995,649	1,352,340,359	907,955,846	809,662,007
Selling expenses	574,433,782	887,451,338	748,942,449	667,483,736	691,861,398
Administrative expenses	3,689,326,869	2,964,964,865	2,694,689,753	2,627,244,848	2,367,776,482
Research and development expenses	476,341,941	274,380,222	299,380,476	195,227,412	252,964,144
Financial expenses	1,466,849,459	1,254,241,143	2,012,950,292	581,525,541	945,668,268
Add: Other income	290,839,484	227,613,533	228,882,015	–	–
Investment income/(losses)	34,406,224	1,060,522,923	155,670,082	(1,973,336,425)	1,312,774,399
Including: Share of profits/(losses) of associates and joint ventures	96,011,495	373,063,390	(29,259,162)	92,415,676	(44,237,294)
(Losses)/Gains on changes in fair value	(59,752,112)	(135,783,729)	750,200,343	756,641,718	(125,512,228)
Credit impairment losses	(65,619,609)	82,017,400	–	–	–
Impairment losses on assets	(368,381,596)	(1,500,399,230)	(2,220,905,893)	(560,842,460)	(470,685,123)
(Losses)/Gains on disposal of non-current assets	(23,675,053)	84,561,738	44,456,123	1,053,649	–
OPERATING PROFIT	7,242,074,162	6,181,371,066	5,026,644,755	2,312,970,073	1,944,488,905
Add: Non-operating income	50,080,938	365,953,586	57,610,854	251,616,241	419,019,949
Less: Non-operating expenses	317,876,334	417,144,870	516,295,416	438,534,608	277,336,663
PROFIT BEFORE TAX	6,974,278,766	6,130,179,782	4,567,960,193	2,126,051,706	2,086,172,191
Less: Income tax expenses	1,913,374,082	1,447,503,229	1,320,410,996	438,783,804	743,484,427
NET PROFIT	5,060,904,684	4,682,676,553	3,247,549,197	1,687,267,902	1,342,687,764
Attributable to owners of the parent	4,283,957,365	4,093,773,630	3,507,717,627	1,839,798,820	1,655,671,617
Attributable to non-controlling shareholders	776,947,319	588,902,923	(260,168,430)	(152,530,918)	(312,983,853)
Subtotal of net other comprehensive income after tax	1,289,614,297	(1,174,485,390)	60,783,965	158,270,647	(411,333,512)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	6,350,518,981	3,508,191,163	3,308,333,162	1,845,538,549	931,354,252
Attributable to:					
Owners of the parent	5,488,413,806	2,933,737,518	3,547,511,861	2,027,288,735	1,272,835,433
Non-controlling shareholders	862,105,175	574,453,645	(239,178,699)	(181,750,186)	(341,481,181)

Financial Highlights *(continued)*

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As at 31 December

	2019	2018	2017	2016	2015
	RMB' 000	RMB' 000	RMB' 000	RMB' 000	RMB' 000
Assets and liabilities					
Total assets	123,830,947	112,879,303	89,315,263	89,217,700	83,914,034
Total liabilities	66,751,349	65,605,591	51,672,418	58,101,192	51,985,779
Non-controlling interests	5,893,633	6,818,278	2,643,122	3,354,033	4,391,081
Equity attributable to owners of the parent	51,185,965	40,455,434	34,999,723	27,762,475	27,537,174

LIQUIDITY

	2019	2018	2017	2016	2015
	RMB' 000	RMB' 000	RMB' 000	RMB' 000	RMB' 000
Cash and cash equivalents	6,085,591	9,932,838	5,754,344	4,712,823	4,845,698
Current ratio (%)	85.7	81.8	99.6	71.3	69.1
Trade receivables turnover (days)	2.66	4.00	4.04	3.85	5.17

Chairman's Statement

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To all shareholders,

I wish to take this opportunity to express my sincere gratitude for your trust and support to Zijin Mining Group Company Limited*. I am pleased to report herewith the operating results of the Group for the year ended 31 December 2019 as follows:

CHAIRMAN'S STATEMENT

Calmly passing by 2019, we strived and concluded the year with satisfactory accomplishments.

Faced with 2020, we flip to a new chapter with a wonderful mind.

During last year, the Company closely adhered to the work focus of "clinging to reforms, stabilising growth and boosting development" and consistently improved corporate governance, operation and management standards. All of the asset scale, operating income and market capitalisation of the Company exceeded RMB100 billion, and substantial increases were recorded for the production volume of main products including mine-produced gold, mine-produced copper and mine-produced zinc. The public issuance of A shares of the Company successfully raised approximately RMB8 billion, significantly optimising the financial structure and providing considerable returns for investors. New and significant breakthroughs were realised for resources acquisition and geological prospecting. The Company completed the acquisition of all the interests in the Timok Copper and Gold Mine in Serbia and commenced the project acquisition of the Buriticá Gold Mine in Colombia, both of which are world-class super large-scale high-grade mineral resources. It is believed that such acquisitions will exert significant impact on enhancing the resources reserve volume, production volume of mineral products and profit of the Group.

During last year, the internationalisation process of the Company accelerated significantly, and the overall resources reserve volumes and production volumes of overseas gold and copper have surpassed or will soon exceed the domestic volumes. The Kolwezi Copper and Cobalt Mine in the DR Congo completed construction and commenced production at a high speed and became one of the large-scale copper mines with an annual production volume of 100 thousand tonnes, being recognised as a successful model for mine construction and operation in Africa. Management of the Bor Copper Mine in Serbia was taken over smoothly and the mine swiftly turned loss into profit. Technological upgrade projects were in steady progress; major projects such as the Kamoakakula Copper Mine in the DR Congo made significant progress. The Company's new round of development characterised by internationalisation showed a good trend.

Presently, global geopolitical turmoils continue to emerge, and unilateralism, protectionism and resource nationalism have intensified. Slowdown of global economic growth becomes a prevailing trend. China has entered into a key period of time to transform the development mode, optimise economic structure and shift the growth momentum. The economic growth switches from a high-speed growth to a high-quality growth, yet with a slower growing speed. The sudden outbreak of novel coronavirus pneumonia triggers the global spreading crisis. Particularly from the beginning of March, with a plunge in crude oil price in addition to the global spreading of coronavirus, base metal prices slumped.

The loose monetary policy around the world, economic uncertainties, geopolitical turbulence and risk-aversion market sentiment are expected to open up a strong market for gold in the medium to long run. Mining industry provides the primary "food" for energy, manufacturing and agricultural production, and the supply and demand of copper enter into a tight-balance era. It is expected that after the virus outbreak ends, copper price will regain an uptrend. Zinc price shows a downward trend lacking sufficient support, and rare raw mineral materials relating to new energy are likely to be favoured by the market.

The year 2020 and the coming three years are the key period for the Company to attain the phased goal of becoming an extra-large scale international mining group with high technology and efficiency. At the beginning of the new year, the new term of the management team took their new role, being clearly aware of the historical mission of passing on the past, opening up a new era and going forward. Upholding "deepening reform, achieving leaping growth and sustainable development" as the main work focus, the Company proposes the idea of "winning the first battle beyond expectation; participating in the first battle and every one's performance matters in the first battle". Based on the primary requirements of Production Volume Plan for Major Products for the Next Three Years (2020-2022) and steady increase in gold production, the Company strives to reach the goal of doubling production volume of mine-produced copper and realising the Company's explosive growth in operating results.

Chairman's Statement *(continued)*

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Fully promote and deepen reform. Zijin Mining's history of development is also a history of practice with relentless innovation and a history of reform with continuous self-denial. Through reforms, our business generates thriving energy for development and strong source of power. The path to deepening reform is the marketisation compatible with the actual situation of the Company's development; the goal of reform is to develop a "concise, regulated and efficient" new management system highly compatible with internationalised development of the Company. We strive to spend 2-3 years to basically accomplish the transition from the focus on a domestic management system to the management system of a large-scale multinational mining company.

Exert full efforts to realise leaping growth. The Company sets the year 2020 as the "year for project construction". All the positive factors shall be stimulated to transform resources advantage to advantage in products and efficacy at the highest speed. Marked by the trial run and pilot production of the newly acquired Buriticá Gold Mine in Colombia in the first quarter of 2020, the status of gold segment will be comprehensively elevated. The gold production increment plans of Longnan Zijin, Shanxi Zijin and Guizhou Zijin shall be pushed forward for implementation. The technological upgrade and capacity expansion of low-grade gold mine and refractory gold mine of Norton Gold Fields in Australia will be conducted, in order to realise a substantial increase in gold production volume. The Company shall guarantee the production commencement of the Timok Copper and Gold Mine in Serbia and the Kamoa-Kakula Copper Mine in the DR Congo by the end of second quarter of 2021, and production capacity shall be reached in 2023. The technological upgrade and capacity expansion of the Bor Copper Mine in Serbia shall be speeded up to strive for a full completion of designated plan by 2023, doubling the Company's mine-produced copper production volume. We believe that by achieving commencing production and reaching production capacity on time in the world-class high-grade gold and copper mines including the Buriticá Gold Mine, Timok Copper and Gold Mine and Kamoa-Kakula Copper Mine in the DR Congo, Zijin Mining can realise a leaping growth and enter into the league of global first-tier mining companies.

Fully strengthen the sustainable development capabilities of the Company. The Company stands firm in its mineral resources priority strategy. By way of merger and acquisition and self-initiated exploration, the Company further increases the total volume of mineral resources with significant value and the proportion of usable reserve, insists on innovation in technology and project management, promotes the orientation of ore processing treatments and coordinated researches and solves the technological and project management problems in five procedures including geological prospecting, mining, processing, refining and environmental protection, in order to promote and apply the project management model of "integrating five ore treatment processes into one" with the goal of maximisation of economic and social benefits. The deep integration among informatisation, production, operation and management is encouraged. The Company is consistent in complying with laws and regulations and creates a new name card of safety, environmental protection and eco-development, by striving to reach the targets of "zero work fatality, zero occupational disease and zero environmental incident". The Company insists on value creation and market principle, cultivates a talent force compatible with corporate development, enhances the training of high-quality industrial technicians and encourages youth talents in the office to work and improve themselves at the frontline of base level and overseas projects. The Company upholds the principle of equality, mutual trust, cooperation and win-win situation, and realises effective coordination with stakeholders. The Company persists in refining and improving supervisory work and nurturing an operation and management environment with honesty and integrity. The Company carries on to push forward the highly efficient coordination in governance system, establishes a fine coordinative mechanism comprising Party Committee, board of directors, supervisory committee and senior management, fully improves the corporate culture development and proactively explores the mutual integration between exceptional Zijin culture and actual situations in locality of projects in internationalised development.

"Those who take actions usually attain success, and those who march forward usually reach their destination". Facing the future, although we are confronted with a number of challenges and difficulties, as long as we concentrate, join forces and advance towards the determined goal in a striving manner, Zijin Mining is destined to realise the global mining dream!

Chairman's Statement *(continued)*

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OVERVIEW OF THE COMPANY'S OPERATION

I. The Company's main businesses, operating model and conditions of the industry during the reporting period

(1) Business scope

As a sizable multinational mining group, the Company is principally engaged in the prospecting, exploration and mining of gold, copper, zinc and other mineral resources globally, and covers refining, processing, trading and other businesses to an optimal extent. The Company has a relatively complete industrial chain.

The Company owns significant mining investment projects in 14 provinces (regions) domestically and 11 countries overseas. The major projects are 14 key mines in production in China including the Zijinshan Gold and Copper Mine and Heilongjiang Duobaoshan Copper Mine, and 8 large-scale overseas mines in production including the Porgera Gold Mine in Papua New Guinea and Kolwezi Copper and Cobalt Mine in the DR Congo. The Buriticá Gold Mine in Colombia which is in pilot production, the Kamoa Copper Mine in the DR Congo which is expected to commence production in 2021 and the Timok Copper and Gold Mine in Serbia are super large-scale world-class high-grade mines in construction. Overseas projects basically locate in countries along the "Belt and Road Initiative".



Major projects in China

- | | |
|--|---|
| ① Zijinshan Gold and Copper Mine (Fujian) | ② Ashele Copper Mine (Xinjiang) |
| ③ Wulagen Lead and Zinc Mine (Xinjiang) | ④ Mengku Iron Mine (Xinjiang) |
| ⑤ Shuiyindong Gold Mine (Guizhou) | ⑥ Deerni Copper Mine (Qinghai) |
| ⑦ Urad Rear Banner Zinc (Lead) Mine (Inner Mongolia) | ⑧ Dugou Gold Mine (Gansu) |
| ⑨ Yixingzhai Gold Mine (Shanxi) | ⑩ Shuguang Gold and Copper Mine (Jilin) |
| ⑪ Duobaoshan Copper Mine (Heilongjiang) | ⑫ Shangong Gold Mine (Henan) |
| ⑬ Huatai Gold Mine (Henan) | ⑭ Malipo Tungsten Mine (Yunnan) |

Chairman's Statement *(continued)*

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Major overseas projects

- | | |
|--|---|
| ① Paddington Operations (Australia) | ② Taror/Jilau Gold Mines (Tajikistan) |
| ③ Taldybulak Levoberezhny Gold Mine (Kyrgyzstan) | ④ Porgera Gold Mine (Papua New Guinea) |
| ⑤ Buriticá Gold Mine (Colombia) | ⑥ Tuva Zinc and Polymetallic Mine (Russia) |
| ⑦ Bisha Zinc and Polymetallic Mine (Eritrea) | ⑧ Kolwezi Copper and Cobalt Mine (DR Congo) |
| ⑨ Kamo a Copper Mine (DR Congo) | ⑩ Bor Copper Mine (Serbia) |
| ⑪ Timok Copper and Gold Mine (Serbia) | ⑫ Rio Blanco Copper Mine (Peru) |
| ⑬ Garatau Platinum Mine (South Africa) | |

(2) Operating model

The Company focuses on mine development and covers the industrial chain to an optimal extent, upholds innovations in system, technology, management and engineering and establishes a model with Zijin characteristics in the aspects of resources exploration, design, construction, production, operation, safety, environmental protection, etc. The strategic value, social value, investment value and brand value of the Company are highly acknowledged by the society.

1. Mine operation and management

The Company insists on positioning the development and use of mineral resources as the core business, sets gold, copper and zinc as key mineral types, builds up a batch of core mining projects, concentrates on autonomous operation and management and dedicates to low-cost, high-tech and efficient mine development model, in order to realise the maximisation of economic and social benefits.

Chairman's Statement *(continued)*

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(1) Gold

Gold business is the traditional and major source of operating income of the Company, which constitutes the main contributor to the Company's profit. The key gold projects in production of the Company include domestic mines of the Zijinshan Gold and Copper Mine in Fujian, Shuguang Gold and Copper Mine in Jilin, Shuiyindong Gold Mine in Guizhou, Shanggong Gold Mine and Luyuangou Gold Mine in Henan, Yixingzhai Gold Mine in Shanxi and Sonid Left Banner Gold Mine in Inner Mongolia, and overseas mines of the Porgera Gold Mine in Papua New Guinea, Paddington Operations in Australia, Jilau-Taror Gold Mines in Tajikistan, Taldybulak Levoberezhny Gold Mine in Kyrgyzstan, etc. On 5 March 2020, the Company completed the acquisition of the Buriticá Gold Mine in Colombia, and the project is expected to commence production and operation in the first quarter of 2020. The Company is promoting the production resumption and expansion of key projects including the Liba Gold Mine in Gansu and Yilian-Yixingzhai Gold Mine in Shanxi.

(2) Copper

The Company's copper business possesses strong growth potential, and essentials are in place for overseas mine-produced copper business to have an explosive growth. The key copper mines in production of the Company include domestic mines of the Zijinshan Gold and Copper Mine in Fujian, Duobaoshan Copper Mine in Heilongjiang, Ashele Copper Mine in Xinjiang, Shuguang Gold and Copper Mine in Hunchun, Jilin, and overseas mines of the Kolwezi Copper and Cobalt Mine in the DR Congo, Bor Copper Mine in Serbia, Bisha Zinc and Copper Mine in Eritrea, etc. The Company owns a batch of projects in construction, which possess the capacity of world-class super large-scale copper mines, including the Kamo a Copper Mine in the DR Congo, Timok Copper and Gold Mine in Serbia, Rio Blanco Copper and Molybdenum Mine in Peru and other projects under research and development.

(3) Zinc

The Company's zinc business has evident capability in low-grade operation. The key zinc mines in production of the Company include domestic mines of the Wulagen Zinc Mine in Xinjiang, Miaogou-Sanguikou Zinc Mine in Inner Mongolia, and overseas mines of the Tuva Zinc and Polymetallic Mine, Bisha Zinc and Copper Mine in Eritrea, etc.

2. Autonomous design and construction of mines

Aimed at the maximisation of economic and social benefits, the Company initiated the project management model of "integrating five ore treatment processes into one" and realised coordinated research and full process control on five procedures of geological prospecting, mining, processing, refining and environmental protection. The Company has design and construction entities with a qualification of grade A, mining and metallurgy research institute and the State Key Laboratory of Comprehensive Utilisation of Low-grade Refractory Gold Ores. It establishes a technological system combining production, academia and research and strong mine design and construction capabilities, and optimises the design and construction plan based on locality and asset allocation of mine project construction.

3. Self-initiated prospecting, exploration and acquisition of resources

The Company upholds the mineral resources priority strategy and possesses leading self-initiated geological prospecting technologies and capacity in the industry. Researches on metallogenic geological features and models are conducted on the existing prospecting and mining areas (regional segments). Fruitful results have been obtained from mineral exploration and reserve increment in recent years. In the meantime, the Company leverages superior capabilities in professional analysis and decision-making, acquires large-scale and super large-scale mineral resources at appropriate time, increases the total volume of mineral resources and fulfills the requirements of the Company's sustainable development.

Chairman's Statement *(continued)*

(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

4. Cover refining industry to an optimal extent

In reliance on the main businesses of development of gold, copper and zinc mines, the Company moderately covers refining, processing and trading to an optimal extent, generating synergies between upstream and downstream in industrial chains, in order to expand the industrial scale, enhance industrial security and obtain value-added income. The Company complementarily built 300-thousand-tonne copper refinery of Zijin Copper and 200-thousand-tonne zinc refinery of Bayannur Zijin, which are environment-friendly, ranking among the top in China in terms of various technological and economic indicators and having strong profitability.

5. Mining industry with finance and trading

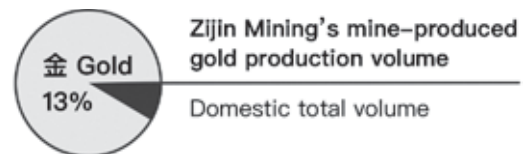
The Company proactively propels the coordinated development of mine development and finance industry by establishing finance company, Hong Kong treasury centre, capital investment company and a batch of global mining and financial services platforms. The financial capital management, operation and value-added chain in mining industry are systematically laid out. The Company plays an active role in exploring trading and logistics businesses relating to mine development, and sets up a batch of product sales and logistics management platforms.

(3) Position in the industry

The production volumes and profits of mine-produced gold, mine-produced copper and mine-produced zinc of the Company take a lead in domestic listed companies in the same competitive landscape. The industrial status of the Company is consistently elevated. The rankings published by the Forbes Magazine in 2019 show that the Company ranked the 889th in the list of "Global 2000: The World's Largest Public Companies", on which the Company ranked 1st among the Chinese non-ferrous metal corporations, 1st among the global gold corporations and 10th among the global non-ferrous metal corporations. According to Fortune in 2019, the Company ranked 87th in Fortune China 500. In the Top 500 Enterprises of China released by China Enterprise Confederation in 2019, the Company ranked 1st in terms of profit among non-ferrous (gold) mining enterprises. The Company is one of the sizable mining companies generating the best efficacy, controlling the highest metal resources reserve volume, having the highest production volumes and performing most competitively in Chinese mining industry.

– The Company is one of the largest gold producers in China

According to China Mineral Resources 2019, the national gold reserve volume was 13,638.40 tonnes. In 2019, the gold resource reserve volume of the Company was approximately 1,886.87 tonnes, representing approximately 13.83% of the total volume in China. In accordance with the statistics disclosed by China Gold Association, in 2019, the national mine-produced gold production volume was 314.37 tonnes, while the Company's mine-produced gold production volume was 40.8 tonnes, representing approximately 12.98% of the total volume in China.

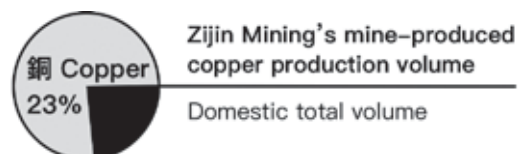


Chairman's Statement *(continued)*

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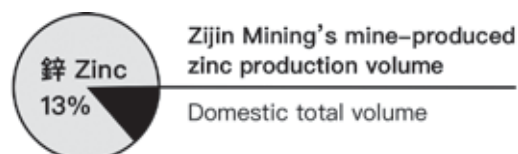
– The Company is a leading mine-produced copper producer in China

According to China Mineral Resources 2019, the national copper reserve volume was 114.4349 million tonnes. In 2019, the copper resource reserve volume of the Company was approximately 57.2542 million tonnes, representing approximately 50.03% of the total volume in China. In accordance with the statistics disclosed by the China Nonferrous Metals Industry Association, in 2019, the national mine-produced copper production volume was 1.6278 million tonnes, while the Company's mine-produced copper production volume was 369.9 thousand tonnes, representing approximately 22.73% of the total volume in China.



– The Company is the largest mine-produced zinc producer in China

According to China Mineral Resources 2019, the national zinc reserve volume was 187.5567 million tonnes. In 2019, the zinc resource reserve volume of the Company was approximately 8.5583 million tonnes, representing approximately 4.56% of the total volume in China. In accordance with the statistics disclosed by the China Nonferrous Metals Industry Association, in 2019, the national mine-produced zinc production volume was 2.8058 million tonnes, while the Company's mine-produced zinc production volume was 374.1 thousand tonnes, representing approximately 13.33% of the total volume in China.



II. Significant changes in the major assets of the Company during the reporting period

The total consolidated assets of the Company as at 31 December 2019 was RMB123.831 billion, representing an increase of 9.70% compared with the end of last year. In which, overseas assets amounted to RMB61.195 billion, representing 49.42% of the total consolidated assets.

Chairman's Statement *(continued)*

(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

III. Analysis on the core competitiveness during the reporting period

The Company started from the development of the Zijinshan Gold Mine in 1993, and after advancement of over 20 years, the unique and innovative development ideology of the Company has taken shape. Innovation is the fine combination of general scientific theory and objective reality. Innovation is the process of persistent self-denial. Innovation drives the growth and development of the Company and becomes the core competitiveness of the Company.

(1) Advantage in autonomous technological innovation

The Company possesses core technologies and occupies a leading position in the industry in the aspects of geological prospecting, hydrometallurgy, comprehensive recovery and utilisation of low-grade refractory resources, large-scale engineering development and so on. The Company is one of the few multinational mining companies around the globe equipped with autonomous system technology and engineering management capabilities, with comprehensive scientific research system and institutions. The Company owns several high-level research and development platforms and design entities for scientific research including the exclusive State Key Laboratory in domestic gold industry, the state-accredited enterprise technology centres, workstations for academicians' scientific research, workstations for post-doctors' scientific research, mining and metallurgy research institute, etc. A technological innovation system with Zijin's characteristics and a batch of autonomous intellectual property rights and scientific research achievements are formed. The Company, together with 14 subsidiaries, were recognised as the national "High and New Technology Enterprises".

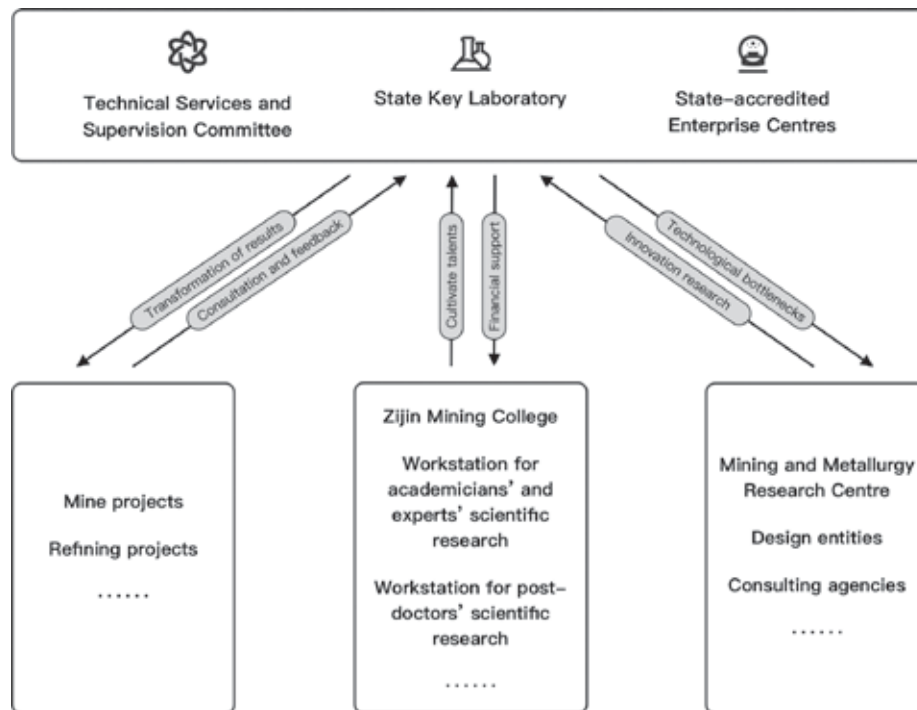


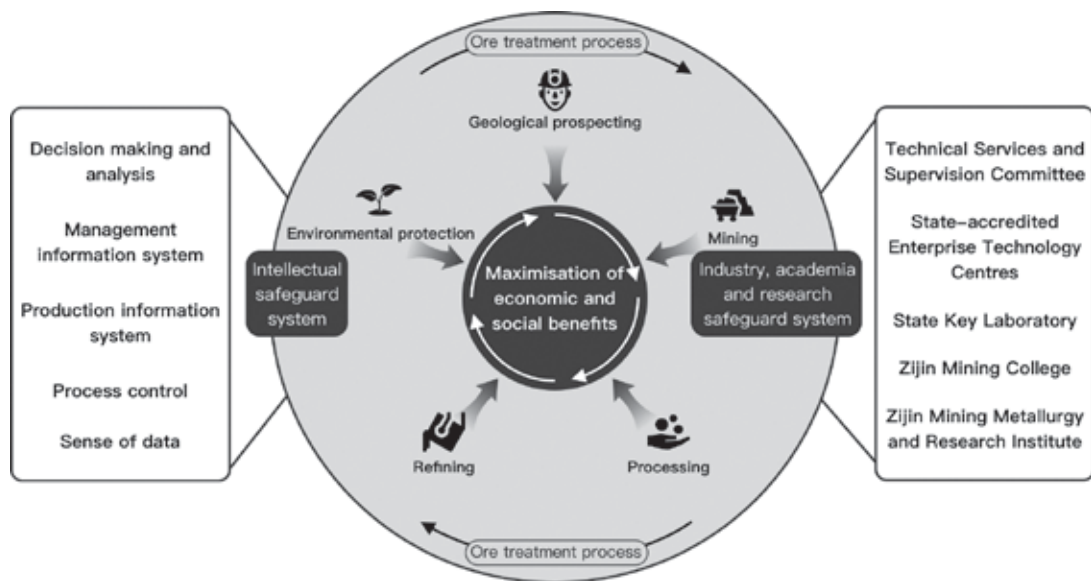
Diagram of Zijin Mining's industry, academia and research system

Chairman's Statement *(continued)*

(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

(2) Unique project management model

Under the guidance of economic mining and systems engineering, the Company explored and initiated coordinated research and full procedural control on five processes including geological prospecting, mining, processing, refining and environmental protection along the ore treatment process, which were consolidated into the innovative project management model of "integrating five ore treatment processes into one" with the overall goal of maximisation of economic and social benefits. The Company promoted the application of innovative project management model of "integrating five ore treatment processes into one", and attained prominent results. Green and efficient development were realised domestically in the Zijinshan Gold and Copper Mine in Fujian, Shuiyindong Gold Mine in Guizhou, Ashele Copper Mine in Xinjiang, Shuguang Gold and Copper Mine in Jilin and other mines. In overseas countries, the Kolwezi Copper and Cobalt Mine in the DR Congo emerged as the model for mine construction and operation in Africa. Zervashan in Tajikistan, Norton Gold Fields in Australia and Zijin Bor in Serbia turned loss into profit after being transferred from Western management.



Illustrative diagram of "integrating five ore treatment processes into one" project management model

(3) Advantage in strong resources base

The Company is mainly engaged in the businesses of gold, copper and zinc metal. As a strong currency, gold is the risk-resistant ballast stone; copper and zinc are important and widely-used industrial raw materials. The Company owned 2,130 tonnes of gold (Buriticá Gold Mine included), 57.25 million tonnes of copper and 9.74 million tonnes of zinc (lead), in which the gold resource volume exceeded the gold reserve volume of the People's Bank of China (as at the end of February 2020, the gold reserve in the People's Bank of China was approximately 1,948.32 tonnes), and the copper resource volume is approximately half of the total volume in China. A strong resources base is provided for the leaping development of the Company.

The Company owns high-quality overseas resources. The newly acquired Buriticá Gold Mine in Colombia is a world-class super high-grade large-scale gold mine, grading 9.3g/t in average, which substantially exceeds the global primary gold deposits grading 1.19g/t in average. The Kamoanga Copper Mine in the DR Congo, grading 2.53% in average, has over 7 million tonnes of copper metal grading over 7%, rising as the fourth global high-grade copper mine. Also, the Company owns a batch of world-class high-grade gold and copper mines including the Porgera Gold Mine in Papua New Guinea and the Timok Copper and Gold Mine. The various product composition of the Company generates synergies among products, which can effectively endure the risk from fluctuations of metals prices during different cycles and enhance risk-proof capability and profitability.

Chairman's Statement *(continued)*

(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

(4) Advantage in internationalised construction and operation

The Company holds firm to the strategic development goal of becoming an extra-large scale international mining group with high technology and efficiency, and has been participating in global mining market competition since 2005. After striving for 15 years, the Company accumulated rich experience in overseas operation and owns key mineral resources projects in 11 overseas countries. Subsidiaries focused on autonomous construction and self-operation and management. Profits were realised for all the 8 projects in current production; 3 projects in construction focused on autonomous design and construction. The overseas resources reserve and production volumes of gold, copper and zinc exceed or are close to half of the total volume of the Company, contributing to over one-third of the gross profit of the Group. The Company has become one of the Chinese enterprises owning the largest resource volumes of gold and non-ferrous metals and producing the largest volume of metallic mineral products, being recognised as the pioneer of "Belt and Road Initiative" in Chinese mining industry.

The Company has preliminarily established an internationalised management system with the focus on business departments, and recruited a team of high-quality internationalised talents. Benchmarking against the first-tier global multinational large-scale mining companies, the Company is capable of and ready for competing in the international landscape.

(5) Leading advantage in low-cost operation

The Company obtained mineral resources at a relatively and overall low cost. On the one hand, by way of conducting comprehensive self-initiated exploration and prospecting, the Company attained fruitful results in mine exploration and reserve increment in recent years. On the other hand, the Company closely adhered to the national strategy and worked on counter-cyclical acquisitions to precisely obtain mineral resources at a relatively low cost. From 2015, the Company successively completed significant project acquisitions including the Porgera Gold Mine in Papua New Guinea, the Kamo a Copper Mine in the DR Congo, the Bor Copper Mine and the Timok Copper and Gold Mine in Serbia, and the Buriticá Gold Mine in Colombia.

Based on the self-owned design platform, the Company optimised the design plans of several crucial construction projects. Under the premise of guaranteeing the project quality, the Company substantially lowered the investment cost, shortened the construction period and realised overall favourable efficacy. The Company formulated targeted development tactic of "one policy for one entity", highlighting comprehensive development and use of large-scale, low-grade resources. The competitiveness in production and operation costs was further invigorated.

(6) Advantage in modern corporate governance

The Company is one of the Chinese mining companies that underwent mixed-ownership reform at the earliest time and completed the most successful corporate governance system reform. The Company operates under a separation of ownership and management, with high efficiency in decision-making and flexible operation mechanism. The Company's Party Committee, Board of Directors, supervisory committee and senior management are in refined organisation, with clear duties and responsibilities, integration and coordination. The Company vigorously implemented reform on management system, worked well on developing a "concise, regulated and efficient" group management system and attained phased results. The Company's vitality was further stimulated; the management capabilities in capital, costs, logistics, construction and other aspects are obviously enhanced, and informatisation, automatisisation and intellectualisation levels and platform development were fully strengthened.

With specified strategic goal and clear orientation, the Company insists on the main businesses of mineral products of gold, copper and zinc and operates in a consistent and firm manner. The majority of the Company's management personnel are industry experts, who are professional, dedicated and loyal. At the end of 2019, the Company completed the change to a new term of management, who own abundant experience in project construction, operation and management home and abroad.

Chairman's Statement *(continued)*

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DISCUSSION AND ANALYSIS ON OPERATING PERFORMANCE

(1) Market overview during the reporting period

During the reporting period, world multi-polarisation and economic globalisation progressed in a winding way. Trade protectionism and unilateralism of major developed countries in the West as well as other anti-globalisation trends intensified. The growth of global and China's economy lagged and the performance of international trade and investment increment deteriorated. Global monetary system diversified day by day, and developed economies entered into a continuous downturn. Geopolitics turmoil further escalated, with unpredictable trend in mining industry and increasing uncertainties. New information and intellectual technologies were developing at a high speed, and the efficiency was substantially elevated, constantly changing the knowledge and life of people. New economies and industry phenomena continued to emerge, while traditional industries were affected to different extents. Nonetheless, mining and raw mineral materials, being a base and traditional industry and base raw materials respectively, remained unchanged in terms of their material attributes. New demands for raw mineral materials were also created by new energy and new industry.

As the largest market in need of raw mineral materials in the world, China maintained a high demand and increased the reliance on overseas supply, primarily driving the continuous increase in global demand. The constraint was elevated from polices on Chinese mineral resources and environmental protection, and the production volume of major mineral products was declining in China, resulting in obstinate high dependence on overseas supply. To exploit both domestic and foreign resources, consensus has been reached in the industry that qualified Chinese mining companies should "go out".

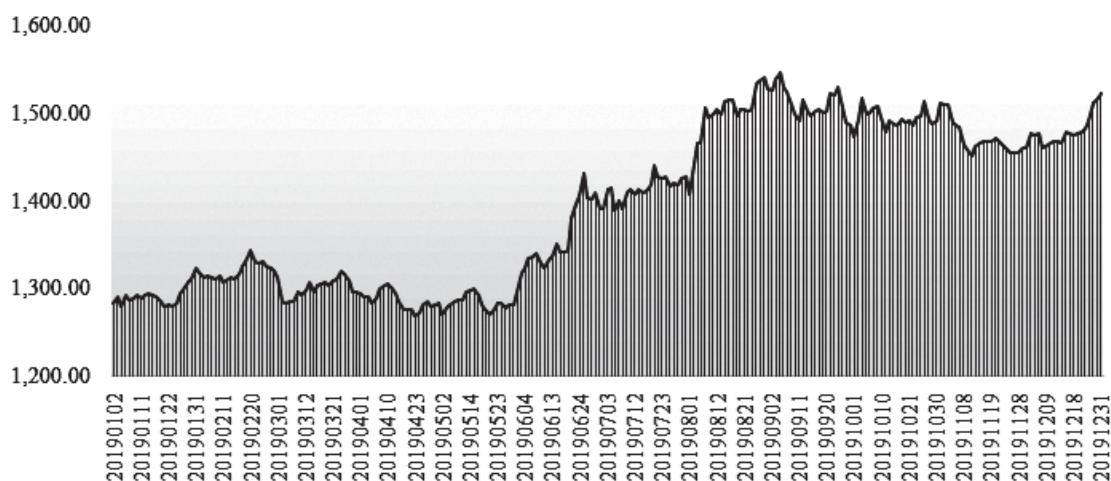
(2) Condition of the industry

During the reporting period, the global metal mining market maintained a tight balance, and the price of main commodities adjusted in an N-shaped pattern, where the prices of copper and zinc once dropped to the lowest point in the past three years, exerting pressure on operating result improvement of mining companies. Yet, it did not obviously hinder the expansion pace of the industry and lessen the enthusiasm of capital market towards mineral assets. Gold price marked an all-time high and turned to a strong trend in the long run. Central banks of multiple countries consistently increased the gold reserve.

1. Gold

In 2019, the highest gold price reached USD1,557/ounce, while the lowest price hit USD1,266/ounce, and it closed at USD1,517/ounce at the end of the year. The annual average price was USD1,396/ounce, representing a 9.84% growth compared with the same period last year. The highest price of Au9999 gold in Shanghai Gold Exchange reached RMB369/gramme, while the lowest price hit RMB278/gramme. The closing price at the end of 2019 was RMB341/gramme. The average annual price was RMB309/gramme, representing an increase of 13.73% compared with the same period last year. Impacted by fluctuation of Renminbi exchange rate, domestic gold price and world gold price changed at different point of time, but in a same trend overall.

LBMA gold price trend (USD/ounce)



Chairman's Statement *(continued)*

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According to the statistics of the World Gold Council, in 2019, the global mine-produced gold production volume was 3,463.7 tonnes, representing a decrease of 1% compared with the same period last year. The global demand of gold decreased to 4,356 tonnes, representing a decline of 1% compared with the same period last year.

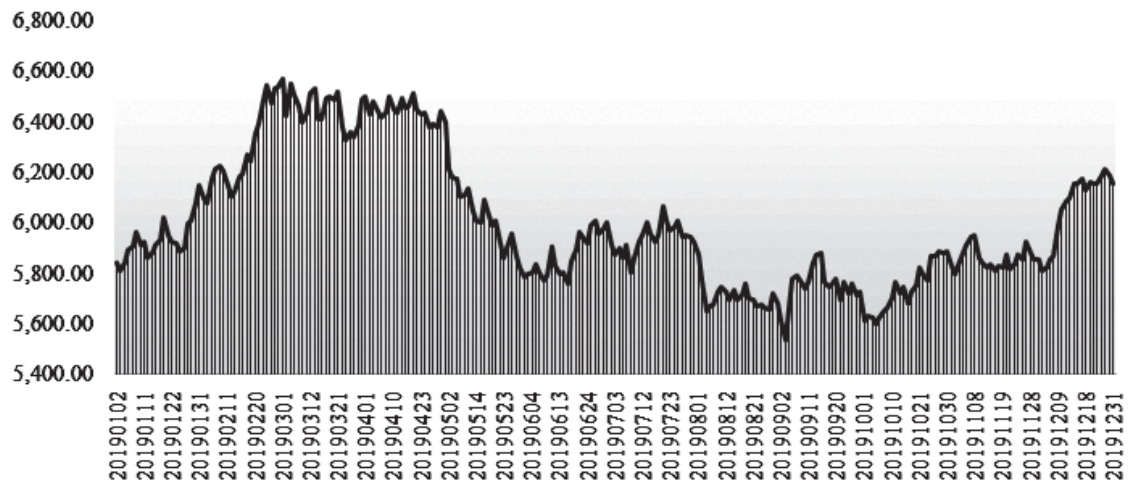
According to the statistics of the China Gold Association, in 2019, the national raw gold production was 380.23 tonnes, ranking first globally for 13 successive years and representing a decrease of 20.89 tonnes or 5.21% compared with the same period last year. In which, 314.37 tonnes were mine-produced gold and 65.86 tonnes were non-ferrous by-products, representing a decrease of 9.13% and an increase of 19.42% respectively compared with the same period last year.

2. Copper and zinc

During the reporting period, the highest copper price in London market reached USD6,609/tonne, while the lowest price hit USD5,518/tonne, and it closed at USD6,149/tonne at the end of the year. The annual average price was USD6,005/tonne, representing a decrease of 8% compared with the same period last year. The average spot copper price in the PRC was RMB47,739/tonne, representing a decrease of 5.8% compared with the same period last year.

During the reporting period, the highest zinc price in London market reached USD2,958/tonne, while the lowest price hit USD2,190/tonne, and it closed at USD2,280/tonne at the end of the year. The annual average price was USD2,548/tonne, representing a decrease of 12.7% compared with the same period last year. The average spot zinc price in the PRC was RMB20,489/tonne, representing a decrease of 13.5% compared with the same period last year.

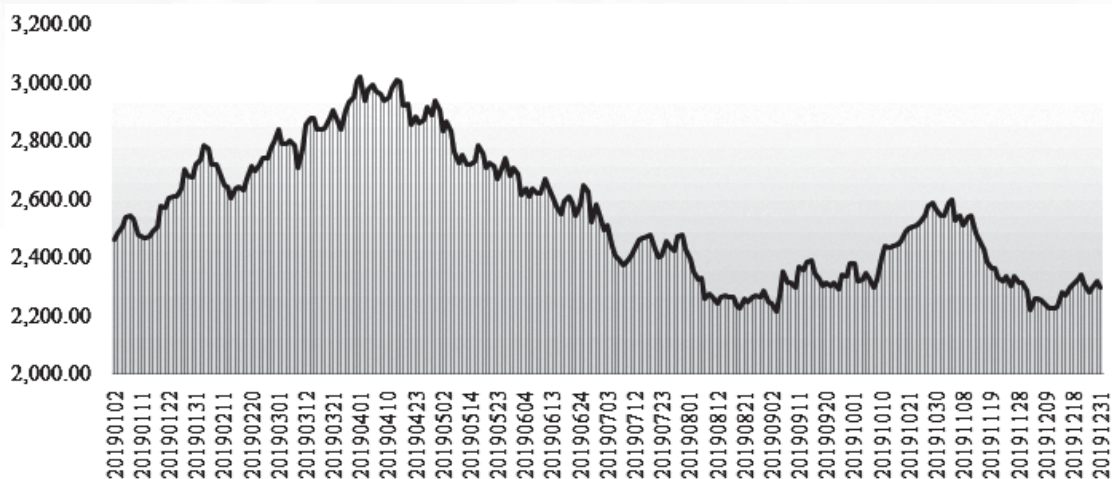
Copper price trend in London market (USD/tonne)



Chairman's Statement *(continued)*

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Zinc price trend in London market (USD/tonne)



According to the statistics of International Lead and Zinc Study Group ("ILZSG") for 2019, the global production volume of mine-produced zinc was 12.90 million tonnes, representing an increase of 0.9% compared with the same period last year; the global production volume of refined zinc was 13.54 million tonnes, representing an increase of 2.8% compared with the same period last year; the global consumption of refined zinc was 13.73 million tonnes, representing an increase of 0.2% compared with the same period last year.

According to the statistics of China Nonferrous Metals Industry Association for 2019, the national production volumes of mine-produced copper and mine-produced zinc were 1.6278 million tonnes and 2.8058 million tonnes respectively, representing an increase of 4.11% and a decrease of 0.97% compared with the same period last year respectively; the national production volumes of refined copper and refined zinc in 2019 were 9.7842 million tonnes and 6.2364 million tonnes respectively, representing an increase of 10.17% and an increase of 9.22% compared with the same period last year respectively.

(3) Business overview

During the reporting period, the Company upheld "clinging to reforms, stabilising growth and boosting development" as the main focus of work and continued to promote and deepen reform in the Group. Corporate governance became more concise and regulated; management efficiency was evidently improved. The resources reserve volumes of gold and copper realised substantial increase, and all the asset scale, operating income and market capitalisation of the Company exceeded RMB100 billion. The Company's industrial status consistently escalated, and the major financial indicators entered into the league of first-tier global metal mining industry.

The international operation capability of the Company was significantly elevated, and profit contribution proportion from overseas projects increased relentlessly. The Kolwezi Copper and Cobalt Mine in the DR Congo completed construction and commenced production at a high speed, becoming one of the large-scale copper mines with an annual production volume of 100 thousand tonnes. The resources reserves of the Company continued to accumulate. The Company completed the crucial project acquisition of Continental Gold in Colombia, which significantly increased the gold resource reserve and production volume of the Company, substantially pushed forward the growth of the Company's gold segment and further enhanced the competitiveness of the Company's gold business. The acquisition of the remaining interests in the Lower Zone of the Timok Copper and Gold Mine in Serbia and increase in shareholding in Ivanhoe Mines Ltd. were successfully completed; the resources volume in the Kamoanga Copper Mine in the DR Congo continued to increase. The copper resource reserve of the Company ranked among the global top-tier mining companies. As at the end of 2019, the Company owned 182 exploration licences covering 3,260.44 square kilometers and 233 mining licences covering 982.59 square kilometers.

Chairman's Statement *(continued)*

(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

The Company accelerated the transformation of resource advantage to advantage in efficacy. The crucial construction projects were in orderly progress, including the Bor Copper Mine and Timok Copper and Gold Mine in Serbia and the Kamoa-Kakula Copper Mine in the DR Congo. The Company's fundamental of production safety was significantly improved, and the development in environmental protection and ecology was apparently enhanced. Informatisation development attained phased results, and the supervision was further refined.

During the reporting period, the Group realised an operating income of RMB136.098 billion, representing an increase of 28.40% compared with the same period last year (2018: RMB105.994 billion); net profit attributable to owners of the parent was RMB4.284 billion, representing an increase of 4.65% compared with the same period last year (2018: RMB4.094 billion). As at the end of December 2019, the Group's total assets was RMB123.831 billion, representing an increase of 9.70% compared with the beginning of the year (beginning of the year: RMB112.879 billion); net assets was RMB57.080 billion, in which the net assets attributable to owners of the parent was RMB51.186 billion, representing an increase of 26.52% compared with the beginning of the year (beginning of the year: RMB40.455 billion).

The Company successfully completed the public issuance of A shares with no discount basically and raised RMB8 billion, significantly improving the asset structure. In 2019, the share price of the Company gradually went up. Throughout the year, the price of A Share and H Share increased by 52.49% and 37.59% respectively. As at the end of 2019, the market capitalisation of the Company reached RMB110 billion.

Summary table of retained resources reserve of key mines as at the end of 2019 (Buriticá Gold Mine excluded)

Mineral	Unit	Resources reserve (grade 333 or above)		
		At the end of 2019	At the end of 2018	Growth rate (%)
Gold	t (metal)	1,510.28	1,355.62	11.41
Gold associated with other metals	t (metal)	376.59	372.35	1.14
Subtotal of gold	t (metal)	1,886.87	1,727.97	9.20
Copper	Mt (metal)	57.2542	49.5211	15.62
Silver	t (metal)	1,860.64	1,846.59	0.76
Molybdenum	Mt (metal)	0.6771	0.6785	-0.21
Zinc	Mt (metal)	8.5583	8.3661	2.30
Lead	Mt (metal)	1.1789	1.2192	-3.31
Tungsten	WO ₃ thousand tonnes	70.2	74.4	-5.65
Tin	Mt (metal)	0.1397	0.1397	
Iron	Billion tonnes (ore)	0.199	0.198	0.51
Coal	Mt	69	69	
Platinum	t (metal)	527.84	235.80	123.85
Palladium	t (metal)	378.14	148.76	154.19

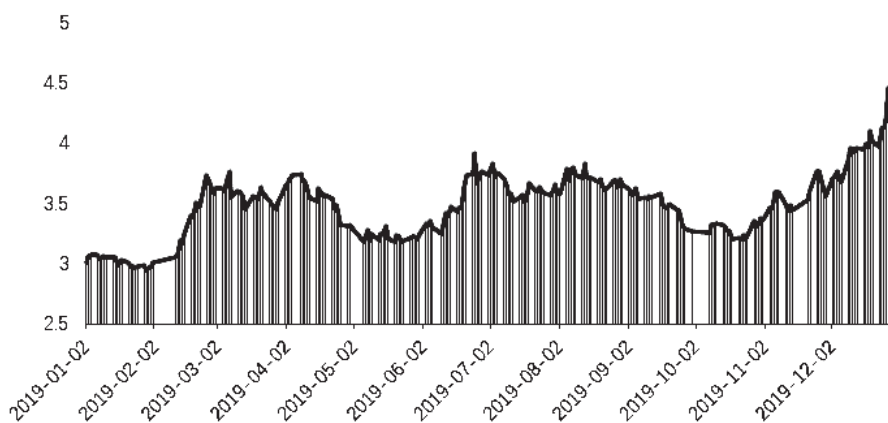
Comparison table of production volumes of the Company's major mineral products for 2017-2019

	Mine-produced gold (tonne)	Mine-produced copper (thousand tonnes)	Mine-produced zinc (thousand tonnes)
2017	37.48	208.0	270.0
2018	36.50	248.6	278.0
2019	40.83	369.9	374.1

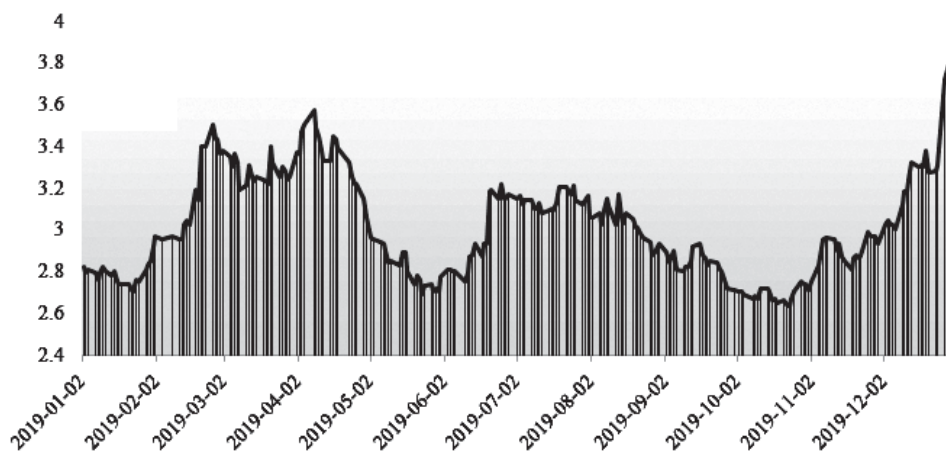
Chairman's Statement *(continued)*

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The Company's A Share (601899) price trend in 2019 (RMB/share)



The Company's H Share (2899) price trend in 2019 (HKD/share)



Chairman's Statement *(continued)*

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GOLD MINE BUSINESS

During the reporting period, the Group produced a total of 301,292kg (9,686,755 ounces) of gold, representing an increase of 24.69% compared with the same period last year (2018: 241,628kg).

Among which, 40,831kg (1,312,746 ounces) was mine-produced gold, representing an increase of 11.87% compared with same period last year (2018: 36,497kg).

	Name	Interest held by the Group	Mine-produced gold (kg)
Major enterprises or mines	Porgera Gold Mine in Papua New Guinea	47.5%	8,827 (on equity basis)
	Joint Venture Zeravshan Limited Liability Company in Tajikistan	70%	5,723
	Norton Gold Fields Pty Limited in Australia	100%	5,748
	Alтынken Limited Liability Company in Kyrgyzstan	60%	3,776
	Shuguang Gold and Copper Mine in Hunchun, Jilin	100%	3,138
	Zijinshan Gold and Copper Mine in Fujian	100%	2,251
	Guizhou Zijin Mining Co., Ltd.	56%	2,040
	Luoyang Kunyu Mining Co., Ltd.	70%	1,895
	Duobaoshan Copper Mine in Heilongjiang	100%	1,380
	Neimenggu Golden China Minerals Inc.	100%	1,168
Total of other gold producing entities of the Group			4,885
Total			40,831

260,461kg (8,374,009 ounces) of refined, processed and trading gold was produced, representing an increase of 26.97% compared with same period last year (2018: 205,131kg).

Sales income from the gold business represented approximately 57.98% (after elimination) of the total operating income during the reporting period. Gross profit of the gold business represented approximately 30.94% of the gross profit of the Group.

(1 troy ounce = 31.1035g)

Chairman's Statement *(continued)*

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COPPER MINE BUSINESS

During the reporting period, the Group produced a total of 871,254 tonnes of copper, representing an increase of 27.55% compared with the same period last year (2018: 683,078 tonnes).

Among which, 369,857 tonnes of mine-produced copper were produced, representing an increase of 48.79% compared with the same period last year (2018: 248,577 tonnes).

	Name	Interest held by the Group	Mine-produced copper (tonne)	Note
Major enterprises or mines	Kolwezi Copper Mine in the DR Congo	72%	84,286	Including: 26,173 tonnes of copper cathodes
	Zijinshan Gold and Copper Mine in Fujian	100%	77,715	Including: 22,809 tonnes of copper cathodes
	Duobaoshan Copper Mine in Heilongjiang	100%	71,107	
	Ashele Copper Mine in Xinjiang	51%	43,611	
	Zijin Bor Copper doo Bor	63%	43,550	Electrolytic copper
	Shuguang Gold and Copper Mine in Hunchun, Jilin	100%	16,525	
	Bisha Mining Share Company	55%	16,008	
	Total of other mines			17,055
Total			369,857	

501,397 tonnes of copper were produced from refineries, representing an increase of 15.40% compared with the same period last year (2018: 434,501 tonnes).

Sales income from the copper business represented approximately 19.22% (after elimination) of the total operating income during the reporting period. Gross profit of the copper business represented approximately 35.62% of the gross profit of the Group.

Chairman's Statement *(continued)*

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ZINC (LEAD) MINE BUSINESS

During the reporting period, the Group produced 602,574 tonnes of zinc, representing an increase of 30.66% compared with the same period last year (2018: 461,169 tonnes). In which, the Group produced 374,068 tonnes of mine-produced zinc in concentrate form, representing an increase of 34.54% compared with the same period last year (2018: 278,038 tonnes). 228,506 tonnes of zinc bullion were produced from refineries, representing an increase of 24.78% compared with the same period last year (2018: 183,131 tonnes).

During the reporting period, the Group produced lead in concentrate form of 34,258 tonnes, representing a decrease of 4.6% compared with the same period last year (2018: 35,909 tonnes).

	Name	Interest held by the Group	Mine-produced zinc (tonne)	Mine-produced lead (tonne)	Mine-produced zinc + mine-produced lead (tonne)
Major enterprises or mines	Bisha Mining Share Company	55%	121,260		121,260
	Xinjiang Zijin Zinc Co., Ltd.	100%	90,048	12,823	102,871
	Urad Rear Banner Zijin Mining Co., Ltd.	95%	75,335	14,704	90,039
	Longxing Limited Liability Company in Tuva, Russia	70%	74,995	1,614	76,609
	Xinjiang Habahe Ashele Copper Co., Ltd.	51%	11,070	–	11,070
Total of other mines			1,360	5,117	6,477
Total			374,068	34,258	408,326

Sales income from lead and zinc business represented approximately 5.44% (after elimination) of total operating income during the reporting period. Gross profit of the lead and zinc business represented approximately 11.85% of the gross profit of the Group.

Chairman's Statement *(continued)*

(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

SILVER, IRON MINE AND OTHER BUSINESSES

During the reporting period, the Group produced 578,228kg of silver, representing a decrease of 4.39% compared with the same period last year (2018: 604,760kg). Among which, 315,050kg of silver was produced from refinery as by-product, representing a decrease of 17.93% compared with the same period last year (2018: 383,884kg); 263,178kg of mine-produced silver was produced, representing an increase of 19.15% compared with the same period last year (2018: 220,877kg).

	Name	Interest held by the Group	Mine-produced silver (kg)
Major enterprises or mines	Bisha Mining Share Company	55%	44,836
	Xinjiang Habahe Ashele Copper Co., Ltd.	51%	31,931
	Shanxi Zijin Mining Co., Ltd. (Yilian included)	100%	29,476
	Luoyang Kunyu Mining Co., Ltd.	70%	29,298
	Zijinshan Gold and Copper Mine in Fujian	100%	27,657
	Wuping Zijin Mining Co., Ltd. in Fujian	77.5%	25,390
	Heilongjiang Duobaoshan Copper Industry Inc.	100%	24,089
Total of other mines			50,501
Total			263,178

During the reporting period, the Group produced 3.53 million tonnes of iron ore, representing an increase of 18.85% compared with the same period last year (2018: 2.97 million tonnes).

	Name	Interest held by the Group	Iron concentrates (million tonne)
Major enterprises or mines	Xinjiang Jinbao Mining Co., Ltd.	56%	2.78
	Fujian Makeng Mining Co., Ltd.	41.5%	0.75 (on equity basis)
Total			3.53

Sales income from iron mines, silver and other products represented approximately 17.36% (after elimination) of total operating income during the reporting period, the gross profit of which represented approximately 21.59% of the gross profit of the Group.

Major measures taken during the reporting period

– Significantly increased resources reserve volumes of gold and copper

The Company vigorously carried out self-initiated exploration and significant project merger and acquisition, and resources reserve volumes of gold and copper significantly increased. The Company's gold resource reserve and production volumes increased profoundly, and the competitive advantage in gold became more prominent. The Company's gold mines currently owned have achieved remarkable results in exploration. The Porgera Gold Mine in Papua New Guinea, Norton Gold Fields in Australia and the Yixingzhai-Yilian Gold Mine in Shanxi made major breakthroughs. The Taldybulak Levoberezhny Gold Mine in Kyrgyzstan, the Jilau Gold Mine in Tajikistan, the Luyuangou Gold Mine and Shangong Gold Mine in Henan continued to grow. The Company acquired the equity interest in Continental Gold, which is a significant gold resource project with gold resource volume of 353 tonnes grading 9.3g/t in average.

Chairman's Statement *(continued)*

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The Company's copper resource reserve and production volumes steadily increased, stepping into the league of international first-tier mining company in terms of copper mineral reserve level. The Company completed the acquisition of remaining interest in the Lower Zone of the Timok Copper and Gold Mine in Serbia, currently holding 100% interest of the Upper and Lower Zone of the Timok Copper and Gold Mine, further increasing the synergy of regional copper mine development in Serbia. Kamo North and Far North in the DR Congo continued to make breakthroughs, reaching 43.69 million tonnes of copper resource reserve volume. The Company also completed the increase in shareholding in Ivanhoe Mines Ltd. and the acquisition of the CARRILU Limestone Mine.

– Fully promoted the Company's internationalised development

The Company's overseas project operating capacity has been improved and the production momentum has been continuously released. The production volumes of mine-produced gold, mine-produced copper and mine-produced zinc of overseas projects accounted for 62.53%, 41.44%, and 52.46% of the respective total volume of the Company; the resources volumes of gold, copper, and zinc accounted for approximately 69%, 82% and 33% of the respective total volume of the Company; the gross profit contribution represented approximately more than one-third of the Group, showing a good trend of a new round of development characterised by internationalisation. Serbia Zijin Bor Copper doo Bor and Rakita Exploration d.o.o. Bor were taken over and transitioned smoothly, and the project technological upgrade and construction were pushed forward steadily; hydrometallurgy system of the Kolwezi Copper and Cobalt Mine in the DR Congo was rapidly completed and put into production, and the production volume of the Porgera Gold Mine in Papua New Guinea continued to increase after production resumed. The production volumes of Altynken and Zeravshan have also steadily increased, and the production and operation of Longxing in Russia continued to improve; significant progresses were made in the construction of major projects such as the Kamo-Kakula Copper Mine in the DR Congo, and the development and technological upgrade of the low-grade gold mine of Norton's Paddington Operations were continuously enhanced.

– Public issuance of A Shares optimised financial structure

The Company completed the public issuance of A Shares, raising RMB8 billion and the financial structure was significantly optimised. The Company's debt-to-asset ratio dropped to 53.91%, representing a decrease of 4.21 percentage points, and the Company's value was further recognised by the market. As at the end of 2019, the Company's market capitalisation reached RMB110.0 billion, representing an increase of more than 50% compared with the beginning of the year. The Company's global mining financial system has initially taken shape, and the investment and financing management, financial management, etc. accelerated the empowerment. A fund management and tax management system covering the entire group was established; global fund management and control continued to be strengthened. The financing channels were further expanded. As at 31 December 2019, the Company's total external financing obtained amounted to RMB50.071 billion, with an average financing cost of approximately 4%, maintaining in a relatively low level in the industry.

– Adhered to deepening reform and innovation of management system

The Company vigorously reformed its management system, and its corporate vitality was further enhanced. The Company strictly complied with the listing rules of Shanghai and Hong Kong to comprehensively improve its corporate governance capabilities and levels. The Company's Board of Directors, supervisory committee, management personnel and Party Committee fully completed the change of term, adding new blood in the overall stability. The promotion and application of the "integrating five ore treatment processes into one" project management innovation model achieved new outcomes.

– Cultivated self-owned team of competitive talents

The Company enhanced personnel recruitment, introduction and training. The number of internationalised talents gradually increased. Currently, there are more than 16 thousand overseas employees. Assessment, recruitment and cultivation of senior reserve talents, outstanding youth talents, outstanding artisans and other multi-level personnel of the Company achieved remarkable results. Along with the Company's rapid growth, a large number of talents have grown and added value together with the enterprise through practical training, and initially formed a competitive management and technical team, which has become the core driving force for the Company's leaping development. In recent years, the Company has increased the introduction of overseas talents, continued to track the growth of outstanding young people, selected outstanding graduates with foreign language proficiency, high quality and certain base-level working experience to overseas training. It is expected to cultivate a group of base and middle-level technical and management personnel who have proficiency, knowledge and experience in foreign languages, business and management through training at the base level projects. The bottleneck of internationalised talents is expected to be fundamentally solved in the coming 3-5 years.

Chairman's Statement *(continued)*

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– Significantly enhanced corporate awareness in compliance with laws and regulations

Adhering to the goal of “zero work fatality, zero occupational disease and zero environmental incident”, the Company continuously maintained a high-handed posture in terms of safety and environmental protection, comprehensively strengthened occupational health management, significantly increased the awareness of safety and environmental protection among all employees, and gradually improved management system development. In 2019, the loss rate per a million working hours in overseas projects is close to the level of international leading enterprises. The Company established the concept of “green mountains and clear water are our invaluable assets”, with environmental protection and ecological development significantly improved. The Company currently owns 9 national “green mines”, 2 national “green factories” and 3 provincial “green factories” in China. The Company adhered to strict corporate governance and complied with laws and regulations during operation, gave full play to the role of the “five-in-one” supervision and inspection, comprehensively carried out the development of clean governance of the Party and anti-corruption work, and created an honest and righteous environment for sound corporate development. The Company's internationalised corporate culture was enriched with the characteristic of building a “community of shared future for the world”.

DISCUSSION AND ANALYSIS ON THE COMPANY'S FUTURE DEVELOPMENT

(I) Landscape and development trend in the industry

The novel coronavirus pneumonia outbreak is spreading continuously around the globe, casting a shadow on the global economic recovery and development. Saudi Arabia, the traditional giant petroleum export country, substantially lowered the crude oil price, further heightening the uncertainties in the market. Risk aversion sentiment rose to the utmost in the market. Faced with the severe economic downturn pressure, countries have gradually shifted to loose monetary policy, and the United States Federal Reserve announced a new round of emergency rate cut.

Domestically, in order to hedge the impact of the disease outbreak and economic downturn, central and regional governments put great efforts in resuming production and work. Provinces, municipalities and regions in the PRC released “new infrastructure construction” investment lists amounting to RMB34 trillion accumulatively, which would be the future highlight of China's economy. In the short run, it helps enlarge demand and stabilise economic growth and employment; in the long run, it aids to release the growth potential of Chinese economy, push forward reform and innovation and improve the social welfare. Chinese economy will still be a main force to drive global economy forward in a certain period of time in the future.

Forecast on price trends of major metal products

- 1. Gold: gold price shall maintain an uptrend.** As the disease is continuously spreading, various risks emerge around the globe. Geopolitical and geographical conflicts intensify, and financial market experiences turbulence. Major central banks around the globe tend to adopt loose or pro-loose policies. In addition, the first contraction of economic activities has occurred in the United States since the financial crisis. Service industry seriously suffers and uncertainties in presidential election further invigorates. Risk aversion sentiment maintains high in the market. As a result, it is likely that gold, being a safety asset, will experience an upsurge in allocated value.
- 2. Copper: copper price may remain weak for the short term, while the uptrend may stay for the medium to long term.** Copper price will be subject to insufficient overseas risk appetite. The disease outbreak together with the plunge in oil price arouse market anxiety, lead to a weak copper price trend. However, due to a small number of newly commenced projects around the globe in recent years and strong support as a result of the costs of copper, the overall price downtrend is limited. The supply and demand of copper enter into the tight-balance period. After the disease outbreak ends, copper price is expected to regain an uptrend.
- 3. Zinc: influenced by disease outbreak, international situation, the plunge in crude oil price and other macro issues, zinc price may be dragged down. It is expected that zinc price will fluctuate in a relatively weak trend in the short term.** However, as the accumulated domestic zinc bullion inventory is limited and overseas zinc inventory is gradually decreasing, it is estimated that zinc price may show a downtrend in a resistant manner.

Chairman's Statement *(continued)*

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(II) Development strategies of the Company

The Company insists on combination of main businesses of gold and copper mineral products and other metallic mineral businesses, integration among mining industry, finance and trading and connection of priority in resources and structure optimisation. The Company holds firm to the macro strategic position that joins the forces of internationalisation, project upsizing and asset securitisation, puts full efforts in implementing the Guiding Opinion on the Work (2020-2022) and Production Volume Plan for Major Products for the Next Three Years (2020-2022) proposed by the Board of Directors of the Company, and strives to reach the overall strategic goal of becoming an "extra-large scale international mining group with high technology and efficiency" by 2030.

The years 2020-2022 serve as the key period for the Company to realise the overall strategic goal and leaping growth. With the overall roadmap of "deepening reform, leaping growth and continued development" and the direction of marketisation reform, the Company shall develop a highly compatible and new-style internationalised management system. Prioritising the transformation from resource advantage to economic efficacy, the Company shall achieve a leaping growth on a corporate level, significantly elevate the corporate value, fully enhance the autonomous capabilities of capital, resource and talents, improve the technology and informatisation standards and strengthen the core competitiveness and sustainable development capacity of the Company.

1. Mining

Name of product	2019 (actual)	2020	2021	2022	Compound annual growth rate
Mine-produced gold (tonne)	40.8	44	42-47	49-54	6.3%-9.8%
Mine-produced copper (thousand tonnes)	370	410	500-560	670-740	21.9%-26.0%
Mine-produced zinc (thousand tonnes)	370	400	370-410	380-420	0.9%-4.3%
Mine-produced silver (tonne)	263	246	236-262	242-269	–
Iron ore (million tonnes)	3.53	3.32	2.99-3.32	2.99-3.32	–

Note: 1. The production volume of mine-produced gold in 2020 includes that of the Buriticá Gold Mine in Colombia newly acquired;

2. The production volume of iron ore includes the production volume on equity basis of Fujian Makeng Mining Co., Ltd., in which the Company owns 41.5% equity interest.

2. Refining

Name of product	2019 (actual)	2020	2021	2022	Compound annual growth rate
Refined copper (thousand tonnes)	500	600	580-730	610-760	6.9%-15.0%
Refined zinc (thousand tonnes)	230	250	260-320	260-320	4.2%-11.6%

Chairman's Statement *(continued)*

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(III) Business plan

The planned production volumes of major mineral products of the Company for the year 2020 are: mine-produced gold of 44 tonnes, representing an increase of 7.84% compared with last year; mine-produced copper of 410 thousand tonnes, representing an increase of 10.81% compared with last year; mine-produced zinc of 400 thousand tonnes, representing an increase of 8.11% compared with last year; mine-produced silver of 246 tonnes and iron ore of 3.32 million tonnes.

Specific business strategies for 2020

– Fight the battle against disease outbreak in full strength and firmly secure the stable production and operation

The Company shall conscientiously follow the unified instructions and prevention and control requirements of the central and local party committee and government at all levels, implement the Working Plan on Responding to the Novel Coronavirus Pneumonia Outbreak, and win the battle of epidemic prevention and control in full strength. It shall practically secure personnel's health safety and orderly production. The Company shall firmly work on the production and operation of the enterprise and carry out effective measures relating to personnel safety, raw material procurement, sales of products, etc.

– Convert the advantage in resources to economic efficacy and fully raise the corporate value in a leaping manner

The year 2020 is the Company's "year for project construction". Converting the advantage in resources to advantage in products and economic efficacy shall be the most important and core task. The Company shall foster the key projects to achieve production commencement and reach production capacity and indicators as soon as possible. It shall realise "winning the first battle" and generate satisfactory results, new models, experience and talents from its construction projects. The Company shall also fully tap into potential and raise the corporate efficacy by cost control.

Gold segment shall exert its full strength. By grasping the opportunity of rise in gold price, the Company shall accelerate gold production in order to realise growth in the enterprise's profit. The Buriticá Gold Mine in Colombia shall complete construction and conduct trial production in the first quarter. Longnan Zijin shall push forward its permit and licence applications, and strive to resume production and start its 10 thousand tonnes/day technological upgrade and expansion in the same year. The technological upgrades of the low-grade gold mine of Norton's Paddington Operations in Australia, the Yilian-Yixingzhai Gold Mine in Shanxi and the Shuiyindong Gold Mine in Guizhou shall be accelerated. The Company shall continuously stabilise and upgrade the operation of the Porgera Gold Mine in Papua New Guinea, and tap into potential the gold production of Altynten's Taldybulak Levoberezhny Gold Mine as well as Zeravshan in Tajikistan.

Speed up construction of large-scale and high-grade copper mines. The Company shall strive to ensure that the Timok Copper (Gold) Mine in Serbia and the Kamo-Kakula Copper Mine in the DR Congo can commence production by 2021, and reach 30%, 70% and 100% of the designated production capacity by 2021, 2022 and 2023 respectively. It shall also accelerate the technological upgrade and expansion of the Bor Copper Mine in Serbia, and guarantee several copper mine projects including the Bisha Zinc and Polymetallic Mine in Eritrea, the Kolwezi Copper and Cobalt Mine in the DR Congo and the Duobaoshan Copper Mine reaching their production capacities and indicators.

– Persist in deepening reform from all aspects and form an internationalised operation and management system with high compatibility

Setting marketisation transformation as the core, the Company shall push forward reform of the institutions at the headquarters and public platform development, and further improve the conciseness, standardisation and efficiency of the internationalised management system. The Company shall respect the subsidiary as a legal entity, make sure shareholders' decisions can be implemented thoroughly and maintain the board of directors, supervisory committee and management of its subsidiaries as the major entities of corporate governance. Breakthroughs shall be achieved in key areas including finance system, logistics system and construction system; great efforts shall be made to control costs and lower the risks, and achieve significant improvements in the management levels of finance, assets, logistics and construction. Research on regulations and systems of multinational corporations shall be deepened so that a new-style internationalised management system with high compatibility can be formed. The Company shall put more efforts in developing its legal system and the proportion of internationalised talents within and outside the PRC shall be raised.

Chairman's Statement *(continued)*

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– Strengthen technological research and development and information system construction and form a modern management and operation platform

The Company shall continuously innovate its technologies and construction management. It shall further promote broad application of the “integrating five ore treatment processes into one” project management model within the Group, and realise the highly-effective development of existing key mines. According to the Company's Five-year Development Plan for Informatisation, the Company shall make progress in its informatisation work and nurture informatisation research and working teams with autonomy. The Company shall promote a deep integration of informatisation, production, operation and management, realise digitalisation and automation of mines, carry forward enterprise transformation and management upgrade, and achieve regularity, standardisation and modulisation of enterprise management, production and operation, construction and technological systems with informatisation.

– Raise the autonomous abilities of productivity factors and boost the sustainable development capacity of the Company

The Company shall insist on the mineral resources priority strategy and further increase the total volume of mineral resources with significant value. The focuses are gold, copper and ore types which China is in scarcity and in a great need for import. The Company shall pay attention to the new need of minerals generated from new industries. It shall also insist in both merger and acquisition and self-initiated exploration at the same time, and optimisely develop a new way of merger and acquisition by cooperating with capable partners to achieve a leaping growth.

The Company shall uphold the principles of value creation and marketisation, formulate an assessment standard and incentive mechanism based on the evaluation principles of value creation and marketisation. It shall strive to comprehensively upgrade the effective coordination among its stakeholders, build an effective coordination system with equality, mutual trust, cooperation and win-win situation, and develop a long-term, friendly, close and uncorrupted cooperation relationship.

The Company shall insist on compliance in laws and regulations and create a new name card of safety, environmental protection and eco-development with all strength. It shall firmly set up and strengthen the bottom line and red line awareness of safety and environmental protection, continue the efforts to pursue fundamental safety, and strive to realise the targets of “zero work fatality, zero occupational disease and zero environmental incident”. Outsourced contractors and units shall be genuinely included in the enterprise's system for management purpose. Their safety awareness and management standard shall be improved in order to ensure “last-mile” safety. The Company shall benchmark against advanced Western safety management system in order to raise the Group's safety management and occupational health standards to those of the advanced international mining corporations. Eco-mine development requirements shall be fully met in order to build the Group's international brand of eco-development.

– Strengthen the highly-efficient coordination of the Group's high-level organisations, develop cultural and supervisory systems with more Zijin characteristics

A positive coordination mechanism comprising the Party Committee, the Board, supervisory committee and management shall be built, in order to form a corporate governance system with high coordination which can ensure scientific decision-making, effective execution and efficient supervision. Setting mineral resources including gold and copper (zinc) as the main focus, the Company shall endeavour to strengthen its strategic planning and research on strategy execution to guarantee a correct strategic direction, in-place strategy execution and highly-efficient achievement of strategic goals. The Company shall put more efforts on the research of capital market and improve the effective coordination with investors and investor relations management. Development of social responsibility system comprising environment, society and corporate governance shall be emphasised to fully raise the Company's value in the capital market.

The Company shall strengthen enterprise culture development. Zijin's enterprise culture shall be passed down and promoted, and combine well with the locality of the project sites under objective and practical situation, in order to form an innovative Zijin team with ideals, beliefs and strong competitiveness. A high-handed posture against corruption shall be kept. The Company shall fully strengthen and improve the supervisory work, insist on the relative independence of the supervisory system, fortify the effectiveness of supervision and innovate the supervisory work mechanism to achieve precise supervision. Supervisory work shall focus on, among other things, fighting against dereliction of duty, excuse-making, mediocrity and laziness in management.

Chairman's Statement *(continued)*

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(IV) Possible risks

1. Risk management system of the Company

The Company attaches great importance to corporate risk management. At the levels of the Board and its specialised committees, supervisory committee, management and subsidiaries, it explores and establishes a risk management system and a risk management working mechanism in line with the Company's internationalised development. The establishment of specialised risk management institutions in financial management, financing, marketing, safety and key areas such as environmental protection and information disclosure further consolidates the foundation of risk management in daily operating activities, and plays an important role in protecting the rights and interests of shareholders and investors, enhancing capital utilisation rate, sustaining management decisions and creating management values.

In response to the continuous novel coronavirus pneumonia outbreak in early 2020, the Board of Directors of the Company will further refine countermeasures, strengthen the tracking and forecast of bulk commodities and metal prices, and minimise the adverse impact on production and operation.

2. Possible risks in 2020

Affected by the global outbreak of the novel coronavirus pneumonia, downward pressure on the global economy has increased significantly, and the market is full of pessimistic sentiment, exerting enormous pressure on the Company's operation.

(1) Metal price risks

Metal products such as gold, copper and zinc are the major sources of the Company's profit. Price fluctuations of mineral products will impose substantial impacts on the Company's operating results. If the price of relevant mineral products fluctuates significantly, the Company's production and operation may be under greater pressure.

The Company will further leverage its low-cost operation and technological strengths in production, stimulate intrinsic motivation, and help enterprises achieve leaping development in terms of production and operation indicators. The Company will continue to strengthen market research and judgement, make reasonable use of financial derivatives to respond to and prevent price fluctuation risks under the premise of strict risk control.

(2) Financial market risks

The Company carries out investment and operation activities globally and holds a certain amount of marketable securities and assets denominated in foreign currencies. If relevant interest rates, exchange rates, stock prices, etc. fluctuate significantly, the Company's production and operation may be under certain pressure.

The Company will continue to establish and improve its financial management system, give full play to the role of the Company's financial business leadership team and domestic and overseas financial investment platforms, strengthen the Company's capability to identify, predict and respond to the risks mentioned above, and improve the direction, prospect and depth of management and control. The Company will optimise the asset and liability structure continuously, make proper use of the functional currency for settlement, and make appropriate and timely use of relevant financial instruments to hedge relevant risks.

Chairman's Statement *(continued)*

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(3) Country and community risks

The levels of political, economic, and cultural development of different countries vary in the Company's overseas investment projects. A small number of underdeveloped countries or regions have certain political risks, policy adjustment risks, and community risks.

The Company insists on accelerating internationalisation, maintaining close communication with the government and community where the projects are situated, closely monitoring the change of political and economic situation of those countries, and improving its capability to prevent and respond to political and policy risks. The Company also adheres to "shared development" so that its stakeholders can gain due attention and respect. Through establishing an effective coordination system with the concept of equality, mutual-trust, cooperation and win-win situation, the Company optimises the development environment. The Company makes good use of national resources and participates in national comprehensive overseas investment insurance, and insurance of China Export & Credit Insurance were purchased for 7 overseas projects.

(4) Safety and environmental protection risks

The Company allocates safety and environmental protection resources in production and operation and related facilities and equipment in high standard, established a comprehensive mechanism for safety production, prevention and supervision. However, as a mining enterprise, certain safety and environmental incidents may still occur in the production process. Besides, there are certain safety and environmental protection risks if major natural disasters occur, such as earthquakes, rainstorms, mudslides, etc.

The Company will always adhere to the goal of "zero work fatality, zero occupational disease and zero environmental incident", establish the concept of "green mountains and clear water are our invaluable assets", to build a global safety and environmental protection management system, strengthen safety and environmental responsibility assessment, increase the input of safety and environmental protection resources, maintain a high-handed posture on safety and environmental protection, ensure a safe, continuous and effective production of the Company and steadily improve the construction standard of green ecological mines.

(V) Others

Plan for capital expenditures

According to the Company's preliminary plan, for the year 2020, the planned amount of investment in project construction (including technological upgrade) is RMB6.575 billion, the amount required for geological exploration is RMB340 million, and the amount required for merger and acquisition is RMB6.8 billion. The funds for the abovementioned capital expenditures will be mainly raised by self-owned funds, bank borrowings, issuance of bonds and notes and other feasible means of financing.

By order of the Board of Directors

Chen Jinghe

Chairman

Shanghang, Fujian, the PRC

20 March 2020

Management Discussion and Analysis

(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

The management of the Group hereby reports the discussion and analysis on 2019 operating results.

STATUS OF MAIN BUSINESSES DURING THE REPORTING PERIOD

During the reporting period, the Group recorded operating income of RMB136.098 billion, representing an increase of 28.40% compared with the same period last year (2018: RMB105.994 billion).

Analysis of main businesses

1. Operating results

The table below sets out the sales by product during January to December 2018 and 2019:

Item	2019 (January – December)			2018 (January – December)			Increase/ decrease in unit price				
	Unit price (Tax excluded)	Sales volume	Amount (RMB' 000)	Unit price (Tax excluded)	Sales volume	Amount (RMB' 000)					
Mine-produced gold	296.8	RMB/g	39,199	kg	11,634,470	252.06	RMB/g	36,133	kg	9,107,740	17.75%
Refined and processed gold	310.33	RMB/g	260,446	kg	80,823,630	270.59	RMB/g	205,478	kg	55,599,900	14.69%
Mine-produced silver	2.48	RMB/g	265,196	kg	658,470	2.29	RMB/g	220,801	kg	505,160	8.30%
Mine-produced copper cathode	39,925	RMB/t	48,955	t	1,954,510	42,727	RMB/t	19,587	t	836,900	-6.56%
Mine-produced electrolytic copper	41,531	RMB/t	43,831	t	1,820,340	/	RMB/t	/	t	/	/
Mine-produced copper concentrates	33,665	RMB/t	278,288	t	9,368,450	34,725	RMB/t	229,888	t	7,982,750	-3.05%
Refined copper	41,700	RMB/t	501,167	t	20,898,460	43,499	RMB/t	435,964	t	18,964,200	-4.14%
Mine-produced zinc	10,447	RMB/t	372,233	t	3,888,800	14,186	RMB/t	282,805	t	4,011,760	-26.36%
Refined zinc	17,665	RMB/t	228,622	t	4,038,710	20,205	RMB/t	182,591	t	3,689,190	-12.57%
Iron ore (excluding non-subsidiaries of the Company)	619	RMB/t	2,9963	Mt	1,855,770	588	RMB/t	2,4677	Mt	1,451,370	5.27%
Trading income					20,588,010					17,118,880	
Others (Note 1)					17,927,970					13,718,480	
Less: Internal elimination					-39,359,610					-26,992,080	
Total					136,097,980					105,994,250	

Note 1: During the reporting period, other sales income mainly included: RMB1.072 billion from refined and processed silver, RMB2.256 billion from gold manufacturing products, RMB647 million from copper pipe, RMB952 million from copperplate, RMB411 million from lead concentrates, RMB263 million from tungsten concentrates, etc., and RMB12.327 billion from other products, intermediate services and other services.

In 2019, except for the drop in the prices of mine-produced copper and mine-produced zinc, the prices of the Group's other mineral products soared. The unit price of refined copper and refined zinc decreased compared with the same period last year. The production volumes of all mineral products and refined products increased compared with the same period last year.

Management Discussion and Analysis *(continued)*

(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

2. Analysis on costs and gross profit margin

The Group is mainly engaged in mine development, refining and processing. The Group's costs of sales of products mainly includes mining, processing, refining, mineral products and concentrates procurement, ore transportation costs, raw materials consumption, energy, salaries and depreciation of fixed assets, etc.

The table below sets out the details of the unit cost of sales and gross profit margin by product during January to December 2018 and 2019 (Note 1).

Item	Unit cost of sales				Gross profit margin (%)	
	2019	2018	Unit	Compared with the same period last year (%)	2019	2018
Product name	2019	2018	Unit	Compared with the same period last year (%)	2019	2018
Mine-produced gold	172.69	172.99	RMB/g	-0.17	41.82	31.37
Refined and processed gold	308.61	269.90	RMB/g	14.34	0.55	0.25
Mine-produced silver	1.42	1.73	RMB/g	-17.92	42.71	24.31
Mine-produced copper cathode	25,293	28,401	RMB/t	-10.94	36.65	33.53
Mine-produced electrolytic copper	31,014	/	RMB/t	/	25.32	/
Mine-produced copper concentrates	18,333	16,782	RMB/t	9.24	45.54	51.67
Refined copper	40,356	41,958	RMB/t	-3.82	3.22	3.54
Mine-produced zinc	6,478	4,917	RMB/t	31.75	37.99	65.34
Refined zinc	16,052	19,559	RMB/t	-17.93	9.13	3.20
Iron ore	192	170	RMB/t	12.94	68.99	71.04
Overall gross profit margin (Note 2)					11.40	12.59
Overall gross profit margin (excluding refining and processing enterprises)					42.63	46.31

Note 1: The gross profit margins by product were calculated based on the figures before eliminating internal sales, and the overall gross profit margins were calculated after eliminating internal sales.

Note 2: The Group's overall gross profit margin was 11.40%, representing a decrease of 1.19 percentage points compared with the same period last year. The overall gross profit margin of mineral products (excluding refined and processed products) was 42.63%, representing a decrease of 3.68 percentage points compared with the same period last year, which was mainly owing to the decrease in the prices of mine-produced copper and mine-produced zinc.

Management Discussion and Analysis *(continued)*

(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

3. Table of analysis on changes in relevant items in statement of profit or loss and statement of cash flows

Currency: RMB

Items	Amount for the current period	Amount for the same period last year	Change (%)
Operating income	136,097,978,018	105,994,246,123	28.40
Operating costs	120,582,627,749	92,651,374,475	30.15
Taxes and surcharges	1,874,141,394	1,598,995,649	17.21
Selling expenses	574,433,782	887,451,338	-35.27
Administrative expenses	3,689,326,869	2,964,964,865	24.43
Research and development expenses	476,341,941	274,380,222	73.61
Financial expenses	1,466,849,459	1,254,241,143	16.95
Investment income	34,406,224	1,060,522,923	-96.76
Share of profits of associates and joint ventures	96,011,495	373,063,390	-74.26
Losses on changes in fair value	-59,752,112	-135,783,729	Not applicable
Impairment losses on assets	-368,381,596	-1,500,399,230	Not applicable
Credit impairment losses	-65,619,609	82,017,400	Not applicable
(Losses)/Gains on disposal of non-current assets	-23,675,053	84,561,738	Not applicable
Non-operating income	50,080,938	365,953,586	-86.31
Income tax expenses	1,913,374,082	1,447,503,229	32.18
Net profit attributable to non-controlling interests	776,947,319	588,902,923	31.93
Changes in fair value of other equity instrument investments	1,146,766,336	-1,159,682,051	Not applicable
Hedging costs – forward elements	-65,505,914	61,666,120	Not applicable
Exchange differences arising from translation of financial statements denominated in foreign currencies	123,196,019	-62,020,181	Not applicable
Net cash flows from operating activities	10,665,557,013	10,233,009,701	4.23
Net cash flows used in investing activities	-14,102,830,060	-13,640,210,446	Not applicable
Net cash flows (used in)/from financing activities	-325,810,301	7,655,168,438	Not applicable

- (1) Operating income/Operating costs: Please refer to the previous analysis;
- (2) Taxes and surcharges: Mainly due to the increase in resource tax;
- (3) Selling expenses: Please refer to the analysis in "Expenses";
- (4) Administrative expenses: Please refer to the analysis in "Expenses";
- (5) Research and development expenses: Please refer to the analysis in "Expenses";
- (6) Financial expenses: Please refer to the analysis in "Expenses";
- (7) Investment income: Please refer to the analysis in "Expenses";
- (8) Share of profits of associates and joint ventures: Mainly due to a decrease in profitability of certain associates and joint ventures;
- (9) Losses on changes in fair value: Mainly due to unrealised gains generated from stock investments;
- (10) Impairment losses on assets: Please refer to the analysis in "Expenses";
- (11) Credit impairment losses: Please refer to the analysis in "Expenses";
- (12) (Losses)/Gains on disposal of non-current assets: Mainly due to the gains on disposal of intangible assets during the same period last year;

Management Discussion and Analysis *(continued)*

(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

- (13) Non-operating income: Mainly due to the earthquake insurance indemnity received by BNL, a company under joint operation of the Group, during the same period last year;
- (14) Income tax expenses: Mainly due to enhanced profitability of certain subsidiaries;
- (15) Net profit attributable to non-controlling interests: Mainly due to an increase in profitability of non-wholly owned subsidiaries compared with the same period last year;
- (16) Changes in fair value of other equity instrument investments: Mainly due to unrealised gains on the stocks at fair value through other comprehensive income during the reporting period, while there was an unrealised loss during the same period last year;
- (17) Hedging costs – forward elements: Due to the implementation of fair value hedge accounting, forward elements were initially identified and recognised in other comprehensive income, and was subsequently transferred from other comprehensive income to profit or loss for the period during which hedging relationship affecting the profit or loss;
- (18) Exchange differences arising from translation of financial statements denominated in foreign currencies: Due to the fluctuation of exchange rate of Renminbi to foreign currencies;
- (19) Net cash flows from operating activities: Please refer to the analysis in “Cash Flows”;
- (20) Net cash flows used in investing activities: Please refer to the analysis in “Cash Flows”;
- (21) Net cash flows (used in)/from financing activities: Please refer to the analysis in “Cash Flows”.

4. Analysis on sales and costs

The Company mainly engages in the production of mineral and refined products of gold, copper, lead and zinc and other metals, and generates income by selling these products.

(1) Status of the main businesses by industry, product and region

Unit: RMB' 000

By product	Status of main businesses by product					Changes in gross profit margin compared with last year (percentage point)
	Operating income	Operating costs	Gross profit margin (%)	Changes in operating income compared with last year (%)	Changes in operating costs compared with last year (%)	
Mine-produced gold	11,634,470	6,769,390	41.82	27.74	8.3	Increased by 10.45 percentage points
Refined, processed and trading gold	80,823,630	80,376,190	0.55	45.37	44.93	Increased by 0.30 percentage point
Mine-produced silver	658,470	377,200	42.71	30.35	-1.35	Increased by 18.4 percentage points
Mine-produced copper cathode	1,954,510	1,238,200	36.65	133.54	122.58	Increased by 3.12 percentage points
Mine-produced electrolytic copper	1,820,340	1,359,350	25.32	/	/	/
Mine-produced copper concentrates	9,368,450	5,101,970	45.54	17.36	32.24	Decreased by 6.13 percentage points
Refined copper	20,898,460	20,225,150	3.22	10.2	10.57	Decreased by 0.32 percentage point
Mine-produced zinc	3,888,800	2,411,430	37.99	-3.07	73.42	Decreased by 27.35 percentage points
Refined zinc	4,038,710	3,669,860	9.13	9.47	2.76	Increased by 5.93 percentage points
Iron ore	1,855,770	575,400	68.99	27.86	36.91	Decreased by 2.05 percentage points
Others	38,515,980	36,180,280	6.06	24.90	25.65	Decreased by 0.56 percentage point
Less: Internal elimination	-39,359,610	-37,701,790				
Total	136,097,980	120,582,630	11.40	28.40	30.15	Decreased by 1.19 percentage points

Management Discussion and Analysis *(continued)*

(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

By region	Status of main businesses by region					Changes in gross profit margin compared with last year (percentage point)
	Operating income	Operating costs	Gross profit margin (%)	Changes in operating income compared with last year (%)	Changes in operating costs compared with last year (%)	
Mainland China	144,500,900	134,382,650	7.00	20.92	22.79	Decreased by 1.42 percentage points
Outside Mainland China	30,956,690	23,901,890	22.79	129.59	150.72	Decreased by 6.51 percentage points
Less: Internal elimination	-39,359,610	-37,701,790				
Total	136,097,980	120,582,630	11.40	28.40	30.15	Decreased by 1.19 percentage points

Explanations on status of the main businesses by industry, product and region

Approximately 85% of the Company's operating income was originated from customers in Mainland China, in which 51.67% was from the Shanghai Gold Exchange. Therefore, the Company was unable to sort customers in Mainland China by region.

(2) Table of analysis on production and sales volume

Major product	Production volume	Sales volume	Inventory volume	Changes in production volume compared with last year (%)	Changes in sales volume compared with last year (%)	Changes in inventory volume compared with last year (%)
Mine-produced gold (kg)	40,831	39,199	3,978	11.87	8.49	69.49
Refined, processed and trading gold (kg)	260,461	260,446	36.53	26.97	26.75	64.68
Mine-produced silver (kg)	263,178	265,196	12,856	19.15	20.11	-13.57
Mine-produced copper cathode (tonne)	48,983	48,955	28	147.86	149.94	-90.02
Mine-produced electrolytic copper (tonne)	43,550	43,831	-	-	-	-
Mine-produced copper concentrates (tonne)	277,324	278,288	6,473	21.20	21.05	-12.96
Refined copper (tonne)	501,397	501,167	1,575	15.40	14.96	13.01
Mine-produced zinc (tonne)	374,068	372,233	13,073	34.54	31.62	16.32
Refined zinc (tonne)	228,506	228,622	434	24.78	25.21	-21.23
Iron ore (million tonnes) (excluding non-subsidiaries of the Company)	2.78	3.00	0.0024	12.63	21.42	-98.91

Explanations on the status of production and sales volume

The production and sales volumes of all products increased in various extents compared with the same period last year, mainly owing to the increase in production volume and efficacy from newly acquired projects, technological upgrade, production commencement, etc. of the Company during the reporting period.

Management Discussion and Analysis *(continued)*

(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

(3) Table of cost analysis

The table below sets out the breakdown of direct costs for the years ended 31 December 2018 and 2019.

Unit: RMB million

Product	Cost structure	Status of product			Changes in amount for the current period compared with the same period last year (%)	
		Amount for the current period	Proportion to total cost during the current period (%)	Amount for the same period last year		
Mine-produced gold	Raw materials	2,428.94	35.88	2,651.79	42.42	-8.40
	Salary	954.86	14.11	738.13	11.81	29.36
	Depreciation	1,199.36	17.72	1,270.70	20.33	-5.61
	Energy consumption	900.88	13.31	682.65	10.92	31.97
	Others	1,285.35	18.98	907.31	14.52	41.67
Mine-produced silver	Raw materials	164.03	43.49	196.99	51.52	-16.73
	Salary	48.25	12.79	38.42	10.05	25.59
	Depreciation	83.26	22.07	69.39	18.15	19.99
	Energy consumption	41.84	11.09	39.47	10.32	6.00
	Others	39.82	10.56	38.08	9.96	4.57
Mine-produced copper	Raw materials	3,277.44	42.57	1,808.23	40.96	81.25
	Salary	1,090.05	14.16	332.38	7.53	227.95
	Depreciation	1,401.57	18.20	785.45	17.79	78.44
	Energy consumption	1,095.42	14.23	538.21	12.19	103.53
	Others	835.03	10.84	950.00	21.53	-12.10
Mine-produced zinc	Raw materials	930.54	38.59	584.04	42.00	59.33
	Salary	189.80	7.87	113.14	8.14	67.76
	Depreciation	665.09	27.58	444.01	31.93	49.79
	Energy consumption	316.49	13.12	139.04	10.00	127.63
	Others	309.51	12.84	110.29	7.93	180.63
Iron ore	Raw materials	284.89	49.51	235.81	56.11	20.81
	Salary	53.34	9.27	32.59	7.75	63.67
	Depreciation	53.47	9.29	47.00	11.18	13.77
	Energy consumption	43.44	7.55	30.07	7.15	44.46
	Others	140.26	24.38	74.82	17.81	87.46
Refined copper	Raw materials	19,234.75	95.10	17,605.10	96.24	9.26
	Salary	192.01	0.95	120.58	0.66	59.24
	Depreciation	303.00	1.50	244.56	1.34	23.90
	Energy consumption	299.61	1.48	100.13	0.55	199.22
	Others	195.78	0.97	221.89	1.21	-11.77
Refined zinc	Raw materials	3,055.30	83.25	3,018.83	84.53	1.21
	Salary	131.43	3.58	111.41	3.12	17.97
	Depreciation	104.35	2.84	99.49	2.79	4.88
	Energy consumption	347.46	9.47	310.56	8.70	11.88
	Others	31.32	0.86	30.99	0.86	1.06

Other explanations on the analysis of costs

- In the cost structure, raw materials included the costs of purchasing raw and auxiliary materials and outsourcing, and the energy consumption mainly included coal, electricity and petroleum.
- Mining corporations of the Group mostly adopted outsourcing of works. Such outsourcing cost was included in raw materials.

Management Discussion and Analysis *(continued)*

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(4) Information on major customers and suppliers

The sales income from the top five customers amounted to RMB85.992 billion, representing 63.18% of the total sales income of the year, in which the sales amount from connected persons among the top five customers was RMB0, representing 0% of the total sales income of the year. The sales income from the largest customer represented 51.67% of the total sales income of the year.

The procurement amount from the top five suppliers amounted to RMB33.519 billion, representing 27.80% of the total procurement amount of the year, in which the procurement amount from connected persons among the top five suppliers was RMB0, representing 0% of the total procurement amount of the year. The procurement amount of the largest supplier represented 16.60% of the total procurement amount of the year.

Other information

The Group's major customers included Shanghai Gold Exchange, Guangzhou Lianhua Industrial Company Limited, Fujian Shanghang Taiyang Copper Company Limited, etc.; the Group's major suppliers included Shanghai Gold Exchange, Shanghai Zengfu Metal Material Co., Ltd., etc.

5. Expenses

Selling expenses

During the reporting period, the Group's selling expenses was RMB574.43 million, representing a decrease of 35.27% compared with the same period last year (2018: RMB887.45 million). It was mainly due to certain transportation expenses for the reporting period were accounted for as operating costs.

Administrative expenses (research and development expenses included)

During the reporting period, the Group's administrative expenses amounted to RMB4.16567 billion, representing an increase of 28.60% compared with the same period last year (2018: RMB3.23935 billion). It was mainly due to the newly acquired enterprises being included in the scope of consolidation and research and development expenses.

Financial expenses

During the reporting period, the Group's financial expenses was RMB1.46685 billion, representing an increase of 16.95% compared with the same period last year (2018: RMB1.25424 billion). It was mainly due to increase in interest expenses on bank borrowings.

Impairment losses on assets/Credit impairment losses

During the reporting period, the Group's impairment losses on assets/credit impairment losses was RMB434.00 million, representing a decrease of 69.40% compared with the same period last year (2018: RMB1.41838 billion). The details of the provision for impairment on assets in 2019 are as follows: credit impairment losses of RMB65.62 million, provision for decline in value of inventories of RMB45.07 million, impairment provision for fixed assets of RMB7.16 million, impairment provision for construction in progress of RMB44.34 million, impairment provision for intangible assets of RMB224.77 million and impairment provision for long-term equity investments of RMB47.04 million.

Investment income

During the reporting period, the investment income of the Group was RMB34.41 million, representing a decrease of RMB1.02611 billion compared with the same period last year (2018: RMB1.06052 billion). It was mainly due to decrease in investment income from long-term equity investments under equity method, gains on disposal of financial assets and liabilities at fair value through profit or loss and investment income from revaluation of long-term equity investments compared with the same period last year.

Losses on changes in fair value

During the reporting period, the Group's unrealised losses from stocks, funds, futures contracts, gold leasing spots and gold leasing hedging contracts was RMB59.75 million (2018: unrealised losses of RMB135.78 million).

Management Discussion and Analysis *(continued)*

(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

6. Research and development expenditure

Table of research and development expenditure

Unit: RMB

Expensed research and development expenditure for the reporting period	476,341,941
Capitalised research and development expenditure for the reporting period	62,525,991
Total research and development expenditure	538,867,932
Percentage of total research and development expenditure to operating income (%)	0.40
Number of research and development staff of the Company	441
Number of research and development staff to total number of staff of the Company (%)	1.21
Percentage of capitalised research and development expenditure (%)	11.60

7. Cash flows

As at 31 December 2019, the Group's cash and cash equivalents was RMB6.086 billion, representing a decrease of RMB3.847 billion or 38.73% compared with the same period last year.

During the reporting period, the total net cash inflows generated from the Group's operating activities was RMB10.666 billion, representing an increase of RMB433 million compared with the same period last year, in which, the cash inflows generated from operating activities was RMB144.167 billion, representing an increase of RMB32.887 billion compared with the same period last year; cash outflows used in operating activities was RMB133.502 billion, representing an increase of RMB32.454 billion compared with the same period last year. The increase in net cash flows from the Group's operating activities was mainly owing to growth of production capacity and increase in sales income compared with the same period last year.

During the reporting period, net cash outflows used in the Group's investing activities was RMB14.103 billion, representing an increase of RMB463 million compared with the same period last year. The main investment expenditures in 2019 included RMB11.896 billion of cash payment for purchase and construction of fixed assets, intangible assets and other long-term assets.

During the reporting period, net cash outflows used in the Group's financing activities was RMB326 million, while the net cash inflows during the same period last year was RMB7.655 billion. It was mainly due to significant decrease in the amount of new financing compared with the same period last year.

As at 31 December 2019, the Group's total borrowings amounted to RMB45.071 billion (31 December 2018: RMB47.148 billion). Among which, the amount repayable within one year was approximately RMB19.293 billion, the amount repayable within one to two years was approximately RMB9.872 billion, the amount repayable within two to five years was approximately RMB15.151 billion, and the amount repayable in more than five years was approximately RMB755 million. The interest rates of all the abovementioned borrowings ranged from 1.2% to 5.68% per annum.

The Group's daily capital requirements and capital expenditures in maintenance nature can be financed from its operating cash flows. The Group also has loan facilities with no usage restriction of approximately RMB159.084 billion provided by banks.

As at 31 December 2019, the Group's monetary assets denominated in foreign currencies were equivalent to RMB8.776 billion in total, representing a decrease of RMB2.056 billion compared with the previous year. The total amount of monetary liabilities denominated in foreign currencies was equivalent to RMB20.352 billion, representing a decrease of RMB2.038 billion compared with the previous year. Please refer to Note V.66 Foreign currency monetary items for details.

Gearing Ratio

Gearing ratio is defined as the ratio of consolidated total liabilities to consolidated total equity. As at 31 December 2019, the Group's consolidated total liabilities was RMB66,751,349,155 (RMB65,605,591,140 as at 31 December 2018), and the Group's consolidated total equity was RMB57,079,598,064 (RMB47,273,712,702 as at 31 December 2018). As at 31 December 2019, the Group's gearing ratio was 1.169 (1.388 as at 31 December 2018).

Management Discussion and Analysis *(continued)*

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Key quarterly financial data for the year 2019

Unit: RMB

	First quarter (Jan-Mar)	Second quarter (Apr-Jun)	Third quarter (Jul-Sep)	Fourth quarter (Oct-Dec)
Operating income	29,041,940,841	38,156,454,994	34,428,931,694	34,470,650,489
Net profit attributable to owners of the parent	874,482,066	978,971,552	1,152,392,215	1,278,111,532
Net profit attributable to owners of the parent after non-recurring profit or loss	744,794,569	912,153,967	1,096,491,417	1,243,317,284
Net cash flows from operating activities	1,284,925,091	3,121,283,013	1,651,082,382	4,608,266,527

Non-recurring profit or loss items and their amounts

Unit: RMB

Non-recurring profit or loss items	2019	Note (if applicable)	2018
Losses on disposal of non-current assets	-116,181,910		-53,907,034
Government grants recognised in the statement of profit or loss for the current period, except for government grants which are closely related to the Company's normal business operations, and in line with the country's policies, calculated according to certain standards or continuously granted in fixed amount	290,839,484		227,613,533
Capital utilisation fee received from non-financial enterprises recognised in profit or loss for the current period	417,164,084		341,735,525
Gains arising from the investment costs being smaller than the shared amount of fair value of the identifiable net assets of investees including subsidiaries, associates and joint ventures at the acquisition date			44,990,444
Gains or losses on changes in fair value arising from held for trading financial assets, derivative financial assets, held for trading financial liabilities and derivative financial liabilities, investment gains or losses on disposal of held for trading financial assets, derivative financial assets, held for trading financial liabilities, derivative financial liabilities and debt investments except for the effective portion of hedges related to the Company's normal business operations	-178,823,455	Including losses on changes in fair values of trading stocks, funds and currency swaps amounting to RMB105,424,899 and losses on disposal of stocks, funds, currency swaps and wealth management products amounting to RMB73,398,556	79,791,238
Reversal of impairment provision for receivables and contract assets individually subject to impairment test	15,153,129		140,992,416
Non-operating income and expenses other than the aforesaid items	-175,288,539		42,287,044
Other profit or loss items which meet the definition of non-recurring profit or loss	-4,964,011		455,628,328
Impact on the non-controlling interests	56,608,714		-26,515,531
Impact on income tax	-17,307,368		-220,092,858
Total	287,200,128		1,032,523,105

Management Discussion and Analysis *(continued)*

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Items measured at fair value

Unit: RMB

Item	Balance at the beginning of the reporting period	Balance at the end of the reporting period	Changes during the reporting period	Impact on the profit for the current period
Held for trading financial assets (excluding derivative financial assets)	679,594,526	628,896,108	-50,698,418	93,252,914
Derivative financial assets	107,539,834	59,055,417	-48,484,417	-26,527,887
Held for trading financial liabilities (excluding derivative financial liabilities)	-74,841,064	-32,262,397	42,578,667	-53,596,988
Derivative financial liabilities	-167,641,518	-293,876,657	-126,235,139	-129,521,411
Total	544,651,778	361,812,471	-182,839,307	-116,393,372

ANALYSIS OF ASSETS AND LIABILITIES

Status of assets and liabilities

Unit: RMB

Item	Amount at the end of 2019	Proportion to total assets as at the end of 2019 (%)	Amount at the end of 2018	Proportion to total assets as at the end of 2018 (%)	Percentage change in the amount at the end of 2019 compared with the amount at the end of 2018 (%)	Reasons for the change
Cash and cash equivalents	6,225,144,800	5.03	10,089,890,808	8.94	-38.30	Mainly due to settlement of remaining balances for mergers and acquisitions of projects, resulting in decrease in cash and cash equivalents.
Other receivables	899,847,411	0.73	1,415,512,562	1.25	-36.43	Mainly due to settlement of receivables from asset disposals and insurance indemnity receivables.
Held for sale assets	-	-	246,189,223	0.22	Not applicable	Mainly due to completion of disposal of Chongli Zijin in 2019, which was held for sale.
Current portion of non-current assets	956,692,852	0.77	307,233,993	0.27	211.39	Mainly due to reclassification of long-term receivables due within one year.
Other equity instrument investments	4,410,441,677	3.56	1,983,796,793	1.76	122.32	Mainly due to unrealised gains arising from stocks at fair value through other comprehensive income held by the Group, and the increase in shareholding in Ivanhoe.
Other non-current financial assets	951,779,422	0.77	401,513,674	0.36	137.05	Mainly due to increase in purchase of convertible bonds of Continental Gold.
Investment properties	130,373,389	0.11	608,221,789	0.54	-78.56	Mainly due to the change of use of certain properties from rental purpose to self-use purpose and reclassified as fixed assets.

Management Discussion and Analysis *(continued)*

(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

Unit: RMB

Item	Amount at the end of 2019	Proportion to total assets as at the end of 2019 (%)	Amount at the end of 2018	Proportion to total assets as at the end of 2018 (%)	Percentage change in the amount at the end of 2019 compared with the amount at the end of 2018 (%)	Reasons for the change
Right-of-use assets	354,772,381	0.29	–	–	Not applicable	Implementation of the New ASBE on Leases and is not comparable.
Other non-current assets	11,444,009,515	9.24	8,198,537,946	7.26	39.59	Mainly due to the increases in borrowings to joint ventures and prepayments for land use rights.
Held for trading financial liabilities	326,139,054	0.26	242,482,582	0.21	34.50	Mainly due to increase in gold leasing not comprehensively quoted in Renminbi.
Bills payable	420,860,145	0.34	160,733,506	0.14	161.84	Mainly due to increase in payments by bills payable.
Held for sale liabilities	–	–	68,739,751	0.06	Not applicable	Mainly due to completion of disposal of Chongli Zijin in 2019, which was held for sale.
Current portion of non-current liabilities	5,768,840,060	4.66	9,707,089,022	8.60	-40.57	Mainly due to repayment of bonds payable due within one year.
Other current liabilities	500,000,000	0.40	–	–	Not applicable	Mainly due to issuance of ultra short-term financing bonds during the reporting period.
Bonds payable	11,966,468,687	9.66	8,879,453,693	7.87	34.77	Mainly due to increase in issuance of mid-term notes during the reporting period.
Lease liabilities	282,347,122	0.23	–	–	Not applicable	Implementation of the New ASBE on Leases and is not comparable.
Long-term payables	1,201,391,669	0.97	733,077,872	0.65	63.88	Mainly due to reclassification of payables for acquisition of equity interests from provision to long-term payables.
Capital reserve	18,690,342,400	15.09	11,094,766,390	9.83	68.46	Mainly due to increase in share premium caused by the proceeds raised in the public issuance of Renminbi-denominated ordinary shares (A Shares) during the reporting period.
Other comprehensive income	-473,929,209	-0.38	-1,575,973,065	-1.40	Not applicable	Mainly due to unrealised gains arising from stocks at fair value through other comprehensive income held by the Group.

Management Discussion and Analysis *(continued)*

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ANALYSIS ON THE OPERATING INFORMATION OF THE INDUSTRY

1. Material changes in industrial policies during the reporting period

- (1) On 14 April 2019, the General Office of the Communist Party of China and the General Office of the State Council issued the Guiding Opinions for the Reform on Coordinating and Promoting a Property Right System for Natural Resources Assets, which requires “focusing on the improvement of the property right system for natural resources assets, and the implementation of property right as the key” and “enhancing the property right system for natural resources assets, and further promoting ecological civilisation development”.
- (2) On 17 December 2019, the Ministry of Natural Resources of the PRC issued the Opinions on Exploring the Use of Market-oriented Ways to Promote Mine Ecological Restoration, so as to provide policy support in terms of encouraging the comprehensive restoration and utilisation of mine land, implementing differentiated land supply, revitalising the existing land for mine construction, etc.

2. Material changes in tax policies during the reporting period

According to the Announcement of the Ministry of Finance, the State Taxation Administration and the General Administration of Customs on Relevant Policies for Deepening the Value-Added Tax Reform (2019 No. 39), the tax rate of 16% applicable to the VAT taxable sale or import of goods by a general VAT taxpayer (“taxpayer”) shall be adjusted to 13%; and the tax rate of 10% applicable thereto shall be adjusted to 9% since 1 April 2019.

The tax rate adjustment mentioned above has alleviated the corporate value-added tax and additional tax burden to a certain extent. In order to ensure that the corporate operation is in compliance with laws and regulations, the Group promptly amended the purchase and sales contracts with suppliers and customers with reference to the applicable tax rate.

3. Payment of resource tax and environmental protection tax during the reporting period

In 2019, environmental protection tax payable by the Company amounted to RMB16,511,206, and RMB19,317,906 was paid; resource tax payable amounted to RMB1,388,335,234, and RMB1,448,815,320 was paid.

4. Resource tax rate and tax incentives

Since 1 July 2016, taxes on the mineral resources have been calculated with price-based method instead of quantity-based method. The basis for taxation has been adjusted from original ore quantity to the sales amount of original ore concentrates (or processed products from original ore), primary products or gold bullion. The tax rates are 1% to 4% for gold resources; 2% to 7% for copper resources; 1% to 6% for iron resources; and 2% to 6% for lead and zinc resources.

Xinjiang Ashele Copper Co., Ltd., Xinjiang Zijin Zinc Co., Ltd., Xinjiang Jinbao Mining Co., Ltd., Hunchun Zijin Mining Co., Ltd., Urad Rear Banner Zijin Mining Co., Ltd. and Qinghai West Copper Co., Ltd. were entitled to a tax concession of Western Development at a preferential corporate income tax rate of 15% in 2019.

The Company, the Nanwenhe Tungsten Mine of Malipo Tungsten Group, Shanxi Zijin Mining Co., Ltd., Xiamen Zijin Mining and Metallurgy Technology Co., Ltd. and Shanghang Zijin Jiabo Electronics New Material Technology Co., Ltd. were entitled to a tax concession of High and New Technology Enterprises at a preferential corporate income tax rate of 15% in 2019.

Management Discussion and Analysis *(continued)*

(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

ANALYSIS ON OPERATING INFORMATION OF NON-FERROUS METAL INDUSTRY

Profitability of various non-ferrous metal products during the reporting period

Please refer to “(1) Status of the main businesses by industry, product and region” in “4. Analysis on sales and costs” in “Status of Main Businesses During the Reporting Period” of “Management Discussion and Analysis”.

Basic information of self-owned mines

Name of mine	Major type	Total retained resources volume (including basic reserves volume)		Basic reserves volume		Extractable reserves volume (111)		Remaining resources mining year	Effective period of permit/mining right	Standard for calculation of resources reserve volume	Risk warning	Explanation on extractable reserves volume (111)
		Metal volume	Grade	Metal volume	Grade	Metal volume	Grade					
Porgera Gold Mine	Gold	314,311	4.22	153,009	4.81	153,009	4.81	Open-pit mining; 9 years	Application for extension of mining right (17 August 2019) in advance has been accepted for consideration	For cutoff grade, the reserve volume is based on gold price of USD1,200/ounce, resource volume is based on gold price of USD1,500/ounce, calculated by software	N/A	Proved + probable reserves volume
Paddington Operations	Gold	342,200	1.27	25,618	1.01	25,618	1.01	4	167 mining rights and 17 exploration permits (all within effective period)	Cutoff grade of open-pit mine: 0.5-0.8g/t, cutoff grade of underground mine: 1.5-3.0g/t, calculated by software	Proportion of reserves volume is comparatively low	Proved + probable reserves volume
Taldybuiak Levoberezhny Gold Mine	Gold	64,082	5.91	32,070	5.23	0	-	14	2 mining rights (5 January 2026)	Cutoff grade of 0.5g/t, industrial grade of 2g/t, calculated by software	Grade C1: 32,070kg	Grade B reserves volume
Jilau, Taror Gold Mines	Gold	102,381	2.05	68,015	2.54	8,453	2.17	4 (Jilau), 23 (Taror)	2 mining rights (27 January 2021)	Cutoff grade and industrial grade of Jilau: 0.5g/t and 0.8g/t respectively; cutoff grade and industrial grade of Taror: 1.2g/t and 2.5g/t respectively, calculated by software	N/A	Grade 11b x designated percentage extraction
Shuguang Gold and Copper Mine	Gold Copper	26,050 113,975	0.44 0.19	15,295 65,151	0.49 0.21	179 689	0.88 0.34	7	Mining right (August 2025) Mining right (May 2023)	Cutoff grade of gold equivalent of 0.45g/t, industrial grade of gold equivalent of 0.6g/t, calculated by software	N/A	Grade 11b x designated percentage extraction
Zhijishan Gold and Copper Mine	Gold Copper	8,237 1,609,180	0.35 0.51	86 471,048	0.30 0.67	74 137,591	0.3 0.73	22	Mining right (13 June 2043)	Cutoff grade and industrial grade of gold of 0.2g/t and 0.5 g/t respectively; cutoff grade and industrial grade of copper of 0.25% and 0.40% respectively, calculated by software	Proportion of basic reserves volume of gold mine is comparatively low	Grade 11b x designated percentage extraction
Asibee Copper Mine	Copper	379,394	2.12	353,661	2.59	310,324	2.85	6.5	Mining right (2 February 2031)	Cutoff grade of 0.3%, industrial grade of 0.5%, calculated by horizontal parallel cross-section method	N/A	Grade 11b x designated percentage extraction

Management Discussion and Analysis *(continued)*

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Name of mine	Major type	Total retained resources volume (including basic reserves volume)		Basic reserves volume		Extractable reserves volume (111)		Remaining resources mining year	Effective period of permit/mining right	Standard for calculation of resources reserve volume	Risk warning	Explanation on extractable reserves volume (111)
		Metal volume	Grade	Metal volume	Grade	Metal volume	Grade					
Dubaoshan Copper Mine	Copper	2,522,434	0.4	533,963	0.5	0	-	26	Mining right (10 April 2026)	Cutoff grade of 0.2%, industrial grade of 0.4%, calculated by vertical parallel cross-section method	Grade 122b basic resources volume: 533,963 tonnes	
Kolwezi Copper Mine	Copper	1,269,594	4.2	456,338	4.6	0	-	12	2 mining rights (4 March 2024)	Cutoff grade of 0.5%, industrial grade of 1.0%, calculated by software		
Bor Copper Mine	Copper	10,183,983	0.40	4,632,645	0.38	1,690,200	0.39	17 (Southern pit of MS) 19 (Northern pit of MS) 21 YK 19 NC 20 JM	5 mining rights (permanent)	Cutoff grade of 0.1%, calculated by traditional ore block method	N/A	Extractable reserves volume of the mine reported to the State Reserve Bureau
Kamao Copper Mine	Copper	43,690,000	2.53	11,340,000	4.63	11,340,000	4.63	37	Mining right (19 August 2042) Exploration right (10 May 2020)	Cutoff grade of 1%, calculated by software	N/A	Proved + probable reserves volume
Upper Zone of the Timok Copper and Gold Mine Project	Copper Gold	1,280,000 81,491	3.00 1.91	890,000 55,986	3.28 2.07	890,000 55,986	3.28 2.07	11	Exploration right (19 April 2022)	Cutoff grade by NSR, resources volume: USD35/tonne for ore and reserves volume of USD35/tonne for ore	N/A	Proved + probable reserves volume
Lower Zone of the Timok Copper and Gold Mine Project	Copper Gold	14,300,000 298,593	0.86 0.18	0 0	- -	0 0	- -	At the present, feasibility study has not been conducted yet	Exploration right (19 April 2022)	Cutoff grade by NSR, resources volume: All are inferred resources USD25/tonne for ore	All are inferred resources volume	
Bisha Copper and Zinc Mine	Zinc Copper	3,173,252 663,797	4.85 1.02	830,976 144,384	5.41 0.94	830,976 144,384	5.41 0.94	8	Mining right (25 May 2028) Mining right (4 July 2022) Exploration right (24 July 2021) Exploration right (24 July 2026)	NSR is value of ore per tonne after deduction of refining costs, mining areas with different resources volume USD98.4/tonne, USD60.8/tonne, USD39.7/tonne, USD43.45/tonne, USD105/tonne, USD38.5/tonne, mining areas with different reserves volume USD105.9/tonne, USD70.13/tonne	N/A	Proved + probable reserves volume
Kyzyl-Tash Zinc and Polymetallic Mine	Zinc	887,377	9.67	706,305	9.83	94,230	9.85	13	Mining right (1 January 2025)	Industrial grade of DZn=5% (DZn=H+0.6Cu), calculated by traditional cross section method	Grade B reserves volume is comparatively low	Grade B reserves volume

Management Discussion and Analysis *(continued)*

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Name of mine	Major type	Total retained resources volume (including basic reserves volume)		Basic reserves volume		Extractable reserves volume (111)		Remaining resources mining year	Effective period of permit/mining right	Standard for calculation of resources reserve volume	Risk warning	Explanation on extractable reserves volume (111)
		Metal volume	Grade	Metal volume	Grade	Metal volume	Grade					
Mieogou-Sanguliku Lead and Zinc Mine	Zinc	1,863,888	2.39	1,498,195	2.38	0	-	22	Mining right (6 June 2042) Exploration right (7 December 2019)	Cutoff grade of 0.5%, industrial grade of 1.6%, calculated by geological ore block method	Grade 121b basic reserves volume: 406,398 tonnes	
Wulagen Lead and Zinc Mine	Zinc	3,874,426	2.17	22,520	3.29	21,361	3.12	20	Mining right (3 July 2022) Mining right (27 February 2023) Exploration right (8 October 2020) Exploration right (20 March 2021) Exploration right (3 December 2020) Exploration right (26 November 2021)	Oxidised ore: cutoff grade of 2%, industrial grade of 6%; sulphide ore: cutoff grade of 1%, industrial grade of 2%, calculated by SURPAC software	Basic reserves volume is comparatively low	Grade 111bx designated percentage extraction

Explanation:

- Unit of gold metal volume: kg; unit of copper and zinc metal volume: tonne; unit of grade of gold: g/t; unit of grade of copper and zinc: %.
- Data of resources reserve volume of the Porgera Gold Mine, Paddington Operations, Kamo Copper Mine, Upper Zone of the Timok Copper and Gold Mine Project, Lower Zone of the Timok Copper and Gold Mine Project and Bisha Copper and Zinc Mine is extracted from NI 43-101 report, and proved + probable reserves volumes are reported as the extractable reserves volume (Grade 111).
- Former Soviet Union standards are used for the Taldybulak Levoberezhny Gold Mine, Jilau and Taror Gold Mines, Bor Copper Mine and Kyzyl-Tash Turk Zinc and Polymetallic Mine; Grade B reserves volume is reported as extractable reserves volume (Grade 111), and Grade B + Grade C1 are reported as basic reserves volume.
- The Shuguang Gold Mine, Ashele Copper Mine and Wulagen Lead and Zinc Mine have not adopted extractable reserves volume (Grade 111) as the management data for resources reserve volume, therefore basic reserves volume (Grade 111b) x designated percentage extraction is reported as the extractable reserves volume (Grade 111).
- According to Classification for resources/reserves of solid fuels and mineral commodities (GB/T 17766-1999), basic reserves volume is a component of identified mineral resources, which is classified into measured (feasibility) economic basic reserves volume (Grade 111b), measured (pre-feasibility) economic basic reserves volume (Grade 121b) and indicated economic basic reserves volume (Grade 122b). Reserves volume is the economically extractable part of the basic reserves volume, which can be classified into measured extractable reserves volume (Grade 111) and pre-extractable reserves volume (Grade 121, Grade 122) based on different levels of geological reliability and stages of feasibility estimations.

Profitability of different regions during the reporting period

Please refer to "(1) Status of the main businesses by industry, product and region" in "4. Analysis on sales and costs" in "Status of Main Businesses During the Reporting Period" of "Management Discussion and Analysis".

Brief Biography of Directors, Supervisors and Senior Management

(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

EXECUTIVE DIRECTORS

Mr. Chen Jinghe, aged 63, graduated from Fuzhou University with a bachelor's degree in geology and obtained an EMBA degree from Xiamen University. He is a professor grade senior engineer, a specialist who enjoys special allowance from the State Council, a deputy to the tenth, eleventh, twelfth and thirteenth People's Congress of Fujian Province, the vice-president of China Mining Association, China Nonferrous Metals Industry Association and China Gold Association. He is the founder and core leader of the Company, and is also the main discoverer, researcher and exploration organiser of the Zijinshan Gold and Copper Mine. He has been serving as the chairman of the Board since 2000 (in which, he concurrently served as the president of the Company from August 2006 to November 2009). He also serves as the head of the State Key Laboratory of Comprehensive Utilisation of Low-grade Refractory Gold Ores, and attained high level of accomplishments in mineral deposit exploration, evaluation and development planning, mining, processing, refining of minerals and corporate management. He obtained 1 State Science Progress First Class Award, 1 State Education Achievement Second Class Award, 13 Provincial Special and First Class Awards as well as 14 invention patents.

Mr. Lan Fusheng, aged 56, graduated from Fuzhou University with a bachelor's degree in geology and obtained an MBA degree from La Trobe University, Australia. He is an engineer. He joined the Company in 1994. From August 2000 to August 2006, he was appointed as a director and standing deputy general manager of the Company. He served as the vice-chairman of the Company from August 2006 to December 2016. He served as the vice-chairman and president of the Company from December 2016 to December 2019. He is currently the vice-chairman of the Company.

Mr. Zou Laichang, aged 52, graduated from Fujian Agriculture College with a bachelor's degree of engineering in chemistry for forestry and obtained an MBA degree from Xiamen University. He is a senior engineer. He joined the Company in March 1996, served as the Company's chief engineer from May 2003 to August 2006, as a director and senior vice-president of the Company from August 2006 to November 2009 and as a Director and standing vice-president of the Company from November 2009 to October 2013. He served as a Director and vice-president of the Company from October 2013 to December 2019. He is currently a Director and the president of the Company.

Mr. Lin Hongfu, aged 46, graduated from Chongqing Steel College majoring in steel and iron alloy smelting, and obtained an EMBA degree from Tsinghua University. In August 1997, he joined the Company and has held the positions of plant manager of gold refinery plant, deputy chief of the Zijinshan Gold Mine, general manager and chairman of the board of directors of Bayannur Zijin Non-ferrous Metals Co., Ltd., etc. He served as a vice-president of the Company from August 2006 to October 2013. He served as a director and vice-president of the Company from October 2013 to December 2019. He is currently a Director and standing vice-president of the Company.

Ms. Lin Hongying, aged 52, graduated from the China University of Geosciences. She is a senior certified public accountant. She joined the Company in 1993 and held the positions of chief accountant, deputy manager and manager of Finance Department and assistant financial controller, etc. She served as the financial controller of the Company from November 2009 to December 2016. She served as a Director, vice-president and concurrently, the financial controller of the Company from December 2016 to December 2019. She is currently a Director and vice-president of the Company.

Brief Biography of Directors, Supervisors and Senior Management *(continued)*

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Mr. Xie Xionghui, aged 46, graduated from Huainan Industrial Institute majoring in geology and mineral resources exploration. He is a lawyer and a certified safety engineer with the qualification of registered consulting engineer (investment) and grade-one constructor. He joined the Company in 2001 and served as the geological technician, secretary to the chairman, deputy director of the Board Office and concurrently the legal advisor of the Company; deputy general manager of Hunchun Zijin Mining Co., Ltd.; general manager of Chongli Zijin Mining Co., Ltd.; standing deputy general manager of Heilongjiang Zijin Longxing Mining Co., Ltd.; general manager of Zijin Mining Group Northwest Co., Ltd.; chairman of Zijin Mining Group South Investment Co., Ltd. and general manager of Mines Operations Department of the Company. He served as a vice-president of the Company from December 2016 to December 2019. He serves as a Director and vice-president of the Company since December 2019.

Mr. George Fang Qixue, aged 58, graduated from Wuhan University of Science and Technology with a bachelor's degree in mineral processing engineering profession and obtained a Ph.D. from the Central South University. He is a professor grade senior metallurgist, and a license holder authorised by the Securities and Futures Commission of Hong Kong. He has been with Beijing General Research Institute of Mining and Metallurgy (the "BGRIMM") and served as a professor grade senior metallurgist, director of the Ore Processing Research Office; deputy general manager of China United Copper Co., Ltd., director and general manager of Minmetals JCCL Mining Investment Co., Ltd., chief technology officer of China Minmetals Non-ferrous Metals Co., Ltd. and general manager of its investment department. Mr. Fang has been serving at the Standard Bank (its Headquarters are located at Johannesburg, South Africa) as head of Mining and Metals/Investment Banking/China; vice chairman, head of Mining and Metals Coverage Asia of Standard Bank Plc, Hong Kong Branch; the vice chairman and head of Mining and Metals Coverage Asia of Standard Advisory Asia Limited. He had been serving as a Director and vice-president of the Company since May 2015. He resigned on 29 December 2019.

NON-EXECUTIVE DIRECTOR

Mr. Li Jian, aged 44, is a resident of Shanghang County, Longyan City. He is tertiary educated and a deputy to the fifth People's Congress of Longyan City. He currently serves as the chairman and general manager of Minxi Xinghang State-owned Assets Investment Company Limited, and concurrently serves as a Director of the Company from October 2013. He is also the chairman of Shanghang Xingcheng Financing and Guarantee Company Limited and director of Fujian Shanghang Rural Commercial Bank Company Limited.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Zhu Guang, aged 63, graduated from the University of International Business and Economics and obtained a master degree in international economy. He was also granted a doctoral degree in economics from the Central University of Finance and Economics. He currently serves as the vice-chairman of HOPU Jinghua (Beijing) Investment Consultancy Co., Ltd. ("HOPU Investment"). At the same time, he is a visiting professor of the Central South University and the Central University of Finance and Economics. He was previously the general manager of Minmetals Trading Co., Ltd., the general manager of Minmetals International Non-ferrous Metals Co., Ltd., and the senior vice-president and Party Member of China Minmetals Corporation. From 2009 to the present, he has been with HOPU Investment and has been serving as the president of Longming iron mine on behalf of HOPU Investment. Mr. Zhu has also held a number of other positions namely the vice-chairman of Xiamen Tungsten Co., Ltd., vice-president of China Tungsten Industry Association, chairman of International Tungsten Industry Association, and the chairman of Jiangxi Tungsten Industry Group Co., Ltd., China United Copper Co., Ltd., Minmetals Aluminium Company Limited and Sherwin Alumina L.P. of the United States, respectively, and vice-chairman of Guangxi Huayin Aluminium Co., Ltd., etc. He has been serving as an independent non-executive Director of the Company since April 2016.

Mr. Mao Jingwen, aged 64, obtained a doctoral degree from the Graduate School of Chinese Academy of Geological Sciences and is an academician in the Division of Energy and Mining Engineering of the Chinese Academy of Engineering. Mr. Mao has been dedicated to the researches on mineral deposit model and metallogeny as well as mineral prospecting for a long time, and made significant contributions to the breakthroughs in prospecting for concealed orebody in the PRC. He was granted one State Natural Science Second Class Award, two State Science and Technology Progress Second Class Awards, four Provincial Science and Technology First Class Awards and four Provincial Science and Technology Second Class Awards. He currently serves as a researcher in the Institute of Mineral Resources under the Chinese Academy of Geological Sciences, director in the key laboratory of metallogeny and mineral assessment of the Ministry of Land and Resources and director in the Commission on Mineral Deposits of the Geological Society of China. Previously, he served as a vice business director of the Institute of Mineral Resources under the Chinese Academy of Geological Sciences and chairman of the International Association on the Genesis of Ore Deposits. He has been serving as an independent non-executive Director of the Company since December 2019.

Brief Biography of Directors, Supervisors and Senior Management *(continued)*

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Mr. Li Changqing, aged 52, obtained a bachelor's degree of engineering in accounting of industrial enterprise from the School of Management Engineering of Hefei University of Technology, a master degree in business administration and a doctoral degree in management (accounting) from Xiamen University. He is a certified public accountant of China. He currently serves as a professor in the School of Management, doctoral advisor and director of EMBA Centre of Xiamen University, supervisor in post-doctor workstation of Shanghai Stock Exchange and case writer in China Europe International Business School. He was a visiting scholar and studied at the Harvard Business School and other renowned academic institutions, and published over 80 academic theses and 7 books (including co-author). He led 10 scientific research projects of the National Natural Science Foundation of China, Humanities and Social Sciences Fund of State Education Commission of the PRC, Sino-Canada University-Industry Collaboration Fund, Joint Research Plan of Shanghai Stock Exchange, etc. Mr. Li was granted the National Teaching Achievement Award, award of the First Top 100 Case Studies in China, Outstanding Contribution to MBA Education and Management Award of China, as well as Distinctive Academic Theses Award of Accounting Society of China, etc. He was also selected to the Program for New Century Excellent Talents of the Ministry of Education. He has been serving as an independent non-executive Director of the Company since December 2019.

Mr. He Fulong, aged 65, obtained a master's degree in business administration and is a senior economist entitled to special allowance from the State Council, an adjunct professor of the School of Management, the School of Economics and the Wang Yanan Institute for Studies in Economics as well as a master advisor of international economics and business programme of Xiamen University. From March 1994 to April 1998, Mr. He served as a financial manager of Ta Kung Pao, Hong Kong; from May 1998 to April 2000, he served as the deputy general manager of Xiamen Commerce and Trade State-owned Asset Investment Company Limited; from May 2000 to March 2017, he served as the chairman of Xiamen ITG Group Corp., Ltd.; since May 2017, he has been serving as the chairman of Xiamen City Chenjiageng Education Development Foundation. Mr. He was awarded the honorary titles of National Outstanding Entrepreneur, National Model Worker, and was selected as one of the Top 40 Most Influential Entrepreneurs in Fujian at the 40th Anniversary of Economic Reform and Opening-up, etc. He has been serving as an independent non-executive Director of the Company since December 2019.

Mr. Suen Man Tak, aged 62, is a practicing barrister-at-law of the Hong Kong High Court. He has been working in the enforcement and related law field for 35 years specialising in securities, futures, financial market, anti-money laundering activities, listing rules, code of conduct, etc., with extensive experience and professional knowledge. Mr. Suen once served as the Director of Enforcement of the Securities and Futures Commission of Hong Kong (the "SFC"), Inspector appointed by the Financial Secretary of Hong Kong, responsible officers of 4 licensed corporations with 7 types of activities regulated by the SFC, executive director and chairman of Compliance and Risk Steering Committee of listed company and Senior Inspector of Commercial Crime Bureau. He currently serves as the independent non-executive director of Sino-Ocean Group Holding Limited, member of the Board of Review (Inland Revenue Ordinance), Honorary Chairman of the Institute of Compliance Officers, member of the Advisory Committee of Hong Kong Insurance Professionals Federation, Council Member and expert advisor of the Institute of Financial Technologists of Asia Limited, Honourable President of Hong Kong International Blockchain & Financial Association. Mr. Suen is also a member of the Hong Kong Institute of Certified Public Accountants and Hong Kong Securities and Investment Institute. He has been serving as an independent non-executive Director of the Company since December 2019.

Mr. Lu Shihua, aged 69, graduated from Central Communist Party School majoring in economic management specialisation by correspondence, is a non-practising registered accountant. He has held the positions of president of the Fujian Budget and Accounting Research Society, inspector (deputy departmental head grade) of the Fujian Finance Department. He retired in May 2011. He served as an independent non-executive Director of the Company since 25 October 2013, and resigned on 29 December 2019.

Mr. Sit Hoi Wah, Kenneth, aged 62, graduated from the University of Hong Kong, is a practising solicitor in Hong Kong. He was admitted as a solicitor in Hong Kong, a solicitor in England and Wales, a solicitor and barrister in Australia, a solicitor in Singapore, a notary public, a member of the Chartered Institute of Arbitrators and a fellow member of the Hong Kong Institute of Arbitrators. He is a partner of Messrs. Kenneth Sit, Solicitors of Hong Kong. He served as an independent non-executive Director of the Company since 25 October 2013, and resigned on 29 December 2019.

Brief Biography of Directors, Supervisors and Senior Management *(continued)*

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Mr. Cai Meifeng, aged 77, graduated from Shanghai Jiao Tong University, and obtained his PhD in Mine Geotechnical Engineering from the University of New South Wales. Mr. Cai is a member of Chinese Academy of Engineering, as well as a specialist in geotechnical engineering and mining engineering. Being one of the pioneers in crustal stress measurement of domestic mines, he was the first person to develop the measurement technique of crustal stress, which owns an independent intellectual property right in the PRC, and he has also introduced a system of techniques for optimisation of mining design based upon crustal stress theory, safe mining techniques of high efficiency, and techniques for forecast, prevention and control of mine dynamic disasters. At present, he is a professor of the University of Science and Technology Beijing, and the convener of the assessment division for mining engineering discipline of the State Council Academic Degrees Committee. He was the former director of the School of Civil and Environmental Engineering of the University of Science and Technology Beijing, and chairman of Commission on Education of International Society for Rock Mechanics. He obtained 4 State Scientific and Technological Progress Second Class Awards, 1 Third Class Award, 1 State Technological Invention Third Class Award, and has published 4 treatises and more than 150 academic theses. More than 20 post-doctors, more than 90 PhDs and more than 50 M.A.s have been instructed by him. He was the editor-in-chief for one of the "Tenth Five-year Plan" state-planned teaching materials, and obtained 1 National Teaching Achievement Second Class Award. Mr. Cai is concurrently serving as an independent director of Sichuan Yahua Industrial Group Co., Ltd. (stock code at Shenzhen Stock Exchange: 002497). He served as an independent non-executive Director of the Company since 25 October 2013, and resigned on 29 December 2019.

SUPERVISORS OF SUPERVISORY COMMITTEE

Mr. Lin Shuiqing, aged 56, graduated from Central Communist Party School, with a part-time postgraduate educational background. He has been a deputy secretary, head of town and secretary of Zhongdu Town of Shanghang County Communist Party Committee, a director of Shanghang County Communist Party Committee Office, a standing member of the Shanghang County Communist Party Committee, director of Shanghang County Tongzhanbu and secretary of Shanghang County Non State-owned Economic Working Committee. He has been serving as vice-secretary of Party Committee and the chairman of the supervisory committee of the Company (the "Supervisory Committee") since November 2009.

Mr. Fan Wensheng, aged 52, graduated from Central Communist Party School. He has held positions including secretary to and vice-director of the Agricultural and Economic Commission of Standing Committee of Shanghang County People's Congress, vice-director, chief staff, committee member and party member of office of the Standing Committee of the Shanghang County People's Congress, vice-secretary of Gutian Communist Party Committee and town chief of Gutian town, Communist Party Committee secretary of Taibaxiang, Shanghang County, township cadre of Economic and Trading Bureau and the director of the Shanghang Copper Bureau. He served as vice-secretary of Party Committee, secretary of the Central Commission for Discipline Inspection, a Supervisor of the Company from October 2013 to December 2019, and is currently serving as secretary of the Commission for Discipline Inspection and the vice-chairman of the Supervisory Committee of the Company.

Mr. Xu Qiang, aged 68, was tertiary educated. He is a senior accountant, certified public accountant, and registered valuer. He has been the deputy director of Fujian Huaxing Certified Public Accountants and the director of Fujian Asset Valuation Centre. He has been appointed as a Supervisor of the Company since August 2000. He served as the vice-chairman of the Supervisory Committee of the Company from August 2006 to December 2019, and is currently serving as a Supervisor of the Company.

Mr. Liu Wenhong, aged 50, obtained an EMBA degree from Xiamen University. He is an intermediate-level engineer. He joined the Company in 1989, and held several positions including the office director, assistant to general manager, assistant to president, concurrently the standing deputy chief of the Zijinshan Gold and Copper Mine, the chairman of Zijin Mining Group (Xiamen) Investment Co., Ltd., and general manager of key project and Corporate Social Responsibility Department of the Company, etc. He is currently serving as the chairman of the labour union and a Supervisor representing workers and staff of the Company since October 2013.

Mr. Cao Sanxing, aged 44, graduated from Hainan University majoring in international finance. He joined the Company in May 2001, and served as the inspector of supervision and audit office of Fujian Zijin Mining Industry Company Limited, the deputy chief of supervisory department of mine office of the Zijinshan Gold and Copper Mine, director of supervision and audit office and the chairman of supervisory committee of Bayannur Zijin Non-ferrous Metals Co., Ltd., chairman of supervisory committee and director of supervision and audit office (concurrent) of Zijin Mining Group Northwest Co., Ltd., the general manager of Qinghai West Copper Co., Ltd. and the general manager of Xinjiang Zijin Zinc Co., Ltd. He is currently serving as the director of Supervision and Audit Office of the Company. He has been serving as a Supervisor representing workers and staff of the Company since December 2019.

Brief Biography of Directors, Supervisors and Senior Management *(continued)*

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Ms. Lan Liying, aged 54, tertiary educated, is an accountant and registered non-practising CPA. She joined the Company in December 1994, having served as the deputy manager of Finance Department, officer of the Supervision and Audit Office, general manager of Marketing and Operation Department and Production and Operation Department. She served as a Supervisor representing workers and staff of the Company since 28 December 2016, and resigned on 29 December 2019.

SENIOR MANAGEMENT

Mr. Shen Shaoyang, aged 51, graduated from Xiamen University with a bachelor's degree in international trade. He obtained an MBA from the National University of Singapore and a Master of Management & Professional Accounting (MMPA) from the University of Toronto. He is a chartered professional accountant (CPA) of Canada. He served as the manager of a subsidiary of Xiamen Special Economic Zone Trade Co., Ltd., general manager of Xiamen Far East International Trading Corporation, senior analyst of Grant Thornton LLP of Canada, operations general manager of China, vice-president and chief operating officer of Silvercorp Metals Inc. of Canada. He joined the Company in May 2014, served as the general manager of the Company's Overseas Operations Department and the managing director of Barrick (Niugini) Limited, a joint operation of the Company. He is currently a vice-president of the Company.

Mr. Long Yi, aged 44, graduated from Northeastern University with a bachelor's degree in mining engineering. He is a senior engineer. After graduation, he joined the Company and served as a technician of the Zijinshan Gold and Copper Mine, the deputy officer of copper mine construction headquarters, deputy director of underground engineering office, assistant to general manager of Xinjiang Jinbao Mining Co., Ltd., deputy general manager of Fuyun Jinshan Mining Co., Ltd., general manager of Xinjiang Jinbao Mining Co., Ltd., general manager of Xinjiang Ashele Copper Co., Ltd., assistant to president of the Company, chief of the Zijinshan Gold and Copper Mine, chief safety officer of the Company, general manager of La Compagnie Minière de Musonoie Global Société par Actions Simplifiée, general manager of the Company's Overseas Business Department and the managing director of Serbia Zijin Bor Copper doo Bor. He is currently a vice-president of the Company.

Mr. Que Chaoyang, aged 50, obtained a bachelor's degree in mineral resources management and a part-time doctoral degree in mineralogy, petrology and mineral deposit from the China University of Geosciences (Beijing). He is a senior engineer. He once served as a civil servant of Yongding County, Fujian Province. He joined the Company in 2004, served as the office director, deputy general manager, standing deputy general manager and chairman of Tongling Zijin Mining Co., Ltd., general manager of Wenshan Malipo Zijin Tungsten Group Co., Ltd., Zijin Mining Group Southwest Co., Ltd. and Zijin Mining Group Northwest Co., Ltd., standing deputy general manager and general manager of the Company's Overseas Business Department, general manager of La Compagnie Minière de Musonoie Global Société par Actions Simplifiée and the general manager of the Company's Mines Operations Department. He is currently a vice-president of the Company.

Mr. Wu Honghui, aged 44, is tertiary educated. He is a certified public accountant, certified tax agent and senior accountant. He held the positions including accountant, chief accountant and financial manager of Minxi Jiayuan Hotel and the chief of finance department of Fujian Longyan Jiayuan Food Group Company Limited. He joined the Company in August 2007, served as deputy manager and manager of treasury and finance department, the assistant to general manager and financial controller of Bayannur Zijin Non-ferrous Metals Co., Ltd. and the general manager of Treasury and Finance Department of the Company. He is currently the financial controller of the Company.

Mr. Jiang Kaixi, aged 57, graduated from RWTH Aachen University of Germany majoring in metallurgical engineering. He obtained a doctoral degree, is a professor grade senior engineer and a specialist of Ten Thousand People's Scheme and enjoys special allowance from the State Council. He served as the professor grade senior engineer, head of metallurgy research laboratory, vice-president, president and chief scientist of Beijing General Research Institute of Mining and Metallurgy, full-time independent director of state-owned enterprises, director and professor of Fuzhou University-Zijin Mining Group Joint Research Centre for Comprehensive Utilisation of Mineral Resources, and the chief scientist of the Company. He is currently the chief engineer of the Company.

Brief Biography of Directors, Supervisors and Senior Management *(continued)*

(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

Mr. Zheng Youcheng, aged 52, graduated from Fuzhou University with a bachelor's degree in geology and mineral prospecting, and obtained a master's degree in public administration from Xiamen University. He served as the director of news department and vice-president of Fujian Shanghang Radio and Television Administration; deputy secretary to the party committee and town chief of Lanxi Town, Shanghang County; secretary to the party committee of Panjing Township, Shanghang County. He joined the Company in August 2005, served as the deputy general manager, standing deputy general manager and general manager of Bayannur Zijin Non-ferrous Metals Co., Ltd. in Inner Mongolia, deputy general manager of Zijin Copper Co., Ltd., general manager (concurrent) of Jinshan Gold Metallurgy Co., Ltd., head of Party Affairs and Corporate Culture Department, assistant to chairman and director of the Board Office (concurrent) of the Company. He is currently the secretary to the Board of the Company.

Ms. Liu Qiang, aged 55, graduated from Beijing Second Foreign Language Institute majoring in English literature, obtained a Master's degree in Literature and is a deputy senior translator. She is the representative of the fifteenth People's Congress in Haidian District of Beijing, and is a member of the National Economy, Social Development and Planning, Finance and Budgeting Audit Committee of the fifteenth People's Congress of Haidian District. She has studied finance at the University of International Business and Economics in Beijing and got a post-graduate diploma. She has received trainings on finance and financial management in Hong Kong, served in the finance department of Oriental Metals (Holdings) Company Limited in Hong Kong and served as the manager of the finance department of an Australian subsidiary of China National Nonferrous Metals Import and Export Corporation, manager of the aluminum department of China National Nonferrous Metals Import and Export Corporation; a senior analyst for the aluminum industry and market in China National Nonferrous Metals Trading Group and China National Metals and Minerals Import and Export Corporation as well as the deputy manager of the Import and Export Division of China Aluminum International Trading Corporation Limited. She served as the secretary to the board of directors and company secretary of Aluminum Corporation of China Ltd. from October 2003 to May 2013. She served as the secretary to the Board of the Company since 25 October 2013, and she resigned on 29 December 2019.

Mr. Guo Xianjian, aged 61, is a Canadian citizen. He graduated and obtained his PhD from Kunming University of Science and Technology, and did post-doctoral study in the Mackay School of Mine of the University of Nevada, USA. He is a registered engineer in Canada. Mr. Guo has held a number of positions, namely the deputy director of the Metallurgical Department of Beijing General Research Institute for Nonferrous Metals (GRINM); the researcher in the Metallurgical Department of McGill University, Canada; Senior Scientist in Noranda Technology Center in Canada; Nonferrous Director-China and Technical Director-Nonferrous in Hatch Ltd. in Canada; vice president in Ramu NiCo Management Ltd; technical advisor (CEO Technical Representative) of CGNPC Husab uranium project in Namibia; the senior consultant of several companies, and the visiting professor in the University Science and Technology Beijing. He served as the chief engineer of the Company since 18 August 2017, and resigned on 29 December 2019.

Mr. Fan Cheung Man, aged 59, obtained a Master's degree in business administration from the University of New England, Australia. He is an associate member of The Hong Kong Institute of Certified Public Accountants, and a fellow member of The Association of Chartered Certified Accountants, UK. He has been a deputy general manager of Hungtai Electronic Factory and financial controller of Vigers HK Limited. Mr. Fan has been serving as the company secretary (HK) for the Company since December 2004.

Brief Biography of Directors, Supervisors and Senior Management *(continued)*

(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

POSITION HELD BY THE DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

(1) Position held in shareholder's company

Name	Name of shareholder's company	Position	Date of appointment	Date of end of term
Li Jian	Minxi Xinghang State-owned Assets Investment Co., Ltd.	Chairman and general manager	September 2017	September 2020

(2) Position held in other companies

Name	Name of company	Position	Date of appointment	Date of end of term
Chen Jinghe	Ivanhoe Mines Ltd.	Non-independent director	June 2019	
Lin Hongfu	Fujian Evergreen New Energy Technology Co., Ltd	Director	December 2018	December 2021
Li Jian	Fujian Shanghang Xingcheng Financing and Guarantee Company Limited	Chairman	July 2014	
Li Jian	Fujian Shanghang Rural Commercial Bank Company Limited	Director	June 2015	
Zhu Guang	HOPU Jinghua (Beijing) Investment Consultancy Co., Ltd.	Vice-chairman		
Mao Jingwen	Shenghe Resources Holding Co., Ltd.	Independent director	April 2019	April 2022
Li Changqing	Shenzhen Noposion International Investment Co., Ltd.	Independent director	July 2018	July 2021
Li Changqing	China Merchants Port Group Co., Ltd.	Independent director	June 2017	June 2020
Li Changqing	Huizhou Huayang Group Co., Ltd.	Independent director	September 2016	September 2019
Suen Man Tak	Sino-Ocean Group Holding Limited	Independent non-executive director	December 2015	
Fang Qixue	Barrick (Niugini) Limited	Director	January 2018	January 2020
Fang Qixue	Gold Eagle Mining Investment Limited	Director		January 2020
Sit Hoi Wah, Kenneth	Messrs. Kenneth Sit, Solicitors of Hong Kong	Partner		
Sit Hoi Wah, Kenneth	Pokfulam Development Company Limited	Independent non-executive director	April 2015	December 2020
Sit Hoi Wah, Kenneth	Tree Holdings Limited	Independent non-executive director	January 2018	
Cai Meifeng	Sichuan Yahua Industrial Group Co., Ltd.	Independent director	June 2018	June 2021
Xu Qiang	Newland Digital Technology Co., Ltd. (formerly known as Fujian Newland Computer Co. Ltd.)	Independent director	May 2015	March 2021

Report of the Directors

(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

The Directors of the Company hereby submit the Report of the Directors and the audited financial statements of the Group for the year ended 31 December 2019.

PRINCIPAL BUSINESS

The Group is principally engaged in the exploration, mining, processing, refining and sales of gold, non-ferrous metals and other mineral resources, and is a large-scale and comprehensive mining group primarily engaged in the production of gold and non-ferrous metals. The Group produces gold bullion of 99.99% and 99.95% purity under the “ZIJIN” brand, copper cathode and zinc bullion, etc. There were no significant changes in the nature of the Group’s principal activities during the reporting period.

Details regarding the key businesses of the Group’s subsidiaries and associates are set out in Notes VII.1 and VII.3 to the financial statements, respectively.

OPERATING RESULTS

The operating results of the Group for the year ended 31 December 2019 are set out in the financial statements on pages 128 to 328.

Analysis on investment status

Overall analysis on external equity investment

The Company consistently implements the development strategy of “internationalisation, project upsizing and asset securitisation” with gold and copper as the main focuses, continues to track high-quality mining resources projects across the world, and grasps the market opportunity to complete merger and acquisition in a timely manner. In 2019, the Company completed the acquisition of the remaining interest in the Lower Zone of the Timok Copper and Gold Mine Project in Serbia, currently holding 100% interest in both the Upper Zone and Lower Zone of Timok; the Company entered into arrangement agreement with Continental Gold to acquire 100% equity interest in Continental Gold. Closing of acquisition of the project was completed in March 2020. Implementation of acquisition of the abovementioned two projects provides a solid foundation of resources for the Company’s growth in gold and copper mineral products and lays a cornerstone for achieving the Company’s strategic goals.

Key equity investments

- (1) The Company and its wholly-owned subsidiary, Zijin (Europe) International Mining Company Limited (“Zijin Europe”), entered into a share purchase agreement with Freeport-McMoRan Inc., Freeport-McMoRan Exploration Corporation (“FMEC”), Global Reservoir Minerals (BVI) Inc., etc. on 3 November 2019. Pursuant to the agreement, Zijin Europe proposed to acquire 72% Class B Shares of CuAu International Holdings (BVI) Ltd. (“CuAu”) held by FMEC at an initial purchase price of USD240 million and deferred payment to be paid after production commencement to obtain interest in the Lower Zone of the Timok Copper and Gold Mine owned by FMEC and interests in the exploration licences owned by Rakita. Closing of the acquisition was completed on 28 December 2019 and the Company currently owns 100% interest in both the Upper Zone and Lower Zone of the Timok Copper and Gold Mine.

The Lower Zone of the Timok Copper and Gold Mine is a giant porphyry type copper deposit. According to the NI 43-101 technical report on the Timok Project released by Nevsun, in June 2018, the inferred ore resources volume of the Lower Zone of the Timok Copper and Gold Mine was 1.659 billion tonnes, with 14.30 million tonnes of copper metal grading 0.86% in average and approximately 299 tonnes of gold metal grading 0.18g/t in average. The peripheral and deep parts of the Lower Zone of the Timok Copper and Gold Mine are still not closed and have a good potential for increasing reserve volume. After completion of the acquisition, the volume of the Company’s copper resources and associated gold increased by 7.72 million tonnes and 161 tonnes respectively, which will benefit the unified development of the Upper Zone and the Lower Zone of the Timok Copper and Gold Mine.

Report of the Directors *(continued)*

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- (2) The Company entered into an arrangement agreement with Continental Gold Inc. ("Continental Gold") on 2 December 2019. The Company proposed to acquire 100% equity interest in Continental Gold through a subsidiary set up by Gold Mountains (H.K.) International Mining Company Limited ("Gold Mountains (H.K.)"), a wholly-owned overseas subsidiary of the Company, at a consideration of CAD5.50 per common share. The total consideration was approximately CAD1.33 billion.

Gold Mountains (H.K.) established Zijin (America) Gold Mining Company Limited ("Zijin America") in Hong Kong as the principal of the transaction, and introduced cooperation partners to subscribe for certain equity interest in Zijin America. Gold Mountains (H.K.) owns approximately 68.766% of Zijin America's equity interest after such subscription. Pursuant to the shareholders' agreement of Zijin America, the board of directors of Zijin America shall consist of 4 directors, among which, the Company is entitled to appoint 3 of them. The management of Zijin America will be delegated by the Company, and the Company is authorised to be responsible for Continental Gold's operation and management. The acquisition was completed on 5 March 2020.

The core asset of Continental Gold is its 100%-owned interest in the Buriticá Gold Mine Project in Antioquia Department, Colombia. The Buriticá Gold Mine is a world-class, high-grade and large-scale gold mine, with resource volumes of 353 tonnes of gold grading 9.3g/t in average and 1,469 tonnes of silver grading 38.8g/t in average. It has a good condition for mining. Besides, the deep and surrounding areas of the project have promising prospecting capacity and a great potential for exploration and reserve increment.

- (3) On 14 May 2019, the execution and investment committee of the Board of the Company considered and passed the proposal in relation to exercise of anti-dilution right to participate in Ivanhoe's issuance of new shares, which approved the Company to subscribe for 16,754,296 Ivanhoe's common shares at a consideration of CAD3.98 per common share pursuant to the anti-dilution agreement entered into between the Company and Ivanhoe on 23 March 2015. The total consideration was approximately CAD66.6821 million. After the subscription, the Company held approximately 9.8% equity interest in Ivanhoe.

The Company and its wholly-owned subsidiary, Gold Mountains (H.K.), entered into a share purchase agreement with CITIC Metal Africa Investments Limited ("CITIC Metal Africa"), Newstar Advantage Ltd. ("Newstar") and Robert Martin Friedland ("Mr. Friedland") on 8 October 2019 and purchased an aggregate of 48,652,282 issued and outstanding common shares of Ivanhoe held by CITIC Metal Africa, Mr. Friedland and Newstar in cash. The transaction was completed on 4 December 2019. The consideration was CAD3.98 per common share and the total amount of the investment was approximately CAD193,636,082. The Company currently holds approximately 13.83% equity interest in Ivanhoe.

- (4) The Company's subsidiary, COMMUS, entered into an equity transfer agreement with Canoca Investment Limited and invested USD37,621,200 to acquire 51% equity interest in La Carrière Du Lualaba Société par Actions Simplifiée (the "Target Company") in the DR Congo. The transaction was completed on 24 June 2019. The Target Company owns a large-scale high-quality limestone mine in the DR Congo, which is suitable for producing cement and lime. The resources reserve volume verified by the Company is (332) + (333) 553,324,200 tonnes of ore with average CaO grade of 51.92%. After the project is completed with construction and commences production, the demand for cement and lime raw materials of the Company's construction projects in the DR Congo can be satisfied. On 13 September 2019, Gold Mountains (H.K.), a wholly-owned subsidiary of the Company, exchanged a debt of USD37.6212 million owned by it with equity interest in the Target Company owned by COMMUS. Currently, the Company owns 51% equity interest in the Target Company through Gold Mountains (H.K.).

Report of the Directors *(continued)*

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Key non-equity investments

Project name	Amount	Progress	Investment during the reporting period (RMB million)	Actual accumulated investment (RMB million)	Project return status
Zijin Zinc technological upgrade phase 3	RMB714 million	(1) Expansion of open-pit mine was completed. (2) Except the semi-autogenous grinding system, all sub-projects of the processing plant's land construction were completed by 90%.	488	488	After reaching the designated production capacity, Zijin Zinc's annual production volume of zinc metal and lead metal will be approximately 125 thousand tonnes and 23.4 thousand tonnes respectively
Xinjiang Zijin Non-ferrous zinc refining	RMB1.337 billion	Applications for permits and licences for the construction period were completed. Approximately 75%, 85% and 15% of the project's land construction, equipment purchase order and installation have been completed respectively.	813	869	After completion of the project, the designated production capacity will be 100 thousand tonnes of zinc bullion per annum
Zijin Bor Copper technological upgrade (mine + smelter plant)	USD1.294 billion (USD350 million capital increment included)	MS Mine technological upgrade and expansion project completed feasibility study design and officially commenced construction in September; VK Mine technological upgrade and expansion project completed feasibility study design; technological upgrade of smelter plant completed feasibility study and preliminary design; land levelling, engineering surveying, etc. are under progress.	967	967	After the technological upgrade and expansion of the project, 120 thousand tonnes of mine-produced copper metal is expected to be produced annually and the smelter plant will have a capacity of refining 180 thousand tonnes of copper metal (pending to 200 thousand tonnes) annually
Construction of the Upper Zone of the Timok Copper and Gold Mine	USD474 million	Resource reserve verification, feasibility study design, application of approval for exploration shaft construction permit, SPSP area plan and other licenses and permits of the project were completed, and project design and application of mining permit are pushed forward orderly; levelling of land for processing plant commenced.	318	333	After completion of construction of the project and reaching designated production capacity, the annual production will be approximately 79.6 thousand tonnes of copper metal and 2 tonnes of gold metal

Report of the Directors *(continued)*

(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

Project name	Amount	Progress	Investment during the reporting period (RMB million)	Actual accumulated investment (RMB million)	Project return status
Construction of the Kamao Copper Mine phase 1	USD1.472 billion (Note)	Periodic equipment tendering and ordering were completed, tenders, negotiations and contract signing for major contracts such as underground mining contracts were completed. For shaft development, main slope and southern slope excavation were completed, while cross-vein drift has arrived at the high-grade deposits; for facilities on the land surface, processing plant, electricity facilities, etc. are under construction.	2,624	3,957	After completion of construction of phase 1 and reaching designated production capacity, the annual production will be copper concentrate containing approximately 300 thousand tonnes of copper

Note: The figure is the total investment in the project, based on the Feasibility Study Report for the Mining and Processing Project of the Kakula Deposit of the Kamao Copper Mine in the DR Congo prepared by China Enfi Engineering Corporation in accordance with Chinese standards. The report is different from the feasibility study report pending finalisation compiled by Ivanhoe according to Canadian standards.

Financial assets measured at fair value

Stock code	Abbreviation of stock	Initial investment cost (RMB)	Number of shares held (share)	Book value at the end of the reporting period (RMB)	Changes in owners' equity during the reporting period (RMB)
IVN	Ivanhoe Mines	2,328,606,265	165,412,636	3,755,810,827	1,177,579,011
AKG	Asanko Gold	90,301,596	15,300,300	100,532,980	32,005,044

Material asset and equity interest disposals

On 24 December 2018, the Company entered into an equity transfer agreement with Aikeruite (Beijing) Investment Co., Ltd. ("Aikeruite") and transferred its 60% equity interest in Hebei Chongli Zijin Mining Co., Ltd. ("Chongli Zijin") at a consideration of RMB180 million. According to the "Asset Valuation Report of Total Owners' Equity on the Project in relation to Zijin Mining Group Co., Ltd.'s Proposed Transfer of Its Equity Interest in Hebei Chongli Zijin Mining Co., Ltd." issued by Chongqing Rongkuang Assets, Real Estates and Land Appraisal Co., Ltd. (Rongkuangzipingzi [2018] No. 401), the valuation of total owners' equity of Chongli Zijin was RMB297.0508 million. During the reporting period, the abovementioned registration of change regarding the transfer of the equity interest was completed.

On 30 April 2019, Nevsun Resources (Eritrea) Ltd. ("Nevsun Eritrea"), a subsidiary of the Company, entered into an equity transfer agreement with Eritrean National Mining Corporation and Bisha Mining Share Company ("Bisha"). Nevsun Eritrea transferred its 5% equity interest in Bisha to Eritrean National Mining Corporation at a consideration of USD10 million. The registration change of the above equity transfer was completed on 30 May 2019. The Company ultimately owns 55% equity interest in Bisha through Nevsun Eritrea, while Eritrean National Mining Corporation owns 45% equity interest in BMSC. The arrangement of board members of Bisha remained unchanged.

Report of the Directors *(continued)*

(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

ANALYSIS OF MAJOR SUBSIDIARIES AND ASSOCIATES

Unit: RMB' 000

Company name	Mine	Gold segment		Total assets	Net assets	Operating income	Net profit
		Interest held by the Group	Annual processing capacity				
Barrick (Niugini) Limited (Note 1)	Porgera Gold Mine	50%	5.8 million tonnes	3,320,470	1,898,930	2,795,970	526,740
Hunchun Zijin Mining Co., Ltd.	Shuguang Gold Mine	100%	8.94 million tonnes	2,062,350	1,776,510	1,376,020	473,510
Norton Gold Fields Pty Limited	Paddington Operations	100%	3.73 million tonnes	2,056,750	1,274,500	1,762,300	316,810
Altynken Limited Liability Company	Taldybulak Levoberezhny Gold Mine	60%	630 thousand tonnes	2,198,040	330,480	1,197,420	269,510
Joint Venture Zeravshan Limited Liability Company	Jilau, Taror Gold Mines	70%	2.77 million tonnes	2,559,580	-401,780	1,196,740	147,580
Zijin Mining Group Company Limited* (Note 2)	Zijinshan Gold Mine	100%	10.34 million tonnes	-	-	-	-

Company name	Mine	Copper segment		Total assets	Net assets	Operating income	Net profit
		Interest held by the Group	Annual processing capacity				
Zijin Mining Group Company Limited* (Note 2)	Zijinshan Copper Mine	100%	20.79 million tonnes	-	-	-	-
Xinjiang Ashele Copper Co., Ltd.	Ashele Copper Mine	51%	2.25 million tonnes	2,941,470	1,869,740	1,827,030	656,620
Heilongjiang Duobaoshan Copper Industry Inc.	Duobaoshan Copper Mine	100%	22.27 million tonnes	6,900,520	3,378,240	3,020,770	608,170
La Compagnie Minière de Musonoie Global Société par Actions Simplifiée	Kolwezi Copper Mine	72%	2.57 million tonnes	4,067,740	1,019,590	3,015,830	454,600
Hunchun Zijin Mining Co., Ltd.	Shuguang Copper Mine	100%	8.94 million tonnes	2,062,350	1,776,510	1,376,020	473,510
Serbia Zijin Bor Copper doo Bor	MS/VK/NC/JM	63%	18.15 million tonnes	6,056,590	3,548,150	3,678,280	229,350

Company name	Mine	Zinc segment		Total assets	Net assets	Operating income	Net profit
		Interest held by the Group	Annual processing capacity				
Xinjiang Zijin Zinc Co., Ltd.	Wulagen Lead and Zinc Mine	100%	4.02 million tonne	2,496,620	1,641,480	1,055,840	377,230
Bisha Mining Share Company	Bisha Copper and Zinc Mine	55%	2.4 million tonne	4,002,850	3,354,770	2,294,460	210,360
Longxing Limited Liability Company	Kyzyl-Tash Turk Zinc and Polymetallic mine	70%	1.2 million tonne	3,557,100	1,489,880	1,039,050	178,730
Urad Rear Banner Zijin Mining Co., Ltd.	Miaogou-Sanguikou Lead and Zinc Mine	95%	3.84 million tonne	2,137,980	1,440,190	1,061,650	117,760

Report of the Directors (continued)

(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

Unit: RMB' 000

Company name	Major product	Refining segment		Total assets	Net assets	Operating income	Net profit
		Interest held by the Group	Annual processing capacity				
Zijin Copper Co., Ltd.	Refined copper	100%	300 thousand tonnes of copper cathode	9,158,190	3,328,730	17,610,890	353,720
Bayannur Zijin Non-ferrous Metals Co., Ltd.	Zinc bullion	87.2%	200 thousand tonnes of zinc bullion	2,926,250	1,171,770	4,265,630	229,600
Jilin Zijin Copper Co., Ltd.	Refined copper	100%	150 thousand tonnes of copper cathode	3,135,530	1,085,810	7,604,390	13,060

Company name	Major product	Other segments		Total assets	Net assets	Operating income	Net profit
		Interest held by the Group	Annual processing capacity				
Xinjiang Jinbao Mining Co., Ltd.	Iron ore	56%	5.5 million tonnes	1,572,140	1,213,590	1,858,050	884,990
Fujian Makeng Mining Co., Ltd.	Iron ore	41.5%	2.9 million tonnes	4,928,660	1,315,390	1,158,620	101,360

Notes:

- The data of Barrick (Niugini) Limited is on equity basis, and data of financial statements is based on 50% interest;
- Zijinshan is the branch of the Company and it is not separately reported.

Basic information of use of proceeds raised

(I) Actual amount of proceeds raised and the time of deposited into accounts

- Proceeds raised in the non-public issuance of A Shares in 2016

Pursuant to the Approval for Non-public Issuance of A Shares of Zijin Mining Group Co., Ltd.* (Zhengjian Xuke [2017] No. 289) issued by the CSRC, the Company non-publicly issued 1,490,475,241 Renminbi-denominated ordinary shares (A shares) at the issuance price of RMB3.11 per share in May 2017. The total amount of proceeds raised was RMB4,635,377,999.51. After deduction of issuance expenses of RMB38,458,040.59, the actual net amount of proceeds raised was RMB4,596,919,958.92. Ernst & Young Hua Ming LLP verified the deposit of the proceeds raised and issued Capital Verification Report of Zijin Mining Group Co., Ltd.* (Ernst & Young Hua Ming (2017) Yanzi No. 60468092_H02) on 24 May 2017.

- Proceeds raised in the public issuance of A Shares in 2018

Pursuant to the Approval for Public Issuance of A Shares of Zijin Mining Group Co., Ltd.* (Zhengjian Xuke [2019] No. 1942) issued by the CSRC, the Company was approved to publicly issue not more than 3.4 billion Renminbi-denominated ordinary shares (A shares) to the public. As at 21 November 2019, the actual number of Renminbi-denominated ordinary share issued by the Company in the public issuance of A Shares was 2,346,041,055, at the issuance price of RMB3.41 per share. The total amount of proceeds raised was RMB7,999,999,997.55. After deduction of issuance expenses of RMB152,572,030.12, the actual net amount of proceeds raised was RMB7,847,427,967.43. Ernst & Young Hua Ming LLP verified the deposit of the proceeds raised and issued Capital Verification Report of Zijin Mining Group Co., Ltd.* (Ernst & Young Hua Ming (2019) Yanzi No. 60468092_H01) on 21 November 2019.

(II) Use of proceeds raised

As at 31 December 2019, all the proceeds raised in the non-public issuance of A Shares in 2016 and the public issuance of A Shares in 2018 were fully used.

Report of the Directors *(continued)*

(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

Comparison table of the use of proceeds raised in the non-public issuance of A Shares in 2016

Committed investment project	If it is a modified project (including partially modified)	Total amount of proceeds raised to be used	Adjusted investment amount	Amount of the committed investment as at the end of the reporting period (1)	Amount of proceeds raised used in the current year	Accumulated amount of proceeds raised as at the end of the reporting period (2)	Difference between accumulated amount of proceeds raised used and amount of the committed investment as at the end of the reporting period (3) = (2)-(1)	Percentage of proceeds raised used as at the end of the reporting period (%) (4) = (2)/(1)	Date of reaching the designed use condition	Realised efficacy in 2019	If the expected efficacy is attained	If there is a substantial change in the feasibility of the project	Unit: RMB'000	
													Total amount of proceeds raised in the non-public issuance of A Shares in 2016	Total amount of proceeds raised used in the current year
													Total amount of change in the use of the proceeds raised during the reporting period	Accumulated total amount of proceeds raised used
													1,120,159.7	4,684,002.9
1. The Kolwezi Copper Mine construction project in the DR Congo	Yes	3,231,182.1	2,443,282.1	2,443,282.1	704,834.8	2,521,990.3	78,708.2	103.22	30 June 2019	454,601.0	Yes	No		
2. Zijin Copper's capacity expansion project for comprehensive recovery of end materials in production	No	105,102.2	68,464.0	68,464.0	1,788.8	68,464.0	-	100.00	30 June 2018	80,395.0	N/A (Note 1)	No		
3. Supplementing working capital	No	1,261,030.7	1,261,030.7	1,261,030.7	-	1,261,934.3	903.6	100.07	N/A	N/A	N/A	No		
4. Heilongjiang Zijin Copper Co., Ltd. copper refining project	Yes	-	787,900.0	787,900.0	375,742.5	793,820.7	5,920.7	100.75	18 August 2019	-56,880.1	N/A (Note 2)	No		
5. Permanent supplementary working capital (Note 3)	No	-	36,638.2	36,638.2	37,793.6	37,793.6	1,155.4	103.15	N/A	N/A	N/A	No		
Total		4,597,315.0	4,597,315.0	4,597,315.0	1,120,159.7	4,684,002.9	86,687.9	101.89						

Note 1: Zijin Copper's capacity expansion project for comprehensive recovery of end materials in production became ready for production and started pilot production in June 2018. In January 2019, the project completed all the acceptance checks. The production capacity has already reached 5,000 tonnes per annum of anode slime processing. Yet, the utilisation rate of production capacity was only about 60% of the designated capacity. The major raw material of the project to be invested by the proceeds raised is the anode slime produced from the end of production of the Company's refining projects. As the new and expansion projects of the Company's refineries will be completed at different times, the current processing volume is temporarily below 5,000 tonnes per annum. With the gradual commencement of production and entering into full production of the refining projects of the Company's subsidiaries including Heilongjiang Zijin Copper, Jilin Zijin Copper, Zijin Copper, etc., the processing capacity of anode slime in 2021 is estimated to be above 5,000 tonnes per annum, and the efficacy realised in 2019 was RMB80.3950 million.

Note 2: Heilongjiang Zijin Copper Co., Ltd. copper refining project conducted a trial run in September 2019 and produced the first batch of copper cathode in October. The project transferred from construction period to production period, and the equipment is under the condition of testing period with materials loaded. The current production capacity is 80% of the designated production capacity and has not reached the designated production capacity yet. It is expected that the designated production capacity can be reached in 2021.

Note 3: As all the committed investment projects were completed, the Company used the remaining funds as permanent supplementary working capital.

Report of the Directors (continued)

(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

Comparison table of the use of proceeds raised in the public issuance of A Shares in 2018

Unit: RMB'000

Total amount of proceeds raised in the public issuance of A Shares in 2018	7,847,428.0	Total amount of proceeds raised used in the current year	7,847,776.8					
Total amount of change in the use of the proceeds raised during the reporting period	-	Accumulated total amount of proceeds raised used	7,847,776.8					
Accumulated amount of change in the use of the proceeds raised	-							
Percentage of the total amount of change in the use of the proceeds raised	-							
		Difference between accumulated amount of proceeds raised used and amount of the committed investment as at the end of the reporting period (3) = (2)-(1)						
		Percentage of proceeds raised used as at the end of the reporting period (%) (4) = (2)/(1)						
		Date of reaching the designed use condition	If the expected efficacy is attained					
		Realised efficacy in 2019	If there is a substantial change in the feasibility of the project					
Committed investment project								
All cash takeover of 100% interest of Nevsun Resources Ltd.	No	7,847,428.0	7,847,776.8	348.8	100.00	N/A (Note 1)	N/A (Note 1)	No

Note 1: The proceeds raised were mainly used in the project of all cash takeover of 100% interest of Nevsun Resources Ltd. The Company invested in the project with self-financed fund in advance according to the progress of the project and had already completed the takeover before the receipt of the proceeds raised.

Table of change in projects invested by the proceeds raised

(I) Proceeds raised in the non-public issuance of A Shares in 2016

Project after the change	Total amount of proceeds proposed to be invested after the change	Amount of the committed investment as at the end of the actual reporting period (1)	Actual amount of proceeds raised used in the current year	Actual accumulated amount of proceeds raised used (2)	Investment progress (%) (3) = (2)/(1)	Date of reaching the designed use condition	Realised efficacy in 2019	If the expected efficacy is attained	If there is a substantial change in the feasibility of the project after the change
Corresponding original project	787,900.0	787,900.0	375,742.5	793,820.7	100.75	18 August 2019	-56,880.1	N/A	No
Heilongjiang Zijin Copper Co., Ltd. Mine construction project in the DR Congo	-	787,900.0	375,742.5	793,820.7	100.75	-	-	-	-
Total	-	787,900.0	375,742.5	793,820.7	100.75	-	-	-	-

Unit: RMB'000

(II) Proceeds raised in the public issuance of A Shares in 2018

There was no change in the project to be invested with the proceeds raised in the public issuance of A Shares in 2018.

Report of the Directors *(continued)*

(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

SIGNIFICANT MATTERS

Profit distribution plan or the plan for converting capital reserve into bonus shares in respect of the ordinary shares of the Company

Formulation, execution or adjustment of cash dividend distribution policy

According to the “Notice in relation to Further Implementing Cash Dividend Distribution of Listed Companies” (Zheng Jian Fa [2012] No. 37) and “Regulatory Guidelines of Listed Companies No. 3 – Cash Dividends of Listed Companies” (Zheng Jian Fa [2013] No. 43) issued by the CSRC and the requirements of other laws, regulations and regulatory documents and the articles of association of the Company, in order to improve the decision making of the Company’s profit distribution and supervisory mechanism, while taking into consideration of the Company’s production, operation and sustainable development and maintaining a reasonable return to investors of the Company, the Profit Distribution and Return Plan for Years 2018-2020 was considered and approved at the Company’s first extraordinary general meeting in 2019.

The Profit Distribution and Return Plan for Years 2018-2020 clearly defines that unless there is a special circumstance, the Company’s cumulative profit distribution by way of cash for the last three years shall not be less than 75% of the average annual distributable profits realised for the last 3 years. In principle, the Company’s annual distribution of cash dividends shall not be less than 25% of the realised distributable profits for the year (excluding the undistributed profits of last year).

As audited by Ernst & Young Hua Ming LLP, the Group’s net profit attributable to owners of the parent for the year ended 31 December 2019 prepared in accordance with CAS was RMB4,283,957,365. The Board proposed the profit distribution plan for the year ended 31 December 2019 to be: on the basis of 25,377,259,946 shares as at 31 December 2019, to pay the qualified shareholders of the Company the final cash dividend of RMB1 per 10 shares (tax included). The total distribution of cash dividend amounts to RMB2,537,725,995. The remaining balance of undistributed profit will be reserved for future financial years.

Independent Directors of the Company considered that the proposed profit distribution for 2019 is in line with the relevant provisions of the articles of association of the Company and protects the legitimate rights and interests of minority investors. They agreed with the profit distribution plan.

The Company’s profit distribution proposal or plans, conversion of capital reserve into share capital proposal or plan in respect of its ordinary shares for the latest three years (including the reporting period)

Unit: RMB

Year of profit distribution	Bonus shares for every 10 shares (share)	Dividend for every 10 shares (RMB) (tax included)	Capital conversion for every 10 shares (share)	Amount of cash dividend (tax included)	Net profit attributable to ordinary shareholders of listed company in the consolidated financial statements for the dividend distribution year	Percentage of dividends to net profit attributable to ordinary shareholders of the listed company in the consolidated financial statements (%)
2019	0	1.0	0	2,537,725,995	4,283,957,365	59.24
2018	0	1.0	0	2,303,121,889	4,093,773,630	56.26
2017	0	0.9	0	2,072,809,700	3,507,717,627	59.09

Report of the Directors *(continued)*

(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

Performance of undertakings

Undertakings by the actual controller, shareholders, related parties, acquirers of the Company, the Company and other relevant undertaking parties which were made during the reporting period or remained to be valid within the reporting period

Background of the undertaking	Type of the undertaking	Undertaking parties	Contents of the undertaking	Time of undertaking and its validity period	Whether there is validity period	Whether the undertaking has been strictly complied with
Undertaking relating to initial public offering	Avoidance of competition within the same industry	Minxi Xinghang State-owned Assets Investment Co., Ltd.	During the period of being the substantial shareholder of the Company, Minxi Xinghang and its wholly-owned or controlling enterprises will not engage in any business that is in competition with or constitutes a competitive threat to the Company's main businesses or main products within or outside the PRC, including investing, acquiring, merging or entrusting to operate and manage locally or globally a company, business or other economic association which main business or product is the same with or similar to that of the Company. If the Company develops any new business segment in the future, the Company will have the priority to enter that business industry while Minxi Xinghang and its other wholly-owned or controlling enterprises will not develop the same business segment.	The undertaking was made by Minxi Xinghang in 2008 when the A Shares of the Company were listed. The undertaking is valid so long as Minxi Xinghang is the substantial shareholder of the Company	Yes	Yes
Undertaking relating to re-finance	Others	The Company	The Company undertakes that the Company and its subsidiaries will not engage in business relating to real estate development in the future.	The undertaking was made on 26 July 2019	Yes	Yes

Details of share incentive scheme, employee stock ownership scheme or other employee incentive measures and their impacts

The relevant share incentive related matters which have been published in provisional announcements and without further progress or changes in subsequent implementation

Summary of the event

The registration of the shares subscribed by phase 1 of employee stock ownership scheme of Zijin Mining Group Co., Ltd.* under non-public issuance of A Shares was completed at China Securities Depository and Clearing Corporation Limited Shanghai Branch on 7 June 2017. 129,163,987 A Shares were subscribed for; the subscription amount was RMB401.7 million; the subscription price was RMB3.11 per share and the lock-up period was 36 months.

Index for details

For details, please refer to the Resolutions of the First Holders' Meeting of Phase 1 Employee Stock Ownership Scheme of Zijin Mining Group Co., Ltd.* and Announcement in relation to the Issuance Results of Non-public Issuance of A Shares and Changes in Share Capital of Zijin Mining Group Co., Ltd.* disclosed on HKEXnews website (<http://www.hkexnews.hk>) dated 8 June 2017.

Report of the Directors *(continued)*

(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

MATERIAL CONNECTED TRANSACTIONS

Connected transactions related to daily business operation

Matters which have been published in provisional announcements and without further progress or changes in subsequent implementation

Summary of event	Index for details
<p>On 28 January 2019, the Company's subsidiary, Xinjiang Ashele Copper Co., Ltd. ("Ashele Copper"), entered into a copper concentrates supply contract with Xinjiang Wuxin Copper Co., Ltd., a subsidiary of Ashele Copper's substantial shareholder, Xinjiang Nonferrous Metal Industry (Group) Co., Ltd. One of Ashele Copper's ordinary businesses is selling copper concentrates and the contract was entered into under normal commercial terms, which reflects the principles of fairness and reasonableness. During the reporting period, the total amount of the transaction was RMB879 million (tax excluded).</p>	<p>For details, please refer to the Company's announcement disclosed on HKEXnews website (http://www.hkexnews.hk) dated 28 January 2019.</p>

The contract of the abovementioned transaction has a term effective from 1 January 2019 to 31 December 2019, with an annual cap of RMB1.5 billion.

Pursuant to Chapter 14A of the Listing Rules, on 15 November 2019, subscription of 122,775,457 A Shares by Minxi Xinghang and subscription of 10,629,123 A Shares in total by certain Directors and Supervisors and/or certain Directors under the Employee Stock Ownership Scheme in the public issuance of A Shares constitute a connected transaction of the Company. For details, please refer to the Company's announcements/circular disclosed on HKEXnews website (<http://www.hkexnews.hk>) dated 25 February 2019, 28 March 2019 and 25 November 2019.

Except for the continuing connected transaction as disclosed above, the related party transactions disclosed in the annual report were not connected transactions or continuing connected transactions under chapter 14A of the Listing Rules.

More details of the related party transactions undertaken by the Group in the ordinary course of business are set out in Note X.6 to the financial statements.

Accordingly, it is confirmed by the Directors that:

- (a) The connected parties in the above connected transactions have undertaken to the Company and the Stock Exchange to provide adequate access for auditor's inspection of the relevant books and records, to review the above connected transactions and prepare the relevant reports.
- (b) The Company has undertaken to the Stock Exchange that if it is aware or has reasons to believe that the independent non-executive Directors and/or auditor are unable to confirm that the relevant transactions comply with the Listing Rules and the restrictions under the waiver conditions, the Company must immediately notify the Stock Exchange. The Company may have to comply with the relevant requirements of the Listing Rules to disclose and obtain independent shareholders' approval, or make corrections based on the instructions of the Listing Division of the Stock Exchange.
- (c) Independent non-executive Directors of the Company have reviewed and confirmed that all the connected transactions of the Company or its subsidiaries involved in the year 2019 were:
 1. entered into in the ordinary and usual course of business of the Company or its subsidiaries;
 2. entered into on normal commercial terms; or where no comparisons are available, then under terms which are fair and reasonable to the shareholders of the Company; and
 3. entered into according to the terms of the agreement governing such transactions; or where no such agreement is available, under terms not inferior to those available from or to independent third parties.

Report of the Directors *(continued)*

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- (d) The Group's auditor has reviewed the transactions (details of which are set out in Note X to the financial statements), and confirmed to the Board that:
1. the transactions have been approved by the Board;
 2. terms of the agreement of the relevant transactions are attached to the connected transactions; and
 3. the aggregated amounts of the transactions have not exceeded the respective announced annual caps.

In addition, no Director has any interests in the material contracts.

No transactions, arrangements or contracts of significance to which the Company or any of its subsidiaries was a party and in which a Director or Supervisor of the Company had a material interest, whether directly or indirectly, subsisted at the end of the reporting period or at any time during the year.

Save for the connected transactions/related party transactions as disclosed in this report, there were no transactions, arrangements or contracts of significance between the Company or its subsidiaries and the controlling shareholder or any of its subsidiaries.

Save as disclosed above, please refer to the Note X to the financial statements for the details of commodity sales and purchase, rendering of services and other related party transactions. In respect of each related party transaction disclosed in Note X.6 to the financial statements prepared in accordance with CAS, the Company confirms that it has complied with the disclosure requirements in accordance with Chapter 14A to the Listing Rules and other relevant requirements under the Listing Rules (if applicable).

STAFF OF THE COMPANY AND ITS MAJOR SUBSIDIARIES

Staff

Number of current staff of the Company	2,494
Number of current staff of the major subsidiaries	34,084
Total number of current staff	36,578
Chinese staff of domestic enterprises and overseas enterprises	19,963
Number of foreign staff	16,615
Number of retired staff at the Company and major subsidiaries' expense	329

Profession structure of Chinese staff

Classification	Number of staff
Production	8,080
Sales	236
Technical	5,532
Finance	587
Administration (including operational staff, administrative staff and supporting staff of functional departments other than technical staff)	5,528
Total	19,963

Education level of Chinese staff

Classification	Number of staff
Doctoral degree	39
Master's degree	584
Bachelor's degree	3,661
Other tertiary education	4,383
Secondary school or below	11,296
Total	19,963

Report of the Directors *(continued)*

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Remuneration policy

According to the Company's strategy and its actual development, the Company established an overall remuneration structure based on basic salary and supplemented by performance bonuses, allowances and benefits. The Company's remuneration management adopts the strategy of "high pay for elites", which is to continuously improve the quality of the staff as well as provide basic salary that is competitive in the market, and to implement performance bonus assessment management system based on improvement in efficiency and management, and to fully stimulate the potential of staff at all levels. In addition to the payment of social insurance and housing fund for employees in accordance with the law, the Company provides employees with benefits such as supplemental medical insurance, paid annual leaves, festival allowances, etc. In order to maintain a stable workforce and retain the Company's core and key talents, the Company implemented phase 1 of the employee stock ownership scheme in 2017.

Training programmes

The Company formulated annual training plan scientifically, and organised and implemented various training activities according to the plan. In the aspect of internationalised talents, the first internationalised talent training camp was held to set up a "general education course + foreign language collective training + practical field training" training model, and joint domestic and foreign training was implemented for the first time. In the aspect of nurturing industrial workers, the first collective training course for mining workers was organised, which included a three-stage training comprising of theoretical study + simulation training (site visit and study) + on-the-job training, focusing on training operators of drilling jumbo and anchor jumbo. In the aspect of nurturing reserve talents, the Company consistently cooperated with renowned domestic higher educational institutions to organise training courses and extended the range of partner institutions, including Peking University, Fudan University, Zhejiang University, Xiamen University, etc., so as to broaden the horizons of talents. In the aspect of new employee training, the Company continued to provide rotation training for the new employees and orientation training for newly recruited employees in subsidiaries and outstanding graduates at the headquarters in order to spread the vision, mission, culture and spirit of Zijin. In the meantime, the Company continued to strengthen the team constitution of internal trainers. It conducted the first special training for internal safety trainers. Based on the needs of enhancing the knowledge, skills, and experience, etc. of personnel, various business segments and functional systems organised business capacity improvement trainings, covering geological exploration, mining, refining, finance, supervision, construction, office skills and other courses. The Company continued to build the brand of "Zijin Lectures", the courses of which covering safety, environmental protection, legal affairs, taxation, overseas projects, newswriting, etc., to further improve the comprehensive quality of all staff.

Outsourcing status

	Measured by quantity in outsourced mining production
Total working hours of outsourcing services	
Total outsourcing payment	RMB3,549,021,375

Others

Core technical team or key technical staff of the Company

The Company's core technical team mainly consists of State Key Laboratory of Comprehensive Utilisation of Low-grade Refractory Gold Ores, Xiamen General Institute of Geology and Mineral Exploration, Zijin Mining and Metallurgy Research Institute, Xiamen Zijin Mining and Metallurgy Technology Co., Ltd. and Fujian Zijin Mining and Metallurgy Testing Technology Co., Ltd. Key technical staff are the leading experts in the fields of geology, mining, processing, metallurgy, environmental protection, engineering application design, analysis and testing. Currently, the core technical team of the Company is stable. A mining institution was established by Zijin Mining and Metallurgy Research Institute during the year for enriching the technological power of mining. It provides excellent conditions for the Company's technological innovation and sustainable development. There is no change in personnel which may substantially affect the Company's core competitiveness.

Report of the Directors *(continued)*

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Scientific research projects and scientific and technological achievements of the Company

During the year, the Company conducted one new state-level scientific research project, "Research on Key Technological System of National High-quality Infrastructure for Typical Rare, Precious and New Materials", and one new municipal-level scientific research project, "Research and Application Demonstration of Security Service Integration and Governance Technology for Personnel in Mining Enterprises". In addition, 44 scientific research projects were launched in the Group, including "Research on the Key Technology of Coordinated Safe and Efficient Mining in the Open Pit and Underground Mine of Zijinshan's Extra-Large Copper Deposit", "Research on the Key Technology of Carbon Reduction for Complex Carbon-containing Lead and Zinc Ore and Zinc Concentrate", etc.

During the year, the Company applied for a total of 34 patents, of which 20 were invention patents and 10 invention patents were authorised in total. 6 scientific technology awards at provincial level or above were obtained. 15 scientific and technological transformation achievements in aggregate were conducted during the year, which contributed more than RMB70 million to the production benefits. The technological innovation capability of the Company is steadily improving, significantly promoting the sustainable development of the Company.

DISCLOSURE OF INTERESTS AND SHORT POSITIONS OF THE DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVE OF THE COMPANY

As at 31 December 2019, the interests and short positions of the Directors, Supervisors and chief executive of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which the Directors, Supervisors and chief executive are taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to Section 352 of the SFO to be entered into the register referred to therein; or (c) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code"), to be notified to the Company and the Stock Exchange are as follows:

Shareholdings of the Directors, Supervisors and chief executive of the Company as at 31 December 2019 are as follows:

Director	Class of shares	Number of shares held	Nature of interest	Long/Short positions	Approximate percentage of shareholding in the same class of securities	Approximate percentage of shareholding in the registered capital
Chen Jinghe	Domestic shares	112,050,000	Personal	Long position	0.57%	0.44%
	H Shares	15,000,000	Personal	Long position	0.26%	0.06%
	Total	127,050,000	Personal	Long position		0.50%
Lan Fusheng	Domestic shares	7,730,510	Personal	Long position	0.04%	0.03%
Zou Laichang	Domestic shares	1,623,050	Personal	Long position	0.01%	0.01%
Lin Hongfu	Domestic shares	978,938	Personal	Long position	0.01%	0.01%
Lin Hongying	Domestic shares	227,000	Personal	Long position	0.01%	0.01%
Xie Xionghui	Domestic shares	149,000	Personal	Long position	0.01%	0.01%

Supervisor	Class of shares	Number of shares held	Nature of interest	Long/short positions	Approximate percentage of shareholding in the same class of securities	Approximate percentage of shareholding in the registered capital
Lin Shuiqing	Domestic shares	300,000	Personal	Long position	0.01%	0.01%
Liu Wenhong	Domestic shares	26,450	Personal	Long position	0.01%	0.01%
	H Shares	10,000	Personal	Long position	0.01%	0.01%
	Total	36,450	Personal	Long position		0.01%
Cao Sanxing	Domestic shares	124,000	Personal	Long position	0.01%	0.01%

Report of the Directors *(continued)*

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Save as disclosed above, none of the Directors, Supervisors and chief executive or their associates have any interest or short position in the shares, underlying shares or debentures of the Company or its associated corporations (as defined in the SFO) during the reporting period. None of the Directors, Supervisors and chief executive or their spouse or children under the age of 18 is holding any option to subscribe the shares, underlying shares or debentures of the Company, or has exercised any such option.

Save as disclosed above, no arrangement has been entered into between the Company or its holding company or its subsidiaries during any time in the reporting period, which will allow the Directors, Supervisors and chief executive of the Company to be benefited by acquiring the shares, underlying shares or debentures of the Company or other body corporates.

SHARE CAPITAL AND SHAREHOLDERS

Details of the Company's issued ordinary shares (with par value of RMB0.1 each) as at 31 December 2019 are set out in Note V.40 to the financial statements.

SHAREHOLDINGS OF TOP TEN SHAREHOLDERS

As at 31 December 2019, the Company has a total of 605,932 shareholders, of which 861 are H Shareholders and 605,071 are holders of domestic shares. By approximate percentage of shareholding in the share capital, the shareholdings of the Company's top ten shareholders are as follows:

			Approximate percentage of shareholding in the share capital
Name of shareholders	Class of shares	Number of shares held	
1. Minxi Xinghang State-owned Assets Investment Co., Ltd. (Note 1)	Domestic shares	6,083,517,704	23.97%
2. HKSCC Nominees Limited (Note 2)	H Shares	5,711,623,509	22.51%
3. China Securities Finance Corporation Limited	Domestic shares	691,190,823	2.72%
4. China-Africa Development Fund Co., Ltd.	Domestic shares	574,195,789	2.26%
5. Hong Kong Securities Clearing Company Limited (Note 3)	Domestic shares	311,575,817	1.23%
6. Industrial Bank Company Limited – Xingquan Trend Investment Mixed Securities Investment Fund	Domestic shares	283,326,443	1.12%
7. Perseverance Asset Management L.L.P. – Gaoyi Xiaofeng No. 2 Zhixin Fund	Domestic shares	275,772,145	1.09%
8. National Social Security Fund 108	Domestic shares	273,676,860	1.08%
9. Xinhuaadu - Guosen Securities - 17 Xinhuaadu EB Guarantee and Trust Assets Special Account	Domestic shares	259,509,398	1.02%
10. CITIC Trust Co., Ltd. – CITIC Trust Ruijin Phase 43 Gaoyi Xiaofeng Investment Pooled Fund Trust Scheme	Domestic shares	258,665,589	1.02%

Notes:

- 208,484,145 domestic shares of the Company held by Minxi Xinghang State-owned Assets Investment Co., Ltd. have to be transferred to National Council for Social Security Fund, the PRC, that part of the stock is frozen.
- HKSCC Nominees Limited held 5,711,623,509 H Shares in the Company as a nominee, representing approximately 22.51% in aggregate of the Company's issued shares. HKSCC Nominees Limited is a member of the Central Clearing and Settlement System, which carries out securities registration and custodian business for customers.
- Hong Kong Securities Clearing Company Limited held 311,575,817 domestic shares in the Company as a nominee, representing approximately 1.23% in aggregate of the Company's issued shares. Hong Kong Securities Clearing Company Limited is a member of the Central Clearing and Settlement System, which carries out securities registration and custodian business for customers.

Report of the Directors *(continued)*

(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

SUBSTANTIAL SHAREHOLDERS

So far as the Directors, Supervisors and chief executive of the Company are aware, as at 31 December 2019, the interests and long/short positions of shareholders (except the Directors, Supervisors and chief executive of the Company) in the shares or underlying shares of the Company which will be required, pursuant to Section 336 of the SFO, to be entered into the register referred to therein, or required to be notified to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO are as follows:

Name of shareholders	Class of shares	Number of shares held	Approximate percentage in the total number of issued shares	Approximate percentage of shareholding in the total number of issued domestic shares	Approximate percentage of shareholding in the total number of issued H Shares	Long/Short positions
Minxi Xinghang State-owned Assets Investment Co., Ltd.	Domestic shares	6,083,517,704	23.97%	30.97%	–	Long
Van Eck Associates Corporation	H Shares	401,225,661 (Note 1)	1.58%	–	6.99%	Long
BlackRock, Inc.	H Shares	399,657,009 (Note 2)	1.57%	–	6.97%	Long
VanEck Vectors ETF – VanEck Vectors Gold Miners ETF	H Shares	344,202,000 (Note 3)	1.36%	–	6.00%	Long

Notes:

- (1) VanEck Vectors ETF – VanEck Vectors Gold Miners ETF is managed by Van Eck Associates Corporation. Van Eck Associates Corporation is deemed to be interested in 401,225,661 H Shares (long position) of the Company (representing approximately 6.99% of the total issued H Shares of the Company).
- (2) BlackRock, Inc. held 399,657,009 H Shares (long position) of the Company (representing approximately 6.97% of the total issued H Shares of the Company).

According to the disclosure form filed by BlackRock, Inc. on 20 December 2019, the following interests were held by BlackRock, Inc. in the following capacity:

Capacity	Number of shares
Interest of corporation controlled by BlackRock, Inc.	Long position 399,657,009

Report of the Directors *(continued)*

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Further information in relation to interests of corporations controlled by BlackRock, Inc.:

Name of controlled corporation	Address and place of incorporation	Name of controlling person	% control	Direct interest (Y/N)		Number of shares
Trident Merger, LLC	1209 Orange Street, Wilmington DE 19801, United States (Delaware, USA)	BlackRock, Inc.	100.00	N	Long position	6,388,250
BlackRock Investment Management, LLC	1209 Orange Street, Wilmington, New Castle County, Delaware 19801, United States (Delaware, USA)	Trident Merger, LLC	100.00	Y	Long position	6,388,250
BlackRock Holdco 2, Inc.	1209 Orange Street, Wilmington DE 19801, United States (Delaware, USA)	BlackRock, Inc.	100.00	N	Long position	393,268,759
BlackRock Financial Management, Inc.	1209 Orange Street, Wilmington, New Castle County, Delaware 19801, United States (Delaware, USA)	BlackRock Holdco 2, Inc.	100.00	N	Long position	363,261,759
BlackRock Financial Management, Inc.	1209 Orange Street, Wilmington, New Castle County, Delaware 19801, United States (Delaware, USA)	BlackRock Holdco 2, Inc.	100.00	Y	Long position	30,007,000
BlackRock Holdco 4, LLC	1209 Orange Street, Wilmington DE 19801, United States (Delaware, USA)	BlackRock Financial Management, Inc.	100.00	N	Long position	187,303,337
BlackRock Holdco 6, LLC	1209 Orange Street, Wilmington DE 19801, United States (Delaware, USA)	BlackRock Holdco 4, LLC	90.00	N	Long position	187,303,337
BlackRock Delaware Holdings Inc.	1209 Orange Street, Wilmington, New Castle County, Delaware 19801, United States (Delaware, USA)	BlackRock Holdco 6, LLC	100.00	N	Long position	187,303,337
BlackRock Institutional Trust Company, National Association	1225 17th Street, Suite 300, Denver, CO 80202 (Colorado, USA)	BlackRock Delaware Holdings Inc.	100.00	Y	Long position	88,822,337
BlackRock Fund Advisors	400 Howard Street San Francisco, CA 94105, United States (California, USA)	BlackRock Delaware Holdings Inc.	100.00	Y	Long position	98,481,000
BlackRock Capital Holdings, Inc.	1209 Orange Street, Wilmington, New Castle County, Delaware 19801, United States (Delaware, USA)	BlackRock Financial Management, Inc.	100.00	N	Long position	6,416,000
BlackRock Advisors, LLC	1209 Orange Street, Wilmington, New Castle County, Delaware 19801, United States (Delaware, USA)	BlackRock Capital Holdings, Inc.	100.00	Y	Long position	6,416,000
BlackRock International Holdings, Inc.	1209 Orange Street, Wilmington, New Castle County, Delaware 19801, United States (Delaware, USA)	BlackRock Financial Management, Inc.	100.00	N	Long position	169,542,422

Report of the Directors *(continued)**(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*

Name of controlled corporation	Address and place of incorporation	Name of controlling person	% control	Direct interest (Y/N)		Number of shares
BR Jersey International Holdings L.P.	13 Castle Street, St. Helier, Jersey, Channel Islands JE4 5UT (Jersey)	BlackRock International Holdings, Inc.	86.00	N	Long position	169,542,422
BlackRock Lux Finco S.à r.l.	1st Floor, 35a Avenue J.F. Kennedy, L-1855 Luxembourg	BlackRock HK Holdco Limited	100.00	N	Long position	27,315,941
BlackRock Japan Holdings GK	Marunouchi Trust Tower Main, 1-8-3 Marunouchi, Chiyoda-ku, Tokyo 100-8217 (Japan)	BlackRock Lux Finco S.à r.l.	100.00	N	Long position	27,315,941
BlackRock Japan Co., Ltd.	Marunouchi Trust Tower Main, 1-8-3 Marunouchi, Chiyoda-ku, Tokyo 100-8217 (Japan)	BlackRock Japan Holdings GK	100.00	Y	Long position	27,315,941
BlackRock Holdco 3, LLC	1209 Orange Street, Wilmington DE 19801, United States (Delaware, USA)	BR Jersey International Holdings L.P.	100.00	N	Long position	133,110,745
BlackRock Canada Holdings LP	161 Bay Street, Suite 2500, Toronto, Ontario M5J 2S1, Canada (Ontario, Canada)	BlackRock Holdco 3, LLC	99.90	N	Long position	952,000
BlackRock Canada Holdings ULC	161 Bay Street, Suite 2500, Toronto, Ontario M5J 2S1, Canada (Ontario, Canada)	BlackRock Canada Holdings LP	100.00	N	Long position	952,000
BlackRock Asset Management Canada Limited	161 Bay Street, Suite 2500, Toronto, Ontario M5J 2S1, Canada (Ontario, Canada)	BlackRock Canada Holdings ULC	100.00	Y	Long position	952,000
BlackRock Australia Holdco Pty. Ltd.	Level 26, 101 Collins Street Melbourne VIC 3000 Australia (Victoria, Australia)	BR Jersey International Holdings L.P.	100.00	N	Long position	3,304,000
BlackRock Investment Management (Australia) Limited	Level 26, 101 Collins Street Melbourne VIC 3000 Australia (Victoria, Australia)	BlackRock Australia Holdco Pty. Ltd.	100.00	Y	Long position	3,304,000
BlackRock (Singapore) Holdco Pte. Ltd.	20 Anson Road #18-01 079912 Singapore (Singapore)	BR Jersey International Holdings L.P.	100.00	N	Long position	33,127,677
BlackRock HK Holdco Limited	13th Floor, One Pacific Place, 88 Queensway, Hong Kong (Hong Kong)	BlackRock (Singapore) Holdco Pte. Ltd.	100.00	N	Long position	31,367,677
BlackRock Asset Management North Asia Limited	15/F, 16/F, 17/F Champion Tower & 17/F ICBC Tower, 3 Garden Road, Central, Hong Kong	BlackRock HK Holdco Limited	100.00	Y	Long position	4,051,736
BlackRock Cayman 1 LP	c/o Walkers Corporate Limited, Cayman Corporate Centre, 27 Hospital Road, George Town, Grand Cayman KY1-9008	BlackRock Holdco 3, LLC	100.00	N	Long position	132,158,745

Report of the Directors *(continued)*

(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

Name of controlled corporation	Address and place of incorporation	Name of controlling person	% control	Direct interest (Y/N)		Number of shares
BlackRock Cayman West Bay Finco Limited	c/o Walkers Corporate Limited, Cayman Corporate Centre, 27 Hospital Road, George Town, Grand Cayman KY1-9008	BlackRock Cayman 1 LP	100.00	N	Long position	132,158,745
BlackRock Cayman West Bay IV Limited	c/o Walkers Corporate Limited, Cayman Corporate Centre, 27 Hospital Road, George Town, Grand Cayman KY1-9008	BlackRock Cayman West Bay Finco Limited	100.00	N	Long position	132,158,745
BlackRock Group Limited	12 Throgmorton Avenue. London, EC2N 2DL, United Kingdom (England & Wales, United Kingdom)	BlackRock Cayman West Bay IV Limited	90.00	N	Long position	132,158,745
BlackRock Finance Europe Limited	12 Throgmorton Avenue. London, EC2N 2DL, United Kingdom (England & Wales, United Kingdom)	BlackRock Group Limited	100.00	N	Long position	48,241,064
BlackRock (Netherlands) B.V.	Rembrandt Tower, 17th floor, Amstelplein, Amsterdam Netherlands (Amsterdam, Netherlands)	BlackRock Finance Europe Limited	100.00	Y	Long position	276,000
BlackRock Advisors (UK) Limited	12 Throgmorton Avenue. London, EC2N 2DL, United Kingdom (England & Wales, United Kingdom)	BlackRock Finance Europe Limited	100.00	Y	Long position	918,000
BlackRock International Limited	Exchange Place One, 1 Semple Street, Edinburgh, EH3 8BL, United Kingdom (Scotland, United Kingdom)	BlackRock Group Limited	100.00	N	Long position	7,079,340
BlackRock International Limited	Exchange Place One, 1 Semple Street, Edinburgh, EH3 8BL, United Kingdom (Scotland, United Kingdom)	BlackRock Group Limited	100.00	Y	Long position	706,000
BlackRock Group Limited-Luxembourg Branch	35 A, avenue J.F. Kennedy L-1855 Luxembourg	BlackRock Group Limited	100.00	N	Long position	76,132,341
BlackRock Luxembourg Holdco S.à r.l.	35 A, avenue J.F. Kennedy L-1855 Luxembourg	BlackRock Group Limited-Luxembourg Branch	100.00	N	Long position	76,132,341
BlackRock Investment Management Ireland Holdings Limited	1st Floor, 2 Ballsbridge Park, Ballsbridge, Dublin 4, D04 YW83, Ireland	BlackRock Luxembourg Holdco S.à r.l.	100.00	N	Long position	73,730,341
BlackRock Asset Management Ireland Limited	1st Floor, 2 Ballsbridge Park, Ballsbridge, Dublin 4, D04 YW83, Ireland	BlackRock Investment Management Ireland Holdings Limited	100.00	Y	Long position	73,730,341
BLACKROCK (Luxembourg) S.A.	35 A, avenue J.F. Kennedy L-1855 Luxembourg	BlackRock Luxembourg Holdco S.à r.l.	100.00	Y	Long position	2,356,000
BlackRock Investment Management (UK) Limited	12 Throgmorton Avenue. London, EC2N 2DL, United Kingdom (England & Wales, United Kingdom)	BlackRock Finance Europe Limited	100.00	N	Long position	13,754,102
BlackRock Investment Management (UK) Limited	12 Throgmorton Avenue. London, EC2N 2DL, United Kingdom (England & Wales, United Kingdom)	BlackRock Finance Europe Limited	100.00	Y	Long position	33,292,962
BlackRock Fund Managers Limited	12 Throgmorton Avenue. London, EC2N 2DL, United Kingdom (England & Wales, United Kingdom)	BlackRock Investment Management (UK) Limited	100.00	Y	Long position	13,754,102

Report of the Directors *(continued)*

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Name of controlled corporation	Address and place of incorporation	Name of controlling person	% control	Direct interest (Y/N)		Number of shares
BlackRock Life Limited	12 Throgmorton Avenue, London, EC2N 2DL, United Kingdom (England & Wales, United Kingdom)	BlackRock International Limited	100.00	Y	Long position	7,079,340
BlackRock (Singapore) Limited	20 Anson Road #18-01 079912 Singapore (Singapore)	BlackRock (Singapore) Holdco Pte. Ltd.	100.00	Y	Long position	1,760,000
BlackRock UK Holdco Limited	12 Throgmorton Avenue, London, EC2N 2DL, United Kingdom (England & Wales, United Kingdom)	BlackRock Luxembourg Holdco S.à r.l.	100.00	N	Long position	46,000
BlackRock Asset Management (Schweiz) AG	Bahnhofstrasse 39 8001 Zurich, Switzerland (Switzerland)	BlackRock UK Holdco Limited	100.00	Y	Long position	46,000

Further information in respect of derivative interests:

Unlisted derivatives – Cash settled	Long position	2,334,000
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- (3) VanEck Vectors ETF – VanEck Vectors Gold Miners ETF held 344,202,000 H Shares (long position) of the Company (representing approximately 6.00% of the total issued H Shares of the Company).

Save as disclosed above and so far as the Directors are aware, as at 31 December 2019, no other person (other than the Directors, Supervisors or chief executive of the Company) had an interest or short position in the Company's shares, underlying shares or debentures (as the case may be) which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO and as recorded in the register required to be kept under Section 336 of the SFO, or was otherwise a substantial shareholder (as such term is defined in the Listing Rules) of the Company.

Based on register of members and other published information, the Directors consider that the Company has complied with the Listing Rules in relation to the requirement of minimum public shareholding.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Save as disclosed in this report, the Board confirmed that neither the Company nor any of its subsidiaries purchased, sold, redeemed or wrote off any of the Company's listed securities for the year ended 31 December 2019.

INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company complied with rules 3.10(1) and 3.10(2) of the Listing Rules, which provide that the Company should appoint a sufficient number of independent non-executive directors and that at least one of them must have appropriate professional qualifications or accounting or related financial management expertise. The Company appointed five independent non-executive Directors and one of them possesses accounting and related financial management expertise. Brief biography of the independent non-executive Directors have been provided in this report.

AUDIT AND INTERNAL CONTROL COMMITTEE

The audit and internal control committee of the Board has reviewed the Group's financial report for the year ended 31 December 2019 and further discussed the auditing, internal control and financial reporting matters. The audit and internal control committee considers that the Group's financial report for the year ended 31 December 2019 was in compliance with the applicable accounting standards and relevant laws and regulations and has made sufficient disclosure.

Report of the Directors *(continued)*

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APPOINTMENT AND DISMISSAL OF AUDITORS

Unit: RMB million

	Currently appointed
Auditors in Mainland China	Ernst & Young Hua Ming LLP
Remuneration for auditors in Mainland China this year	10.90
Appointment term of the auditors in Mainland China	Renew once a year

	Name	Remuneration
Internal control auditors	Ernst & Young Hua Ming LLP	Already included in the audit fee

CHANGES IN ORDINARY SHARE CAPITAL

Table on changes in ordinary share capital

Unit: shares

	Before the changes		Changes (+ or -)					After the changes	
	Number of shares	Proportion (%)	Issuance of new shares	Bonus shares	Conversion of capital reserve into share capital	Others	Subtotal	Number of shares	Proportion (%)
I. Shares subject to trading moratorium	418,553,054	1.82	0	0	0	0	0	418,553,054	1.65
1. Shares held by state-owned legal persons	289,389,067	1.26	0	0	0	0	0	289,389,067	1.14
2. Shares held by other domestic shareholders	129,163,987	0.56	0	0	0	0	0	129,163,987	0.51
Including: Shares held by domestic non-state owned legal persons	129,163,987	0.56	0	0	0	0	0	129,163,987	0.51
Shares held by domestic natural persons	0	0	0	0	0	0	0	0	0
II. Shares not subject to trading moratorium	22,612,665,837	98.18	+2,346,041,055	0	0	0	+2,346,041,055	24,958,706,892	98.35
1. Renminbi-denominated ordinary shares	16,875,725,837	73.27	+2,346,041,055	0	0	0	+2,346,041,055	19,221,766,892	75.74
2. Overseas-listed foreign invested shares	5,736,940,000	24.91	0	0	0	0	0	5,736,940,000	22.61
III. Total number of ordinary shares	23,031,218,891	100.00	+2,346,041,055	0	0	0	+2,346,041,055	25,377,259,946	100.00

Changes in ordinary shares

Pursuant to the approval (Zhengjian Xuke [2019] No. 1942) issued by the CSRC, the Company completed public issuance of 2,346,041,055 A Shares on 15 November 2019. Registration and entrust formalities of the newly issued shares at China Securities Depository and Clearing Corporation Limited Shanghai Branch were completed on 22 November 2019. Pursuant to the approval of the Shanghai Stock Exchange, the newly issued A Shares were listed on the Shanghai Stock Exchange on 29 November 2019. Those shares are not subject to any trading moratorium or lock-up arrangement. For details, please refer to the Company's announcements disclosed on HKEXnews website (<http://www.hkexnews.hk>) on 25 November 2019.

Report of the Directors *(continued)*

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Impact of changes in ordinary shares on earnings per share, net assets per share and other financial indicators for the most recent year and the most recent reporting period (if any)

Increase in the number of ordinary shares of the Company had relatively insignificant impacts on earnings per share and net assets per share for the most recent year and the most recent reporting period.

ISSUANCE AND LISTING OF SECURITIES

Issuance of securities during the reporting period

Unit: Share Currency: RMB

Type of shares and their derivatives	Date of issuance	Issuance price (or interest rate)	Number issued	Date of listing	Number approved to be listed for trading
Ordinary shares					
Renminbi-denominated ordinary shares (A Shares)	15 November 2019	3.41	2,346,041,055	29 November 2019	2,346,041,055

The A Shares issued were first offered to all the A Shareholders of the Company whose names were registered in the share register in the China Securities Depository and Clearing Corporation Limited Shanghai Branch on the record date after the stock market closed. The remaining portion (including the portion the existing A Shareholders surrender such right of first offer) were allotted and issued to offline institutional investors and online public investors at a fixed price. On the date the Board considered and approved the Specific Proposal on the Public Issuance of A Shares of the Company, i.e., 12 November 2019, the closing price of A Shares and H Shares were RMB3.44 and HKD2.9 respectively.

Please refer to the section headed "Basic information of proceeds raised" in the Report of the Directors for details regarding total funds raised from the issue and the use of proceeds, etc.

Total number of ordinary shares of the Company, changes in shareholding structure and changes in the Company's asset and liability structure

After completion of the public issuance of A Shares, the total number of ordinary shares of the Company increased from 23,031,218,891 to 25,377,259,946, in which, the proportion of shares held by Minxi Xinghang, the Company's substantial shareholder, decreased from 25.88% to 23.97%. Minxi Xinghang remains the Company's substantial shareholder. The issuance did not cause any change in the Company's actual control. At the same time, the Company's total assets and net assets increased correspondingly, its debt-to-asset ratio decreased and its asset structure and financial status were optimised. The Company's financial risks were lowered and its risk aversion capability was enhanced.

Report of the Directors *(continued)*

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INFORMATION OF CORPORATE BONDS

Basic information of corporate bonds

Unit: RMB billion

Name of bond	Abbreviation	Code	Date of issuance	Date of maturity	Outstanding balance	Interest rate (%)	Payment of principal and interest	Listing place
2016 Corporate Bonds (the First Tranche) (Type One) of Zijin Mining Group Co., Ltd.*	16 Zijin 01	136304	18 March 2016	18 March 2021	0.30253	2.99	Interest to be paid annually, principal to be repaid in full at maturity.	Shanghai Stock Exchange
2016 Corporate Bonds (the First Tranche) (Type Two) of Zijin Mining Group Co., Ltd.*	16 Zijin 02	136305	18 March 2016	18 March 2021	2	3.37	Interest to be paid annually, principal to be repaid in full at maturity.	Shanghai Stock Exchange
2016 Corporate Bonds (the Second Tranche) (Type One) of Zijin Mining Group Co., Ltd.*	16 Zijin 03	136549	15 July 2016	15 July 2021	0.044001	3.05	Interest to be paid annually, principal to be repaid in full at maturity.	Shanghai Stock Exchange
2016 Corporate Bonds (the Second Tranche) (Type Two) of Zijin Mining Group Co., Ltd.*	16 Zijin 04	136550	15 July 2016	15 July 2021	1.2	3.45	Interest to be paid annually, principal to be repaid in full at maturity.	Shanghai Stock Exchange
2017 Renewable Corporate Bonds (the First Tranche) of Zijin Mining Group Co., Ltd.* (publicly issued)	17 Zijin Y1	143917	12 September 2017	The base period is 3 years. At the end of the base period and the end of each renewal period, the Company has a right to exercise the renewal option to renew the bonds for one more period (i.e., 3 years). The renewable corporate bonds will mature when the Company does not exercise the renewal option and redeems the bonds in full amount.	0.5	5.17	When the Company does not exercise the option to delay interest payment, the interest shall be paid annually.	Shanghai Stock Exchange
2018 Renewable Corporate Bonds (the First Tranche) of Zijin Mining Group Co., Ltd.* (publicly issued)	18 Zijin Y1	136951	16 October 2018	The base period is 3 years. At the end of the base period and the end of each renewal period, the Company has a right to exercise the renewal option to renew the bonds for one more period (i.e., 3 years). The renewable corporate bonds will mature when the Company does not exercise the renewal option and redeems the bonds in full amount.	4.5	5.17	When the Company does not exercise the option to delay interest payment, the interest shall be paid annually.	Shanghai Stock Exchange

Report of the Directors *(continued)*

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Settlement of interests and principals of the corporate bonds

Interest payments of 2016 Corporate Bonds (the First Tranche) of Zijin Mining Group Co., Ltd.* , 2016 Corporate Bonds (the Second Tranche) of Zijin Mining Group Co., Ltd.* , 2017 Renewable Corporate Bonds (the First Tranche) of Zijin Mining Group Co., Ltd.* (publicly issued) and 2018 Renewable Corporate Bonds (the First Tranche) of Zijin Mining Group Co., Ltd.* (publicly issued) were settled on schedule.

Other information relating to the corporate bonds

The sell-back date of 2016 Corporate Bonds (the First Tranche) (Type One) of Zijin Mining Group Co., Ltd.* ("16 Zijin 01") was 18 March 2019. The bondholders sold back RMB2.69747 billion of the corporate bonds in total to the Company and the Company settled the amount on schedule. The remaining amount of 2016 Corporate Bonds (the First Tranche) (Type One) of Zijin Mining Group Co., Ltd.* ("16 Zijin 01"), i.e., RMB302.53 million, continues to be listed on the Shanghai Stock Exchange; the sell-back date of 2016 Corporate Bonds (the Second Tranche) (Type One) of Zijin Mining Group Co., Ltd.* ("16 Zijin 03") was 15 July 2019. The bondholders sold back RMB1.755999 billion of the corporate bonds in total to the Company and the Company settled the amount on schedule. The remaining amount of 2016 Corporate Bonds (the Second Tranche) (Type One) of Zijin Mining Group Co., Ltd.* ("16 Zijin 03"), i.e., RMB44.001 million, continues to be listed on the Shanghai Stock Exchange.

Use of proceeds raised from corporate bonds

As at the date of this report, RMB5 billion of proceeds raised from 2016 Corporate Bonds (the First Tranche) of Zijin Mining Group Co., Ltd.* has been fully used for supplementing working capital, and the unused balance of the proceeds is RMB0; and RMB3 billion of proceeds raised from 2016 Corporate Bonds (the Second Tranche) of Zijin Mining Group Co., Ltd.* has been fully used for supplementing working capital, and the unused balance of the proceeds is RMB0; RMB0.5 billion of proceeds raised from 2017 Renewable Corporate Bonds (the First Tranche) of Zijin Mining Group Co., Ltd.* (publicly issued) has been fully used for supplementing working capital, and the unused balance of the proceeds is RMB0; RMB4.5 billion of proceeds raised from 2018 Renewable Corporate Bonds (the First Tranche) of Zijin Mining Group Co., Ltd.* (publicly issued) has been fully used for supplementing working capital, and the unused balance of the proceeds is RMB0. During the reporting period, the specific accounts for the proceeds raised were well operated.

Settlement of interests and principals of other bonds and debt financing instruments

As at 31 December 2019, the Company has issued medium-term notes with a carrying amount of RMB9.3 billion, ultra short-term financing bonds with a carrying amount of RMB500 million and guaranteed senior notes with an aggregate face value of USD350 million. All the interest payments were settled on schedule.

Report of the Directors *(continued)*

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Accounting data and financial indicators of the Company for the two recent years of the end of the reporting period

Unit: RMB

Major indicators	2019	2018	Changes of the reporting period as compared with the same reporting period last year (%)	Reason for the change
Earnings before interest, taxes, depreciation, and amortisation ("EBITDA")	14,755,108,356	12,155,572,642	21.39	Enhancement in profitability
Current ratio	85.71%	81.80%	Increased by 3.91 percentage points	Adjustment of debt structure
Quick ratio	41.09%	47.76%	Decreased by 6.67 percentage points	Adjustment of debt structure
Debt-to-asset ratio (%)	53.91	58.12	Decreased by 4.21 percentage points	Adjustment of debt structure
EBITDA to total debts	0.22	0.19	15.79	
Interest coverage ratio	4.35	4.64	-6.25	
Cash interest coverage ratio	7.11	7.70	-7.66	
EBITDA to interest coverage ratio	7.20	7.33	-1.77	
Loan repayment rate (%)	100	100		
Interest repayment ratio (%)	100	100		

Changes in the Company's Directors, Supervisors and senior management

Name	Position	Change	Reasons for the change
Lan Fusheng	President	Resignation	Resigned from the position of president due to change of term
Zou Laichang	President	Appointment	Appointed to the position of president due to change of term
Fang Qixue	Director and vice-president	Resignation	Resigned from the position of Director and vice-president due to change of term
Lin Hongying	Financial controller (concurrent)	Resignation	Resigned from the position of financial controller due to change of term
Xie Xionghui	Director	Election	Elected to the position of Director due to change of term
Mao Jingwen	Independent Director	Election	Elected to the position of independent Director due to change of term
Li Changqing	Independent Director	Election	Elected to the position of independent Director due to change of term
He Fulong	Independent Director	Election	Elected to the position of independent Director due to change of term
Suen Man Tak	Independent Director	Election	Elected to the position of independent Director due to change of term
Lu Shihua	Independent Director	Resignation	Resigned from the position of independent Director due to change of term
Sit Hoi Wah, Kenneth	Independent Director	Resignation	Resigned from the position of independent Director due to change of term

Report of the Directors *(continued)*

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Name	Position	Change	Reasons for the change
Cai Meifeng	Independent Director	Resignation	Resigned from the position of independent Director due to change of term
Cao Sanxing	Supervisor representing workers and staff	Election	Elected to the position of Supervisor representing workers and staff due to change of term
Lan Liying	Supervisor representing workers and staff	Resignation	Resigned from the position of Supervisor representing workers and staff due to change of term
Shen Shaoyang	Vice-president	Appointment	Appointed to the position of vice-president due to change of term
Long Yi	Vice-president	Appointment	Appointed to the position of vice-president due to change of term
Que Chaoyang	Vice-president	Appointment	Appointed to the position of vice-president due to change of term
Wu Honghui	Financial controller	Appointment	Appointed to the position of financial controller due to change of term
Jiang Kaixi	Chief engineer	Appointment	Appointed to the position of chief engineer due to change of term
Zheng Youcheng	Secretary to the Board	Appointment	Appointed to the position of secretary to the Board due to change of term
Liu Qiang	Secretary to the Board	Resignation	Resigned from the position of secretary to the Board due to change of term
Guo Xianjian	Chief engineer	Resignation	Resigned from the position of chief engineer due to change of term

Resigned Directors Mr. Fang Qixue, Mr. Lu Shihua, Mr. Sit Hoi Wah, Kenneth and Mr. Cai Meifeng confirmed that they have no disagreement with the Board and there are no matters that need to be brought to the attention of the shareholders of the Company in relation to their resignations.

SHARE OPTION SCHEME

As at the date of this report, the Company has neither granted nor agreed to grant options to any of its Directors, Supervisors, chief executive, substantial shareholders or their respective associates or the employees of the Company or its subsidiaries.

MAJOR SUPPLIERS AND CUSTOMERS

During the reporting period, approximately 85% of the Company's operating income was originated from customers in Mainland China, in which 51.67% was from the Shanghai Gold Exchange. Therefore, the Company was unable to sort customers in Mainland China by region.

Details of the Company's top five suppliers and top five customers are set out in "Management Discussion and Analysis" in this report. All transactions between the Company and the relevant suppliers and customers were entered into under normal commercial terms.

As far as the Directors are aware, none of the Directors, Supervisors, shareholders holding more than 5% equity interest of the Company or their respective associates (as defined in the Listing Rules) had any interest in the above top five suppliers and customers during the reporting period.

Report of the Directors *(continued)*

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PRE-EMPTIVE RIGHTS

According to the articles of association of the Company and the laws of the PRC, there are no provisions for pre-emptive rights requiring the Company to offer new shares to its existing shareholders in proportion to their shareholdings.

BUSINESS REVIEW

A fair review of the business of the Group as well as a discussion and analysis of the Group's performance during the reporting period, including a discussion of the principal risks and uncertainties faced by the Group and an indication of likely future developments in the Group's business, can be found in the sections headed "Chairman's Statement", "Management Discussion and Analysis" and "Report of the Directors" in this report.

For discussion on the Group's compliance with relevant laws and regulations that have a significant impact on the Group and the Group's environmental policies and performance, please refer to the sections headed "Management Discussion and Analysis" and "The Work in the Active Fulfillment of Social Responsibilities" in this report.

Key relationships with employees, customers and suppliers

Details of the staff of the Group and the related remuneration policy and training programmes are set out in "Report of the Directors".

The Group maintains a good relationship with its customers. The Group continually provides excellent products with the most competitive price and best quality to customers, and optimises services in order to raise customer satisfaction.

The Group maintains a good relationship with its suppliers. The Group persists in perfecting its procurement process and mechanism. The Group reinforces its supplier management, and insists on the business principles of integrity and trustworthiness to enhance communications with suppliers by all available means, with the goal of seeking mutual benefit and prosperity for all.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The 2019 environmental, social and governance report of the Company will be issued within three months after the publication of this annual report.

SERVICE CONTRACTS OF THE DIRECTORS AND SUPERVISORS

Each of the Directors and Supervisors has entered into a service contract with the Company respectively. All these contracts have become effective from the date of appointment and will terminate on 29 December 2022. Pursuant to article 111 of the articles of association of the Company, the terms for the Directors are three years (commencing from the date of appointment or re-election), subject to re-election and re-appointment. Under the Company Law of the PRC, the term of appointment for the Supervisors is also three years, and subject to re-election and re-appointment. Remuneration of the Directors and Supervisors of the Company can be amended at shareholders' general meetings.

Save as disclosed above, there are no service contracts entered into between the Company and any of the Directors or Supervisors which are not determinable by the Company within one year without payment of compensation (except statutory compensation).

Report of the Directors *(continued)*

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DIRECTORS AND SUPERVISORS AND THEIR TERMS

During the year and up to the date of this report, the Directors and Supervisors and their terms are:

	TERMS
EXECUTIVE DIRECTORS:	
Chen Jinghe	From 30 December 2019 to 29 December 2022
Lan Fusheng	From 30 December 2019 to 29 December 2022
Zou Laichang	From 30 December 2019 to 29 December 2022
Lin Hongfu	From 30 December 2019 to 29 December 2022
Lin Hongying	From 30 December 2019 to 29 December 2022
Xie Xionghui	From 30 December 2019 to 29 December 2022
Fang Qixue	Resigned on 29 December 2019
NON-EXECUTIVE DIRECTOR:	
Li Jian	From 30 December 2019 to 29 December 2022
INDEPENDENT NON-EXECUTIVE DIRECTORS:	
Zhu Guang	From 30 December 2019 to 29 December 2022
Mao Jingwen	From 30 December 2019 to 29 December 2022
Li Changqing	From 30 December 2019 to 29 December 2022
He Fulong	From 30 December 2019 to 29 December 2022
Suen Man Tak	From 30 December 2019 to 29 December 2022
Lu Shihua	Resigned on 29 December 2019
Sit Hoi Wah, Kenneth	Resigned on 29 December 2019
Cai Meifeng	Resigned on 29 December 2019
SUPERVISORS:	
Lin Shuiqing	From 30 December 2019 to 29 December 2022
Fan Wensheng	From 30 December 2019 to 29 December 2022
Xu Qiang	From 30 December 2019 to 29 December 2022
Liu Wenhong	From 30 December 2019 to 29 December 2022
Cao Sanxing	From 30 December 2019 to 29 December 2022
Lan Liying	Resigned on 29 December 2019

None of the Directors intends to seek re-election at the forthcoming annual general meeting and has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

BRIEF BIOGRAPHY OF THE DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Brief biography of the Directors, Supervisors and senior management is set out in "Brief Biography of Directors, Supervisors and Senior Management" in this report.

MANAGEMENT CONTRACTS

Other than the service contracts of the Directors, the Company has not entered into any contract with any individual, firm or body corporate to undertake management or administration of the whole or any substantial part of any business of the Company during the reporting period.

PERMITTED INDEMNITY PROVISION

At no time during the reporting period and up to the date of this report, there was or is any permitted indemnity provision being in force for the benefit of any Directors of the Company (whether made by the Company or otherwise) or its associated company (whether made by the Company or otherwise).

Report of the Directors *(continued)*

(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

DIRECTORS' AND SUPERVISORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

Save as the service contracts of the Directors and Supervisors as disclosed above, there were no transactions, arrangements or contracts of significance to which the Company or its controlling company or its subsidiaries were a party to and in which a Director or Supervisor of the Company or an entity connected with a Director or Supervisor had a material interest, either directly or indirectly, subsisting at the end of the year or at any time during the reporting period.

COMPETING BUSINESS

None of the Directors is interested in any business apart from the Company's business, which competes or is likely to compete, either directly or indirectly, with the Company's business.

FINANCIAL ASSISTANCE AND GUARANTEES TO AFFILIATED COMPANIES

There is no financial assistance to affiliated companies of the Company, or guarantees given for facilities granted to affiliated companies of the Company which together in aggregate exceeds 8% under the assets ratio defined under rule 14.07(1) of the Listing Rules.

EQUITY-LINKED AGREEMENTS

The Company has not entered into any equity-linked agreement during the reporting period.

DEBENTURES

Details of debentures are set out in Note V.35 to the financial statements.

ACQUISITIONS, DISPOSALS AND MERGERS

Save as disclosed in Note VI to the financial statements, the Company has no other material acquisition, disposal or merger of subsidiaries, associates and joint ventures during the reporting period.

AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF THE COMPANY

During the reporting period, certain articles in the articles of association of the Company were amended. For details, please refer to the Company's circular dated 30 November 2019.

RETAINED EARNINGS

Details of the Company's retained earnings as at 31 December 2019 are set out in Note V.46 to the financial statements.

ASSETS PLEDGED OR CHARGED OF THE GROUP

Details of the Group's pledged or charged assets as at 31 December 2019 are set out in Note V.65 to the financial statements.

CURRENCY AND INTEREST HEDGING POLICY

Details of the Group's currency and interest hedging policy for the year ended 31 December 2019 are set out in Note VIII.3 to the financial statements. During the reporting period, the Group used cross currency swaps to manage currency risk. Details of the transactions are set out in Notes V.25 and VIII.3 to the financial statements.

Save as disclosed above, the Group does not have formal currency hedging policy and has not entered into any major foreign currency contracts or derivatives to hedge against foreign currency and interest rate risks.

Report of the Directors *(continued)*

(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

FIXED ASSETS

Details of movements of the fixed assets of the Group for the year ended 31 December 2019 are set out in Note V.15 to the financial statements.

DISTRIBUTABLE RESERVES

Pursuant to the relevant laws and regulations, the Company's distributable reserves as at 31 December 2019 amounted to RMB31,087,322,029 (31 December 2018: RMB24,664,493,547).

BANK AND OTHER BORROWINGS

Details of the Group's bank and other borrowings are set out in Notes V.24, 33, and 34 to the financial statements.

CONTINGENT LIABILITIES

Details of contingent liabilities are set out in Note XI.2 to the financial statements.

DONATIONS

During the reporting period, the Group made charitable and other donations amounted to approximately RMB178 million (2018: RMB207 million).

TAXATION

The PRC's corporate income tax rate is 25%. Details of the Group's taxation are set out in Notes IV and V.61 to the financial statements.

TAX RELIEF AND EXEMPTION INFORMATION FOR DIVIDENDS TO SHAREHOLDERS

A Shareholders

Pursuant to the Notice on Implementing Differentiated Individual Income Tax Policy for Stock Dividends of Listed Companies (Cai Shui [2012] No. 85) (the "Notice") issued jointly by the Ministry of Finance, the State Administration of Taxation and the CSRC of the PRC, for shares of listed companies obtained by individuals from public offerings or the secondary market, where the holding period is less than one month (inclusive), the dividends shall be counted as taxable income in the full amount; where the holding period is more than one month and less than one year (inclusive), 50% of the dividends shall be counted as taxable income on a provisional basis; and where the holding period exceeds one year, 25% of the dividends shall be counted as taxable income on a provisional basis. The individual income tax rate of 20% shall be applicable for all incomes mentioned above. The individual income tax levied on stock dividends obtained by equity investment funds from listed companies is also calculated in accordance with the Notice.

Article 26.2 of the Enterprise Income Tax Law of the PRC provides that dividends, bonuses and other equity investment proceeds distributed between qualified resident enterprises shall be tax-free.

Pursuant to Article 83 of the Implementation Rules of Enterprise Income Tax Law of the PRC, dividends, bonuses and other equity investment income distributed between qualified resident enterprises as referred in Article 26.2 of the Enterprise Income Tax Law of the PRC include those income obtained by resident enterprises from direct investment in other resident enterprises, excluding the income from holding the stocks of the resident enterprises that were obtained through public offering and had been traded on the stock market for less than 12 months on a continuing basis.

As per the Enterprise Income Tax Law of the PRC and the Implementation Rules of Enterprise Income Tax Law of the PRC, dividend income obtained by non-resident enterprises shall be levied at a preferential enterprise income tax rate of 10%.

Report of the Directors *(continued)*

(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

H Shareholders

Pursuant to the Notice of the State Administration of Taxation on Issues Concerning Individual Income Tax Collection and Management after the Repeal of Guo Shui Fa [1993] No. 045 (Guo Shui Fa [2011] No. 348), the dividend received by overseas resident individual shareholders from the shares issued by overseas non-foreign invested enterprises in Hong Kong is subject to the payment of individual income tax according to the items of “interest, dividend and bonus income”, which shall be withheld by the withholding agents according to relevant laws. The overseas resident individual shareholders who hold the shares issued by overseas non-foreign invested enterprises in Hong Kong are entitled to the relevant preferential tax treatment pursuant to the provisions in the tax agreements signed between the countries where they reside and China or the tax arrangements between Mainland China and Hong Kong or Macau. The tax rate for dividends under the relevant tax agreements and tax arrangements is generally 10%, and for the purpose of simplifying tax administration, domestic non-foreign invested enterprises issuing shares in Hong Kong may, when distributing dividends, generally withhold individual income tax at the rate of 10%, and are not obligated to file an application. If the tax rate for dividends is not equal to 10%, the following provisions shall apply: (1) for citizens from countries which have entered into tax agreements/arrangements stipulating a tax rate of lower than 10%, the withholding agents will file applications on their behalf to seek entitlement of the relevant agreed preferential treatments, and upon approval by the tax authorities, the excess tax amounts withheld will be refunded; (2) for citizens from countries which have entered into tax agreements/arrangements stipulating a tax rate of higher than 10% but lower than 20%, the withholding agents will withhold the individual income tax at the agreed-upon effective tax rate when distributing dividends, and are not obligated to file an application; (3) for citizens from countries without tax agreements or are under other situations, the withholding agents will withhold the individual income tax at a tax rate of 20% when distributing dividends.

Pursuant to the Notice of the State Administration of Taxation on Issues concerning Withholding the Enterprise Income Tax on Dividends Paid by Chinese Resident Enterprises to H Share Holders which are Overseas Non-resident Enterprises (Guo Shui Han [2008] No. 897), a PRC resident enterprise, when distributing dividends for 2008 and for the years afterwards to H shareholders who are overseas non-resident enterprises, shall withhold the enterprise income tax at a flat rate of 10%.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, as at the date of this report, there is sufficient public float of more than 25% of the Company’s issued shares as required under the Listing Rules.

IMPORTANT EVENTS AFTER THE REPORTING PERIOD

Details of the Group’s events after the reporting period are set out in Note XII to the financial statements. Save as disclosed in this report, there is no important event affecting the Group which has occurred after the reporting period.

By order of the Board of Directors

Chen Jinghe

Chairman

Shanghang, Fujian, the PRC

20 March 2020

Report of the Supervisory Committee

(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

Zijin Mining Group Co., Ltd.* Report of the Supervisory Committee for 2019

To all shareholders,

In 2019, with the active support and cooperation of the Board and the management of the Company, the supervisory committee of the Company (the "Supervisory Committee") continuously optimised the corporate governance, independently and effectively discharged its supervisory duties, smoothly completed the change of term of the Supervisory Committee and completed various tasks satisfactorily in strict compliance with the provisions stipulated in relevant laws and regulations including the Company Law of the PRC (the "Company Law") and the articles of association of the Company.

I. WORK REPORT OF THE SUPERVISORY COMMITTEE

- 1. Meetings convened by the Supervisory Committee.** During the reporting period, the Supervisory Committee convened 5 periodic meetings and 3 extraordinary meetings in total, and considered 22 proposals relating to the Company's periodic financial reports and other important issues. The Supervisory Committee meetings were convened strictly in accordance with the procedures stipulated in the articles of association of the Company, Meeting Procedures of the Supervisory Committee, etc., and the members of the Supervisory Committee could fully express their views and opinions. Timely disclosures of the relevant information of the meetings were made in accordance with the requirements of the CSRC, the Shanghai Stock Exchange and the Hong Kong Stock Exchange.

For details of convention of the Supervisory Committee meetings, please refer to the summary table on the Supervisory Committee meetings for the year 2019 set out in the appendix.

- 2. Participated in relevant meetings.** The Company's Supervisors attended the audit and internal control committee of the Board, participated in the review of the Company's annual and other periodic financial statements and proposed suggestions on management. Through attending the Board's meetings, execution and investment committee meetings and work meetings of the president office, etc., the Supervisors studied the Company's operation and management status through listening to or reviewing relevant information of the Company and its subsidiaries including the financial reports, reports on production and operation, reports on internal supervision and inspection, etc., and accordingly contributed their opinions to important decision-makings and personnel changes during discussion. Through such measures, the Supervisors could fully understand the process of formulating important decisions, stayed informed about the Company's production, operation and management status, and discharged their supervisory and inspection functions proactively based upon their sufficient knowledge about the Company's affairs.
- 3. Earnestly fulfilled the responsibilities of supervision as Supervisors.** Pursuant to the stipulations of the relevant laws and regulations including the Company Law of the PRC and the articles of association of the Company, the Supervisors supervised on major issues including the Company's operation in compliance with laws, financial position, acquisitions and disposals of assets, connected transactions, etc., and issued independent opinions according to the results of supervision. In this way, it could be ensured that the Company operated in compliance with laws and regulations, and information disclosure was carried out in a timely, accurate and complete manner.

In 2019, the Supervisory Committee organised field-study on two important overseas projects acquired, namely Zijin Bor and the Timok Copper and Gold Mine in Serbia. No operation violating the regulations or prejudicing the interests of the Company and its shareholders was discovered.

Report of the Supervisory Committee *(continued)*

(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

- 4. Consistently improved the depth of working performance assessment.** Based on the experience gained from constant conclusion of working performance assessment in the past, the Supervisory Committee further strengthened the supervision and assessment on the discharge of duties of the Company's Directors, senior management and the directors, supervisors and senior management of the subsidiaries. The Supervisory Committee put emphasis on the consideration process regarding significant issues, and supervised if all proposals were in line with the interests of the shareholders and the Company and the implementation progress of the resolutions. It also supervised the annual Board's assessment on the Company's Directors and senior management in discharging their duties, and the discharge of duties of the subsidiaries' directors, supervisors and senior management.
- 5. Carried out in-depth study and research on subsidiaries at the base level.** Through visiting and researching on the subsidiaries of the Company, the Supervisors stayed informed and kept track of the important operating and management activities of the corporations. Concerned about the sustainable development and potential risks of the corporations, the Supervisors summarised the difficulties faced by subsidiaries during their development and provided reasonable suggestions and risk warnings to the decision-makers and management of the Company, based on the findings of their study and research in a timely manner. It promoted the Company's sustainable and healthy development.

The Supervisory Committee organised specific research on construction project management, extending upward and downward to Construction Department and the relevant subsidiaries. It discovered the typical problems of the Group's construction projects. Analysis and research were carried out on procurement of construction materials, overpayment of construction fee, multiple-subcontracting and other management problems. Suggestions were made for the Company's continuous improvement of its construction project management, so that the Company's construction project management will become more effective, which helps promote the Company's high-quality development.

- 6. Strengthened the leadership on supervisory work continuously.** The overall coordination, planning and leadership of the work of supervisory system were continuously strengthened. The five-in-one internal supervisory mechanism comprising "Supervisory Committee, disciplinary inspection committee, supervision, audit, internal control" was consistently enhanced. The Supervision Committee insisted on problem-based supervision and stressed on the key points of supervision. It targeted on intensifying the supervision and inspection on key businesses and procedures, promoted a regulated management and effective prevention of substantial risks. There were significant improvements on the supervisory work. It unwaveringly pushed forward comprehensive and stringent governance on the enterprises, continuously carried out a series of campaign themed "Clean and Honest Zijin is Advancing" to promote a developing atmosphere with honesty and integrity within the Group.

II. INDEPENDENT OPINION OF THE SUPERVISORY COMMITTEE ON RELEVANT MATTERS OF THE COMPANY

- 1. Operation of the Company in compliance with laws.** During the reporting period, the Company operated in compliance with the provisions stipulated in the relevant laws and regulations including the Company Law and the articles of association of the Company. The procedures of decision-making were in accordance with laws and regulations. The resolutions of the shareholders' general meetings and the Board meetings were implemented effectively, and the Company's internal control system was basically sound and complete. The Company's Directors and senior management discharged their duties diligently. No violation of the Company Law and other relevant laws and regulations as well as internal management regulations including the articles of association of the Company, or any other action which could prejudice the interests of the Company and the shareholders was found.

Report of the Supervisory Committee *(continued)*

(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

- 2. Inspection on financial reports of the Company.** During the reporting period, the Company's financial system was sound and complete, and the financial operating status was satisfactory. The Company strictly followed the accounting policies, accounting standards and requirements of other relevant financial regulations to operate. The Company's periodic financial reports reflected the financial position and operating results of the Company in a truthful, fair and complete manner. The information stated in the reports did not contain any false record, misleading statement or material omission. The Company's 2019 annual financial report was audited by Ernst & Young Hua Ming LLP, and an auditor's report with a standard unqualified opinion was issued.
- 3. Acquisitions and disposals of assets of the Company.** During the reporting period, the Company followed the marketisation principle for acquisitions and disposals of assets. The decision-making procedures complied with laws and regulations. The Supervisory Committee carried out on-going supervisions on the relevant activities and no insider dealing or behaviour which could prejudice the interests of the shareholders of the Company and lead to a loss of the Company's assets was found.
- 4. Connected transactions of the Company.** During the reporting period, the Company strictly followed the relevant regulatory rules and terms of agreements to execute connected transactions. The decisions for the connected transactions were made carefully, the procedures of which were lawful and regulated, the transaction processes were equal and just, the outcomes of the transactions were fair, and no insider dealing or circumstance which would prejudice the interests of the shareholders and the Company was found.
- 5. Review on internal control evaluation report.** The Supervisory Committee prudently reviewed the "2019 internal control evaluation report of the Company" and considered that the report followed "the Basic Norms of Corporate Internal Control", "Guidance for the Evaluation of Corporate Internal Control" and other relevant provisions. Through establishing effective rules on internal control and strengthening internal control establishment, the Company's internal control system was further improved. The establishment of the Company's internal control system was effective in helping the Company mitigate and control risks in production, operation and management, ensure that the Company's various business activities proceeded in an orderly and effective manner, and safeguard the interests of the Company and the shareholders. The report was able to objectively, accurately and completely reflect the actual situation of the Company's internal control, and no false record, misleading statement or material omission was found. The "2019 internal control evaluation report of the Company" was approved by the Supervisory Committee.

III. THE PROPOSED ROADMAP FOR THE WORK IN 2020

In 2020, under the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era and the Company's overall strategic goals, the Supervisory Committee will further strengthen and improve its work and building of supervisory team, establish a sound and complete supervisory system, innovate supervisory work mechanism, proactively and conscientiously discharge its supervision duties in order to protect the interests of the Company and its shareholders, and strives to provide a strong safeguard for realising Zijin Mining's global mining dream.

- 1. Diligently discharge duties according to laws and regulations.** In accordance with the duties conferred by the Company Law, the articles of association of the Company and the requirements of regulatory authorities, the Supervisory Committee will monitor the Company's decision-making and operational procedures, perfect the supervisory system and policy formulation, and push forward the Supervisory Committee's development. The Supervisors will enhance execution competence and quality, and discharge duties diligently. The Supervisory Committee will play an active role in safeguarding the interests of the Company and its shareholders and positively contributing to the sound and sustainable development of the Company.

Report of the Supervisory Committee *(continued)*

(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

- 2. Comprehensively improve the effectiveness of supervision.** The Supervisory Committee will review every periodic financial report of the Company carefully, track and analyse the Company's operating status, strengthen supervision and inspection on important matters including the operation in compliance with laws and regulations, high-risk businesses, connected transactions, material reforms, overseas investments and acquisitions, etc. The Supervisory Committee will conduct better study and research beforehand to ensure the decision-making procedures of the Company are legitimate and compliant so as to avoid the occurrence of any action which could prejudice the interests of the Company's shareholders and cause loss of the Company's assets. The roadmap for the work will be fully innovated. The supervision on exercise of power and key matters shall be strengthened, and more efforts will be exerted in supervision of construction and operation of overseas projects. Through supervision of key matters and precise supervision, it is expected that the actual effectiveness of supervision will be improved.
- 3. Strengthen the development of supervision system.** The Supervisory Committee will consistently strengthen the guidance on supervision system and further invigorate the comparative independence, effectiveness and responsibility of supervision. The independence and effectiveness of supervisory work will be enhanced at the base level, the remuneration assessment method of supervisory personnel will be refined, and essential incentive mechanism will be established. The Supervisory Committee will progress in rationalising the corporate governance system in subsidiaries, and the function of supervisory committee in subsidiaries will be given full play. The efforts in introduction and cultivation of talents will be elevated, and the building of supervisory workforce of various ranks in overseas projects will be speeded up. The study, training, job rotation and communication in internal and external businesses of supervisory system will be heightened. The professional structure of supervisory workforce will be consistently optimised, and improvements will be made in the aspects of comprehensive quality and business skills of supervisory personnel. The Supervisory Committee will reinforce the management and assessment on supervisory personnel, their implementation of responsibility, as well as the accountability of dereliction of duty and ineffectiveness in supervision works.
- 4. Conduct in-depth field study, investigation and research at the base level.** The Company's Supervisors will be reasonably arranged to work in-depth at the base level of the subsidiaries to perform field study, investigation and research, follow up the operating and management activities of the enterprises, and obtain a thorough understanding on the operational and management condition of the enterprises by listening to or reviewing relevant information including the reports on production and operation, reports on internal supervision and inspection, etc., of the subsidiaries. The Supervisory Committee will make timely and reasonable suggestions and risk warnings to the executives and the management of the Company based on the problems found or matters warranting attention to help avoid operational risks.
- 5. Relentlessly push forward stringent governance of the enterprise.** Integrity, self-discipline and preventive education of management cadres and authorised personnel shall be relentlessly intensified. A high-handed posture against corruption shall be maintained. Anti-corruption tasks shall be carried out with a "zero-tolerance" attitude. All cases will be investigated, all corruption will be fought against, and all corrupt behaviours and styles will be firmly suppressed. A "not daring to corrupt, not able to corrupt and not wanting to corrupt" atmosphere shall be nurtured genuinely in order to generate new achievements for the Company's Party construction with integrity and anti-corruption work, and build the "Zijin with Integrity" culture brand.

Appendix: Summary table on the Supervisory Committee meetings for the year 2019 of the Company

Zijin Mining Group Co., Ltd.*
Supervisory Committee
20 March 2020

Report of the Supervisory Committee *(continued)*

(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

APPENDIX

Zijin Mining Group Co., Ltd.* Summary table on the Supervisory Committee meetings for the year 2019

Number	Session	Date	Venue	Matters discussed and resolutions passed
1	The first extraordinary meeting of the sixth term of the Supervisory Committee in 2019	25 February 2019	Conference room, 41/F., the Company's Xiamen Branch	Resolutions passed: <ol style="list-style-type: none"> 1. Proposal on the Public Issuance of A Shares of the Company for the year 2018 (revised version) 2. Plan for the Public Issuance of A Shares of the Company for the year 2018 (revised version) 3. Proposal in relation to the Feasibility Report on the Use of Proceeds Raised in the Public Issuance of A Shares of the Company (revised version) 4. Proposal in relation to the Specific Report on the Use of Proceeds Previously Raised
2	The eleventh meeting of the sixth term of the Supervisory Committee	22 March 2019	Conference room, 21/F., the Company's headquarters in Shanghang	Resolutions passed: <ol style="list-style-type: none"> 1. Report of the Supervisory Committee of the Company for 2018 2. Proposal in relation to provision for impairment on assets for the year 2018 3. Proposal on recognition of certain assets counting loss and obsolescence loss of the Company 4. The Company's 2018 annual report and its summary report 5. The Company's financial report for the year ended 31 December 2018 6. The Company's profit distribution plan for the year ended 31 December 2018 7. 2018 internal control evaluation report of the Company 8. 2018 social responsibility report of the Company 9. Specific Report on the Deposit and Actual Use of Proceeds Raised in 2018

Report of the Supervisory Committee *(continued)*

(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

Number	Session	Date	Venue	Matters discussed and resolutions passed
3	The twelfth meeting of the sixth term of the Supervisory Committee	29 April 2019	Conference room, 41/F., the Company's Xiamen Branch	Resolutions passed: 1. First quarterly report 2019 of the Company 2. Proposal in relation to changes in accounting policies
4	The thirteenth meeting of the sixth term of the Supervisory Committee	29 August 2019	Conference room, 41/F., the Company's Xiamen Branch	Resolutions passed: 1. 2019 interim report of the Company 2. Specific Report on the Deposit and Actual Use of Proceeds Raised in the First Half of 2019 3. Proposal in relation to provision for impairment on assets
5	The fourteenth meeting of the sixth term of the Supervisory Committee	29 October 2019	Conference room, 41/F., the Company's Xiamen Branch	Resolution passed: Third quarterly report 2019 of the Company
6	The second extraordinary meeting of the sixth term of the Supervisory Committee	12 November 2019	Conference room, 21/F., the Company's headquarters in Shanghai	Resolution passed: Proposal in relation to election of the Supervisors of the seventh term of the Supervisory Committee
7	The third extraordinary meeting of the sixth term of the Supervisory Committee	22 November 2019	By telecommunication	Resolution passed: Proposal in relation to replacement of the Company's own financing used in project investment in advance with the proceeds raised
8	The first meeting of the seventh term of the Supervisory Committee	30 December 2019	Conference room, 20/F., the Company's headquarters in Shanghai	Resolution passed: Proposal in relation to election of the chairman and vice-chairman of the Company's seventh term of the Supervisory Committee

The Work in the Active Fulfillment of Social Responsibilities

(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

(I) POVERTY ALLEVIATION WORK OF THE COMPANY

1. Precise poverty alleviation plan

Fundamental strategy

The Company conscientiously studied and implemented General Secretary Mr. Xi Jinping's significant strategic thought on poverty alleviation and development and "Opinion on Serving the National Poverty Alleviation Strategy by Making Use of the Capital Market" issued by the CSRC. The Company insisted on combining measures of providing assistance with fostering self-reliance, in accordance with the requirements for poverty alleviation work, namely "precision as the core and implementation as the crux to ensure sustainability". Since the mining subsidiaries are located in remote mountain areas and are familiar with the situation of the community, the Company gave full play to these advantages and carried out precise poverty alleviation activities in the areas around the mining sites. The poverty alleviation responsibilities, policies and tasks of the Company were focused on and put into practice vigorously.

General objectives

Pursuant to the poverty alleviation targets of the 13th Five-Year Plan policies of the PRC, the Company focused on the core tasks of identification and data tracking of poverty alleviation targets and the fundamentals of precise poverty alleviation and elimination. At the same time, an effective long-term mechanism of the Company for precise poverty alleviation was gradually established, in order to promote the realisation of the comprehensive poverty elimination in the country by 2020.

Key work

Through cooperation among the Company's subsidiaries, local governmental organisations responsible for poverty alleviation, Zijin Mining Charity Foundation (the Company as its sole founder) and local social organisations, the Company put its emphasis on the poor areas near the operation of its subsidiaries to drive development of economy and education in such areas by ways of donation, creating employment opportunities, industrial development, education and so on.

Safeguarding measures

Under the leadership of the Party Committee and the Board of the Company, the management of the Company formulated the annual plan for precise poverty alleviation, and laid down organisational safeguard in respect of project selection, liaising with governmental organisations, implementation of supervision, and information disclosure, etc. Poverty alleviation fund was included in the annual financial budget to ensure material support for poverty alleviation. The Company delegated its Corporate Social Responsibility Department to be responsible for poverty elimination and took Zijin Mining Charity Foundation as the implementation platform. Based on the thorough knowledge of poor villages, poor families and their situations, the Company ensured that the capital and personnel were in place, and the poverty alleviation could be carried out accurately and thoroughly.

2. Overview of precise poverty alleviation work for the year

In 2019, the Company continued to respond to the state's strategy of precise poverty alleviation, gave full play to the location advantages of mining subsidiaries in remote mountain areas by deploying personnel, material and capital to assist the impoverished villages around mining sites, and worked together with local governments' poverty alleviation institutions, Zijin Mining Charity Foundation and other charitable organisations, to involve deeply in the impoverished villages in the surroundings of mines and provide assistance in Fujian Province Minxi Old Revolutionary Base Area, Altay Region of Xinjiang Autonomous Region, Jilin Province, Henan Province, Inner Mongolia Autonomous Region, Shanxi Province, Heilongjiang Province, Yunnan Province, Jiangxi Province, Guizhou Province, Gansu Province, etc., by way of infrastructure construction, industrial development, environmental protection, and improving educational facilities. Total investments on poverty alleviation amounted to over RMB91.40 million in 2019. The poverty alleviation activities effectively improved the infrastructure for living and production and educational facilities in the impoverished villages around the mining sites, practically enhancing the living standards of impoverished population.

The Work in the Active Fulfillment of Social Responsibilities *(continued)*

(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

3. Results of precise poverty alleviation

Unit: RMB' 000

Indicator	Amount and progress
I. General	
Including: 1. Subsidy	91,407
2. Monetary amount of materials provided	266.4
3. Number of persons no longer registered under the category of population in poverty as a result of obtaining assistance from the Company (person)	1,057
II. Subsidy by category	
1. Industrial development for poverty alleviation	
Including: 1.1 Industrial development projects for poverty alleviation by category	<input checked="" type="checkbox"/> Agriculture and forestry <input checked="" type="checkbox"/> Tourism <input type="checkbox"/> E-commerce <input checked="" type="checkbox"/> Asset return <input type="checkbox"/> Technology <input checked="" type="checkbox"/> Others
1.2 Number of projects	6
1.3 Amount of subsidy for industrial development projects	7,960
1.4 Number of persons no longer registered under the category of population in poverty as a result of obtaining assistance from the Company (person)	855
2. Employment transfer for poverty alleviation	
Including: 2.1 Amount of subsidy for vocational skill training	38.4
2.2 Number of person provided with vocational skill training (person/time)	73
2.3 Number of person no longer registered under the category of population in poverty as a result of obtaining assistance for employment from the Company (person)	64
3. Relocation for poverty alleviation	
Including: 3.1 Number of relocated person whom the Company helped for employment (person)	669
4. Education for poverty alleviation	
Including: 4.1 Amount of subsidy for impoverished students	775
4.2 Number of impoverished students supported (person)	120
4.3 Amount of subsidy for improving educational resources in impoverished areas	3,328

The Work in the Active Fulfillment of Social Responsibilities *(continued)*

(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

Unit: RMB' 000

Indicator	Amount and progress
5. Poverty alleviation by improving healthcare	
Including: 5.1 Amount of subsidy for medical and healthcare resources in impoverished areas	628
6. Poverty alleviation by ecological protection	
Including: 6.1 Name of project	√ Carry out ecological conservation and maintenance √ Establish compensation methods for ecological conservation √ Set up specialised position for handling ecological and public charity related affairs √ Others
6.2 Amount of subsidy	848
7. Guaranteeing basic living standard for people in need	
Including: 7.1 Amount of subsidy for helping left-behind children, women and elderly	225
7.2 Number of left-behind children, women and elderly supported (person)	100
7.3 Amount of subsidy for helping impoverished disabled persons	10
7.4 Number of impoverished disabled persons supported (person)	40
8. Community poverty alleviation	
Including: 8.1 Amount of subsidy for East-West Partnerships for Poverty Alleviation	3,000
8.2 Amount of subsidy for poverty alleviation in targeted areas	22,756
8.3 Charity fund for poverty alleviation	73
9. Other projects	
Including: 9.1 Number of project	88
9.2 Amount of subsidy	51,765.6
9.3 Other details of the projects	Poverty alleviation by assisting the impoverished areas in developing livelihood project and improving infrastructure by way of donations.
III. Awards received (details and level)	
"Top Ten China Charity Enterprises" (state level)	
"Exemplary Enterprise in the Precise Poverty Alleviation Campaign of 'Aiding 1,000 Villages by 1,000 Companies'" in Fujian Province (provincial level)	

The Work in the Active Fulfillment of Social Responsibilities *(continued)*

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4. Future plan of precise poverty alleviation work

In 2020, China will complete building a moderately prosperous society from all aspects. The Company will continue to fully implement the Guiding Opinion on the Three-Year Action to Win the Battle against Poverty issued by the Central Committee of the Party, and help our country win the battle against poverty. Together with governmental authorities responsible for poverty alleviation and Zijin Mining Charity Foundation, the Company will integrate the characteristics of the industry, and involve deeply in the impoverished villages in Fujian Province Minxi Old Revolutionary Base Area, Altay Region in Xinjiang Autonomous Region, Hunchun City of Jilin Province, Fanzhi County of Shanxi Province, Heihe City of Heilongjiang Province, Luoning County of Henan Province, Golog Prefecture of Qinghai Province and Urad Rear Banner of Inner Mongolia Autonomous Region to carry out precise poverty alleviation work. At the same time, the Company will continue to provide precise poverty alleviation assistance to senior citizens over the age of 80 and orphans, enhance ecological protection and assist students and local schools in Shanghang headquarters area, and raise the public awareness, in order to encourage different sectors of the public to participate in the poverty alleviation work, earnestly fulfill social responsibilities and promote the economic development of the impoverished areas.

Principal safeguarding measures

- (1) Strengthen organisation and leadership.** A team comprising the responsible personnel of the Corporate Social Responsibility Department, Zijin Mining Charity Foundation, and Party branches of the locality at which the Company's operations are located, is tasked with the on-site implementation of poverty alleviation work. The team is also responsible for coordinating the collaboration among various departments for carrying out the poverty alleviation projects.
- (2) Strengthen project implementation and management to ensure the actual needs of the assisted groups are met.** In the course of carrying out the projects, the Company ensures the groups with genuine need of assistance could be accurately identified, actively carries out study and investigations, pays visits to the impoverished households, and obtains a better understanding of their actual needs. Key focus of the Company's work will be improving the infrastructure of the impoverished areas. The bottlenecks constraining the development of such areas, namely a lack of road, and deficient supply of water, electricity and accommodation, are identified as the crucial areas of poverty alleviation. Efforts are made to improve the infrastructure of the poverty-plagued communities to achieve the goal of precise poverty alleviation. Adhering to the principles of openness, equality and fairness, the Company also strengthens the direct management and supervision of projects, enhances on-site inspection, strictly forbids malpractices, and implements effective supervision and evaluation of projects.
- (3) Strictly regulate allocation and payment of funds.** The allocation and payment of funds for assistance projects shall strictly comply with the provisions in project cooperation agreements or project proposals, and follow approval authority and process. Relevant application procedures will only be proceeded when no imperfections are identified.
- (4) Joint forces for poverty alleviation.** The Company engages in poverty alleviation projects by way of cooperation with its subsidiaries, local governments of the impoverished areas, and local social organisations. The Company's charity foundation plays an important role in connecting caring enterprises and citizens' assistance with the impoverished households.
- (5) Improve archive management.** The collection, updating, improvement, archiving and statistical analysis of the raw data and basic information obtained in the implementation process of the projects, as well as retention of the data from evaluation and supervision of poverty alleviation work, shall be carried out properly.
- (6) Strengthen learning and improve effectiveness.** The Company takes the initiatives to consult with the Ministry of Civil Affairs, the State Poverty Alleviation Office and other relevant authorities, and actively learn from advanced poverty alleviation institutions and groups, in order to optimise its poverty alleviation measures and achieve practical work results.

The Work in the Active Fulfillment of Social Responsibilities *(continued)*

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(II) SOCIAL RESPONSIBILITY WORK

Please refer to the 2019 Environment, Society and Governance Report of the Company on the website of Shanghai Stock Exchange, www.sse.com.cn.

(III) ENVIRONMENTAL INFORMATION

1. Explanations on environmental protection progress of the Company and its major subsidiaries which are the key pollutant discharging units identified by the environmental protection authorities

During the reporting period, the Company strictly complied with environmental protection policies, relevant laws, regulations and other policies of the countries and regions where its businesses are located, fully implemented the concept of green growth, implemented a strict ecological and environmental protection system, focused on building green mines and green factories, vigorously developed eco-mining, and strived to establish a sustainable development mode which is coordinated with environmental protection.

(1) Information of pollutant discharge

In 2019, 20 entities of the Company in total were identified as the key pollutant discharging units by provincial and municipal ecological and environmental protection authorities. Compared with 2018, entities including Xinjiang Zijin Zinc Co., Ltd. and Heilongjiang Duobaoshan Copper Industry Inc. were newly included, and Qinghai West Copper Co., Ltd. and Hunchun Zijin Mining Co., Ltd. were excluded.

In 2019, domestic key pollutant discharging units of the Company strictly complied with the national and regional pollutant discharging standards and requirements. The wastewater, exhaust gas and noise at plant boundary received standardised management. Details are as follows:

Number	Name of entity	Type of pollutant	Major and special pollutant	Concentration of discharge	Annual total discharge (t)	Approved annual discharge limit (t/a)	Way of discharge	Number of discharge outlet	Distribution of discharge outlets	Whether discharge limit was exceeded	Regulatory basis for pollutant discharge
1	Zijinshan Gold and Copper Mine	Wastewater	COD	10.458mg/L	149.2664	203	Organised discharge after meeting regulatory standards	6	Discharge outlets at Xinwuxia, Yutiankeng, Huyangkeng, Yakeng, Ermiaogou and Sanqingting	No	The standards in Schedule 2 of the Emission standard of pollutants for copper, nickel, cobalt industry (GB25467-2010)
			Total arsenic	0.0005mg/L	0.0075	0.057					
			Total lead	0.0010mg/L	0.0149	0.38933					
			Total cadmium	0.0002mg/L	0.0028	0.04126					
			Total zinc	0.0025mg/L	0.0355	3.66					
			Total copper	0.0218mg/L	0.3106	2.365					
		Total cyanide	0.0019mg/L	0.0277	0.108						
		Exhaust gas	Sulphur dioxide	6-42.3mg/m ³	1.36	71.37	Organised discharge after meeting regulatory standards	1	Boiler for hydrometallurgical plant of copper mine	No	Emission standard of air pollutants for boiler (GB13271-2014)
			Nitrogen oxides	19-29mg/m ³	1.35	5.54					
			Dust	1-18.6mg/m ³	0.11	11.5					
	Particulates	3.8-18.8mg/m ³	19.86	-	Organised discharge after meeting regulatory standards	11	The discharge outlets of dust removers installed at the crushing and screening systems	No	Emission standard of pollutants for copper, nickel, cobalt industry (GB25467-2010)		
	Noise	Noise at boundary met the standards of Category III of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)									

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Number	Name of entity	Type of pollutant	Major and special pollutant	Concentration of discharge	Annual total discharge (t)	Approved annual discharge limit (t/a)	Way of discharge	Number of discharge outlet	Distribution of discharge outlets	Whether discharge limit was exceeded	Regulatory basis for pollutant discharge
2	Wuping Zijin Mining Co., Ltd.	Wastewater	COD	12.75mg/L	5.684	6.9	Organised discharge after meeting regulatory standards	1	Downstream of tailings pool	No	Class 1 standards in Schedules 1 and 4 of the Integrated wastewater discharge standard (GB8978-1996)
			Total arsenic	0.012mg/L	0.0044	-					
			Total lead	0.011mg/L	0.0075	0.042					
			Total cadmium	0.006mg/L	0.0036	-					
			Total copper	0.039mg/L	0.0304	0.05					
		Total silver	0.021mg/L	0.0156	-						
Exhaust gas	Particulates	8.3mg/m ³	1.754	8	Organised discharge after meeting regulatory standards	4	Crushing and screening sections of processing plant	No	The standards in Schedule 2 of the Integrated emission standard of air pollutants (GB16297-1996)		
Noise	Noise at boundary met the standards of Category II of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)										
3	Neimenggu Golden China Minerals Inc.	Wastewater	-	-	-	-	Not discharged and internally reused	0	N/A	No	-
		Exhaust gas	Sulphur dioxide	387mg/m ³	6	41	Organised discharge after meeting regulatory standards	1	The 40m high chimney positioned downwind from the plant	No	Emission standard of air pollutants for boiler (GB13271-2014)
			Nitrogen oxides	223mg/m ³	12.13	26.2					
		Dust	6.2mg/m ³	7.49	14						
Noise	Noise at boundary met the standards of Category II of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)										
4	Urad Rear Banner Zijin Mining Co., Ltd.	Wastewater	COD	49.25mg/L	141.5250	-	Organised discharge after meeting regulatory standards	1	Discharge outlet for drainage water	No	Emission standard of pollutants for lead and zinc industry (GB25466-2010)
			Ammonia nitrogen	3.96mg/L	11.3810	-					
			Total arsenic	0.00031mg/L	0.0009	-					
			Total lead	0.237mg/L	0.6820	-					
			Total cadmium	0.0282mg/L	0.0810	-					
			Total mercury	0.00079mg/L	0.0023	-					
			Total nickel	0.182mg/L	0.5210	-					
			Suspended matter	21.75mg/L	62.5010	-					
		Total chromium	0.355mg/L	1.0201	-						
Exhaust gas	Particulates	34.6mg/m ³	26.96	-	Organised discharge after meeting regulatory standards	6	The discharge outlets of dust removers installed at the crushing and screening systems	No	Emission standard of pollutants for lead and zinc industry (GB25466-2010)		
Noise	Noise at boundary met the standards of Category II of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)										

The Work in the Active Fulfillment of Social Responsibilities *(continued)*

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Number	Name of entity	Type of pollutant	Major and special pollutant	Concentration of discharge	Annual total discharge (t)	Approved annual discharge limit (t/a)	Way of discharge	Number of discharge outlet	Distribution of discharge outlets	Whether discharge limit was exceeded	Regulatory basis for pollutant discharge
5	Shanxi Zijin Mining Co., Ltd.	Wastewater	-	-	-	-	Not discharged and internally reused	0	N/A	No	-
		Exhaust gas	Sulphur dioxide	105mg/m ³	4.06	16.32	Organised discharge after meeting regulatory standards	1	The chimney of boiler house	No	Emission standard of air pollutants for boiler (GB13271-2014)
			Nitrogen oxides	121mg/m ³	4.57	41.05					
			Dust	24.3mg/m ³	0.6	5.6					
		Particulates	24.7mg/m ³	8.2	-	Organised discharge after meeting regulatory standards	1	The discharge outlet of dust removers installed at the crushing system	No	Integrated emission standard of air pollutants (GB16297-1996)	
Noise	Noise at boundary met the standards of Category II of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)										
6	Luoning Huatai Mining Development Co., Ltd.	Wastewater	-	-	-	-	Not discharged and internally reused	0	N/A	No	-
		Exhaust gas	Particulates	32.3mg/m ³	13.4	-	Organised discharge after meeting regulatory standards	5	The discharge outlets of dust remover installed at crushing section	No	Class 2 standards in Schedule 2 of the Integrated emission standard of air pollutants (GB16297-1996)
		Noise	Noise at boundary met the standards of Category II of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)								
7	Luoyang Kunyu Mining Co., Ltd.	Wastewater	-	-	-	-	Not discharged and internally reused	0	N/A	No	-
		Exhaust gas	Particulates	13.6mg/m ³	9.7306	-	Organised discharge after meeting regulatory standards	4	Dust removers installed at the crushing and screening sections in production line	No	Class 2 standards in Schedule 2 of the Integrated emission standard of air pollutants (GB16297-1996)
		Noise	Noise at boundary met the standards of Category II of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)								
8	Xinjiang Habahe Ashele Copper Co., Ltd.	Wastewater	-	-	-	-	Not discharged and internally reused	0	-	No	-
		Exhaust gas	Sulphur dioxide	246.7mg/m ³	68.12	-	Organised discharge after meeting regulatory standards	1	The 60m chimney in boiler house	No	Emission standard of air pollutants for boiler (GB13271-2014)
			Nitrogen oxides	230.82mg/m ³	52.98	-					
			Dust	16.6mg/m ³	6.37	-					
Noise	Noise at boundary met the standards of Category II of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)										
9	Xinjiang Jinbao Mining Co., Ltd.	Wastewater	-	-	-	-	Not discharged and internally reused	0	N/A	No	-
		Noise	Noise at boundary met the standards of Category III of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)								

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Number	Name of entity	Type of pollutant	Major and special pollutant	Concentration of discharge	Annual total discharge (t)	Approved annual discharge limit (t/a)	Way of discharge	Number of discharge outlet	Distribution of discharge outlets	Whether discharge limit was exceeded	Regulatory basis for pollutant discharge
10	Xinjiang Zijin Zinc Co., Ltd.	Wastewater	-	-	-	-	Not discharged and internally reused	0	N/A	No	-
		Exhaust gas	Sulphur dioxide	149.75mg/m ³	10.148	-	Organised discharge after meeting regulatory standards	1	Discharged through 45m chimney in the boiler house	No	Schedule 1 of Emission standard of air pollutants for boiler (GB13271-2014)
			Nitrogen oxides	84.65mg/m ³	6.044	-					
			Dust	32.275mg/m ³	2.27	-					
		Particulates	4.806mg/m ³	6.396	-	Organised discharge after meeting regulatory standards	4	The discharge outlets of wet dust removers installed at the crushing and screening systems	No	Emission standard of pollutants for lead and zinc industry (GB25466-2010)	
Noise	Noise at boundary met the standards of Category III of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)										
11	Heilongjiang Duobaoshan Copper Industry Inc.	Wastewater	-	-	-	-	Not discharged and internally reused	0	N/A	No	-
		Exhaust gas	Sulphur dioxide	135.83mg/m ³	58.81	370	Organised discharge after meeting regulatory standards	1	The 60m chimney after desulphurisation and denitrification in the boiler house	No	Emission standard of air pollutants for boiler (GB13271-2014)
			Nitrogen oxides	184.56mg/m ³	64.78	120.2					
			Dust	36.04mg/m ³	11.92	88.08					
		Particulates	48.98mg/m ³	181.16	-	Organised discharge after meeting regulatory standards	18	The discharge outlets of dust removers installed at the crushing and screening systems	No	Emission standard of pollutants for copper, nickel, cobalt industry (GB25467-2010)	
Noise	Noise at boundary met the standards of Category II of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)										
12	Guizhou Zijin Mining Co., Ltd.	Wastewater	COD	5.75mg/L	9.3333	109.5	Organised discharge after meeting regulatory standards	1	Discharge outlet for wastewater	No	Class 1 standards of the Integrated wastewater discharge standard (GB8978-1996)
			Ammonia nitrogen	0.735mg/L	0.6289	27.375					
			Total arsenic	0.006475mg/L	0.0071	0.0913					
			Total lead	0.016mg/L	0.0159	1.825					
			Total chromium	0.0062mg/L	0.0082	-					
			Total cyanide	0.004mg/L	0.0015	-					
			Total cadmium	0.00695mg/L	0.0050	-					
			Total mercury	0.000315mg/L	0.0002	-					
		Suspended matter	11.5mg/L	16.1890	127.75						
Exhaust gas	Sulphuric acid mist	21mg/m ³	1.0048	1.5	Organised discharge after meeting regulatory standards	1	Discharge outlet for exhaust gas	No	The maximum emission concentration limit in Schedule 2 of the Integrated emission standard of air pollutants (GB16297-1996)		
Noise	Noise at boundary met the standards of Category II of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)										

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Number	Name of entity	Type of pollutant	Major and special pollutant	Concentration of discharge	Annual total discharge (t)	Approved annual discharge limit (t/a)	Way of discharge	Number of discharge outlet	Distribution of discharge outlets	Whether discharge limit was exceeded	Regulatory basis for pollutant discharge
13	Wenshan Malipo Zijin Tungsten Group Co., Ltd.	Wastewater	COD	24mg/L	9.4352	14.355	Organised discharge after meeting regulatory standards	1	Master discharge outlet of tailings pool	No	Class 1 standards of the Integrated wastewater discharge standard (GB8978-1996)
			Ammonia nitrogen	0.125mg/L	0.2276	-					
			Total arsenic	0.0808mg/L	0.0334	0.0335					
			Total zinc	<0.05mg/L	0.0182	-					
			Total copper	<0.05mg/L	0.0023	0.0048					
			Suspended matter	19mg/L	6.256	-					
		Noise	Noise at boundary met the standards of Category II of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)								
14	Yuanyang Huaxi Gold Co., Ltd.	Wastewater	-	-	-	-	Not discharged and internally reused	0	N/A	No	-
		Noise	Noise at boundary met the standards of Category II of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)								
15	Zijin Copper Co., Ltd.	Wastewater	COD	13.997mg/L	13.56400	-	Organised discharge after meeting regulatory standards	2	Copper refining: discharge outlet for clear water; gold refining: discharge outlet for wastewater	No	Emission standard of pollutants for copper, nickel, cobalt industry (GB25467-2010), Integrated wastewater discharge standard (GB8978-1996)
			Ammonia nitrogen	0.358mg/L	0.34700	-					
			Total arsenic	0.044mg/L	0.04260	-					
			Total lead	0.018mg/L	0.01710	-					
			Total cadmium	0.025mg/L	0.00005	-					
			Total mercury	0.00006mg/L	0.00006	-					
			Total cyanide	0.002mg/L	0.000004	-					
		Exhaust gas	Sulphur dioxide	40.382mg/m ³	232.93	679.98	Organised discharge after meeting regulatory standards	12	Discharge outlets for copper refining: discharge outlet for exhaust gas from ore concentrate dehydration, discharge outlet for environmental smoke, discharge outlet for tailing gas from acid manufacturing, discharge outlet for exhaust gas from electrolysis, discharge outlet for exhaust gas from purifying electrolyte solutions, discharge outlet for exhaust gas from waste acid treatment, smoke discharge outlet for Kaldofurnace, discharge outlet for environmental smoke from Kaldofurnace, exhaust gas discharge outlet for transportation system; discharge outlets for gold refining: discharge outlet for tailing gas from acid manufacturing, exhaust gas from silver smelting furnace and exhaust gas from dissolving gold and silver sludge with nitric acid	No	Emission standard of pollutants for copper, nickel, cobalt industry (GB25467-2010), Integrated emission standard of air pollutants (GB16297-1996)
			Nitrogen oxides	12.186mg/m ³	70.29	242.742					
			Particulates	13.503mg/m ³	83.67	371.48					
			Lead and its compounds	0.052mg/m ³	0.275	3.234					
			Arsenic and its compounds	0.076mg/m ³	0.402	1.848					
			Sulphuric acid mist	6.309mg/m ³	37.481	-					
Noise	Noise at boundary met the standards of Category III of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)										

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Number	Name of entity	Type of pollutant	Major and special pollutant	Concentration of discharge	Annual total discharge (t)	Approved annual discharge limit (t/a)	Way of discharge	Number of discharge outlet	Distribution of discharge outlets	Whether discharge limit was exceeded	Regulatory basis for pollutant discharge				
16	Zijin Mining Group Gold Smelting Co., Ltd.	Wastewater	COD	155.5647mg/L	0.4276	1.18	Organised discharge after meeting regulatory standards	1	Discharge outlet at the western side of the plant HAO11800	No	Class 3 standards in Schedules 1 and 4 of the Integrated wastewater discharge standard (GB8978-1996)				
			Ammonia nitrogen	12.7466mg/L	0.04	0.177									
			Total arsenic	0.0178mg/L	0.00004	0.00543									
			Total lead	0.2mg/L	0.0005	0.0118									
			Total cadmium	0.05mg/L	0.0001	0.00118									
			Total cyanide	0.1098mg/L	0.0003	0.0023									
		Exhaust gas	Nitrogen oxides	1.66mg/m ³	0.1011	0.96	Organised discharge after meeting regulatory standards	2	Exhaust gas discharge outlets for extraction and purification production line	No	Class 2 standards in Schedule 2 of the Integrated emission standard of air pollutants (GB16297-1996)				
			Hydrogen chloride	2.57mg/m ³	0.1361	0.5247									
			Ammonia gas	2.03mg/m ³	0.0109	0.1624						Organised discharge after meeting regulatory standards	1	Exhaust gas discharge outlet for carbon treatment production line	No
Noise	Noise at boundary met the standards of Category III of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)														
17	Jilin Zijin Copper Co., Ltd.	Wastewater	COD	47.0983mg/L	9.2627	12	Organised discharge after meeting regulatory standards	1	Master discharge outlet at the northwestern corner of the plant	No	Schedule 2 of the Emission standard of pollutants for copper, nickel, cobalt industry and the Standards and Requirements on Water Intake of Water Treatment Plants of Hunchun City				
			Ammonia nitrogen	2.1568mg/L	0.4207	1.6									
			Total arsenic	0.0423mg/L	0.0081	0.1									
			Total lead	0	0	0.1									
			Total cadmium	0	0	0.02									
			Total mercury	0.0016mg/L	0.0004	0.01									
		Exhaust gas	Sulphur dioxide	115.19mg/m ³	396.88	570	Organised discharge after meeting regulatory standards	1	Exhaust gas discharge outlet of 120m chimney	No	Emission standard of pollutants for copper, nickel, cobalt industry (GB25467-2010) and Integrated emission standard of air pollutants (GB16297-1996)				
			Nitrogen oxides	6.93mg/m ³	22.26	130.44									
			Particulates	9mg/m ³	29.16	82.5									
			Mercury and its compounds	0.0049mg/m ³	0.0153	0.0198									
			Lead and its compounds	0.2469mg/m ³	0.8077	1.155									
			Arsenic and its compounds	0.1560mg/m ³	0.5084	0.66									
Noise	Noise at boundary met the standards of Category III of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)														

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18	Bayannur Zijin Non-ferrous Metals Co., Ltd.	Wastewater	–	–	–	–	Not discharged and internally reused	0	N/A	No	–
		Exhaust gas from refining	Sulphur dioxide	137.5mg/m ³	137.6	400	Organised discharge after meeting regulatory standards	2	Discharge outlets for exhaust gas	No	Emission standard of pollutants for lead and zinc industry (GB25466-2010)
			Sulphuric acid mist	9.02mg/m ³	9.1792	–					
			Particulates	31mg/m ³	27.7	80					
		Exhaust gas from thermal power plant	Sulphur dioxide	30mg/m ³	78.3	592	Organised discharge after meeting regulatory standards	1	Discharge outlet for exhaust gas	No	Emission standard of air pollutants for thermal power plants (GB13223-2011)
			Nitrogen oxides	76mg/m ³	192.9	515					
Dust	15mg/m ³		33.9	178							
Noise	Noise at boundary met the standards of Category II of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)										
19	Luoning Zijin Gold Refinery Co., Ltd.	Wastewater	–	–	–	–	Not discharged and internally reused	0	N/A	No	–
		Exhaust gas	Sulphur dioxide	24.1mg/m ³	4.5	29.733	Organised discharge after meeting regulatory standards	1	The 60m chimney at the exit of boiling roasting furnace	No	Henan Province regional industrial furnace kiln air pollutant emission standards (DB41-1066-2015)
			Nitrogen oxides	168.3mg/m ³	31.39	32.79					
			Particulates	1.3mg/m ³	0.24	–					
Noise	Noise at boundary met the standards of Category II of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)										
20	Kuitun Tongguan Metallurgical and Chemical Industry Co., Ltd.	Wastewater	COD	44.89mg/L	2.173	20	Organised discharge after meeting regulatory standards	1	Master discharge outlet at the northeast end of the plant	No	Integrated wastewater discharge standard (GB8978-1996)
			Ammonia nitrogen	7.42mg/L	0.359	1.51					
			Total arsenic	0.036mg/L	0.004	–					
			Total copper	0.078mg/L	0.002	–					
		Exhaust gas	Sulphur dioxide	81.48mg/m ³	21.3	285.4	Organised discharge after meeting regulatory standards	1	Master discharge outlet for smoke	No	Special emission limit of the Emission standard of pollutants for sulphuric acid industry (GB26132-2010)
			Particulates	24.46mg/m ³	6.396	–					
Noise	Noise at boundary met the standards of Category III of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)										

(2) Construction and operation of pollution prevention and controlling facilities

In 2019, all environmental protection facilities of the Company operated in a stable and normal manner. Wastewater recycling rate reached higher than 90%, the discharge of exhaust gas met regulatory standards, solid waste was comprehensively utilised and safely disposed, and hazardous waste was passed to qualified units for disposal. In order to further achieve pollutant emission reduction and resources comprehensive utilisation, in 2019, the Company's key pollutant discharge units implemented a total of 16 emission reduction projects and invested RMB302 million, mainly including the acidic copper-containing water environmental protection treatment system of the Zijinshan Gold and Copper Mine, industrial production externally-discharged water intensive treatment and reuse project of Kuitun Tongguan Metallurgical and Chemical Industry Co., Ltd., pit water intensive arsenic removal project of Qinghai West Copper Co., Ltd., tailing gas ultra-low emission transformation project of Luoning Zijin Gold Refinery Co., Ltd., environmental protection upgrade project for tailing gas from acid manufacturing of Zijin Copper Co., Ltd., wastewater intensive treatment comprehensive utilisation project and construction of closed coal storage of Bayannur Zijin Non-ferrous Metals Co., Ltd., clean heating project of Urad Rear Banner Zijin Mining Co., Ltd., etc.

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(3) Environmental impact assessment and other environmental protection related administrative approvals for construction projects

The branch companies (subsidiaries) of the Company strictly carried out environmental impact assessment and acceptance check of construction projects pursuant to the regulations in relation to environmental impact assessment. In 2019, the details of environmental impact assessment of key pollutant discharging units of the Company and the “three simultaneous” regulation are as follows:

Implementation status of environmental impact assessment of and “three simultaneous” regulation of key pollutant discharging units of the Company in 2019

Number	Name of enterprise	Name of construction project	Approval status of environmental impact assessment report (table)			Status of completion and environmental protection acceptance check
			Time of approval	Approval authority	Approval document number	
1	Zijin Copper Co., Ltd.	Transformation of comprehensive copper resources utilisation and harmless treatment construction	27 September 2019	Longyan Ecology and Environment Bureau	Long Huan Shen [2019] No. 379	Under construction
		Production expansion and transformation project (400 thousand tonnes copper refining project)	19 April 2019	Longyan Ecology and Environment Bureau	Long Huan Shen [2019] No. 144	Under construction
2	Kuitun Tongguan Metallurgical and Chemical Industry Co., Ltd.	Intensive treatment project for externally-discharged water	31 October 2019	Ili Kazakh Autonomous Prefecture Ecology and Environment Bureau	Ili Huan Han [2019] No. 20	Under construction
3	Urad Rear Banner Zijin Mining Co., Ltd.	Comprehensive recovery project for tailings of the Miaogou Lead and Zinc Mine with an annual mining and processing volume of 200 thousand tonnes	4 September 2019	Bayannur City Ecology and Environment Bureau	Wu Hou Huan Shen Biao [2019] No. 13	Under construction
4	Heilongjiang Duobaoshan Copper Industry Inc.	The Tongshan Mine mining project	30 April 2019	Department of Environment Protection of Heilongjiang	Hei Huan Shen [2019] No.30	Under construction
5	Guizhou Zijin Mining Co., Ltd.	Tailings pool tailings extraction project for large and small mudflat of the Shuiyindong Gold Mine	9 July 2019	Department of Environment Protection of Guizhou Province	Qian Huan Shen [2019] No. 55	Under construction
6	Luoning Huatai Mining Development Co., Ltd.	Residue storage project of the Luyuangou Gold Mine (Changling and Liegou residue storage yard project)	28 August 2019	Luoning County Ecology and Environment Bureau	Ning Huan Ran Biao [2019] No.07	Under construction
7	Wenshan Malipo Zijin Tungsten Group Co., Ltd.	Hidden dangers rectification project for the flood drainage system of Yanjiao tailings pool	2 July 2019	Malipo County Sub-bureau, Wenshan Prefecture Ecology and Environment Bureau	Ma Huan Shen [2019] No.10	Under construction
8	Xinjiang Zijin Zinc Co., Ltd.	Additional 15,000t/d low-grade resources and waste rocks comprehensive utilisation and technological upgrade project for processing plant of the Wulagen Zinc Mine	24 April 2019	Department of Environment Protection of Xinjiang Uyghur Autonomous Region	Xin Huan Huan Ping Han [2019] No. 498	Under construction
		Additional 15,000t/d low-grade resources and waste rocks comprehensive utilisation and technological upgrade project for tailings pool of the Wulagen Zinc Mine	17 April 2019	Department of Environment Protection of Xinjiang Uyghur Autonomous Region	Xin Huan Huan Ping Han [2019] No. 463	Under construction
		Xinjiang Zijin Zinc's vehicle repairing section project – waste motor oil pool construction project	13 July 2019	Kizilsu Kyrgyz Autonomous Prefecture Ecology and Environment Bureau	Ke Huan Ping Han [2019] No. 32	Under construction

The Work in the Active Fulfillment of Social Responsibilities *(continued)*

(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

Number	Name of enterprise	Name of construction project	Approval status of environmental impact assessment report (table)			Status of completion and environmental protection acceptance check
			Time of approval	Approval authority	Approval document number	
9	Zijinshan Gold and Copper Mine	Transformation and expansion project of Dadongbei tailings pool	9 December 2019	Longyan City Ecology and Environment Bureau	Long Huan Shen Pi [2019] No. 31	Under construction
		30,000 cubic metres acidic copper-containing water environmental protection treatment system	19 June 2018	Longyan City Ecology and Environment Bureau	Long Huan Shen [2018] No. 68	Self-acceptance check completed in August 2019
10	Luoning Zijin Gold Refinery Co., Ltd.	Construction project of Yangyu tailings pool	4 November 2019	Luoning County Ecology and Environment Bureau	Ning Huan Jian [2019] No.19	Under construction
		Harmless treatment of cyanide tailings project	11 October 2018	Luoyang City Ecology and Environment Bureau	Luo Huan Shen [2018] No. 016	Self-acceptance check completed in May 2019
11	Jilin Zijin Copper Co., Ltd.	Transformation project of circulation system at smelting section and exhaust gas purification system at sulphurisation section	17 July 2019	Hunchun City Ecology and Environment Bureau	Hui Huan Jian (Biao) Zi [2019] No. 25	Under construction
		Production expansion and transformation project (copper-containing complex gold concentrate of 2,000t per day)	25 December 2018	Department of Ecology and Environment of Jilin Province	Ji Huan Shen Zi [2018] No. 76	Self-acceptance check completed in June 2019
12	Luoyang Kunyu Mining Co., Ltd.	Shanggong Gold Mine processing plant expansion and upgrade project	11 April 2019	Department of Ecology and Environment of Henan Province	Yu Huan Shen [2019] No. 14	Under construction
		300,000t/a mining project of the Shanggong Gold Mine area (five certificates in one)	31 January 2018	Environmental Protection Department of Henan Province	Yu Huan Shen [2018] No. 20	Self-acceptance check completed in September 2019
13	Xinjiang Jinbao Mining Co., Ltd.	Transformation and expansion project of waste water treatment station	18 November 2019	Altay Prefecture Ecology and Environment Bureau	A Di Huan Han [2019] No. 192	Under construction
		Construction project of windproof and dust resistant net for iron ore powder container	15 May 2018	Fuyun County Environmental Protection Bureau	Fu Huan Deng Zi [2018] No. 5	Self-acceptance check completed in May 2019
14	Bayannur Zijin Non-ferrous Metals Co., Ltd.	Industrial wastewater comprehensive treatment and utilisation project	19 January 2018	Bayannur City Environmental Protection Bureau	Ba Huan Shen Biao [2018] No. 1	Self-acceptance check completed in December 2019
		New closed coal storage project	12 July 2019	Urad Rear Banner Ecology and Environment Bureau	Wu Hou Huan Shen Biao [2019] No. 8	Self-acceptance check completed in December 2019
15	Xinjiang Habahe Ashele Copper Co., Ltd.	No. IV construction-used sand ore project in Jiamankuoyitasi, Kuleibai Township, Habahe County	5 August 2019	Altay Prefecture Ecology and Environment Bureau	A Di Huan Han [2019] No. 113	Self-acceptance check completed in November 2019
16	Yuanyang Huaxi Gold Co., Ltd.	450t/d mining and processing expansion project of Yuanyang Huaxi Gold Co., Ltd. (after change)	28 February 2017	Department of Ecological Environment of Yunnan Province	Yun Huan Shen [2017] No. 11	Self-acceptance check completed in January 2019

The Work in the Active Fulfillment of Social Responsibilities *(continued)*

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(4) Emergency plans in response to outbreak of environmental incidents

Environmental emergency management units were in place both at the Group and subsidiary level, and the responsibilities of emergency management units were clarified. Emergency plans for environmental incidents and other special emergency plans pursuant to the requirements of National Environmental Emergency Response Plan and based on individual production techniques, pollution-intensive production stages and environmental risks were developed, and were reported and filed to the local ecological and environmental administrative authorities. Emergency drills were conducted every year in accordance with the emergency plan, and emergency plan training was provided for employees and contractors for improving employees' ability to deal with emergency incidents.

(5) Environmental self-monitoring programme

Pursuant to the requirements of the environmental protection authorities, the branch companies (subsidiaries) of the Company formulated environmental self-monitoring programme and entrusted third parties to carry out regular monitoring work. In which, those branch companies (subsidiaries) which were identified as the enterprises subject to intensive monitoring and control of the State disclosed their environmental self-monitoring programme on the environmental information publication platforms of the local environmental protection departments or their own websites each year in strict compliance with regulations including the Environmental Protection Law of the PRC, Measures for the Disclosure of Environmental Information by Enterprises and Public Institutions (Order of the Ministry No. 31), Measures for the Self-Monitoring and Information Disclosure by the Enterprises subject to Intensive Monitoring and Control of the State (Tentative), Measures for the Pollution Sources Supervisory Monitoring and Information Disclosure by the Enterprises under Intensive Monitoring and Control of the State (Tentative), etc.

(6) Other disclosable information for environmental protection

In 2019, a number of laws, standards and policies were revised and promulgated by the state, for instance, Environmental Impact Assessment Law, Soil Pollution Prevention and Control Law, the Regulations on Central Inspection Work of Ecological and Environmental Protection, Standard for Pollution Control on the Hazardous Waste Landfill, Identification standards for hazardous wastes – General specifications, Resource Tax Law, Provisions on the Protection of the Geologic Environment of Mines, Management Catalog of Fixed Pollution Sources (2019), Notice on Fully Carrying out Household Waste Classification in Cities at Prefecture Level and above in the Country, etc. In order to proactively implement the national policies, all the subsidiaries implemented environmental impact assessment system and the "three-simultaneous" regulation for environmental protection strictly, worked well on the compilation of environmental assessment reports, environmental protection facilities construction and acceptance check; carried out investigations on the current status of and worked well on self-monitoring work of soil and groundwater; worked well on the investigation and rectification of hidden dangers, strengthened environmental order management, and successfully passed the second round of the first batch of central ecological and environmental protection inspections; proactively carried out the preliminary work for the application for pollution discharge permits and preparation work for replacement of permits. In the Company's ninth "Environmental Safety Month", the Company invited domestic environmental protection experts to conduct training, education and policy interpretation on soil remediation, vegetation restoration, solid waste pollution prevention and control, etc., to strengthen the knowledge of the management personnel; formulated implementation proposals for garbage sorting, and carried out promotional activities for garbage sorting.

In 2019, in order to further enhance green growth and strengthen pollution prevention, control and ecological restoration, the Company spent RMB725 million on environmental and ecological protection. Among which, RMB94.8105 million was spent for ecological restoration, 5.2848 million square metres of vegetation were restored, and 1.3418 million of flowers and trees were planted. 9 mining entities were rated as national green mines by the Ministry of Natural Resources of the PRC, and 3 refining entities were rated as provincial green factories. Harmless treatment of cyanide tailings project of Luoning Zijin, comprehensive resources utilisation and harmless treatment technological engineering project for slag from leaching of marmatite in hydrometallurgy of Bayannur Zijin, comprehensive resources utilisation and harmless treatment facilities of copper refinery of Zijin Copper were successfully constructed, so as to further enhance the Company's capacity of hazardous waste disposal and the level of comprehensive utilisation of hazardous waste resources.

The Work in the Active Fulfillment of Social Responsibilities *(continued)*

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2. Environmental protection information of companies which are not key pollutant discharging units

(1) Information of pollutant discharge

In 2019, environmental information of the Company's 8 entities which are not key pollutant discharging units within the PRC is as follow:

Number	Name of entity	Type of pollutant	Major and special pollutant	Concentration of discharge	Annual total discharge (t)	Approved annual discharge limit (t/a)	Way of discharge	Number of discharge outlet	Distribution of discharge outlets	Whether discharge limit was exceeded	Regulatory basis for pollutant discharge
1	Qinghai West Copper Co., Ltd.	Wastewater	-	-	-	-	Not discharged and internally reused	0	N/A	No	-
		Exhaust gas	Sulphur dioxide	117.92mg/m ³	7.653	84.1	Organised discharge after meeting regulatory standards	2	MCT-6 Venturi highly-efficient desulphurisation and dust removers for hot water boiler house, CS-III granite desulphurisation and dust removers for steam boiler room	No	The standards in Schedule 1 of the Emission standard of air pollutants for boiler (GB13271-2014)
			Nitrogen oxides	142.83mg/m ³	10.631	21.8					
			Dust	67.38mg/m ³	4.639	38.6					
			Particulates	50.29mg/m ³	4.045	26.5	Organised discharge after meeting regulatory standards	3	Wet dust removers with water circulation installed at the crude crushing facilities at ore crushing section of processing plant (SX16), wet dust removers with water circulation installed at medium-to-fine crushing facilities (SX22), wet dust removers with water circulation installed at the screening system (SX32)	No	Emission standard of pollutants for copper, nickel, cobalt industry (GB25467-2010)
Noise	Noise at boundary met the standards of Category III of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)										
2	Longnan Zijin Mining Co., Ltd.	Wastewater	-	-	-	-	Not discharged and internally reused	0	N/A	No	-
		Noise	Noise at boundary met the standards of Category II of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)								
3	Hunchun Zijin Mining Co., Ltd.	Wastewater	-	-	-	-	Not discharged and internally reused	0	N/A	No	-
		Exhaust gas	Sulphur dioxide	72mg/m ³	6.91	36	Organised discharge after meeting regulatory standards	1	Discharge outlet of boiler	No	Emission standard of air pollutants for boiler (GB13271-2014)
			Nitrogen oxides	127.4mg/m ³	12.28	28					
			Dust	25mg/m ³	2.43	68					
			Particulates	28.9mg/m ³	108.7	-	Organised discharge after meeting regulatory standards	10	Discharge outlets at crude crushing facilities, medium-to-fine crushing facilities and vibration screening dust removers	No	Emission standard of pollutants for copper, nickel, cobalt industry (GB25467-2010)
Noise	Noise at boundary met the standards of Category III of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)										
4	Fujian Zijin Copper Co., Ltd.	Wastewater	COD	49.25mg/L	5.1100	7.121	Organised discharge after meeting regulatory standards	1	Wastewater treatment station	No	Class 3 standards in Schedule 4 of the Integrated wastewater discharge standard (GB8978-1996)
			Ammonia nitrogen	9.755mg/L	1.01	1.068					
			Total zinc	0.0277mg/L	0.0046	0.0504					
			Total copper	0.0244mg/L	0.025	0.0252					
			Total nickel	0.0029mg/L	0.003	0.126					
		Exhaust gas	Nitrogen oxides	78mg/m ³	0.775	5.053	Organised discharge after meeting regulatory standards	2	Discharged via a 15m chimney	No	The maximum limit in Schedule 2 of the Integrated emission standard of air pollutants (GB16297-1996)
			Particulates	3.5-18.6mg/m ³	2.728	6.43					
Noise	Noise at boundary met the standards of Category III of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)										

The Work in the Active Fulfillment of Social Responsibilities *(continued)*

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Number	Name of entity	Type of pollutant	Major and special pollutant	Concentration of discharge	Annual total discharge (t)	Approved annual discharge limit (t/a)	Way of discharge	Number of discharge outlet	Distribution of discharge outlets	Whether discharge limit was exceeded	Regulatory basis for pollutant discharge
5	Fujian Zijin Mineral Processing Chemicals Co., Ltd.	Wastewater	COD	53.56mg/L	0.5245	0.66	Organised discharge after meeting regulatory standards	1	Within the plant	No	Class 3 standards in Schedule 4 of the Integrated wastewater discharge standard (GB8976-1996)
		Exhaust gas	Hydrogen chloride	1.2mg/m ³	0.0325	–	Organised discharge after meeting regulatory standards	1	Within the plant	No	Class 2 standards in Schedule 2 of the Integrated emission standard of air pollutants (GB16297-1996)
		Noise	Noise at boundary met the standards of Category III of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)								
6	Fujian Jinshan High-abrasive Material Co., Ltd.	Exhaust gas	Particulates	2mg/m ³	0.0125	–	Organised discharge after meeting regulatory standards	1	Discharged via a 15m chimney in ball milling section	No	Class 2 standards in Schedule 2 of the Integrated emission standard of air pollutants (GB16297-1996)
			Dust	1.06mg/m ³	0.00586	–	Organised discharge after meeting regulatory standards	1	Discharged via a 15m chimney in intermediate frequency furnace section	No	Class 2 standards in Schedule 2 of the Emission standard of air pollutants for industrial kiln and furnace (GB9078-1996)
		Noise	Noise at boundary met the standards of Category III of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)								
7	Luoyang Zijin Yinhui Gold Refinery Co., Ltd.	Wastewater	–	–	–	–	Not discharged and internally reused	0	N/A	No	N/A
		Exhaust gas	Nitrogen oxides	40.25mg/m ³	0.254	1.9125	Organised discharge after meeting regulatory standards	1	The discharge outlet of purification section	No	Class 2 standards in Schedule 2 of the Integrated emission standard of air pollutants (GB16297-1996)
			Chlorine gas	1.3mg/m ³	0.008	–					
			Hydrogen chloride	4.065mg/m ³	0.027	–					
		Particulates	2.2mg/m ³	0.027	–	Organised discharge after meeting regulatory standards	1	The discharge outlet of smelting section	No	Henan Province regional industrial furnace kiln air pollutant emission standards (DB41-1066-2015)	
Noise	Noise at boundary met the standards of Category II of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)										

The Work in the Active Fulfillment of Social Responsibilities *(continued)*

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Number	Name of entity	Type of pollutant	Major and special pollutant	Concentration of discharge	Annual total discharge (t)	Approved annual discharge limit (t/a)	Way of discharge	Number of discharge outlet	Distribution of discharge outlets	Whether discharge limit was exceeded	Regulatory basis for pollutant discharge
8	Heilongjiang Zijin Copper Co., Ltd.	Wastewater	–	–	–	–	Not discharged and internally reused	0	N/A	No	N/A
		Exhaust gas	Sulphur dioxide	6.63mg/m ³	1.82	513.79	Organised discharge after meeting regulatory standards	1	The discharge outlet of a 120m chimney	No	Emission standard of pollutants for copper, nickel, cobalt industry (GB25467-2010), Integrated emission standard of air pollutants (GB16297-1996)
			Nitrogen oxides	17.41mg/m ³	4.79	82.16					
			Particulates	12.14mg/m ³	3.34	57.6					
			Mercury and its compounds	0	0	0.00003					
			Lead and its compounds	0.0003mg/m ³	0.00008	0.486					
		Arsenic and its compounds	0.00016mg/m ³	0.00004	0.15						
Noise	Noise at boundary met the standards of Category III of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)										

(2) Construction and operation of pollution prevention and controlling facilities

Non-key pollutant discharging units of the Company strictly followed the requirements of environmental impact assessment and the approvals for the construction projects, worked well on the construction of pollution prevention facilities, actively carried out energy conservation and emission reduction work, and worked well on the storage and disposal of solid waste. In 2019, pollution prevention facilities of all enterprises operated normally, and discharge standards for major pollutants were met.

(3) Environmental impact assessment and other environmental protection related administrative permits for construction projects

In 2019, the 10,000t/d mining and processing project of the Liba Gold Mine of Longnan Zijin Mining Co., Ltd. passed the environmental impact assessment in December; the rolling steel ball production line project of Fujian Jinshan High-abrasive Material Co., Ltd. passed the environmental impact assessment in July and self-acceptance check was completed in October; the self-acceptance check of technological upgrade and energy saving project of Fujian Zijin Copper Co., Ltd. was completed in July.

(4) Emergency plans in response to outbreak of environmental incidents

Same as the content of the corresponding section under key pollutant discharging units.

(5) Environmental self-monitoring programme

Pursuant to the requirements of the environmental protection authorities, the branch companies (subsidiaries) of the Company formulated environmental self-monitoring programme and regularly carried out self-monitoring. Qualified institutions were engaged to monitor the concentration of discharged pollutants and environmental quality.

Corporate Governance Report

(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

The Company is committed to maintaining a high standard of corporate governance practices. Continuous efforts are made to review and enhance the Group's internal controls and procedures in light of changes in regulations and developments in best practices.

The Company's corporate governance practices are based on the principles and code provisions set out in the Corporate Governance Code and Corporate Governance Report (the "CG Code") contained in Appendix 14 of the Listing Rules.

As required by provision A.1.8 of the CG Code, an issuer should arrange appropriate insurance cover in respect of potential legal action against its directors. The Board currently considers that the Company and the Board have adopted sufficient measures to prevent the Directors from committing errors and minimise the risk in claims against the Directors. Therefore, the Company has not made any relevant insurance arrangement at this stage. However, the Board will review the policy of insurance from time to time and may arrange insurance later. As required by provision F.1.3 of the CG Code, an issuer's company secretary should report to the board chairman and/or the chief executive. The Board considers that the company secretary in Hong Kong reporting to the secretary to the Board is more suitable to meet the management needs of the Group and it enables a unified management of all listing-related matters in Hong Kong and Mainland China. As required by provision A.6.7 of the CG Code, independent non-executive director should attend general meetings. Independent non-executive Director Mr. Cai Meifeng had work engagement and could not attend the Company's first extraordinary general meeting in 2019, the first A Shareholders' class meeting in 2019 and the first H Shareholders' class meeting in 2019 on 12 April 2019, 2018 annual general meeting on 24 May 2019 and the second extraordinary general meeting in 2019 on 30 December 2019.

Save as disclosed above, for the year ended 31 December 2019, the Board confirmed that the Group has adopted and complied with the provisions of the CG Code and has followed most of its recommended best practices with no deviation.

SECURITIES TRANSACTIONS BY DIRECTORS AND SUPERVISORS

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules as the model code for the trading of securities by the Directors and Supervisors of the Company. The effective date was 23 December 2003. Having made specific enquiries with all Directors and Supervisors of the Company, the Company confirmed that all Directors and Supervisors have complied with the provisions of the Model Code for the year ended 31 December 2019.

BOARD COMPOSITION AND PRACTICE

The Board is jointly responsible to all shareholders for leading and overseeing the operations of the Group so as to ensure the creation of shareholder value.

As at the date of this report, the Board comprises twelve Directors, including six executive Directors, one non-executive Director and five independent non-executive Directors. The executive Directors are Chen Jinghe, Lan Fusheng, Zou Laichang, Lin Hongfu, Lin Hongying and Xie Xionghui; the non-executive Director is Li Jian, and the independent non-executive Directors are Zhu Guang, Mao Jingwen, Li Changqing, He Fulong and Suen Man Tak. The biographical details of each Director are set out in the section headed "Brief Biography of Directors, Supervisors and Senior Management". There is no finance, business, family or other material/relevant relationship(s) among the members of the Board.

Pursuant to the Listing Rules, a listed issuer must have at least three independent non-executive directors and at least one of them shall possess appropriate professional qualifications or accounting or related financial management expertise. Furthermore, the Company must appoint independent non-executive Directors representing at least one-third of the Board. There are five independent non-executive Directors, representing more than one-third of the Board. The professional composition of independent non-executive Directors is: one independent non-executive Director who is an experienced accountant with expertise in accounting and financial management and one independent non-executive Director who is a barrister with expertise in Hong Kong laws.

As at 31 December 2019, all the non-executive Directors were appointed for a three-year term from 30 December 2019 to 29 December 2022. Details are set out in the Report of the Directors.

Corporate Governance Report *(continued)*

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All independent non-executive Directors have submitted annual confirmations of their independence pursuant to Rule 3.13 of the Listing Rules. The Group considers that all independent non-executive Directors have complied with the independence guideline set out in Rule 3.13 of the Listing Rules and are considered as independent directors pursuant to the provisions of the guideline.

Mr. Chen Jinghe is the chairman of the current Board and Mr. Zou Laichang is the president of the Company in the current term. The structure does not deviate from provision A.2.1 of the CG Code.

Led by the chairman of the Board, the Board is responsible for approving and monitoring the overall development strategies of the Group, approving annual budgets and business plans, approving major investment projects related to the business development of the Group, assessing the performance of the Group, supervising the work of the management and ensuring that the Board acts in the best interests of the Group. The chairman should ensure that the Board operates effectively, discharges its proper duties and holds discussions on various important and proper businesses of the Company in a timely manner. All Directors are entitled to propose any matter which needs to be submitted to the Board for discussion in the agenda of a Board meeting. The chairman has delegated the secretary to the Board to draft the agenda of each Board meeting. With the assistance of executive Directors, the secretary to the Board and the company secretary, the chairman will ensure that all Directors will be provided with sufficient and reliable information in a timely manner to enable them to make necessary analysis based on their business expertise.

As the president of the Company, Mr. Zou fully delegates the daily operation management. Executive Directors and vice-presidents of the Group are responsible for the daily management of various businesses, including executing resolutions of the Board, and are accountable to the president for the business operations of the Group. The president of the Company is accountable to the Board for the overall operations of the Group.

BOARD DIVERSITY POLICY

The board diversity policy of the Company became effective in 2019. When the Company designs the Board composition, it will consider the Board's diversity from a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service, perspectives and insights to be brought to the Board, knowledge and experience, and any other factors that the Board may consider relevant and applicable from time to time. All Board appointments will be based on merit, and candidates will be considered against objective criteria, with due regard for the benefits of diversity on the Board.

The nomination and remuneration committee of the Board has set measurable objectives based on four key areas: gender, age, cultural and educational background and professional experience to implement the board diversity policy. The nomination and remuneration committee will review the board diversity policy as appropriate; and review the measurable objectives that the Board has set for implementing the board diversity policy, and the progress on achieving the objectives, to ensure its continued effectiveness from time to time. The nomination and remuneration committee is of the view that the Board has the combination of diversity and balance and is suitable for the business of the Group.

EXPLANATION ON THE RELEVANT MATTERS OF CORPORATE GOVERNANCE

During the reporting period, the Company strictly followed the requirements of the "Company Law of the PRC", "Securities Law of the PRC", "Code of Corporate Governance for Listed Companies", "Rules Governing the Listing of Stocks on Shanghai Stock Exchange", "Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited" and other domestic and foreign laws and regulations, continuously improved the Company's corporate governance structure, regulated the Company's operation, and enhanced the Company's corporate governance standard. Currently, the Company has already established a relatively sound corporate governance structure and corporate governance system.

SHAREHOLDERS AND SHAREHOLDERS' GENERAL MEETING

During the reporting period, the Company convened 1 annual general meeting, 2 extraordinary general meetings, 1 A Shareholders' class meeting and 1 H Shareholders' class meeting. The Company convened and held the shareholders' general meetings strictly in compliance with the regulations and requirements of the articles of association of the Company and the rules governing the procedures of the shareholders' general meeting of the Company, which ensured all of the Company's shareholders, especially the minority shareholders, could enjoy equal rights and fully exercise their voting rights.

Corporate Governance Report *(continued)*

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RELATIONS WITH THE SUBSTANTIAL SHAREHOLDER

The Company and the substantial shareholder are completely independent and separated in terms of assets, personnel, finance, institution and operation; the Company's Board, supervisory committee and internal institutions operate independently, and the substantial shareholder does not intervene in the daily operation of the Company; the substantial shareholder of the Company strictly complies with the commitments made to the Company to avoid mutual competition within the same industry. During the reporting period, the substantial shareholder of the Company did not use its special status to encroach and prejudice the interests of the Company and other shareholders.

DIRECTORS AND THE BOARD

The Board completed the change of term on 30 December 2019. The new Board consists of 12 Directors, in which there are 5 independent non-executive Directors. The number of members and the composition of the Board comply with the provisions of the relevant laws and regulations. The composition of professions of the members of the Board is reasonable. The members of the Board possess the necessary knowledge, skills and competence to discharge their duties. The Directors timely attended the shareholders' general meetings and Board meetings, discharged their duties conscientiously, faithfully and diligently, and proactively participated in the business trainings. They are familiar with the relevant laws and regulations and have clear sense of the rights, obligations and responsibilities as a Director. There are four specialised committees under the Board including the strategic committee, execution and investment committee, audit and internal control committee and nomination and remuneration committee to further enhance the decision-making mechanism of the Board.

SUPERVISORS AND THE SUPERVISORY COMMITTEE

The supervisory committee of the Company completed the change of term on 30 December 2019. The new term of the supervisory committee consists of 5 members, including 2 Supervisors representing workers and staff. The number and composition of the members of the supervisory committee comply with the relevant laws and regulations. According to the authority and responsibility conferred by the articles of association of the Company, the supervisory committee regularly convened supervisory committee meetings, conscientiously discharged their duties so as to be responsible to shareholders, supervised and inspected the performance of the Directors and senior management personnel and the legality and compliance of the Company's financial issues to fully safeguard the legitimate rights and interests of the Company and shareholders. Under the supervisory committee, there is a Supervisory and Audit Office which is specially responsible for supervising the legal compliance in the Company's daily business, regulated financial operations, etc.

AMENDMENT AND PERFECTION OF POLICIES

During the reporting period, in accordance with the Company Law of the PRC, the Securities Law of the PRC, Reply of the State Council on Adjusting the Notice Period for the General Meeting of Shareholders and Other Matters Applicable to Companies Listed Abroad (Guo Han [2019] No. 97) and other laws, regulations and regulatory documents, and in line with the Company's needs of self-development, amendments were made to the corresponding provisions in articles 26, 27, 29, 46, 67, 68, 70, 74, 102 and 110 of the articles of association of the Company. Corresponding amendments were also made to the Rules Governing the Procedures of the Shareholders' General Meeting of the Company. In addition, as the Company completed the public issuance of A Shares, amendments to articles 17 and 20 of the articles of association of the Company were also carried out.

Pursuant to the amendments of the Listing Rules and the CG Code, the Policy for the Nomination and Remuneration Committee of the Board was correspondingly amended in order to improve the disclosures relating to nomination procedures of director candidates. Implementation Policy for the Audit and Internal Control Committee of the Board was also correspondingly amended and restrictions relating to external auditor serving as committee members were added.

As the Ministry of Finance of the PRC amended and revised the Accounting Policies for Business Enterprises in recent years, the Company correspondingly made amendments to the Company's accounting policies.

Corporate Governance Report *(continued)*

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PERFORMANCE EVALUATION AND INCENTIVE AND RESTRICTION MECHANISM OF THE COMPANY

The Company has established a relatively reasonable performance evaluation system. Each employment position of the Company has a clear set of performance evaluation indicators. In strict accordance with the performance evaluation criteria and procedures of the Board, supervisory committee and senior management personnel, the Company has established the objectives, responsibilities, performance evaluation criteria and incentive and restriction mechanism, and continues to revise them for making them more scientific and encouraging.

INFORMATION DISCLOSURE

The Company strictly followed the listing rules of the PRC and Hong Kong, fulfilled the information disclosure obligations in accordance with laws and complied with the principles of “fairness, impartiality, openness” to disclose relevant information like the periodic reports and announcements of the Company truthfully, accurately, timely and completely; the secretary to the Board is responsible for information disclosure of the Company, while the Securities Department and the investor relations management team of the Company are responsible for the reception of investors’ visits and enquiries to strengthen communication and exchanges with investors.

REGISTRATION AND MANAGEMENT OF INSIDERS

During the reporting period, the Company strictly followed the Management Policy of Inside Information and Insiders, worked well on the registrations and filings of insiders based on the development of the relevant significant events and the situations which maintaining confidentiality was required. There was no circumstance of unusual volatility of the Company’s stock price attributable to leakage of inside information. The Company’s principle of fair disclosure of information was upheld, and the legitimate interests of the Company’s shareholders were practically protected.

STAKEHOLDERS OF THE COMPANY

Co-development, integrity, trustworthiness and strict compliance are the core values of the Company. The Company is able to fully respect and safeguard the legitimate rights and interests of its customers, suppliers and other stakeholders, building good communication channels and ties for cooperation with a goal to achieve mutual benefits. The Company shows keen concern for community development, and discharges social responsibilities by way of assistance, co-building, donation, etc.

DETAILS OF THE SHAREHOLDERS’ GENERAL MEETINGS

Session of meeting	Convening date	Index of the designated website publishing the resolutions	Date of publishing the resolutions
The first extraordinary general meeting in 2019, the first A Shareholders’ class meeting in 2019 and the first H Shareholders’ class meeting in 2019 of the Company	12 April 2019	www.hkexnews.hk	12 April 2019
2018 annual general meeting of the Company	24 May 2019	www.hkexnews.hk	24 May 2019
The second extraordinary general meeting in 2019 of the Company	30 December 2019	www.hkexnews.hk	30 December 2019

Corporate Governance Report *(continued)*

(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

THE ATTENDANCE OF DIRECTORS AT THE BOARD MEETINGS AND SHAREHOLDERS' GENERAL MEETINGS

The Board convened 22 plenary Board meetings and 3 shareholders' general meetings for the year ended 31 December 2019. The attendance of the Directors at the meetings was as follows:

Name of Director	Independent Director	Number of board meetings ought to be attended in 2019	Board meetings				Not attending in person for 2 consecutive meetings	Shareholders' general meeting	Number of meeting attended
			Attended in person	Attended via telecommunication	Attended by proxy	Absent			
Chen Jinghe	No	22	22	12	0	0	No	3	
Lan Fusheng	No	22	22	10	0	0	No	3	
Zou Laichang	No	22	22	12	0	0	No	3	
Lin Hongfu	No	22	22	10	0	0	No	3	
Fang Qixue	No	21	21	13	0	0	No	3	
Lin Hongying	No	22	21	12	1	0	No	3	
Xie Xionghui	No	1	1	0	0	0	No	3	
Li Jian	No	22	21	10	1	0	No	3	
Zhu Guang	Yes	22	22	13	0	0	No	3	
Li Changqing	Yes	1	1	0	0	0	No	1	
Mao Jingwen	Yes	1	1	0	0	0	No	1	
He Fulong	Yes	1	1	0	0	0	No	1	
Suen Man Tak	Yes	1	1	0	0	0	No	1	
Lu Shihua	Yes	21	21	10	0	0	No	3	
Sit Hoi Wah, Kenneth	Yes	21	20	15	1	0	No	3	
Cai Meifeng	Yes	21	13	12	8	0	No	0	

Number of Board meetings held in 2019	22
In which, number of physical meetings	5
meetings via telecommunication	10
physical meetings with telecommunications	7

CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for formulating the policies for the corporate governance of the Company and performing the corporate governance duties as below:

- (i) To formulate and review the Group's policies and practices on corporate governance and make recommendations;
- (ii) To review and monitor the training and continuous professional development of the Directors and senior management;
- (iii) To review and monitor the Group's policies and practices on the compliance with all legal and regulatory requirements (where applicable);
- (iv) To formulate, review and monitor the code of conduct and compliance manual (if any) applicable to the employees of the Group and the Directors; and
- (v) To review the Group's compliance with the CG Code and disclosure requirements in the corporate governance report.

Corporate Governance Report *(continued)*

(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

CONTINUOUS PROFESSIONAL DEVELOPMENT

The Directors have been informed of the requirement under provision A.6.5 of the CG Code regarding continuous professional development. For the year ended 31 December 2019, all the Directors studied the training materials in relation to the Listing Rules provided by the Company to develop and refresh the Directors' knowledge and skills as directors of companies listed on the Stock Exchange.

NOMINATION AND REMUNERATION OF THE DIRECTORS

The Board established the nomination and remuneration committee. It comprises independent non-executive Directors, Mr. Zhu Guang, Mr. Mao Jingwen, Mr. He Fulong, Mr. Suen Man Tak, non-executive Director, Mr. Li Jian, and the chairman of the Board, Mr. Chen Jinghe. The Chief Officer of the committee is Mr. Zhu Guang and the Deputy Officer is Mr. He Fulong. The nomination and remuneration committee also comprises various working group members. During the reporting period, detailed regulations for the nomination and remuneration committee were amended pursuant to the CG Code. The detailed regulations and the terms of reference of the nomination and remuneration committee are published on the website of the Company.

The major responsibilities of the nomination and remuneration committee during the year were:

- To regularly review structure, number of members, and constitution (including skills, knowledge and experiences) of the Board, and propose any possible changes to the Board;
- To look for qualified person to take up the position of Director, select and nominate the candidates or provide suggestions to the Board;
- To assess the independence of the independent non-executive Directors;
- To provide suggestions on appointment, re-appointment and succession plan of the Directors (especially chairman and president) to the Board;
- To formulate the remuneration plan and reward and penalty plan for the Directors and senior management;
- To appraise and evaluate the discharge of duties of the Directors and senior management; and
- To ensure that no Director or his/her associates can determine his/her own remuneration.

For the nomination procedure of the Directors, please refer to the Policy for the Nomination and Remuneration Committee of the Board of the Company.

PROCEDURE AND BASIS FOR DETERMINATION OF REMUNERATION

Pursuant to the articles of association of the Company, the remuneration plan and reward and penalty plan for the Directors, Supervisors and senior management shall be proposed by the nomination and remuneration committee. Remuneration of executive Directors and the chairman of supervisory committee shall be considered and approved in a shareholders' general meeting. Remuneration of senior management shall be considered and approved by the Board. Determination of the remuneration of the Directors, Supervisors and senior management shall be based on the annual operating results of the Company and resolutions of the shareholders' general meeting/Board meeting.

Corporate Governance Report *(continued)*

(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

The nomination and remuneration committee is delegated by the Board to advise on the specific remuneration packages for all executive Directors and senior management, including non-monetary benefits, pensions and compensation (including compensation for loss or termination of office or appointment), and make suggestions to the Board for the remuneration of non-executive Directors. The nomination and remuneration committee should consider the factors including the remuneration packages in comparable companies, time devoted by and duties of the Directors, conditions of employment of other positions within the Group, whether to adopt performance-based remuneration, etc.

During the reporting period, the nomination and remuneration committee of the Board has, in accordance with the appraisal working requirements of the Board relating to the Company's Directors, Supervisors and senior management personnel, organised and successfully completed the 2018 annual performance assessment of the Directors, Supervisors and senior management.

In the second half of 2019, the nomination and remuneration committee has taken the lead for organising the 2019 annual performance assessment of the Directors, Supervisors and senior management of the Company.

During 2019, 2 meetings of the nomination and remuneration committee in total were held.

THE ATTENDANCE OF NOMINATION AND REMUNERATION COMMITTEE MEETINGS

Name	Number of committee meetings ought to be attended	Attended	Absent
Zhu Guang <i>(Chief Officer)</i>	2	2	0
He Fulong <i>(Deputy Officer) (appointed on 30 December 2019)</i>	1	1	0
Mao Jingwen <i>(appointed on 30 December 2019)</i>	1	1	0
Suen Man Tak <i>(appointed on 30 December 2019)</i>	1	1	0
Chen Jinghe <i>(Chairman)</i>	2	2	0
Li Jian	2	2	0
Lu Shihua <i>(Deputy Officer) (resigned on 29 December 2019)</i>	1	1	0
Sit Hoi Wah, Kenneth <i>(resigned on 29 December 2019)</i>	1	1	0
Cai Meifeng <i>(resigned on 29 December 2019)</i>	1	1	0

Pursuant to the requirements of the articles of association of the Company and the policy for the nomination and remuneration committee of the Board, in the meetings, the committee members evaluated and proposed suggestions on the remuneration plan and the reward and penalty plan. The proposal was made with reference to the performance of the Directors, the overall operating results of the Group, the average salary of the local employees, etc.

ANNUAL REMUNERATION OF THE DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

In the year 2019, the details of the remuneration payable to members of senior management by band is as follow:

RMB2,000,001 – RMB3,000,000	3
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Details of the remuneration of the Directors and Supervisors of the Company are set out in Note XIII.3 to the financial statements.

Corporate Governance Report *(continued)*

(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

AUDITOR'S REMUNERATION

For the year ended 31 December 2019, the audit fee charged by the auditor of the Company was RMB10,900,000. RMB1,150,000 was also charged by the Company's auditor for providing professional services relating to the Company's public issuance of A Shares including capital verification and verification of replacement of the Company's own financing used in project investment with the proceeds raised. In addition, members of the auditor's network provided consultation services to the Company. Details of the charges are as follows: RMB200,000 for providing consultancy services for overseas investments, HKD227,000 for providing taxation services to the Group's subsidiaries incorporated in Hong Kong, and 420,228 Euro for providing tax consultation to the Group's overseas subsidiaries.

AUDIT AND INTERNAL CONTROL COMMITTEE

The audit and internal control committee comprises independent non-executive Directors, Mr. Zhu Guang, Mr. Li Changqing, Mr. He Fulong, Mr. Suen Man Tak, non-executive Director, Mr. Li Jian, and executive Directors, Mr. Zou Laichang and Ms. Lin Hongying. The Chief Officer of the committee is Mr. Li Changqing and the Deputy Officer is Mr. He Fulong. During 2019, 5 meetings of the audit and internal control committee in total were held.

THE ATTENDANCE OF AUDIT AND INTERNAL CONTROL COMMITTEE MEETINGS

Name	Number of committee meetings ought to be attended	Attended	Absent
Li Changqing <i>(Chief Officer) (Appointed on 30 December 2019)</i>	0	0	0
He Fulong <i>(Deputy Officer) (Appointed on 30 December 2019)</i>	0	0	0
Zhu Guang	5	5	0
Suen Man Tak <i>(Appointed on 30 December 2019)</i>	0	0	0
Li Jian	5	5	0
Zou Laichang <i>(President)</i>			
<i>(Appointed as a committee member on 30 December 2019)</i>	0	0	0
Lin Hongying <i>(Appointed as a committee member on 30 December 2019)</i>	0	0	0
Lu Shihua <i>(Chief Officer) (Resigned on 29 December 2019)</i>	5	5	0
Sit Hoi Wah, Kenneth <i>(Resigned on 29 December 2019)</i>	5	5	0
Cai Meifeng <i>(Resigned on 29 December 2019)</i>	5	5	0
Lan Fusheng <i>(Vice-chairman) (Resigned as a committee member on 29 December 2019)</i>	5	5	0

The Board considers that members of the audit and internal control committee have sufficient professional knowledge and experience in accounting and financial management to enable them to discharge their duties.

The terms of reference of the audit and internal control committee are published on the website of the Company.

The major responsibilities of the audit and internal control committee during the year were:

- To propose hiring or changing of the external audit institution;
- To oversee the Company's internal audit system and its implementation;
- To audit the Company's financial information and its disclosures (including annual reports, interim reports, quarterly reports and any feasible financial review);

Corporate Governance Report *(continued)*

(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

- To review the risk management and internal control systems, the effectiveness of the Company's internal audit function, and its other duties under the CG Code; and
- To audit and review the Company's financial reporting, risk management and internal control systems and to audit material connected transactions.

The audit and internal control committee has held meetings on a regular basis since its establishment and convened 5 meetings during the reporting period.

In the meetings held in March 2019, the committee reviewed the work report prepared by the Supervisory and Audit Office and reviewed the auditor's report and connected transactions of the Group for the year 2018, and also submitted its concluding opinion on relevant connected transactions and the audit to the Board.

In the meeting held in April 2019, the committee reviewed the first quarterly report of the Group for the year 2019 and submitted its concluding opinion on the audit to the Board.

In the meeting held in August 2019, the committee reviewed the interim report for the year 2019 and connected transactions of the Group, and reviewed the effectiveness of the Group's risk management and internal control systems and submitted its concluding opinion on the audit to the Board.

In the meeting held in October 2019, the committee reviewed the third quarterly report of the Group for the year 2019 and submitted its concluding opinion on the audit to the Board.

The audit and internal control committee has communicated with the auditor for the key focusing issues before they started the audit field work for the year 2019, during the audit process and after the first draft of audit report was issued respectively. The audit and internal control committee convened a meeting on 19 March 2020, in which it considered and approved the 2019 annual report of the Company and considered that: there is no major omission in the 2019 annual financial report issued by Ernst & Young Hua Ming LLP, it fairly presented the financial position of the Company in all material aspects as at 31 December 2019 and the production and operating results of 2019, and the committee agreed to submit the aforementioned documents to the Board for consideration.

THE ATTENDANCE OF STRATEGIC COMMITTEE MEETING

Name	Number of committee meetings		
	ought to be attended	Attended	Absent
Chen Jinghe <i>(Chairman) (Chief Officer)</i>	1	1	0
Lan Fusheng <i>(Vice-chairman) (Deputy Officer)</i> <i>(Appointed as the Deputy Officer on 30 December 2019)</i>	1	1	0
Zou Laichang <i>(President)</i> <i>(Appointed as a committee member on 30 December 2019)</i>	0	0	0
Li Jian	1	1	0
Zhu Guang	1	1	0
Mao Jingwen <i>(Appointed on 30 December 2019)</i>	0	0	0
He Fulong <i>(Appointed on 30 December 2019)</i>	0	0	0
Fang Qixue <i>(Resigned on 29 December 2019)</i>	1	1	0
Lu Shihua <i>(Resigned on 29 December 2019)</i>	1	1	0
Cai Meifeng <i>(Resigned on 29 December 2019)</i>	1	1	0

Corporate Governance Report *(continued)*

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THE ATTENDANCE OF EXECUTION AND INVESTMENT COMMITTEE MEETINGS

Name	Number of committee meetings ought to be attended	Attended	Absent
Chen Jinghe <i>(Chairman) (Chief Officer)</i>	14	14	0
Zou Laichang <i>(President) (Deputy Officer)</i> <i>(Appointed as Deputy Officer on 30 December 2019)</i>	14	14	0
Lan Fusheng <i>(Vice-chairman) (Resigned as Deputy Officer on 29 December 2019)</i>	14	14	0
Lin Hongfu	14	14	0
Lin Hongying	14	14	0
Xie Xionghui <i>(Appointed on 30 December 2019)</i>	0	0	0
Fang Qixue <i>(Resigned on 29 December 2019)</i>	14	14	0

DIRECTORS' RESPONSIBILITIES IN RESPECT OF FINANCIAL REPORTS

All Directors of the Group have acknowledged their responsibilities for preparing the financial reports of the Group. The Directors ensure that the preparation of financial reports of the Group is in compliance with relevant laws, regulations and applicable accounting standards and financial reports of the Group are issued in a timely manner.

The responsibility statement made by the auditor of the Company in respect of financial reports of the Group is set out in the auditor's report.

COMPANY SECRETARY

Mr. Fan Cheung Man is the company secretary. Details of the biography of the company secretary are set out in the section headed "Brief Biography of Directors, Supervisors and Senior Management" of this report. The company secretary took no less than 15 hours of relevant professional training for the year ended 31 December 2019 as required by the Listing Rules.

SHAREHOLDING INTERESTS OF SENIOR MANAGEMENT

Details of shareholding interests and short positions of the Directors, Supervisors and chief executive of the Company are set out in "Disclosure of Interests and Short Positions of the Directors, Supervisors and Chief Executive of the Company" in the Report of the Directors in this report.

CHANGE IN CONSTITUTIONAL DOCUMENTS

At the shareholders' general meetings held on 30 December 2019, the shareholders approved the amendments to certain articles in the articles of association of the Company. An updated version of the articles of association of the Company is available on the websites of the Company and the Stock Exchange.

SHAREHOLDERS' RIGHTS

The articles of association of the Company has stipulated the rights and obligations of all shareholders.

Shareholders, solely or jointly, holding 10% or more of the issued shares with voting right of the Company can demand in writing to convene an extraordinary general meeting.

Corporate Governance Report *(continued)*

(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

When the Company convenes an annual general meeting, it shall send out a notice 20 clear business days before such meeting is held; when the Company convenes an extraordinary general meeting, it shall send out a notice 10 clear business days or 15 days (whichever is longer) before such meeting is held; when the Company plans to hold a classified shareholders' meeting, a notice shall be issued with respect to the notice period of convening an extraordinary general meeting, to inform all shareholders recorded in the shareholders' register of the matters to be discussed and the date and place of the meeting.

In the shareholders' general meeting convened by the Company, shareholders solely or jointly holding more than 3% of the shares with voting right of the Company are entitled to make new proposals in writing. The Company shall include the matters in the proposals that are within the scope of the terms of reference of the shareholders' general meeting in the agenda of the meeting.

The Board shall provide explanations and reasons in the shareholders' general meeting if it decides not to include the shareholders' general meeting proposals in the agenda of the meeting. It shall also publish the content of the proposals and the Board's explanations together with resolutions of the shareholders' general meeting following the conclusion of the shareholders' general meeting.

Voting in a shareholders' general meeting is by way of poll.

The Group communicates with shareholders through the issuance of annual reports, interim reports, quarterly reports, press and electronic announcements. All communications with shareholders are also published on the website of the Company, www.zjky.cn.

INQUIRY TO THE BOARD

Shareholders can contact the Securities Department of the Company for any inquiry to the Board. The address is 41/F., Tower B, Zhonghang Zijin Plaza, No. 1811 Huandao Road East, Siming District, Xiamen City, Fujian Province, the People's Republic of China. The telephone number is (86)592-2933652.

OBJECTIONS RAISED BY INDEPENDENT DIRECTORS FOR MATTERS RELATED TO THE COMPANY

During the reporting period, the independent non-executive Directors of the Company did not raise any objection against the proposals of the Board and other non-Board proposals of the Company for the year.

THE IMPORTANT OPINION AND SUGGESTIONS FROM THE SPECIALISED COMMITTEES UNDER THE BOARD DURING THE DISCHARGE OF DUTIES FOR THE REPORTING PERIOD

During the reporting period, the sixth term of the execution and investment committee of the Board conducted an analysis regarding the production volume plan of major products for the next three years (2020-2022) based on the current economic situations, market conditions and the Company's status and taking into account the Company's strategic development goals, and researched on the corresponding strategic measures and key implementation measures. The results were submitted to the Board for consideration.

During the reporting period, the sixth term of audit and internal control committee of the Board received reports from the Company's management regarding the Company's production and operating status, investment and financing activities and other significant events in the year, and reviewed the Company's annual report 2018, first quarterly report 2019, interim report 2019 and third quarterly report 2019 according to the terms of reference and fully discharged their duties. The seventh term of audit and internal control committee communicated with the auditor before the commencement of the field-works of the 2019 annual audit, during the audit process, and after issuance of the first draft of audit report, and exchanged their opinion on key issues with the auditor. The seventh term of audit and internal control committee of the Board convened a meeting on 19 March 2020 and approved the Company's annual report 2019, and considered that there was no material omission in the 2019 financial report issued by Ernst & Young Hua Ming LLP, it presented the financial position of the Company fairly in all material aspects as at 31 December 2019 and the production and operating results for the year 2019. The audit and internal control committee agreed to submit the above documents to the Company's Board for consideration.

Corporate Governance Report *(continued)*

(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

During the reporting period, the sixth term of nomination and remuneration committee of the Board carried out review on the remuneration of the Company's executive Directors, chairman of supervisory committee and senior management based on the annual operating results for the year 2018, and submitted the proposal to the Board and shareholders' general meeting for approval. The sixth term of nomination and remuneration committee of the Board convened a meeting which was presided by the chief officer, Mr. Zhu Guang, on 11 November 2019. Each of the Director candidates of the seventh term of the Board were reviewed, and the proposal in relation to the nomination of Directors of the seventh term was unanimously approved. It was approved to submit the list of Director candidates to the Board for consideration, and written independent opinion on remuneration and assessment proposal of the Directors and the Supervisors of the seventh term was issued. The nomination and remuneration committee of the seventh term of the Board reviewed the remuneration and assessment proposal of senior management of the seventh term and provided independent opinion.

During the reporting period, the execution and investment committee of the sixth term of the Board completed the reviews and provided guiding opinion on the Company's external investments, transfers of equity interests, asset disposals and other matters in accordance with the authorisation of the Board.

RISKS IN THE COMPANY DISCOVERED BY THE SUPERVISORY COMMITTEE

During the reporting period, the supervisory committee had no disagreement on the supervised matters.

OPERATION, STAFF, ASSETS, ORGANISATIONS, FINANCE, ETC. WHICH THE COMPANY CANNOT ENSURE INDEPENDENCY AND SELF-OPERATING ABILITY FROM THE SUBSTANTIAL SHAREHOLDER

The Company had independency and the completeness of operation, staff, assets, organisations, finance, etc. from its substantial shareholder.

ASSESSMENT MECHANISM FOR SENIOR MANAGEMENT AND THE ESTABLISHMENT AND IMPLEMENTATION OF INCENTIVE MECHANISM DURING THE REPORTING PERIOD

In accordance with the "Remuneration and Appraisal Policy for Senior Management of the Sixth Term" considered and approved in the first meeting of the sixth term of the Board, the nomination and remuneration committee of the Board approved the total amount of the remuneration of senior management according to the status of completion of the production and operation of the Company of the year, and submitted the proposal to the Board for consideration.

INVESTOR RELATIONS

The Board fully recognises that effective communication with investors is the key to building investors' confidence and attracting new investors.

The Group held press conferences and/or briefings of investment analysts immediately following the announcements of its annual and interim results. The chairman of the Board and senior management such as the financial controller of the Group were present to analyse the performance of the Group during the relevant period, expounded the business development of the Group and answered queries raised by investors. Along with the issuance of A Shares, the Group issued results announcements on 29 April 2019 for the first quarter of year 2019 and on 29 October 2019 for the third quarter of year 2019 respectively.

Results announcements of the Group have been published timely on the websites of the Company and the Stock Exchange.

Corporate Governance Report *(continued)*

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The Group not only frequently participated in investor conferences, received analysts and investors for their visits, answered investors' calls and responded to their enquiries, but also arranged for professional investors to visit its subsidiaries and mines so that they can understand the Group's existing production status, investment status and business development to enhance their confidence in the Group.

During the year, the Company convened the first extraordinary general meeting in 2019, the first A Shareholders' class meeting in 2019 and the first H Shareholders' class meeting in 2019 on 12 April 2019, 2018 annual general meeting on 24 May 2019 and the second extraordinary general meeting in 2019 on 30 December 2019. Details are set out in this report.

As at the date of this report, the registered capital of the Company is RMB2,537,725,994.6, comprising 5,736,940,000 floating H Shares listed on the Hong Kong Stock Exchange, representing approximately 22.61% of the total issued shares; 19,221,766,892 floating A Shares listed on the Shanghai Stock Exchange, representing approximately 75.74% of the total issued shares; and 418,553,054 A Shares subject to trading moratorium, representing approximately 1.65% of the total issued shares. The total floating shares in these two stock exchanges represented approximately 98.35% of the total issued shares of the Company.

INTERNAL AUDIT FUNCTION

The Company has an internal audit function. The audit and internal control committee of the Company is responsible for overseeing the internal audit systems. The audit and internal control committee and the Board review the risk management and internal control systems at least once annually, and the Company considers that the systems are effective and adequate.

INTERNAL CONTROL

It is the responsibility of the Board to establish a sound and effective internal control system following the regulations of the internal control of the corporation, evaluate its effectiveness and truthfully disclose the internal control evaluation report. The supervisory committee carries out supervision on the establishment and implementation of internal control of the Board. The management is responsible for organising and leading the daily operation of the corporation's internal control. The Board, supervisory committee and the Directors, Supervisors and senior management guarantee that there is no false record, misleading statement or material omission in the 2019 internal control and evaluation report, and they will bear joint and individual responsibilities for the truthfulness, accuracy and completeness of the contents herein.

The goal of the Company's internal control is to assure on a reasonable basis for the legality of the operation by the Company, the safety of assets, and the truthfulness and completeness of financial reports and relevant information, enhancement of management efficiency and results, and promotion of the realisation of the development strategies. Due to inevitable limitations to internal control, the above targets could only be reasonably assured. In addition, since changes in the circumstances may render the internal control inappropriate, or decrease the levels of policy control and the compliance of procedures, there are certain risks in predicting the effectiveness of internal control in the future based on the evaluation results.

CONCLUSIONS ON THE INTERNAL CONTROL EVALUATION ON FINANCIAL REPORTING

According to the identification of significant defects of the Company's internal control on financial reporting, as at the base date of the internal control evaluation report, there is no significant internal control defect in the financial reporting. The Board considered that the Company maintained an effective internal control in all material aspects on financial reporting according to the requirements of the Company's internal control system and relevant regulations.

Corporate Governance Report *(continued)*

(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

WORK ON INTERNAL CONTROL EVALUATION

Scope of internal control evaluation

The Group followed the risk-oriented principle to determine the major business units, operations, matters and high-risk areas for inclusion into the scope of evaluation.

Major business units included in the scope of evaluation were:

Headquarters of the Group and 47 subsidiaries including the Zijinshan Gold and Copper Mine, Ashele Copper, Xinjiang Jinbao, Hunchun Zijin, Urad Rear Banner Zijin, Guizhou Zijin, Zijin Copper, Zijin Mining Group Gold Smelting Co., Ltd., Fujian Zijin Copper, Bayannur Zijin, Jilin Zijin, Heilongjiang Zijin Copper, La Compagnie Minière de Musonoié Global Société par Actions Simplifiée, Joint Venture Zeravshan Limited Liability Company, Serbia Zijin Bor Copper doo Bor, Gold Mountains (H.K.) International Mining Co., Ltd., Zijin Mining Logistics Co., Ltd., Zijin Capital, etc. During the year 2019, the headquarters and 14 major subsidiaries were covered by the internal control assessment conducted by the Supervisory and Audit Office of the Group; the Supervisory and Audit Office oversaw and guided 37 key subsidiaries to conduct self-assessment on internal control.

Key operations and matters which were included in the scope of evaluation include but not limited to:

By business segments, the followings were included: overseas projects, mining segment, refining and processing segment, construction segment, logistics segment, financial segment, etc.; by process the followings were included: organisational structure, development strategy, human resources, social responsibility, safety and environmental protection, corporate culture and other company-level internal control functions, as well as capital activities (including investment, financing and working capital management), procurement business, engineering projects, business outsourcing, asset management, sales business, comprehensive budgeting, internal communication, research and development, guarantee business, financial reporting, contract management, tax management, calculation and aggregation of production costs, expenses, information system and other main operational processes. During the year, the Company also put emphasis on conducting daily internal control supervision, special internal control testing and evaluation or internal control research on project construction, procurement of materials, inventory management, overseas compliance with regulations, supply chain financing business, external credit sale business of marketisation entities, financing activities, prevention and control of risks from futures and hedging business and foreign exchange risk.

High-risk areas which were given special attention include but not limited to:

High-risk areas which were given special attention mainly include external investment, procurement, infrastructure construction, overseas compliance with regulations, business outsourcing, credit sales business, financing, prevention and control of risks from futures and hedging business and foreign exchange risk, supply chain finance business including trade finance, safety and environmental protection, etc.

Auditor's Report



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Ernst & Young Hua Ming (2020) Shen Zi No. 60468092_H01
Zijin Mining Group Company Limited

To the shareholders of Zijin Mining Group Company Limited:

I. AUDIT OPINION

We have audited the financial statements of Zijin Mining Group Company Limited (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated and company statements of financial position as at 31 December 2019, and the consolidated and company statements of profit or loss, the consolidated and company statements of changes in equity and the consolidated and company statements of cash flows for the year then ended, and notes to the financial statements.

In our opinion, the financial statements give a true and fair view of, in all material respects, the consolidated and company's financial position as at 31 December 2019, and the consolidated and company's financial performance and cash flows for the year then ended in accordance with Accounting Standards for Business Enterprises.

II. BASIS FOR OPINION

We conducted our audit in accordance with China Standards on Auditing ("CAS"). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company in accordance with *China Code of Ethics for Certified Public Accountants* (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

III. KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provided the basis for our audit opinion on the accompanying financial statements.

Auditor's Report *(continued)*

(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

Ernst & Young Hua Ming (2020) Shen Zi No. 60468092_H01

Zijin Mining Group Company Limited

III. KEY AUDIT MATTERS *(continued)*

Key audit matter:	How the matter was addressed in our audit:
Impairment of non-current assets – fixed assets, construction in progress, intangible assets and goodwill	
<p>As at 31 December 2019, the fixed assets, construction in progress, intangible assets and goodwill of the Group amounted to RMB38,624,766,390, RMB5,876,829,425, RMB24,162,508,461 and RMB314,149,588, respectively. The management is required to make judgements, estimates and assumptions on the useful lives of mines, production plans, sales prices, operating costs, depreciation expenses, taxes, capital expenditures and discount rates when conducting the impairment test for these assets by calculating the present values of the assets' or asset groups' estimated future cash flows or engaging a professional appraisal firm for the valuation. Therefore, we considered this as a key audit matter. Refer to Notes III.14, 15, 18 and 19 and Notes V.15, 16, 18, 19 and 57 to the financial statements for the disclosure of the impairment provision for the above-mentioned assets.</p>	<p>We performed the following procedures in our audit for the assessment of impairment of such non-current assets:</p> <ol style="list-style-type: none"> 1. We discussed with management and reviewed the fixed assets, construction in progress, intangible assets, and goodwill of the Group to assess whether there is any indication of impairment; 2. For these assets or related asset groups with an indication of impairment as well as assets and asset groups with goodwill allocated, we reviewed the discounted cash flow projection models prepared by management or valuation reports issued by the professional appraisal firm. The main audit procedures included the following: <ol style="list-style-type: none"> 1) We reviewed the discounted cash flow projection models and methodologies, whether it is applicable to the corresponding business category; 2) We reviewed the valuation reports and the reasonableness of the key assumptions used in the discounted cash flow projection models (mainly including the useful lives of mines, designated production period of smelters, annual yield, sales prices, operating costs, depreciation expenses, taxes, capital expenditures and discount rates, etc.) by communicating with management, obtaining relevant technical reports for reference and the comparing key hypothesis data with public data from third parties; 3) We reviewed the relevance of the key assumptions with the historical data used; 4) We used the work of our internal valuation experts to review the valuation method and logics of the discounted cash flow projection models, as well as the discount rates used by management and the appraisal firm. They selected a number of comparable peer companies for reference and performed data projection to determine the reasonable range of discount rates; for other critical assumptions, such as sales prices, we made assessment of the reasonableness by inquiring the professional websites; for other indicators, we made references to historical data, feasibility study reports and data from companies in the same industry and region; 5) We reviewed the qualification, and professional competence of the appraisal firm; 6) We evaluated the adequacy and completeness of the disclosures in the notes to the financial statements.

Auditor's Report *(continued)*

(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

Ernst & Young Hua Ming (2020) Shen Zi No. 60468092_H01
Zijin Mining Group Company Limited

IV. OTHER INFORMATION

Management is responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

V. RESPONSIBILITIES OF THE MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

The management of the Group is responsible for the preparation of the financial statements that give a true and fair view in accordance with Accounting Standards for Business Enterprises and designing, implementing and maintaining internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

VI. AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with CAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with CAS, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- 1) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 2) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- 3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Auditor's Report *(continued)*

(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

Ernst & Young Hua Ming (2020) Shen Zi No. 60468092_H01
Zijin Mining Group Company Limited

VI. AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS *(continued)*

- 4) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- 5) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 6) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Ernst & Young Hua Ming LLP

Chinese Certified Public Accountant: Deng Dongmei
(Engagement Partner)

Beijing, the People's Republic of China

Chinese Certified Public Accountant: Xiang Zhao

20 March 2020

Consolidated Statement of Financial Position

As at 31 December 2019

RMB

(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

ASSETS	Note V	31 December 2019	31 December 2018
CURRENT ASSETS			
Cash and cash equivalents	1	6,225,144,800	10,089,890,808
Held for trading financial assets	2	687,951,525	787,134,360
Trade receivables	3	944,115,730	1,009,871,109
Receivables financing	4	1,318,505,074	1,243,090,520
Prepayments	5	1,323,248,170	1,419,162,525
Other receivables	6	899,847,411	1,415,512,562
Inventories	7	14,886,554,158	12,669,674,863
Held for sale assets	8	—	246,189,223
Current portion of non-current assets	9	956,692,852	307,233,993
Other current assets	10	1,352,336,396	1,260,928,272
Total current assets		28,594,396,116	30,448,688,235
NON-CURRENT ASSETS			
Long-term equity investments	11	6,924,416,093	7,041,753,269
Other equity instrument investments	12	4,410,441,677	1,983,796,793
Other non-current financial assets	13	951,779,422	401,513,674
Investment properties	14	130,373,389	608,221,789
Fixed assets	15	38,624,766,390	34,144,464,854
Construction in progress	16	5,876,829,425	5,355,805,804
Right-of-use assets	17	354,772,381	—
Intangible assets	18	24,162,508,461	22,510,280,215
Goodwill	19	314,149,588	314,149,588
Long-term deferred assets	20	1,205,837,946	987,315,471
Deferred tax assets	21	836,666,816	884,776,204
Other non-current assets	22	11,444,009,515	8,198,537,946
Total non-current assets		95,236,551,103	82,430,615,607
TOTAL ASSETS		123,830,947,219	112,879,303,842
LIABILITIES AND OWNERS' EQUITY			
CURRENT LIABILITIES			
Short-term borrowings	24	14,440,917,886	15,616,680,236
Held for trading financial liabilities	25	326,139,054	242,482,582
Bills payable	26	420,860,145	160,733,506
Trade payables	27	4,382,104,169	4,540,248,350
Contract liabilities	28	359,453,565	277,125,058
Employee benefits payable	29	852,297,934	726,630,090
Taxes payable	30	985,193,397	903,782,106
Other payables	31	5,326,849,819	4,979,586,829
Held for sale liabilities	8	—	68,739,751
Current portion of non-current liabilities	32	5,768,840,060	9,707,089,022
Other current liabilities	33	500,000,000	—
Total current liabilities		33,362,656,029	37,223,097,530

The accompanying notes to financial statements are an integral part of the financial statements.

Consolidated Statement of Financial Position *(continued)*

As at 31 December 2019

RMB

(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

LIABILITIES AND OWNERS' EQUITY <i>(continued)</i>	Note V	31 December 2019	31 December 2018
NON-CURRENT LIABILITIES			
Long-term borrowings	34	13,826,221,524	12,917,915,706
Bonds payable	35	11,966,468,687	8,879,453,693
Lease liabilities	36	282,347,122	—
Long-term payables	37	1,201,391,669	733,077,872
Provision	38	2,927,712,283	2,686,090,453
Deferred income	39	496,720,164	422,783,097
Deferred tax liabilities	21	2,687,831,677	2,743,172,789
Total non-current liabilities		33,388,693,126	28,382,493,610
TOTAL LIABILITIES		66,751,349,155	65,605,591,140
EQUITY			
Share capital	40	2,537,725,995	2,303,121,889
Other equity instruments	41	4,985,500,000	4,985,500,000
<i>Including: Renewable corporate bonds</i>		4,985,500,000	4,985,500,000
Capital reserve	42	18,690,342,400	11,094,766,390
Other comprehensive income	43	(473,929,209)	(1,575,973,065)
Special reserve	44	120,952,216	147,393,497
Surplus reserve	45	1,319,401,104	1,319,401,104
Retained earnings	46	24,005,972,520	22,181,224,459
Equity attributable to owners of the parent		51,185,965,026	40,455,434,274
Non-controlling interests		5,893,633,038	6,818,278,428
TOTAL EQUITY		57,079,598,064	47,273,712,702
TOTAL LIABILITIES AND OWNERS' EQUITY		123,830,947,219	112,879,303,842

The financial statements were signed by the following:

Legal representative:

Chen Jinghe

Principal in charge of accounting:

Wu Honghui

Head of accounting department:

Qiu Shoucai

The accompanying notes to financial statements are an integral part of the financial statements.

Consolidated Statement of Profit or Loss

For the year ended 31 December 2019

RMB

(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

	Note V	2019	2018
OPERATING INCOME	47	136,097,978,018	105,994,246,123
Less: Operating costs	47	120,582,627,749	92,651,374,475
Taxes and surcharges	48	1,874,141,394	1,598,995,649
Selling expenses	49	574,433,782	887,451,338
Administrative expenses	50	3,689,326,869	2,964,964,865
Research and development expenses	51	476,341,941	274,380,222
Financial expenses	52	1,466,849,459	1,254,241,143
Including: Interest expenses		1,927,817,536	1,575,846,889
Interest income		499,675,899	351,234,358
Add: Other income	53	290,839,484	227,613,533
Investment income	54	34,406,224	1,060,522,923
Including: Share of profits of associates and joint ventures		96,011,495	373,063,390
Losses on changes in fair value	55	(59,752,112)	(135,783,729)
Credit impairment losses	56	(65,619,609)	82,017,400
Impairment losses on assets	57	(368,381,596)	(1,500,399,230)
(Losses)/Gains on disposal of non-current assets	58	(23,675,053)	84,561,738
OPERATING PROFIT		7,242,074,162	6,181,371,066
Add: Non-operating income	59	50,080,938	365,953,586
Less: Non-operating expenses	60	317,876,334	417,144,870
PROFIT BEFORE TAX		6,974,278,766	6,130,179,782
Less: Income tax expenses	61	1,913,374,082	1,447,503,229
NET PROFIT		5,060,904,684	4,682,676,553
Classification according to the continuity of operations			
Net profit from continuing operations		5,060,904,684	4,682,676,553
Attributable to:			
Owners of the parent		4,283,957,365	4,093,773,630
Non-controlling interests		776,947,319	588,902,923

The accompanying notes to financial statements are an integral part of the financial statements.

Consolidated Statement of Profit or Loss *(continued)*

For the year ended 31 December 2019

RMB

(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

	Note V	2019	2018
NET OTHER COMPREHENSIVE INCOME AFTER TAX			
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods			
Changes in fair value of other equity instrument investments		1,146,766,336	(1,159,682,051)
Other comprehensive income that may be reclassified to profit or loss in subsequent periods			
Hedging costs — forward elements		(65,505,914)	61,666,120
Exchange differences arising from translation of financial statements denominated in foreign currencies		123,196,019	(62,020,181)
Other comprehensive income attributable to owners of the parent		1,204,456,441	(1,160,036,112)
Other comprehensive income attributable to non-controlling interests		85,157,856	(14,449,278)
Sub-total of net other comprehensive income after tax		1,289,614,297	(1,174,485,390)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR			
Attributable to:			
<i>Owners of the parent</i>		5,488,413,806	2,933,737,518
<i>Non-controlling shareholders</i>		862,105,175	574,453,645
Earnings per share	62		
Basic earnings per share		0.18	0.18
Diluted earnings per share		0.18	0.18

The accompanying notes to financial statements are an integral part of the financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 December 2019

RMB

(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

For the year ended 31 December 2019

	Attributable to owners of the parent										Total equity
	Share capital	Other equity instruments	Capital reserve	Other comprehensive income	Special reserve	Surplus reserve	Retained earnings	Subtotal	Non-controlling interests		
I. Opening balance of the current year	2,303,121,889	4,985,500,000	11,094,766,390	(1,575,973,065)	147,393,497	1,319,401,104	22,181,224,459	40,455,434,274	6,818,278,428	47,273,712,702	
II. Changes for the year	—	—	—	1,204,456,441	—	—	4,283,957,365	5,488,413,806	862,105,175	6,350,518,981	
(i) Total comprehensive income	—	—	—	—	—	—	—	—	—	—	
(ii) Owners' contributions and reductions in capital	—	—	—	—	—	—	—	—	—	—	
1. Capital contributed by owners	234,604,106	—	7,612,823,862	—	—	—	—	7,847,427,968	21,443,325	7,868,871,293	
2. Others	—	—	(17,247,852)	—	—	—	—	(17,247,852)	(969,235,868)	(986,483,720)	
(iii) Profit distributions	—	—	—	—	—	—	—	—	—	—	
1. Distributions to owners	—	—	—	—	—	—	(2,303,121,889)	(2,303,121,889)	(837,355,000)	(3,140,476,889)	
2. Others	—	—	—	—	—	—	(258,500,000)	(258,500,000)	—	(258,500,000)	
(iv) Transfer within owners' equity	—	—	—	—	—	—	—	—	—	—	
1. Other comprehensive income transferred to retained earnings	—	—	—	(102,412,585)	—	—	102,412,585	—	—	—	
(v) Special reserve	—	—	—	—	—	—	—	—	—	—	
1. Transferred to special reserve in the current year	—	—	—	—	522,735,350	—	—	522,735,350	40,728,111	563,463,461	
2. Amount utilised in the current year	—	—	—	—	(549,176,631)	—	—	(549,176,631)	(42,331,133)	(591,507,764)	
III. Closing balance of the current year	2,537,725,995	4,985,500,000	18,690,342,400	(473,929,209)	120,952,216	1,319,401,104	24,005,972,520	51,185,965,026	5,893,633,038	57,079,598,064	

The accompanying notes to financial statements are an integral part of the financial statements.

Consolidated Statement of Changes in Equity (continued)

For the year ended 31 December 2019

RMB

(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

For the year ended 31 December 2018

	Attributable to owners of the parent							Non-controlling interests	Total equity	
	Share capital	Other equity instruments	Capital reserve	Other comprehensive income	Special reserve	Surplus reserve	Retained earnings			Subtotal
I. Closing balance of the preceding year	2,303,121,889	498,550,000	11,109,919,061	(602,893,526)	176,862,772	1,319,401,104	20,194,761,855	34,999,723,155	2,643,122,063	37,642,845,218
Add: Changes in accounting policies	—	—	—	186,956,573	—	—	(9,495,496)	177,461,077	2,753,414	180,214,491
Opening balance of the current year	2,303,121,889	498,550,000	11,109,919,061	(415,936,953)	176,862,772	1,319,401,104	20,185,266,359	35,177,184,232	2,645,875,477	37,823,059,709
III. Changes for the year										
(i) Total comprehensive income	—	—	—	(1,160,036,112)	—	—	4,093,773,630	2,933,737,518	574,453,645	3,508,191,163
(ii) Owners' contributions and reductions in capital										
1. Capital contributed by owners	—	—	—	—	—	—	—	—	78,000,000	78,000,000
2. Others	—	4,486,950,000	(15,152,671)	—	—	—	979,461	4,472,776,790	4,369,183,083	8,841,959,873
(iii) Profit distributions										
1. Distributions to owners	—	—	—	—	—	—	(2,072,809,700)	(2,072,809,700)	(849,673,586)	(2,922,483,286)
2. Others	—	—	—	—	—	—	(25,985,291)	(25,985,291)	—	(25,985,291)
(iv) Special reserve										
1. Transferred to special reserve in the current year	—	—	—	—	667,226,059	—	—	667,226,059	24,190,408	691,416,467
2. Amount utilised in the current year	—	—	—	—	(696,695,334)	—	—	(696,695,334)	(23,750,599)	(720,445,933)
IV. Closing balance of the current year	2,303,121,889	4,985,500,000	11,094,766,390	(1,575,973,065)	147,393,497	1,319,401,104	22,181,224,459	40,455,434,274	6,818,278,428	47,273,712,702

The accompanying notes to financial statements are an integral part of the financial statements.

Consolidated Statement of Cash Flows

For the year ended 31 December 2019

RMB

(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

	Note V	2019	2018
I. CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash receipts from the sale of goods and rendering of services		143,341,187,979	110,239,590,856
Other cash receipts relating to operating activities	63	826,104,378	1,040,735,937
Sub-total of cash inflows from operating activities		144,167,292,357	111,280,326,793
Cash payments for goods purchased and services received		(121,968,271,733)	(91,365,517,820)
Cash payments to and on behalf of employees		(3,765,182,943)	(3,072,305,591)
Payments of various types of taxes		(5,463,539,039)	(4,533,769,385)
Other cash payments relating to operating activities	63	(2,304,741,629)	(2,075,724,296)
Sub-total of cash outflows used in operating activities		(133,501,735,344)	(101,047,317,092)
Net cash flows from operating activities	64	10,665,557,013	10,233,009,701
II. CASH FLOWS FROM INVESTING ACTIVITIES:			
Cash receipts from disposals and recovery of investments		574,366,273	850,079,833
Cash receipts from investment income		409,661,967	679,307,171
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets		209,103,813	363,398,711
Net cash receipts from disposals of subsidiaries and other business units	64	141,906,496	—
Other cash receipts relating to investing activities	63	460,685,011	2,324,310,263
Sub-total of cash inflows from investing activities		1,795,723,560	4,217,095,978
Cash payments for acquisitions or constructions of fixed assets, intangible assets and other long-term assets		(11,896,001,203)	(7,808,861,922)
Cash payments for acquisitions of investments		(2,235,672,167)	(1,384,653,295)
Net cash payments for acquisitions of subsidiaries and other business units	64	(248,429,216)	(7,853,617,667)
Other cash payments relating to investing activities	63	(1,518,451,034)	(810,173,540)
Sub-total of cash outflows used in investing activities		(15,898,553,620)	(17,857,306,424)
Net cash flows used in investing activities		(14,102,830,060)	(13,640,210,446)
III. CASH FLOWS FROM FINANCING ACTIVITIES:			
Cash receipts from capital contributions		7,861,071,293	78,000,000
<i>Including: Cash receipts from capital contributions from non-controlling shareholders of subsidiaries</i>		13,643,325	78,000,000
Cash receipts from issuance of renewable bonds		—	4,486,950,000
Cash receipts from borrowings		12,451,641,684	25,744,349,427
Cash receipts from the gold leasing business		7,238,555,776	7,453,452,046
Cash receipts from issuance of bonds and ultra short-term financing bonds		6,500,000,000	2,402,120,455
Other cash receipts relating to financing activities	63	135,577,629	40,120,269
Sub-total of cash inflows from financing activities		34,186,846,382	40,204,992,197

The accompanying notes to financial statements are an integral part of the financial statements.

Consolidated Statement of Cash Flows *(continued)*

For the year ended 31 December 2019

RMB

(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

	Note V	2019	2018
III. CASH FLOWS FROM FINANCING ACTIVITIES: <i>(continued)</i>			
Cash repayments of borrowings		(12,686,169,279)	(14,423,736,524)
Cash repayments of the gold leasing business		(7,774,509,133)	(9,277,529,360)
Cash repayments of bonds and ultra short-term financing bonds		(6,953,469,000)	(2,500,000,000)
Cash payments for distribution of dividends or profits or settlement of interest expenses		(5,490,938,903)	(4,594,953,627)
<i>Including: Payments for distribution of dividends or profits to non-controlling shareholders of subsidiaries</i>		(837,355,000)	(849,673,586)
Other cash payments relating to financing activities	63	(1,607,570,368)	(1,753,604,248)
Sub-total of cash outflows used in financing activities		(34,512,656,683)	(32,549,823,759)
Net cash flows (used in)/from financing activities		(325,810,301)	7,655,168,438
IV. EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		(84,163,353)	(69,473,497)
V. NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS			
Add: Opening balance of cash and cash equivalents	64	(3,847,246,701)	4,178,494,196
		9,932,838,151	5,754,343,955
VI. CLOSING BALANCE OF CASH AND CASH EQUIVALENTS	64	6,085,591,450	9,932,838,151

The accompanying notes to financial statements are an integral part of the financial statements.

Company Statement of Financial Position

As at 31 December 2019

RMB

(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

ASSETS	Note XIV	31 December 2019	31 December 2018
CURRENT ASSETS			
Cash and cash equivalents		2,243,044,214	3,405,752,073
Held for trading financial assets		10,235,923	149,869,381
Trade receivables	1	571,503,669	944,410,158
Receivables financing		321,021,579	230,232,703
Prepayments		46,092,085	54,761,022
Other receivables	2	10,392,972,218	13,369,134,726
Inventories		104,366,458	181,835,201
Held for sale assets		—	142,501,896
Other current assets		112,197,698	64,636,916
Total current assets		13,801,433,844	18,543,134,076
NON-CURRENT ASSETS			
Long-term equity investments	3	36,167,925,305	29,273,825,050
Other equity instrument investments		252,868,971	299,890,204
Fixed assets	4	3,383,189,644	3,423,396,138
Construction in progress	5	349,783,508	162,970,313
Right-of-use assets		5,403,083	—
Intangible assets	6	269,926,397	280,495,251
Long-term deferred assets	7	222,490,412	202,140,313
Deferred tax assets		270,686,426	203,515,795
Other non-current assets	8	10,684,801,932	9,830,231,598
Total non-current assets		51,607,075,678	43,676,464,662
TOTAL ASSETS		65,408,509,522	62,219,598,738
LIABILITIES AND OWNERS' EQUITY			
CURRENT LIABILITIES			
Short-term borrowings		5,709,142,525	6,439,941,129
Held for trading financial liabilities		12,717,000	—
Trade payables	10	491,559,077	643,993,331
Contract liabilities		268,076,168	9,110,298
Employee benefits payable		164,097,622	131,945,173
Taxes payable		44,831,289	39,111,115
Other payables		480,863,568	976,050,313
Current portion of non-current liabilities		5,472,546,130	9,219,712,010
Other current liabilities		572,762,498	295,798,605
Total current liabilities		13,216,595,877	17,755,661,974

The accompanying notes to financial statements are an integral part of the financial statements.

Company Statement of Financial Position *(continued)*

As at 31 December 2019

RMB

(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

LIABILITIES AND OWNERS' EQUITY <i>(continued)</i>	Note XIV	31 December 2019	31 December 2018
NON-CURRENT LIABILITIES			
Long-term borrowings		3,086,074,921	4,752,185,360
Bonds payable	11	9,540,399,486	6,493,057,030
Lease liabilities		4,246,294	—
Long-term payables	12	240,348,782	274,768,834
Provision		333,436,208	—
Deferred income		172,569,913	188,631,381
Deferred tax liabilities		27,096,829	—
Other non-current liabilities		177,193,188	802,178,723
Total non-current liabilities		13,581,365,621	12,510,821,328
TOTAL LIABILITIES		26,797,961,498	30,266,483,302
EQUITY			
Share capital		2,537,725,995	2,303,121,889
Other equity instruments		4,985,500,000	4,985,500,000
<i>Including: Renewable corporate bonds</i>		4,985,500,000	4,985,500,000
Capital reserve		20,662,750,813	13,057,926,951
Other comprehensive income		(119,160,647)	(79,283,749)
Surplus reserve		1,268,862,997	1,151,560,944
Retained earnings		9,274,868,866	10,534,289,401
TOTAL EQUITY		38,610,548,024	31,953,115,436
TOTAL LIABILITIES AND OWNERS' EQUITY		65,408,509,522	62,219,598,738

The accompanying notes to financial statements are an integral part of the financial statements.

Company Statement of Profit or Loss

For the year ended 31 December 2019

RMB

(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

	Note XIV	2019	2018
OPERATING INCOME	13	4,181,674,607	4,085,832,610
Less: Operating costs	13	2,451,720,155	2,508,626,347
Taxes and surcharges		242,328,484	264,944,671
Selling expenses		11,287,422	21,687,249
Administrative expenses		624,416,397	573,830,314
Research and development expenses		203,349,759	168,145,513
Financial expenses	14	152,907,767	188,566,687
Including: Interest expenses		1,009,578,109	1,206,285,681
Interest income		833,540,091	960,508,815
Add: Other income		49,197,206	53,750,800
Investment income	16	1,192,587,748	1,939,227,308
Including: Share of profits of associates and joint ventures		137,905,089	145,806,665
Losses on changes in fair value		(5,772,264)	(14,512,179)
Credit impairment losses	15	(92,319,369)	140,022,078
Impairment losses on assets	15	(153,880,000)	(3,575,729)
Gains on disposal of non-current assets		401,573	22,394,838
OPERATING PROFIT		1,485,879,517	2,497,338,945
Add: Non-operating income		3,084,809	27,651,054
Less: Non-operating expenses		47,506,016	78,848,961
PROFIT BEFORE TAX		1,441,458,310	2,446,141,038
Less: Income tax expenses		21,954,903	72,393,688
NET PROFIT		1,419,503,407	2,373,747,350
Including: Net profit from continuing operations		1,419,503,407	2,373,747,350
NET OTHER COMPREHENSIVE INCOME AFTER TAX			
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods			
Changes in fair value of other equity instrument investments		(39,876,898)	(174,225,295)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		1,379,626,509	2,199,522,055

The accompanying notes to financial statements are an integral part of the financial statements.

Company Statement of Changes in Equity

For the year ended 31 December 2019

RMB

(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

For the year ended 31 December 2019

	Share capital	Other equity instruments	Capital reserve	Other comprehensive income	Special reserve	Surplus reserve	Retained earnings	Total equity
I. Closing balance of the preceding year and opening balance of the current year	2,303,121,889	4,985,500,000	13,057,926,951	(79,283,749)	—	1,151,560,944	10,534,289,401	31,953,115,436
II. Changes for the year								
(I) Total comprehensive income	—	—	—	(39,876,898)	—	—	1,419,503,407	1,379,626,509
(II) Owners' contributions and reductions in capital								
1. Capital contributed by owners	234,604,106	—	7,612,823,862	—	—	—	—	7,847,427,968
2. Others	—	—	(8,000,000)	—	—	—	—	(8,000,000)
(III) Profit distributions								
1. Transferred to surplus reserve	—	—	—	—	—	117,302,053	(117,302,053)	—
2. Distributions to owners	—	—	—	—	—	—	(2,303,121,889)	(2,303,121,889)
3. Others	—	—	—	—	—	—	(258,500,000)	(258,500,000)
(IV) Special reserve								
1. Transferred to special reserve in the current year	—	—	—	—	164,794,492	—	—	164,794,492
2. Amount utilised in the current year	—	—	—	—	(164,794,492)	—	—	(164,794,492)
III. Closing balance of the current year	2,537,725,995	4,985,500,000	20,662,750,813	(119,160,647)	—	1,268,862,997	9,274,868,866	38,610,548,024

For the year ended 31 December 2018

	Share capital	Other equity instruments	Capital reserve	Other comprehensive income	Special reserve	Surplus reserve	Retained earnings	Total equity
I. Closing balance of the preceding year	2,303,121,889	498,550,000	13,226,407,493	—	—	1,090,812,600	10,328,210,138	27,447,102,120
Add: Changes in accounting policies	—	—	—	94,941,546	—	—	—	94,941,546
II. Opening balance of the current year	2,303,121,889	498,550,000	13,226,407,493	94,941,546	—	1,090,812,600	10,328,210,138	27,542,043,666
III. Changes for the year								
(I) Total comprehensive income	—	—	—	(174,225,295)	—	—	2,373,747,350	2,199,522,055
(II) Owners' contributions and reductions in capital								
1. Others	—	4,486,950,000	(168,480,542)	—	—	—	—	4,318,469,458
(III) Profit distributions								
1. Transferred to surplus reserve	—	—	—	—	—	60,748,344	(60,748,344)	—
2. Distributions to owners	—	—	—	—	—	—	(2,072,809,700)	(2,072,809,700)
3. Others	—	—	—	—	—	—	(34,110,043)	(34,110,043)
(IV) Special reserve								
1. Transferred to special reserve in the current year	—	—	—	—	224,649,055	—	—	224,649,055
2. Amount utilised in the current year	—	—	—	—	(224,649,055)	—	—	(224,649,055)
IV. Closing balance of the current year	2,303,121,889	4,985,500,000	13,057,926,951	(79,283,749)	—	1,151,560,944	10,534,289,401	31,953,115,436

The accompanying notes to financial statements are an integral part of the financial statements.

Company Statement of Cash Flows

For the year ended 31 December 2019

RMB

(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

	Note XIV	2019	2018
I. CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash receipts from the sale of goods and rendering of services		4,359,639,755	4,852,104,833
Other cash receipts relating to operating activities		73,838,433	129,466,037
Sub-total of cash inflows from operating activities		4,433,478,188	4,981,570,870
Cash payments for goods purchased and services received		(1,302,132,254)	(1,702,531,642)
Cash payments to and on behalf of employees		(657,448,120)	(548,407,225)
Payments of various types of taxes		(537,933,156)	(674,968,309)
Other cash payments relating to operating activities		(540,080,559)	(305,020,781)
Sub-total of cash outflows used in operating activities		(3,037,594,089)	(3,230,927,957)
Net cash flows from operating activities	17	1,395,884,099	1,750,642,913
II. CASH FLOWS FROM INVESTING ACTIVITIES:			
Cash receipts from disposals and recovery of investments		6,592,854,402	3,622,104,484
Cash receipts from investment income		1,119,842,727	2,766,905,737
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets		18,216,261	30,741,786
Net cash receipts from disposals of subsidiaries and other business units		143,271,681	—
Other cash receipts relating to investing activities		—	1,913,450,104
Sub-total of cash inflows from investing activities		7,874,185,071	8,333,202,111
Cash payments for acquisitions or constructions of fixed assets, intangible assets and other long-term assets		(674,399,980)	(1,092,878,647)
Cash payments for acquisitions of investments		(11,197,809,267)	(7,448,064,868)
Other cash payments relating to investing activities		(404,965,779)	(232,970,894)
Sub-total of cash outflows used in investing activities		(12,277,175,026)	(8,773,914,409)
Net cash flows used in investing activities		(4,402,989,955)	(440,712,298)
III. CASH FLOWS FROM FINANCING ACTIVITIES:			
Cash receipts from capital contributions		7,847,427,968	—
Cash receipts from issuance of renewable bonds		—	4,486,950,000
Cash receipts from issuance of bonds and ultra short-term financing bonds		6,500,000,000	—
Cash receipts from borrowings		1,558,900,742	2,628,951,300
Cash receipts from the gold leasing business		12,717,000	5,651,491,129
Sub-total of cash inflows from financing activities		15,919,045,710	12,767,392,429
Cash repayments of borrowings		(2,814,422,000)	(1,658,406,440)
Cash repayments of the gold leasing business		(1,164,274,094)	(6,934,413,092)
Cash repayments of bonds and ultra short-term financing bonds		(6,953,469,000)	(2,500,000,000)
Cash payments for distribution of dividends or profits or settlement of interest expenses		(3,590,898,937)	(3,244,655,164)
Other cash payments relating to financing activities		(12,718,261)	(25,663,978)
Sub-total of cash outflows used in financing activities		(14,535,782,292)	(14,363,138,674)
Net cash flows from/(used in) financing activities		1,383,263,418	(1,595,746,245)
IV. EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		54,294,679	16,110,640
V. NET DECREASE IN CASH AND CASH EQUIVALENTS	17	(1,569,547,759)	(269,704,990)
Add: Opening balance of cash and cash equivalents		3,126,335,183	3,396,040,173
VI. CLOSING BALANCE OF CASH AND CASH EQUIVALENTS	17	1,556,787,424	3,126,335,183

The accompanying notes to financial statements are an integral part of the financial statements.

Notes to Financial Statements

For the year ended 31 December 2019

RMB

(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

I. CORPORATE INFORMATION

Zijin Mining Group Company Limited* (the "Company") is a joint stock limited liability company, registered in Fujian Province of the People's Republic of China (the "PRC") on 6 September 2000, under the "Company Law of the People's Republic of China" (the "Company Law"). The Company's unified social credit code is 91350000157987632G.

As approved by the People's Government of Fujian Province (Min Zheng Ti Gu (2000) No. 22), on 17 August 2000, Minxi Xinghang State-owned Assets Investment Company Limited ("Minxi Xinghang") as the principal promoter, together with other promoters including Xinhua Industrial Group Company Limited ("Xinhua Industrial"), Shanghang County Jinshan Trading Company Limited ("Shanghang County Jinshan Trading"), Fujian Xinhua Engineering Company Limited, Xiamen Hengxing Group Company Limited, Fujian Xinhua Department Store Company Limited, Fujian Gold Group Company Limited ("Fujian Gold Group") and Fujian Minxi Geological Team ("Minxi Geological Team") and others, transformed Fujian Province Minxi Zijin Mining Group Company Limited into Fujian Zijin Mining Industry Company Limited since 31 December 1999, as the base date of reorganisation. On 16 June 2004, the Company's name was changed from Fujian Zijin Mining Industry Company Limited to Zijin Mining Group Company Limited*.

Pursuant to the Resolution at the First Extraordinary General Meeting on 28 June 2003 and the "Approval in relation to Issuing Overseas-listed Foreign Shares by Fujian Zijin Mining Industry Company Limited" (Zheng Jian Guo He Zi [2003] No. 41) granted by the China Securities Regulatory Commission (the "CSRC") on 18 November 2003, the Company publicly issued 400,544,000 overseas listed foreign shares with a nominal value of RMB0.1 per share at an issue price of Hong Kong dollar ("HKD") 3.3 (approximately RMB3.516) per share; and Minxi Xinghang, Fujian Gold Group and Minxi Geological Team sold their 36,413,090 state-owned shares at an issue price of HKD3.3 (approximately RMB3.516) per share. As a result of the issuance, the Company's registered capital was changed to RMB131,413,091. Pursuant to the Resolution at the Annual General Meeting for year 2003 dated 28 May 2004 on the conversion of capital reserve into share capital, the Company converted its capital reserve of RMB131,413,091 into 1,314,130,910 shares with a nominal value of RMB0.1 per share; the Company's registered capital was then changed to RMB262,826,182. Pursuant to the Resolution at the Annual General Meeting for year 2004 dated 31 May 2005 on the conversion of capital reserve into share capital, the Company converted its capital reserve of RMB262,826,182 into 2,628,261,820 shares with a nominal value of RMB0.1 per share; the Company's registered capital was then changed to RMB525,652,364. Pursuant to the Resolution at the Annual General Meeting for the year 2005 dated 18 May 2006 on the conversion of capital reserve into share capital, the Company converted capital reserve of RMB525,652,364 into 5,256,523,640 shares with a nominal value of RMB0.1 per share (i.e., every 10 existing ordinary shares for 10 newly issued ordinary shares as a bonus issue based on the 5,256,523,640 issued shares as at the end of 2005). Pursuant to the Resolution at the Annual General Meeting for the year 2006 dated 30 April 2007 on the conversion of capital reserve into share capital, the Company converted capital reserve of RMB262,826,182 into 2,628,261,820 shares with a nominal value of RMB0.1 per share (i.e., every 10 existing ordinary shares for 2.5 newly issued ordinary shares as a bonus issue based on the 10,513,047,280 issued shares as at the end of 2006). As such, the Company's registered capital was changed to RMB1,314,130,910. On 25 April 2008, as approved by the CSRC ([2008] No. 417) and the Shanghai Stock Exchange (Shang Zheng Shang Zi [2008] No. 29) respectively, the Company issued 1.4 billion ordinary shares with a nominal value of RMB0.1 per share at an issue price of RMB7.13 per share and the shares of the Company were listed on the Shanghai Stock Exchange ("IPO A shares"). As such, the Company's registered capital was changed to RMB1,454,130,910.

The 1,050,000,000 IPO A Shares issued through the internet became publicly floating on the Shanghai Stock Exchange on 25 April 2008. The 350,000,000 IPO A Shares issued through other ways became publicly floating on the Shanghai Stock Exchange on 25 July 2008. Except for 4,210,902,100 shares held by Minxi Xinghang with a lockup period of 36 months, the aggregate of 4,924,966,980 shares held by other holders of domestic shares had a lockup period of 12 months from the date when the IPO A Shares were listed. Such shares became publicly floating on 27 April 2009, representing a total proportion of 33.87% of issued capital. Up to the reporting date, all the above issued shares of the Company were publicly floating.

Pursuant to the Resolution at the Annual General Meeting for the year 2010 dated 30 May 2011 on the conversion of capital reserve into share capital, the Company converted capital reserve of RMB727,065,455 into 7,270,654,550 shares with a nominal value of RMB0.1 per share, i.e., 5 new shares for every 10 existing shares based on the total number of issued shares of 14,541,309,100 as at the end of 2010.

Notes to Financial Statements *(continued)*

For the year ended 31 December 2019

RMB

(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

I. CORPORATE INFORMATION *(continued)*

On 28 May 2013, the Company held the 2012 Annual General Meeting, the first A Shareholders' class meeting in 2013 and the first H Shareholders' class meeting in 2013. A resolution in relation to the proposal of granting a general mandate to the board of directors of the Company to repurchase H Shares was considered and approved. The Company carried out repurchases of H Shares on 21 August 2013, 13 November 2013, 4 December 2013, 10 December 2013, 16 December 2013, 18 December 2013 and 23 December 2013. As at 31 December 2013, the aggregate number of repurchased H Shares reached 111,806,000.

On 28 May 2014, the Company held the 2013 Annual General Meeting, the first A Shareholders' class meeting in 2014 and the first H Shareholders' class meeting in 2014. A resolution in relation to the proposal of granting a general mandate to the board of directors of the Company to repurchase H Shares was considered and approved. The Company carried out repurchases of H Shares on 3 January 2014, 10 January 2014, 7 February 2014, 15 September 2014, 18 September 2014, 19 September 2014, 22 September 2014, 28 October 2014, 6 November 2014, 7 November 2014 and 18 November 2014. As at 31 December 2014, the aggregate number of repurchased H Shares reached 127,344,000.

On 11 May 2015, the Company held the 2014 Annual General Meeting, the first A Shareholders' class meeting in 2015 and the first H Shareholders' class meeting in 2015. A resolution in relation to the proposal of granting a general mandate to the board of directors of the Company to repurchase H Shares was considered and approved. The authorisation period was up to the convention date of the 2015 Annual General Meeting, i.e., 20 June 2016. The Company carried out repurchases of H Shares on 9 June 2015, 10 June 2015, 17 June 2015, 18 June 2015, 19 June 2015, 22 June 2015, 23 June 2015, 26 June 2015, 29 June 2015 and 30 June 2015. As at 31 December 2015, the aggregate number of repurchased H Shares reached 29,570,000.

The Company further repurchased H Shares on 13 January 2016. As at 31 December 2016, the aggregate number of repurchased H Shares reached 2,500,000.

Pursuant to the second Extraordinary General Meeting in 2016 of the Company held on 25 August 2016 and Approval for Non-public Issuance of A Shares of Zijin Mining Group Co., Ltd.* (Zheng Jian Xu Ke [2017] No. 289) issued by the CSRC on 9 May 2017, the Company non-publicly issued 1,490,475,241 ordinary A Shares (with par value of RMB0.1) at an issuance price of RMB3.11 per share on 23 May 2017. The Company's registered capital was then changed to RMB2,303,121,889.

Pursuant to the first Extraordinary General Meeting in 2019 of the Company held on 12 April 2019 and Approval for Public Issuance of A Shares of Zijin Mining Group Co., Ltd.* (Zheng Jian Xu Ke [2019] No. 1942) issued by the CSRC on 28 October 2019, the Company publicly issued 2,346,041,055 ordinary A Shares (with par value of RMB0.1) at an issuance price of RMB3.41 per share on 21 November 2019. The Company's registered capital was then changed to RMB2,537,725,995.

The Group's main business activities include: exploration of minerals; mining and processing of gold ores; gold refinery; mining and processing of copper ores; copper refinery; integration service on information and technology systems; consultation service on information and technology; sales of jewellery and ornaments, crafts and arts products, mineral products, machinery and equipment, chemical products (excluding dangerous chemical products and precursor chemicals products of poisons); hydropower generation; investment in the mining industry, hotel industry and construction industry; foreign trade; land transportation of general goods; land transportation of hazardous goods. Open pit mining of copper and gold ores, underground mining of copper; research and development of mining engineering technology, mining machinery and equipment specifically for use in metallurgy; manufacture of mining machinery and equipment specifically for use in metallurgy; tourist accommodations (only for branches). (Items which require approvals under the law shall be subject to the approval from the relevant departments before the commencement of business).

The largest shareholder of the Group is Minxi Xinghang, which is established in the PRC.

The financial statements were approved by the Company's board of directors on 20 March 2020. In compliance with the articles of association of the Company, the financial statements will be proposed for approval at the forthcoming shareholders' general meeting.

The scope of consolidation in the consolidated financial statements is determined on the basis of control. The changes in the current year are disclosed in Note VI.

Notes to Financial Statements *(continued)*

For the year ended 31 December 2019

RMB

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II. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements were prepared in accordance with the Basic Standards and the Specific Standards of the Accounting Standards for Business Enterprises (“ASBE”) issued by the Ministry of Finance (“MOF”), and Application Guidance for ASBE, interpretations and other relevant regulations issued and revised thereafter (hereafter referred to as “CAS”).

The financial statements have been prepared on a going concern basis.

Except for certain financial instruments, the financial statements have been prepared using historical cost as the principle of measurement. Held for sale disposal groups are presented at the lower of book value and net amount of the fair value less the selling expenses. Where assets are impaired, provisions for asset impairment are made in accordance with the relevant requirements.

As at 31 December 2019, the Group recorded current assets of RMB28,594,396,116 and current liabilities of RMB33,362,656,029. The balance of the current assets was less than that of the current liabilities. In view of this circumstance, the management of the Company has given consideration to the future liquidity of the Group and its available financial sources in assessing whether the Group will have sufficient financial resources to continue as a going concern, mainly including that the Group generates sufficient net cash flows from operating activities and has sufficient bank line of credit.

Therefore, the management of the Company believes that the Group has adequate working capital to continue operation and fulfill the due financial responsibility. The management of the Company therefore is of the opinion that it is appropriate to adopt the going concern basis in preparing the consolidated financial statements.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

The Group has made accounting policies and accounting estimates according to its own operation and production characteristics, which are mainly reflected in provisions for expected credit losses for financial assets, inventory costing methods, depreciation methods for fixed assets, amortisation methods for intangible assets, recognition and measurement of income and so on.

1. Statement of compliance with CAS

The financial statements have been prepared in accordance with CAS, and presented truthfully and completely the Company’s and the Group’s financial position as at 31 December 2019, and the Company’s and the Group’s financial performance and cash flows for the year then ended.

2. Accounting period

The Group has adopted the calendar year as its accounting year, i.e., from 1 January to 31 December.

3. Functional currency

The Company adopts Renminbi (“RMB”) as its functional currency and to prepare its financial statements. Except for specially noted instructions, the financial statements are denominated in RMB.

The subsidiaries, joint arrangements and associates of the Group determine their own functional currencies according to the primary economic environments in which they operate. The Group adopts RMB to prepare its financial statements.

Notes to Financial Statements *(continued)*

For the year ended 31 December 2019

RMB

(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

4. Business combination

Business combinations are classified into business combinations involving enterprises under common control and business combinations not involving enterprises under common control.

Business combinations involving enterprises under common control

A business combination involving enterprises under common control is a business combination in which all of the combining enterprises are ultimately controlled by the same party or parties both before and after the combination, and that control is not transitory. In a business combination involving enterprises under common control, the party which obtains control of other combining enterprise(s) on the combination date is the merging party, and the other combining enterprise(s) is (are) the merged party (parties). The combination date is the date on which the merging party actually obtains control of the merged party (parties).

Assets and liabilities (including goodwill arising from the acquisition of the merged party by the ultimate controlling party) obtained by the merging party shall be measured at their respective carrying amounts as recorded by the ultimate controlling party at the date of the combination. The difference between the carrying amount of the net assets obtained and the carrying amount of the consideration paid for the combination (or the aggregate face value of shares issued) is adjusted as share premium in capital reserve. If the share premium is not sufficient to absorb the difference, any excess shall be adjusted against retained earnings.

Business combinations not involving enterprises under common control

A business combination not involving enterprises under common control is a business combination in which all of the combining enterprises are not ultimately controlled by the same party or parties before and after the combination. In a business combination not involving enterprises under common control, the party which obtains control of other combining enterprise(s) on the combination date is the acquirer, and the other combining enterprise(s) is (are) the acquiree(s). The combination date is the date on which the acquirer actually obtains control of the acquiree(s).

The acquiree's identifiable assets, liabilities and contingent liabilities acquired by the acquirer in a business combination not involving enterprises under common control shall be measured at fair value at the acquisition date.

Where the fair value of combination consideration (or the fair value of issued equity securities) and the fair value of the equity interest held in the acquiree prior to the acquisition date exceed the acquirer's interest in the fair value of the acquiree's identifiable net assets, the difference is recognised as goodwill, which is subsequently measured at cost less accumulated impairment losses. Where the fair value of combination consideration (or the fair value of issued equity securities) and the fair value of the equity interest held in the acquiree prior to the acquisition date are less than the acquirer's interest in the fair value of the acquiree's identifiable net assets, the acquirer firstly reassesses the measurement of the fair values of the acquiree's identifiable assets, liabilities and contingent liabilities and measurement of the fair value of combination consideration (or the fair value of issued equity securities) and the fair value of the equity interest held in the acquiree prior to the acquisition date. If after that reassessment, the fair value of combination consideration (or the fair value of issued equity securities) and the fair value of the equity interest held in the acquiree prior to the acquisition date are still less than the acquirer's interest in the fair value of the acquiree's identifiable net assets, the acquirer recognises the remaining difference immediately in profit or loss for the current period.

If the business combination not involving enterprises under common control is achieved in stages, the long-term equity investment of the acquiree held prior to the acquisition date is remeasured at the fair value on the acquisition date and any difference between fair value and book value is recognised in profit or loss for the current period. For the other comprehensive income generated under the equity method from the long-term equity investment of the acquiree held prior to the acquisition date, the same accounting treatment of which the investee directly disposes of the related assets and liabilities should be used, and changes in owners' equity other than net profit or loss, other comprehensive income and profits distribution are recognised in profit or loss when the investments are disposed of. For other equity instrument investment of the acquiree held prior to the acquisition date, its accumulated changes in fair value in other comprehensive income before the acquisition date are transferred to retained earnings.

Notes to Financial Statements *(continued)*

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

5. Consolidation of financial statements

The scope of consolidation in the consolidated financial statements is determined on the basis of control. The consolidated financial statements include the financial statements of the Company and its subsidiaries. A subsidiary is an entity (including an entity, a separable part of an investee, and the structured entities controlled by the Company) which is under the control of the Company.

The accounting policies and accounting periods of the Company and its subsidiaries should be consistent in preparation of the consolidated financial statements. Where the accounting policies adopted by subsidiaries are probably inconsistent with those of the Company, appropriate adjustments are made to the subsidiaries' financial statements in accordance with the accounting policies of the Company. All assets, liabilities, equity, income, expenses and cash flows arising from intra-group transactions are eliminated on consolidation.

When the amount of loss for the period attributable to the non-controlling shareholders of a subsidiary exceeds the non-controlling shareholders' portion of the opening balance of owners' equity of the subsidiary, the excess amount is still allocated against non-controlling interests.

Where a subsidiary is acquired through a business combination not involving enterprises under common control, the operating results and cash flows of the acquiree shall be included in the consolidated financial statements of the Group from the acquisition date till the date that such control ceases. In the preparation of the consolidated financial statements, the financial statements of an acquired subsidiary shall be adjusted based on the fair value of the subsidiary's identifiable assets, liabilities or contingent liabilities determined at the acquisition date.

Where a subsidiary is acquired through a business combination involving enterprises under common control, the acquiree's operating results and cash flows shall be included in the consolidated financial statements as if the acquiree was under the control of the Group at the very beginning and the comparative amounts of the consolidated financial statements of the Group shall be restated accordingly.

If a change in any facts and circumstances gives rise to one or more changes in controlling factors, the Group will reassess whether it controls the investee or not.

Change in non-controlling interests that does not result in the loss of control over the subsidiary is accounted for as an equity transaction.

6. Classification of joint arrangement and joint operation

Joint arrangement has two types: joint operation and joint venture. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture.

The Group recognises in relation to its interest in a joint operation: its assets, including its share of any assets held jointly; its liabilities, including its share of any liabilities incurred jointly; its revenue from the sale of its share of the output arising from the joint operation; its share of the revenue from the sale of the output by the joint operation; and its expenses, including its share of any expenses incurred jointly.

7. Cash and cash equivalents

Cash comprises the Group's cash on hand and deposits that can be readily withdrawn on demand. Cash equivalents are the Group's short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Notes to Financial Statements *(continued)*

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

8. Foreign currency transactions and translation of financial statements denominated in foreign currencies

The Group's foreign currency transactions are recorded in the respective functional currencies on initial recognition.

A foreign currency transaction is recorded in the functional currency on initial recognition, by applying the prevailing exchange rate on the date of transaction or the average exchange rate through the transaction period. At the date of statement of financial position, foreign currency monetary items are translated into the functional currency using the spot exchange rates at the date of statement of financial position. Exchange differences arising from the differences between the spot exchange rates prevailing at the date of statement of financial position and those on initial recognition or at the previous date of statement of financial position, except that exchange differences related to a specific-purpose borrowing denominated in foreign currency that qualify for capitalisation are capitalised as part of the cost of the qualifying asset during the capitalisation period, are recognised in profit or loss for the period. Foreign currency non-monetary items measured at historical cost are re-translated at the spot exchange rate on the date of transaction but the functional currency is not changed. Foreign currency non-monetary items measured at fair value are re-translated at the spot exchange rate on the date the fair value is determined. Differences between the re-translated functional currency amount and the original functional currency amount are recognised in profit or loss or as other comprehensive income depending on the nature of the non-monetary items.

For the purpose of preparing the consolidated financial statements, financial statements of a foreign operation are translated from the foreign currency into RMB using the following method: assets and liabilities on the statement of financial position are translated at the spot exchange rate prevailing at the date of statement of financial position; shareholders' equity items except for retained earnings are translated at the spot exchange rates at the dates on which such items arose; income and expenses in the statement of profit or loss are translated at the spot exchange rates on the dates of the transactions or average exchange rates during the transaction period. The exchange differences arising from translation of financial statements denominated in foreign currencies are recognised as other comprehensive income. For disposals of equity interests in foreign operations, the proportionate share of the accumulated exchange differences arising from translation of financial statements in other comprehensive income of foreign operations is reclassified to profit or loss for the current period. For partial disposals, the reclassification is determined on proportion of disposal.

Cash flows arising from a transaction in foreign currency and the cash flows of a foreign subsidiary are translated at the average exchange rate of the transaction period of cash flows. The effect of exchange rate changes on cash and cash equivalents is regarded as a reconciling item and presented separately in the statement of cash flows.

9. Financial instruments

Financial instruments are the contracts that form the financial assets of one entity, and at the same time form the financial liabilities or equity instruments of other entities.

Recognition and derecognition of financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (or, where applicable, a part of a financial asset or a part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's account and consolidated statement of financial position) when:

- (1) the rights to receive cash flows from the financial asset have expired; or
- (2) the Group has transferred its rights to receive cash flows from the financial asset, or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) has transferred substantially all the risks and rewards of the financial asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the financial asset.

Notes to Financial Statements *(continued)*

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

9. Financial instruments *(continued)*

Recognition and derecognition of financial instruments *(continued)*

The Group derecognises a financial liability only when the underlying present obligation is settled, discharged or expires. An agreement to replace the original financial liability with a new financial liability with substantially different terms with the same creditor, or to modify the original financial liability's terms substantially, is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the new financial liability should be recognised in profit or loss for the current period.

All regular means of purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular means of purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace pursuant to the provisions of the terms of an agreement. Trade date is the date that the Group commits to purchase or sell the financial asset.

Classification and measurement of financial assets

At initial recognition, the classification of financial assets depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them: financial assets at fair value through profit or loss, financial assets at amortised cost and financial assets at fair value through other comprehensive income. All affected related financial assets will be reclassified only if the Group changes its business model for managing financial assets.

Financial assets are measured at fair value on initial recognition, but trade receivables or bills receivable arising from the sale of goods or rendering of services that do not contain significant financing components or for which the Group does not consider the effect of a significant financing component due within one year, are initially measured at the transaction price.

For financial assets at fair value through profit or loss, transaction costs are immediately recognised in profit or loss for the current period. For other financial assets, transaction costs are included in their initial recognised amounts.

Subsequent measurement of financial assets is determined by its classification:

Financial assets at amortised cost (debt instrument investments)

The Group measures financial assets at amortised cost if both of the following conditions are met: the financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income of this kind of financial assets is recognised using the effective interest method. Gains and losses are recognised in the statement of profit or loss when the asset is derecognised, modified or impaired.

Financial assets at fair value through other comprehensive income (debt instrument investments)

The Group measures financial assets at fair value through other comprehensive income if both of the following conditions are met: the financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income of such financial assets is recognised based on effective interest method. Changes in fair values are recognised in other comprehensive income except that interest income, impairment losses and exchange differences are recognised in current profit or loss. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is transferred to the profit or loss.

Notes to Financial Statements *(continued)*

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

9. Financial instruments *(continued)*

Classification and measurement of financial assets *(continued)*

Financial assets at fair value through other comprehensive income (equity instrument investments)

The Group irrevocably chooses to designate some instrument investments of non-trading nature as financial assets at fair value through other comprehensive income. Only relevant dividend income (excluding dividend income explicitly recovered as part of investment cost) is recognised in profit or loss, and subsequent changes in fair value are included in other comprehensive income without provision for impairment. When financial assets are derecognised, the accumulated gains or losses previously recognised in other comprehensive gains are transferred from other comprehensive income and recognised in retained earnings.

Financial assets at fair value through profit or loss

The financial assets other than the above financial assets measured at amortised cost and financial assets at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Such financial assets are subsequently measured at fair value with changes in fair value recognised in profit or loss, except for the financial assets accounted for under hedge accounting.

When an enterprise initially designates a financial asset as a financial asset at fair value through profit or loss, it cannot be reclassified to other financial assets; other financial assets cannot be re-designated after initial recognition as financial assets at fair value through profit or loss.

In accordance with the above conditions, the Group's designated financial assets mainly consist of equity instrument investments of non-trading nature which are irrevocably designated as financial assets at fair value through other comprehensive income.

Classification and measurement of financial liabilities

On initial recognition, financial liabilities of the Group are classified as financial liabilities at fair value through profit or loss, other financial liabilities and derivatives designated as effective hedging instruments. For financial liabilities at fair value through profit or loss, the relevant transaction costs are directly recognised in profit or loss for the current period, and the related transaction costs of other financial liabilities are recognised in their initial amount.

Subsequent measurement of financial liabilities is determined by its classification:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include held for trading financial liabilities (including derivative instruments attributable to financial liabilities) and financial liabilities designated upon initial recognition as at fair value through profit or loss. Held for trading financial liabilities (including derivative instruments attributable to financial liabilities) are subsequently measured at fair value. All changes in fair value of such financial liabilities are recognised in profit or loss, except for the derivatives designated as hedging instruments. Financial liabilities designated at fair value through profit or loss are subsequently measured at fair value and gains or losses are recognised in profit or loss, except for the gains or losses arising from the Group's own credit risk which are presented in other comprehensive income. If gains or losses arising from the Group's own credit risk which are presented in other comprehensive income will lead to or expand accounting mismatch in profit or loss, the Group will include all the changes in fair value (including the amount affected by changes in the Group's own credit risk) of such financial liabilities in profit or loss.

Notes to Financial Statements *(continued)*

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

9. Financial instruments *(continued)*

Classification and measurement of financial liabilities *(continued)*

Financial liabilities at fair value through profit or loss (continued)

Only if one of the following conditions is met can financial liabilities be designated as financial liabilities at fair value through profit or loss on initial recognition:

- (1) It can eliminate or significantly reduce accounting mismatch.
- (2) The formal written document of risk management or investment strategy has stated that the portfolio of financial instruments is managed, evaluated and reported to key managers on the basis of fair value.
- (3) A hybrid instrument that contains one or more embedded derivatives, unless the embedded derivatives have no significant change in the cash flow of the hybrid instrument, or the embedded derivatives should obviously not be separated from the related hybrid instruments.
- (4) Hybrid instruments containing embedded derivatives that need to be split but cannot be measured separately at the time of acquisition or on subsequent dates of statement of financial position.

When an enterprise designates a financial liability as a financial liability at fair value through profit or loss on initial recognition, it cannot be reclassified as other financial liabilities; nor can other financial liabilities be re-designated as financial liabilities at fair value through profit or loss after initial recognition.

In accordance with the above conditions, the Group's designated financial liabilities mainly consist of financial liabilities designated as financial liabilities at fair value through profit or loss and derivatives designated as effective hedging instruments.

Other financial liabilities

For such financial liabilities, subsequent measurement is made at amortised cost using effective interest method.

Impairment of financial assets

Based on expected credit losses, the Group undertakes impairment treatment and confirms loss provisions of financial assets at amortised cost, debt instrument investments at fair value through other comprehensive income, lease receivables and financial guarantee contracts.

For trade receivables and contract assets that do not contain significant financing components, the Group uses a simplified measurement approach to measure loss provisions in accordance with the amount of expected credit losses equivalent to the entire lifetime.

For lease receivables, trade receivables and contract assets with significant financing components, the Group chooses to use a simplified measurement approach to measure loss provisions in accordance with the amount of expected credit losses equivalent to the lifetime expected credit losses.

Notes to Financial Statements *(continued)*

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

9. Financial instruments *(continued)*

Impairment of financial assets *(continued)*

For financial assets and financial guarantee contracts other than those measured with simplified approach, the Group evaluates at each date of statement of financial position whether its credit risk has significantly increased since initial recognition. The period during which credit risk has not significantly increased since initial recognition is considered the first stage, at which the Group shall measure loss provision based on the amount of expected credit losses for the next 12 months and shall compute interest income according to the book value and effective interest rate; the period during which credit risk has significantly increased since initial recognition although no credit impairment has occurred is considered the second stage, at which the Group shall measure loss provision based on the amount of expected credit losses for the entire valid period and shall compute interest income according to the book value and effective interest rate; the period during which credit impairment has occurred after initial recognition is considered the third stage, at which the Group shall measure loss provision based on the amount of expected credit losses for the entire period and shall compute interest income according to the amortised cost and effective interest rate. For financial instruments with relatively low credit risk at the date of statement of financial position, the Group assumes its credit risk has not significantly increased since initial recognition.

The Group evaluates the expected credit losses of financial instruments on a single and combined basis. Taking into account the credit risk characteristics of different customers, the Group evaluates the expected credit losses of trade receivables based on the ageing portfolio.

Please refer to Note VIII.3 for the disclosure of the Group's criteria for judging the significant increase in credit risk, the definition of credit-impaired financial assets, and the assumption of measuring expected credit losses, etc.

When the Group no longer reasonably expects to be able to recover all or part of the contractual cash flows of the financial assets, the Group will write off the book value of the financial assets directly.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is recognised in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the financial assets and settle the financial liabilities simultaneously.

Financial guarantee contracts

A financial guarantee contract is a contract by which the guarantor and the lender agree that the guarantor would settle the debts or bear obligations in accordance with terms of the contract in case the borrower fails to settle the debts. Financial guarantee contracts are measured at fair value on initial recognition. Subsequent to initial recognition, financial guarantee contracts that are not designated as financial liabilities at fair value through profit and loss are measured at the higher of the expected credit loss amount recognised on the date of statement of financial position and the balance of the initial recognition amount after deducting the accumulated amortisation amount recognised according to the revenue recognition principle.

Derivatives

The Group uses derivative financial instruments, such as forward exchange contracts for mitigating foreign exchange rate fluctuation risk, forward commodity contracts for hedging price fluctuation risk, and interest rate swap contracts for mitigating interest rate risk, respectively. Derivatives are initially measured at fair value at the date when the derivative contracts are entered into and are subsequently measured at fair value. Derivatives are recognised as assets when the fair value is positive and as liabilities when the fair value is negative.

Except for those subject to hedge accounting, gains or losses arising from changes in the fair value of derivatives are directly recognised in profit or loss for the current period.

Notes to Financial Statements *(continued)*

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

9. Financial instruments *(continued)*

Transfer of financial assets

The Group derecognises a financial asset when it has transferred substantially all the risks and rewards of ownership of the financial asset to the transferee; the Group does not derecognise those financial assets when it retains substantially all the risks and rewards of the ownership.

If the Group neither transfers nor retains substantially all the risks and rewards of ownership of financial assets, the related accounting treatments of such financial assets are as follows: the Group derecognises financial assets when it retains no control on them, and associated assets and liabilities are recognised at the same time. If the Group retains control of the financial asset, it recognises the financial asset to the extent of its continuing involvement in the transferred financial asset and recognises an associated liability.

Continuing involvement that takes the form of a financial guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the financial guarantee. The amount of the financial guarantee is the maximum amount of consideration that the Group could be required to repay.

10. Inventories

The Group's inventories include raw materials, work in progress, finished goods and consumable materials.

Inventories are initially measured at cost. Cost of inventories comprises all costs of purchase, costs of processing and other expenditures. The actual cost of inventories upon delivery is calculated using the weighted average method. Consumable materials included low value consumption and packing materials, etc., which are recorded at cost in full upon delivery. Some spare parts and materials directly related to production are amortised periodically (for example, steel ball are amortised using the units-of-production method, and for some spare parts with a great value such as anode plates and lining boards, they are amortised over their actual useful lives).

The perpetual inventory system is maintained for the stock system.

At the date of statement of financial position, inventories are measured at the lower of cost and net realisable value. If the net realisable value is below the cost of inventories, a provision for decline in value of inventories is made and recorded in profit or loss for the current period. After the provision for decline in value of inventories is made, if the circumstances that previously caused inventories to be written down below cost no longer exist so that the net realisable value of inventories is higher than their cost, the original provision for decline in value is reversed and the reversal is included in profit or loss for the current period.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion, the estimated costs necessary to make the sale and relevant taxes. For raw materials, provision for decline in value is made based on the categories of inventories. For finished goods, provision for decline in value is made on an item-by-item basis.

11. Held for sale non-current assets or disposal groups

A non-current asset or disposal group is classified as held for sale when its carrying amount will be recovered principally through a sale transaction rather than through continuous use. The following conditions need to be simultaneously met to be classified as held for sale: according to the practice of selling such assets or disposal groups in similar transactions, they can be sold immediately under current conditions; the sale is highly likely, that is, the Company has already made a sale plan, a resolution is made and a certain purchase commitment is obtained. It is expected that the sale will be completed within one year (approval has been obtained where the relevant regulations require the relevant authorities of the enterprise or the supervisory authorities to approve the sale). If the control of the subsidiary is lost due to the sale of the subsidiary, etc., whether part of the equity investment is retained after the sale or not, and the conditions for holding for sale are satisfied, the investment in the subsidiary will be presented to held for sale in the individual financial statements and all assets and liabilities of the subsidiary are to be classified into held for sale in the consolidated financial statements.

Notes to Financial Statements *(continued)*

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

11. Held for sale non-current assets or disposal groups *(continued)*

For non-current assets or disposal groups held for sale (other than financial assets and deferred tax assets), if book value is higher than the fair value less the sale expenses, the book value is reduced to the fair value less costs to sell. The amount of the write-down is recognised as a loss, which is recognised in profit or loss for the current period, and the provision for impairment of held for sale assets is made. Held for sale non-current assets or non-current assets in disposal groups are not depreciated or amortised.

12. Long-term equity investments

Long-term equity investments include equity investments in subsidiaries, joint arrangements and associates.

A long-term equity investment is initially measured at its cost. For a long-term equity investment acquired through business combination involving enterprises under common control, the initial investment cost of the long-term equity investment is the attributable share of the carrying amount of the owners' equity of the acquiree in the ultimate controlling party's consolidated financial statements at the date of combination. The difference between initial investment cost and the carrying amount of the consideration is adjusted against capital reserve. If the capital reserve is not sufficient to absorb the difference, any excess shall be adjusted against retained earnings. For the other comprehensive income which is already held before the acquisition date, on the disposal the same accounting treatment of which the investee directly disposes of the related assets and liabilities should be used, changes in owners' equity of the investee other than net profit or loss, other comprehensive income and profits distribution are recognised in profit or loss for the current period when the investments are disposed of. Among which, those remain as long-term equity investments will be charged into the statement of profit or loss proportionately, those transferred as financial instruments will be fully charged to the statement of profit or loss. For a long-term equity investment acquired through business combination not involving enterprises under common control, the initial investment cost of a long-term equity investment is the cost of acquisition. For a long-term equity investment acquired through business combination not involving enterprises under common control and achieved in stages, the initial investment cost of the long-term equity investment is the aggregate of the carrying amount of the equity interest held in the acquiree prior to the acquisition date and the cost of the additional investment at the acquisition date. The investment cost is the aggregate of the fair values, at the acquisition date, of the assets given, liabilities incurred or assumed, and equity securities issued by the acquirer in exchange for control of the acquiree. For the other comprehensive income under the equity method which is already held before the acquisition date, on the disposal of the investment, the same accounting treatment of which the investee directly disposes of the related assets and liabilities should be used, changes in owners' equity of the investee other than net profit or loss, other comprehensive income and profits distribution are recognised in profit or loss when the investments are disposed of. Among which, those remain as long-term equity investments will be charged into the statement of profit or loss proportionately, those transferred as financial instruments will be fully charged to the statement of profit or loss. All accumulated fair value changes charged into other comprehensive income of equity investments held before acquisition date classified as financial instruments are transferred to retained earnings when cost method is adopted. The initial costs of the investments acquired other than business combination are recognised as follows: if acquired by cash, the investment is initially recognised at the actual consideration paid plus the expenses, taxes and other required expenditures directly attributable to the acquisition; if acquired through issuing equity securities, the investment is initially recognised at the fair value of issuing equity instruments.

The long-term equity investments over which the Company has control are accounted for using the cost method in the Company's separate financial statements. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Under the cost method, a long-term equity investment is measured at initial investment cost. If there are additional investments or disinvestments, the cost of the long-term equity investment shall be adjusted. Investment income is recognised in the period in accordance with the attributable share of cash dividends or profits distribution declared by the investee.

Notes to Financial Statements *(continued)*

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

12. Long-term equity investments *(continued)*

For long-term equity investments over which the Group has joint control or significant influence, the Group accounts for such long-term equity investments using the equity method. Joint control is the contractually agreed sharing of control over an arrangement, which exists only when the decision making about the relevant activities requires the unanimous consent of the parties sharing control. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

Under the equity method, where the initial investment cost of a long-term equity investment exceeds the Group's share of the fair value of the investee's identifiable net assets at the time of acquisition, no adjustment is made to the initial investment cost. Where the initial investment cost is less than the Group's share of the fair value of the investee's identifiable net assets at the time of acquisition, the difference is recognised in profit or loss for the period, and the cost of the long-term equity investment is adjusted accordingly.

Under the equity method, after a long-term equity investment is acquired, the Group recognises its share of the net profit or loss and other comprehensive income of the investee for the period as investment income or loss and other comprehensive income for the period, respectively, and adjusts the carrying amount of the long-term equity investment. The Group recognises its share of the investee's net profit or loss based on the fair value of the investee's identifiable assets and others at the acquisition date after making appropriate adjustments to conform with the Group's accounting policies and accounting period. Unrealised profits or losses resulting from the Group's transactions with its associates and joint ventures are recognised as investment income or loss to the extent that those attributable to the Group's equity interest are eliminated (except for those transactions relating to impairment loss of assets which shall be recognised fully). However, unrealised losses resulting from the Group's transactions with its associates and joint ventures which represent impairment losses on the transferred assets are not eliminated. The Group shall reduce the carrying amount of the long-term equity investments for shares of profits or cash dividends declared of the investee. However, the share of net loss is only recognised to the extent that the carrying value of the investment is reduced to zero, except to the extent that the Group has incurred obligations to assume additional losses. Changes in owners' equity of the investee other than net profit or loss, other comprehensive income and profits distribution are correspondingly adjusted to the carrying amount of the long-term equity investments, and recognised in the owners' equity.

On disposal of a long-term equity investment, the difference between the proceeds actually received and the carrying amount is recognised in profit or loss for the current period. For the other comprehensive income generated from a long-term equity investment under the equity method, if the equity method is not applied any more due to disposal, the same accounting treatment which the investee directly disposes of the related assets and liabilities should be used, and changes in owners' equity of the investee other than net profit or loss, other comprehensive income and profits distribution are recognised in profit or loss for the current period. If the equity method is still applied, the same accounting treatment for which the investee directly disposes of the related assets and liabilities should be used and recognised in profit or loss for the period in proportion, changes in owners' equity of the investee other than net profit or loss, other comprehensive income and profits distribution are recognised in profit or loss for the current period in proportion.

13. Investment properties

An investment property is a property held to earn rentals or for capital appreciation or both. It includes a land use right that is leased out, a land use right held for transfer upon capital appreciation or a leased-out building.

An investment property is measured initially at cost. Subsequent expenditures incurred for such investment properties are included in the cost of the investment properties when it is probable that economic benefits associated with an investment property will flow to the Group and the subsequent expenditures can be measured reliably. Other subsequent expenditures are recognised in profit or loss in the period in which they are incurred.

The Group uses the cost model for subsequent measurement of investment properties, and adopts a depreciation policy for the investment properties which is consistent with that for buildings.

Notes to Financial Statements *(continued)*

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

14. Fixed assets

A fixed asset is recognised only when it is probable that economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. Subsequent expenditures incurred for the fixed asset are included in the cost of the fixed asset if it is probable that economic benefits associated with the asset will flow to the Group and the subsequent expenditures can be measured reliably. At the same time, the carrying amount of the replaced part is derecognised. Other subsequent expenditures are recognised in profit or loss in the period in which they are incurred.

Fixed assets are initially measured at cost and the effect of any expected costs of abandoning the asset at the end of its use is considered. The cost of a fixed asset is the aggregate cost of purchase price, related taxes and any directly attributable expenditure for bringing the asset to its working condition for its intended use.

A mining asset (included in Note V.15 Fixed assets) is depreciated over its useful life using the straight-line method, or depreciated over its designated estimated production using the units-of-production method; an asset formed by work safety fund and production maintenance fund is depreciated one time. Other fixed assets are depreciated over their useful lives using the straight-line method, except the fixed assets of the joint operation, Barrick (Niugini) Limited ("BNL") are depreciated by using the units-of-production method. The depreciation period, estimated net residual value rate and annual depreciation rate of each category of fixed assets are as follows:

	Depreciation period	Estimated net residual value rate	Annual depreciation rate
Buildings	8-50 years	0%-5%	1.90%-12.50%
Mining assets	5-40 years	0%-5%	2.38%-20.00%
Power generation and transmission equipment	8-30 years	0%-5%	3.17%-12.50%
Plant, machinery and equipment	5-15 years	0%-5%	6.33%-20.00%
Motor vehicles	4-10 years	0%-5%	9.50%-25.00%
Furniture and fixtures and others	3-10 years	0%-5%	9.50%-33.33%
Land	Permanent	N/A	N/A

The Group reviews the useful life, estimated net residual value of a fixed asset and the depreciation method applied at least once at each financial year-end, and adjusts for any change when necessary.

15. Construction in progress

Construction in progress is measured at its actual cost. The actual cost includes various necessary construction expenditures during the construction period, borrowing costs capitalised before it is ready for intended use and other relevant costs.

Construction in progress is transferred to a fixed asset when it is ready for its intended use.

16. Borrowing costs

Borrowing costs refer to interest and other related costs incurred by the Group in connection with the borrowing of funds, include interest, amortisation of discounts or premiums, ancillary expenses and exchange differences arising from foreign currency borrowings, etc.

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised when expenditures for such assets fulfill the conditions of capitalisation, whereas other borrowing costs are recorded in profit or loss for the current period. Qualifying assets are assets (fixed assets, investment properties and inventories, etc.) that necessarily take a substantial period of time for acquisition, construction or production to get ready for their intended use or sale.

Notes to Financial Statements *(continued)*

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

16. Borrowing costs *(continued)*

The capitalisation of borrowing costs can commence only when all of the following conditions are satisfied:

- (1) Expenditures for the asset have been incurred;
- (2) Borrowing costs have been incurred; and
- (3) Activities relating to the acquisition, construction or production of the asset that are necessary to bring the asset for its intended use or sale have commenced.

Capitalisation of borrowing costs ceases when the qualifying asset being acquired, constructed or produced becomes ready for its intended use or sale. The actual amounts of any borrowing costs subsequently incurred shall be recognised in profit or loss in the period in which they are incurred.

During the capitalisation period, the amount of interest to be capitalised for each accounting period shall be determined as follows:

- (1) Where funds are borrowed under a specific-purpose borrowing, the amount of interest to be capitalised shall be the actual interest expense less any bank interest earned from depositing the borrowed funds or any investment income on the temporary investment of these funds;
- (2) Where funds are borrowed under general-purpose borrowings, the Group shall determine the amount of interest to be capitalised on such borrowings by applying a capitalisation rate to the weighted average of the excess amounts of cumulative expenditures on the asset over and above the amounts of specific-purpose borrowings.

Capitalisation of borrowing costs shall be suspended during periods in which the acquisition, construction or production of qualifying assets is interrupted abnormally for a continuous period of more than three months except when the assets have become ready for their intended use or sale. The borrowing costs incurred during these periods shall be recognised in profit or loss for the current period until the acquisition, construction or production is resumed.

17. Right-of-use assets (applicable from 1 January 2019)

Right-of-use assets of the Group mainly consist of buildings, power generation and transmission equipment, plant, machinery and equipment, motor vehicles, furniture and fixtures and others.

At the commencement date of the lease, the Group recognises the right to use the leased assets during the lease term as a right-of-use asset, including: the initial measurement amount of the lease liability; the amount of lease payment paid on or before the beginning of the lease term, the amount of lease incentive already enjoyed shall be deducted if there is a lease incentive; initial direct expenses incurred by the lessee; the costs that the lessee is expected to incur in order to dismantle and remove the leased asset, restore the leased asset to the site or restore the leased asset to the state agreed upon in the lease terms. The right-of-use assets are depreciated on a straight-line basis subsequently by the Group. If the Group is reasonably certain that the ownership of the underlying asset will be transferred to the Group at the end of the lease term, the Group depreciates the asset from the commencement date to the end of the useful life of the asset. Otherwise, the Group depreciates the assets from the commencement date to the earlier of the end of the useful life of the asset or the end of the lease term.

The Group remeasures the lease liability at the present value of the revised lease payments and adjusts the carrying amount of the right-of-use assets accordingly, when the carrying amount of the right-of-use asset is reduced to zero, and there is a further reduction in the measurement of the lease liability, the Group recognises the remaining amount of the remeasurement in profit or loss for the current period.

Notes to Financial Statements *(continued)*

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

18. Intangible assets

Intangible assets are recognised and measured on initial recognition at cost only if the related economic benefits will probably flow into the Group and their costs can be measured reliably. However, the intangible assets acquired through business combination not involving enterprises under common control should be measured at fair value separately as intangible assets when their fair values can be reliably measured.

The useful life of the intangible assets shall be assessed according to the estimated beneficial period expected to generate economic benefits for the Group. An intangible asset shall be regarded as having an indefinite useful life when there is no foreseeable limit to the period over which the asset is expected to generate economic benefits for the Group.

A mining right (included in Note V.18 Intangible assets) is amortised using the units-of-production method. An exploration right will not be amortised until it is transferred to mining right which is amortised using the units-of-production method. Other intangible assets are amortised over their useful lives using the straight-line method. The estimated useful lives of each category of intangible assets are as follows:

	Useful life
Land use rights	30-50 years
Membership of Shanghai Gold Exchange	10 years

Land use rights obtained by the Group are usually accounted for as intangible assets. As for the construction of plants, factories and other buildings of the Group, the related land use rights and other buildings were accounted for as intangible assets and fixed assets, respectively. Purchase costs of land use rights and buildings were allocated to intangible assets and fixed assets separately. Purchase costs were recognised as cost of fixed assets, only if the separation was impracticable.

Intangible assets with a finite useful life are amortised over their estimated useful lives using the straight-line method or other reasonable systematic methods. For an intangible asset with a finite useful life, the Group reviews the useful life and amortisation method at least once at each financial year-end, and makes adjustments when necessary.

Intangible assets with indefinite useful lives are tested for impairment annually, irrespective of whether there is any indication that the assets may be impaired. Intangible assets with indefinite useful lives may not be amortised. The Group reviews the service life of intangible assets with indefinite useful lives annually. Where there is evidence that the intangible assets have a finite service life, the intangible assets can be amortised according to the accounting standards for intangible assets with a finite useful life.

Exploration expenditure is recognised as other non-current assets at the net amount of cost less impairment. Exploration expenditure includes costs of geological prospecting for technical consultancy and costs of feasibility study for commercial development which incurred in the surroundings, outer ring and deep areas of the existing or externally acquired mineral properties, and costs of drilling, trench sampling and other associated activities. Such expenditures may be capitalised when the mineral properties are reasonably proved to be commercially available and recognised as intangible assets after obtaining mining rights or permits, which will be amortised under the units-of-production method. If any construction was abandoned in the development phase or belongs to the productive exploration, all costs shall be written off and recognised in profit or loss for the current period.

Notes to Financial Statements *(continued)*

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

19. Impairment of assets

Impairment of assets other than inventories, deferred tax assets, financial assets and held for sale assets is recognised based on the following methods:

The Group assesses at each date of statement of financial position whether there is any indication that the assets may be impaired. If there is any indication that such assets may be impaired, recoverable amounts are estimated for such assets and impairment tests are performed. Goodwill arising in a business combination and an intangible asset with an indefinite useful life shall be assessed for impairment at least at each year end, irrespective of whether there is any indication occurring. Impairment tests of intangible assets should be performed annually, even if they are not ready for use.

The recoverable amount of an asset is the higher of fair value less costs to sell and the present value of the future cash flows expected to be derived from the asset. The recoverable amount is estimated on an individual basis. If it is not practical to estimate the recoverable amount of an individual asset, the recoverable amount of the asset group to which the asset belongs will be estimated. Identification of an asset group shall be based on whether there are major cash inflows which are independent from other assets or asset groups.

If the recoverable amount of an asset or asset group is less than its carrying amount, the carrying amount shall be reduced to its recoverable amount. The reduction is recognised as an impairment loss and charged to profit or loss for the current period. A provision for impairment losses of the asset is recognised accordingly.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated on a reasonable basis to each of the Group's cash-generating units or to relevant groups of cash-generating units if it is difficult to do so. Each unit or group of units to which the goodwill is so allocated represents those which are expected to benefit from the synergies of the combination and is not larger than a reported segment of the Group.

In testing an asset group or a set of asset groups to which goodwill has been allocated for impairment, if there is evidence of impairment in relation to goodwill, the Group shall first test the asset group or the set of asset groups excluding the amount of goodwill allocated for impairment. It shall determine and compare the recoverable amount with the related carrying amount and recognise any impairment loss. After that, the Group shall test the asset group or set of asset groups including the goodwill for impairment. The carrying amount is compared to its recoverable amount. If the recoverable amount of the asset group or set of asset groups is lower than its carrying amount, an impairment loss on goodwill shall be recognised. Firstly, the impairment loss shall be allocated to reduce the carrying amount of any goodwill allocated to the asset group or set of asset groups. Then, the impairment loss shall be allocated to the other assets of the asset group or set of asset groups (excluding goodwill) on the basis of the proportion of the carrying amount of each asset in the asset group or set of asset groups.

Once an impairment loss of the above-mentioned asset is recognised, it shall not be reversed in any subsequent period.

20. Long-term deferred assets

Long-term deferred assets represent expenses already incurred that should be amortised over a period longer than one year. Long-term deferred assets mainly include land compensation cost and others. Land compensation costs are amortised evenly over the estimated beneficial useful lives of 5 to 50 years, whereas other long-term deferred assets are amortised over their estimated useful lives.

Notes to Financial Statements *(continued)*

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III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

21. Employee benefits

Employee benefits are all types of benefits except share-based payments given by the Group in exchange for the services rendered by employees and termination of employment. Employee benefits include short-term employee benefits, post-employment benefits, termination benefits and other long-term benefits that are provided to the employees, their spouses, children, dependents and late employees' family members and other beneficiaries.

Short-term employee benefits

During an accounting period when employees render service to the entity, the amount of short-term employee benefits actually incurred should be recognised as a liability and be recognised in profit or loss for the current period or in cost of related assets.

Post-employment benefits (defined contribution plans)

The employees in the Group participate in social insurance and unemployment insurance schemes administrated by the local governments, to which the Company and its subsidiaries in the PRC are required to contribute a certain percentage of the basic salaries of its employees as stipulated by rules and regulations in the PRC, and the related expenditures are recorded in cost of related assets or profit or loss in the period when they incurred.

Termination benefits

The Group recognises a liability for termination benefits and charges to profit or loss for the current period at the earlier of the following dates: when the Group can no longer withdraw from the termination plan or the redundancy offer; or when the Group recognises costs or expense for a restructuring plan which involves the payment of termination benefits.

22. Lease liabilities (applicable from 1 January 2019)

At the commencement date of the lease period, the Group recognises the present value of outstanding lease payments as a lease liability, excluding short-term leases and leases of low-value assets. The Group adopts the interest rate implicit in the lease as the discount rate to calculate the present value of the lease payments. Where the interest rate implicit in the lease cannot be determined, the incremental borrowing rate of the lessee shall be used as the discount rate. The Group calculates the interest expense of the lease liability during each period of the lease term in accordance with the constant periodic rate of interest and recognises it in profit and loss for the current period, except otherwise stipulated in the cost of related assets. The variable lease payment that is not included in the measurement of lease liabilities is recognised in the profit and loss for the current period when it actually occurs, except that it is otherwise stipulated to be included in the cost of relevant assets.

After a lease term commences, when there is a change in the amount of in-substance fixed lease payments, a change in the amounts expected to be payable under a residual value guarantee, a change in future lease payments resulting from a change in an index or a rate used to determine those payments, a change in assessment of an option to purchase the underlying asset, renew or terminate the lease, or change in the actual exercise of an option, the Group remeasures the carrying amount of the lease liability by discounting the revised lease payments.

23. Contingent liabilities

Except for contingent consideration and contingent liabilities arising from business combinations not involving enterprises under common control, contingent liabilities are recognised when the Group has an obligation related to a contingency, which meets all of the following conditions:

- (1) it is a present obligation related to a contingency;
- (2) it is probable that an outflow of economic benefits will be required to settle the obligation; and
- (3) the amount of the obligation can be measured reliably.

Notes to Financial Statements *(continued)*

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

23. Contingent liabilities *(continued)*

The amount initially recognised as a contingent liability is the best estimate of the consideration required to settle the present obligation, taking into account factors pertaining to a contingency such as the risks, uncertainties and time value of money. The carrying amount of a contingent liability is reviewed at the date of statement of financial position. Where there is objective evidence that the carrying amount does not reflect the best estimate of the contingency, the contingent liability would be adjusted according to the best estimated amount.

The contingent liabilities of the acquiree acquired in the business combination not involving enterprises under common control are measured at fair value at initial recognition. After initial recognition, contingent liabilities are subsequently measured at the higher of: the amount that would be recognised based on provisions and the balance of the amount initially recognised less the cumulative amortisation determined by the income recognition principle.

24. Other equity instruments

The Group has the right to extend for an unlimited number of times the renewable corporate bonds issued by the Group after maturity, and the Group has the right to defer payment for the interest at the nominal interest rate of the renewable corporate bonds. The Group has no contractual obligation to pay cash or other financial assets. Hence the renewable corporate bonds are classified as equity instruments.

25. Revenue from contracts with customers

The Group recognises revenue when it has fulfilled its obligations under the contract, i.e., when the customer acquires control of relevant goods or services. Acquiring control over the goods or services refers to the ability to dominate the use of the goods or the provision of services and to derive almost all the economic benefits therefrom.

Contracts for sale of goods

The contracts for the sale of goods between the Group and its customers usually only contain the performance obligations for the transfer of goods. The Group generally recognises revenue at the point of transfer of the control of goods on the basis of a combination of the following factors: the current right to collect the goods, the transfer of major risks and benefits in the ownership of the goods, the transfer of the legal ownership of the goods, the transfer of physical assets of the goods and that the customers have accepted the goods.

Contracts for rendering of services

A contract for the rendering of services between the Group and the customer usually includes performance obligations such as engineering construction management, engineering design consulting and so on. Because the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs, and the Group has an enforceable right to payment for performance completed to date, the revenue is recognised over time only if the Group can reasonably measure its progress towards the complete satisfaction of the performance obligation. The Group uses the output method and determines the progress towards the complete satisfaction of the rendering of services on the basis of performance completed to date. If the progress towards the complete satisfaction of the performance obligation cannot be reasonably measured, but the Group expects to recover the costs incurred in satisfying the performance obligation, the revenue is recognised only to the extent of the costs incurred until such time that the Group can reasonably measure the progress towards the complete satisfaction of the performance obligation.

Principal/agent

When the Group obtains control of trade goods from a third party and then transfers them to the customer, the Group is entitled to determine the transaction price of the trade goods on its own, the Group controls the trade goods before they are transferred to the customer. Thus, the Group is a principal and recognises revenue in the gross amount of consideration received or receivable. Otherwise, the Group is an agent and recognises revenue in the amount of any fee or commission to which it expects to be entitled from the customer. The amount is the net amount of the gross consideration received or receivable after paying the other party the consideration received in exchange for the goods to be provided by that party or determined by the agreed-upon amount or proportion of commissions, etc.

Notes to Financial Statements *(continued)*

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

26. Contract assets and contract liabilities

The Group presents contract assets or contract liabilities on the statement of financial position depending on the relationship between contractual performance obligations and customer payments. The Group offsets the contract assets and contract liabilities under the same contract and presents the net amount.

Contract assets

A contract asset is the right to consideration in exchange for goods or services that the Group has transferred to a customer, and that right is conditioned on something other than the passage of time.

Contract liabilities

The obligation to transfer products to customers in connection with customer consideration received or receivable is presented as contract liabilities, for example, amounts received prior to the transfer of the promised products.

27. Government grants

A government grant is recognised only when the Group can comply with the conditions attaching to the grant and the Group will receive the grant. If a government grant is in the form of a transfer of a monetary asset, it is measured at the amount received or receivable. If a government grant is in the form of a non-monetary asset, it is measured at fair value. If the fair value cannot be reliably determined, it is measured at a nominal amount.

Asset-related government grants are recognised when the government document designates that the government grants are used for acquiring, constructing or forming long-term assets. If the government document is inexplicit, the Company should make a judgement based on the basic conditions to obtain the government grants, and recognises them as asset-related government grants if the conditions are for acquiring, constructing or forming long-term assets. Otherwise, the government grants should be income-related.

The method applicable to the Group's government grants is the gross method.

Government grants related to income shall be accounted for accordingly as follows: those to be used as compensation for future expenses or losses shall be recognised as deferred income and recorded in profit or loss or offset against the related costs over the period when the related expenses or losses are recognised; those to be used as compensation for related expenses or losses already incurred shall be recognised directly in profit or loss or offset against the related costs.

Government grants related to assets shall be offset against the carrying value of the assets, or recognised as deferred income to be recognised in profit or loss on a reasonable and systematic basis over the useful lives of the assets (However, government grants measured at a nominal amount shall be recognised directly in profit or loss for the current period). If the assets are sold, transferred, scrapped or destroyed before the end of their useful lives, the balances of undistributed deferred income shall be reclassified to profit or loss over the period when the assets are disposed of.

28. Income tax

The income tax expenses include current income tax and deferred tax. Current and deferred tax expenses or income are recognised in profit or loss for the current period, except when they arise from transactions or events that are directly recognised in owners' equity, in which case they are recognised in owners' equity; and when they arise from business combinations, in which case they adjust the carrying amount of goodwill.

Current income tax liabilities (or assets) for the current and prior periods are measured at the amount expected to be paid (or recovered) according to the requirements of tax laws.

Notes to Financial Statements *(continued)*

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

28. Income tax *(continued)*

At the date of statement of financial position, for temporary differences between the carrying amounts of certain assets or liabilities and their tax base, or between the carrying amount of items that are not recognised as assets or liabilities and their tax base that can be determined according to tax laws, deferred tax assets and liabilities are recognised using the balance sheet liability method.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- (1) When the taxable temporary difference arises from: the initial recognition of goodwill or the initial recognition of an asset or liability in transactions that are not business combinations and affect neither the accounting profit, taxable profit or loss nor deductible losses at the time of the transaction.
- (2) In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not be reversed in the foreseeable future.

For deductible temporary differences, deductible losses and tax credits that can be carried forward, deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, deductible losses and tax credits can be utilised, except:

- (1) When the deductible temporary differences do not arise from business combinations and affect neither the accounting profit, taxable profit or loss nor deductible losses at the time of the transaction.
- (2) In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

At the date of statement of financial position, deferred tax assets and liabilities are measured at applicable tax rates according to the requirements of tax laws during the period that the assets are expected to be recovered or the liabilities are expected to be repaid. The recognition of deferred tax assets and liabilities also takes the recovery or the repayment terms at the date of statement of financial position into account.

At the date of statement of financial position, the carrying amount of deferred tax assets is reviewed and reduced if it is no longer probable that sufficient taxable profits will be available in the future to allow the benefit of deferred tax assets to be utilised. At the date of statement of financial position, the carrying amount of deferred tax assets is reviewed and recognised to the extent that it is probable that available taxable profits in the future will allow the benefit of deferred tax assets to be utilised.

29. Leases (applicable from 1 January 2019)

Identification of leases

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset or group of identified assets for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Group assesses whether, throughout the period of use, the customer has both the right to obtain substantially all of the economic benefits from use of the identified asset and the right to direct the use of the identified asset.

Notes to Financial Statements *(continued)*

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III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

29. Leases (applicable from 1 January 2019) *(continued)*

Identification of separate lease components

For a contract that contains multiple separate lease components, the Group separates the components of the contract and accounts for each separate lease component. The right to use an underlying asset is a separate lease component if both of the following conditions are satisfied:

- (1) the lessee can benefit from use of the underlying asset either on its own or together with other resources that are readily available to the lessee; and
- (2) the underlying asset is neither highly dependent on, nor highly interrelated with, the other underlying assets in the contract.

Separating lease components and non-lease components

For a contract that contains lease components and non-lease components, the Group, as a lessor or a lessee, does not separate the lease components and non-lease components and combined into leases for accounting.

Assessment of the lease term

The lease term is the non-cancellable period of a lease for which the Group has the right to use an underlying asset. If the Group has an option to extend the lease, that is, the Group has the right to extend the lease, and is reasonably certain to exercise that option, the lease term also includes periods covered by an option to extend the lease. If the Group has an option to terminate the lease, that is, the Group has the right to terminate the lease, but is reasonably certain not to exercise that option, the lease term includes periods covered by an option to terminate the lease. The Group reassesses whether it is reasonably certain to exercise an extension option, purchase option, or not to exercise a termination option, upon the occurrence of either a significant event or a significant change in the circumstances that is within the control of the Group and affects whether the Group is reasonably certain to exercise an option.

As lessee

The general accounting treatment of the Group as a lessee is shown in Note III.17 and Note III.22.

Lease modifications

Lease modification is a change in the scope of a lease, or the consideration or term for a lease, that was not part of the original terms and conditions of the lease, for example, adding or terminating the right to use one or more underlying assets, or extending or shortening the contractual lease term.

The Group accounts for a lease modification as a separate lease if both of the following conditions are satisfied:

- (1) the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- (2) the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, at the effective date of the lease modification the Group remeasures the lease liability by discounting the revised lease payments using a revised discount rate. The revised discount rate is determined as the interest rate implicit in the lease for the remainder of the lease term, or the lessee's incremental borrowing rate at the effective date of the modification, if the interest rate implicit in the lease cannot be readily determined.

Notes to Financial Statements *(continued)*

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III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

29. Leases (applicable from 1 January 2019) *(continued)*

As lessee *(continued)*

Lease modifications (continued)

For a lease modification that is not accounted for as a separate lease, the Group accounts for the remeasurement of the lease liability by:

- (1) decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease, and recognising the gain or loss relating to the partial or full termination of the lease in profit or loss for the current period; or
- (2) making a corresponding adjustment to the carrying amount of right-of-use asset for all other lease modifications.

Short-term leases and leases of low-value assets

The Group considers a lease that, at the commencement date of the lease, has a lease term of 12 months or less, and does not contain any purchase option as a short-term lease; and a lease for which the value of the individual underlying asset is not more than RMB40,000 when it is new as a lease of low-value assets. If the Group subleases an asset, or expects to sublease an asset, the head lease does not qualify as a lease of a low-value asset. The Group does not recognise the right-of-use assets and lease liabilities for short-term leases and leases of low-value assets of buildings, power generation and transmission equipment, machinery and equipment, motor vehicles, furniture and fixtures and others. The Group recognises lease payments on short-term leases and leases of low-value assets in the costs of the related asset or profit or loss for the current period on a straight-line basis (or units-of-production basis) over the lease term.

As lessor

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset, except that a lease is classified as an operating lease at the inception date.

As lessor under an operating lease

Rent income under an operating lease is recognised on a straight-line basis over the lease term, through profit or loss for the current period. Variable lease payments that are not included in the measurement of lease receivables are charged to profit or loss for the current period as incurred.

The Group accounts for a modification to an operating lease as a new lease from the effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease.

30. Leases (only applicable for year 2018)

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

As lessee under operating leases

Operating lease payments are recognised on the straight-line basis over the term of the relevant lease, and are either included in the cost of related asset or charged to profit or loss for the current period. Contingent rentals are charged to profit or loss in the period in which they are actually incurred.

As lessor under operating leases

Rental income from operating leases is recognised in profit or loss on the straight-line basis over the term of the relevant lease. Contingent rentals are credited to profit or loss in the period in which they are actually incurred.

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III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

30. Leases (only applicable for year 2018) *(continued)*

As lessee under finance leases

An asset held under finance leases is initially recognised at the lower between the leased assets' fair value and the present value of minimum lease payments on the lease commencement date. The amount of long-term payables will be recognised as minimum lease payments accordingly, and the differences between the leased assets' fair value and the present value of minimum lease payments will be recorded as unrecognised financing costs which will be amortised using the effective interest method over the term of the relevant lease. Contingent rentals will be recognised in profit or loss for the period when they are actually incurred.

31. Hedge accounting

In respect of the methods of hedge accounting, the Group's hedging is classified as fair value hedge, that is a hedge of the exposure to changes in fair value of a recognised asset or liability or an unrecognised firm commitment (other than foreign exchange risk).

At the inception of a hedge relationship, the Group officially designates the hedge relationship and prepares formal written documentation of the hedge relationship, risk management objectives and hedge strategies. The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess the hedging instrument's effectiveness. Hedge effectiveness is the extent to which the changes in fair value or cash flows of the hedging instruments offset changes in the fair value or cash flow of hedged items caused by the hedged risk. Such hedges are assessed on an ongoing basis to ensure that such hedges are effective during the accounting period with designated hedging relationships.

If the hedging instrument expires or is sold, terminated or exercised (but the rollover or replacement of part of a hedging instrument under the hedging strategy is not treated as an expiration or a contract termination), or due to a change in the risk management objective, the hedging relationship no longer meets the risk management objective, or when the hedging no longer meets other conditions of the hedge accounting method, the Group terminates the use of hedge accounting.

Where the hedging relationship no longer meets the hedging effectiveness requirements due to the hedging ratio, but the risk management objectives for the designated hedging relationship have not changed, the Group rebalances the hedging relationship.

The Group's methodology for assessing the effectiveness of hedging, risk management strategy and how to apply the strategy to manage risks are described in Note V.67.

Hedges which meet the criteria for hedge accounting are accounted for as follows:

Fair value hedge

The gains or losses arising from the hedging instrument are recognised in profit or loss for the current period. The gains or losses arising from the hedging instrument shall be recognised in other comprehensive income if it is a hedge against the investment of a non-trading equity instrument investment designated to be measured at fair value through other comprehensive income. The gain or loss of the hedged item arising from risk exposure is recognised in profit or loss for the current period. If the hedged item is a non-trading equity instrument investment designated to be measured at fair value through other comprehensive income, the gains and loss arising from risk exposure is recognised in other comprehensive income. The book value of the hedged item that is not measured at fair value is adjusted accordingly.

Notes to Financial Statements *(continued)*

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

31. Hedge accounting *(continued)*

Fair value hedge *(continued)*

For fair value hedge relating to financial instruments carried at amortised cost, the carrying value of the hedged items is adjusted and amortised to profit or loss over the remaining term of the hedge using the effective interest method. Amortisation using effective interest rate may begin upon the adjustment of the carrying amount but no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged. If the hedged item is a debt instrument measured at fair value through other comprehensive income, the accumulation of recognised hedged gains or losses shall be amortised in the same manner and recognised in profit or loss for the current period, while the book value of financial assets is not adjusted. If the hedged item is terminated, the unamortised fair value is recognised in profit or loss for the current period.

When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with the corresponding gain or loss recognised in profit or loss for the current period. The fair value changes of hedging instruments are also recognised in profit or loss for the current period.

32. Share repurchase

The considerations and transaction costs occurred in repurchasing own equity instruments are deducted from equity. Equity movements are recognised on the issue (including refinancing), repurchase, sale, or cancellation of the Group's own equity instruments.

33. Profits distribution

Cash dividends of the Company are recognised as a liability after they are approved by the shareholders in a shareholders' general meeting.

34. Work safety fund and production maintenance fund

The work safety fund and production maintenance fund accrued pursuant to regulations are recognised as cost of relevant products or profit or loss for the current period, and are stated as special reserve at the same time. For the utilisation of the fee to pay for safety relevant expenses, the special reserve shall be reversed directly. Capitalised expenditure shall be aggregated and recognised in fixed assets when the asset is ready for its intended use. The actual expenditure shall be offset with the balance of special reserve and full depreciation is provided for the asset at the same amount.

35. Fair value measurement

The Group measures its other debt investments, derivative financial instruments and equity investments at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the relevant asset or liability, or in the absence of a principal market, in the most advantageous market for the relevant asset or liability. The principal or the most advantageous market must be accessible by the Group as at the measurement date. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Unobservable inputs are adopted only when observable inputs are not available or impracticable to be obtained.

Notes to Financial Statements *(continued)*

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

35. Fair value measurement *(continued)*

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole: Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities which can be accessed at the measurement date; Level 2 – based on inputs other than those included within level 1 that are observable for the relevant asset or liability, either directly or indirectly; and Level 3 – based on unobservable inputs for the relevant asset and liability.

At each date of statement of financial position, for assets and liabilities measured at fair value that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation.

36. Significant accounting judgements and estimates

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts and disclosure of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of the reporting period. However, uncertainties about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements which have the most significant effects on the amounts recognised in the financial statements:

Corporate income tax

As a result of the fact that certain matters relating to the corporate income taxes have not been confirmed by the local tax bureau as at the end of the reporting period, objective estimates and judgements based on currently enacted tax laws, regulations and other related policies are required in determining the provision for corporate income tax expenses to be made for the reporting period. Where the final tax outcome of these matters is different from the amounts originally recorded, the differences will be accounted for in the income tax expenses in the period in which the differences are realised.

Joint arrangement – the investment in BNL by the Group

The Group has determined that BNL is jointly controlled by Gold Mountains (H.K.) International Mining Co., Ltd. ("Gold Mountains (H.K.)"), a wholly-owned subsidiary of the Company, and Barrick (PD) Australia Pty Limited, and each of the parties has rights to the assets and obligations for the liabilities of BNL, eligible to BNL's products and recognises expenses incurred in the proportion of 50% each. Therefore, the Group has defined its investment in BNL as an investment in a joint operation.

Joint arrangement – the investment in Kamo Holding Limited ("Kamo") by the Group

The Group has determined that Kamo is jointly controlled by Gold Mountains (H.K.), a wholly-owned subsidiary of the Company, and Ivanhoe Mines US LLC ("Ivanhoe US"), a subsidiary of Ivanhoe Mines Ltd. ("Ivanhoe"). Both parties have rights to the net assets of Kamo in the proportion of 49.5% each. As such, the Group has recognised its investment in Kamo as an investment in a joint venture.

Notes to Financial Statements *(continued)*

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

36. Significant accounting judgements and estimates *(continued)*

Judgements *(continued)*

No significant influence on an investee – Ivanhoe

In 2019, the Group's interest in Ivanhoe increased from 9.8% to 13.83%. Meanwhile, a director of the Group was nominated as a director in Ivanhoe's board of directors, which was approved by the annual and special meeting of shareholders of Ivanhoe on 28 June 2019. The Group considered that the board of directors of Ivanhoe consists of 11 directors, the Group's voting right is less than 10%. Meanwhile, according to the agreement entered into between the Group and Ivanhoe, before 6 December 2026, the Group's interest in Ivanhoe shall not exceed 13.88% without Ivanhoe's written approval. Therefore, the Group considered that it does not have a significant influence on Ivanhoe.

Business model

The classification of financial assets at initial recognition is dependent on the Group's business model for managing the assets. Factors considered by the Group in judging the business model include enterprise evaluation, the method of reporting the results of financial assets to key management members, risks affecting the results of financial assets and the method for managing such risks, as well as the form of remuneration received by the management personnel of the businesses concerned. In assessing whether the business model is aimed at receiving contractual cash flows, the Group is required to analyse and exercise judgement in respect of the reasons, timing, frequency and values of any disposals prior to maturity.

Characteristics of contractual cash flows

The classification of financial assets at initial recognition is dependent on the characteristics of the contractual cash flows of such type of financial assets. Judgement is required to determine whether the contractual cash flows represent solely payments of principal and interest on the principal amount outstanding, including judgement of whether it is significantly different from the benchmark cash flows when assessing modifications to the time value of currencies.

Principal/agent

When the Group obtains control of trade goods from a third party and then transfers them to the customer, the Group is entitled to determine the transaction price of the trade goods on its own, the Group controls the trade goods before they are transferred to the customer. Thus, the Group is a principal and recognises revenue in the gross amount of consideration received or receivable. Otherwise, the Group is an agent and recognises revenue in the amount of any fee or commission to which it expects to be entitled from the customer. The amount is the net amount of the gross consideration received or receivable after paying the other party the consideration received in exchange for the goods to be provided by that party or determined by the agreed-upon amount or proportion of commissions, etc.

Equity acquisition that does not constitute a "business" – Acquisition of the Lower Zone of the Timok Copper and Gold Mine

In 2019, the Group's subsidiary, Zijin (Europe) International Mining Co., Ltd. ("Zijin Europe"), acquired 72% of Class B Shares of CuAu International Holding (BVI) Ltd. held by Freeport-McMoRan Exploration Corporation ("FMEC") to obtain interest in the Lower Zone of the Timok Copper and Gold Mine (the "Lower Zone") and interests in the relevant exploration licences. The Group considered that as the Lower Zone is still in the exploration stage, the fair value of its total assets is almost equal to that of mining rights, which can pass the concentration test. Therefore, the Group determined that the acquisition of the Lower Zone should be defined as an equity acquisition that does not constitute a business.

Equity acquisition that does not constitute a "business" – Acquisition of La Carrière Du Lualaba Société par Actions Simplifiée ("CARRILU")

CARRILU is located in Kolwezi, the Democratic Republic of the Congo and owns four limestone mining rights. The Group considered that CARRILU is still in the preliminary stage of infrastructure construction and there is a lack of input, process and ability to create output. Therefore, the Group determined that the acquisition of CARRILU should be defined as an equity acquisition that does not constitute a business.

Notes to Financial Statements *(continued)*

For the year ended 31 December 2019

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

36. Significant accounting judgements and estimates *(continued)*

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that may cause material adjustment to the carrying amounts of assets and liabilities are discussed below.

Inventory provision determined on net realisable value

Inventory provision is made for those inventories with cost higher than the net realisable value based on the Company's accounting policies for inventories and the measurement of the lower of cost and net realisable value. At least at every financial year end, the Company reviews if the costs of the inventories are lower than the net realisable amount.

Impairment of financial instruments

The Group has adopted the expected credit loss model to evaluate the impairment of financial instruments. The application of the expected credit loss model requires significant judgements and estimates and the consideration of all reasonable and soundly based information, including forward-looking information. In making such judgements and estimates, the Group estimates the projected movements of the debtor's credit risk according to past repayment records, economic policies, macro-economic indicators and industry risks, etc. Different estimates may affect the impairment provision, and the amount of impairment provision may not equal to the actual amount of impairment loss in the future.

Impairment of non-current assets other than financial assets (excluding goodwill)

The Group assesses whether there are any indicators of impairment for non-current assets other than financial assets at the end of the reporting period. Intangible assets with indefinite useful lives are tested for impairment annually and at other times when such an indicator exists. Other non-current assets other than financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or asset group exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its present value of future cash flows. The calculation of the fair value less costs to sell is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or asset group and choose a suitable discount rate in order to calculate the present value of those cash flows. Please refer to Notes V.15, 16 and 18.

Impairment of goodwill

Goodwill is tested for impairment at least at the end of each year. For the purpose of impairment testing, the present value of future cash flows, which are generated from asset groups or sets of asset groups considered together with allocated goodwill, is estimated. The Group estimates the present value of future cash flows from asset groups or sets of asset groups by forecasting the related cash flows and selecting a suitable discount rate. Please refer to Note V.19.

Fair value of non-listed equity investments

Non-listed equity investments are valued as expected future cash flows based on the current discount rate of other financial instruments with similar contractual terms and risk characteristics. This requires the Group to estimate future cash flows, credit risks, fluctuations and discount rates and is therefore uncertain.

Useful lives of property, plant and equipment

Management determines the estimated useful lives of the Group's property, plant and equipment. This estimation is based on the actual useful lives of property, plant and equipment with similar nature and functions and the historical experience. Management will increase the depreciation charge where useful lives are less than previously estimated lives and will write off or write down technically obsolete or non-strategic fixed assets.

Notes to Financial Statements *(continued)*

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

36. Significant accounting judgements and estimates *(continued)*

Estimation uncertainty *(continued)*

Exploration expenditures

Determination of the capitalisation amount of exploration expenditures requires estimation of future cash flows of the related assets, choosing a suitable discount rate and estimation of beneficial useful lives.

Proved mineral reserves

Proved mineral reserves are estimated based on professional knowledge, experience and industry practice. Generally, the mineral reserve volume estimated based on probing and estimation may not be very accurate. The estimation is updated in accordance with new technologies and new information. Any changes in estimation will have impacts on amounts of mining assets' depreciation and mining rights' amortisation using the units-of-production method, and on the stripping ratio which was used in the capitalisation of stripping costs. This may result in changes of or impacts on the Group's development and operation plan, and hence the Group's operation and operating results.

Deferred tax assets

To the extent that it is probable that there are sufficient taxable profits to offset the deductible losses, deferred tax assets shall be recognised for all unused deductible losses. Substantial management's judgements regarding the timing, amount of future taxable profit as well as tax planning strategies are needed when estimating the amount of deferred tax assets.

Estimated compensation

The Group is involved in a number of litigations. The estimated compensation is based on management's understanding of the litigation and the opinions of legal counsels or legal representatives. These estimations are likely to be updated according to the progress of litigation. This may affect the Group's operation and operating results.

Provision for environmental rehabilitation and restoration of mines

Pursuant to the regulations of the governmental authorities in the countries where the mines are located, the Group recognises provision for environmental rehabilitation and restoration of mines. The amount of provision is an estimate based upon the life of mining tenements, timing of mine closure and cost of such rehabilitation, and depends on an overall judgement of management. When this estimate changes, it may affect the Group's operations and performance.

Lessee's incremental borrowing rate

If the interest rate implicit in the lease cannot be readily determined, the Group measures the lease liability at the present value of the lease payments discounted using the lessee's incremental borrowing rate. According to the economic environment, the Group takes the observable interest rate as the reference basis for determining the incremental borrowing rate, then adjusts the observable interest rate based on its own circumstances, underlying assets, lease terms and amounts of lease liabilities to determine the applicable incremental borrowing rate.

Notes to Financial Statements *(continued)*

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

36. Significant accounting judgements and estimates *(continued)*

Changes in accounting policies

The New ASBE on Leases

In 2018, the Ministry of Finance of the PRC issued the revised "Accounting Standard for Business Enterprises 21 – Leases" (the "New ASBE on Leases"). The New ASBE on Leases adopts a single model similar to the current accounting treatment of finance leases, requiring lessees to recognise right-of-use assets, lease liabilities and relevant depreciation charge and interest expenses for all leases except short-term leases and leases of low-value assets. The Group carried out accounting treatments pursuant to the New ASBE on Leases since 1 January 2019. Pursuant to the transitional provisions, the comparative figures were not restated. The amounts of difference between the New ASBE on Leases and the current standard on leases on the date of initial application were adjusted to the opening balance of retained earnings of the year 2019:

- (1) For the finance leases existing before the date of initial application, the Group measured the right-of-use assets and lease liabilities separately according to the original carrying values of the assets under finance leases and the obligations under finance leases;
- (2) For the operating leases existing before the date of initial application, the Group measured the lease liabilities at the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application, and measured the right-of-use assets at an amount equal to the lease liabilities, adjusted by the amounts of any prepaid lease payments relating to those leases; and
- (3) The Group carried out impairment test on the right-of-use assets and carried out the corresponding accounting treatments according to Note III.19.

The Group adopted a simplified approach to measure the operating leases of which the underlying assets of the leases were classified as low-value assets or having a lease term ends within 12 months of the date of initial application. For these leases, no right-of-use assets or lease liabilities were recognised. In addition, the Group adopted the following simplified approach for operating leases existing before the date of initial application:

- (1) In the measurement of lease liabilities, a single discount rate was applied to a portfolio of leases with reasonably similar characteristics; in the measurement of right-of-use assets, initial direct costs were excluded;
- (2) For leases with extension options or termination options, the Group determined the lease terms according to the actual exercise and other most updated information;
- (3) As an alternative to performing an impairment review, the Group assessed if contractual arrangements containing leases were onerous contracts before the date of initial application according to Note III.19, and adjusted the right-of-use assets by the amount of any provision recognised in the statement of financial position immediately before the date of initial application; and
- (4) For lease modifications before the date of initial application, the Group carried out accounting treatments according to the final arrangements of the leases.

Notes to Financial Statements *(continued)*

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*36. Significant accounting judgements and estimates *(continued)***Changes in accounting policies** *(continued)**The New ASBE on Leases* *(continued)*

For the amount of minimum lease payments of significant operating leases disclosed in the 2018 financial statements, the Group adjusted the difference based on carrying amount discounted using the incremental borrowing rate as a lessee and the amount of lease liabilities recognised in the statement of financial position as at 1 January 2019 is as follow:

Minimum lease payments for significant operating leases as at 31 December 2018	387,884,441
Less: Amount of lease payments subject to simplified approach	10,463,266
<i>Including: Short-term leases</i>	<i>9,897,970</i>
<i>Leases having a remaining lease term of 12 months or less</i>	<i>565,296</i>
<i>Leases of low-value assets having a remaining lease term longer than 12 months</i>	—
Add: Additional amount of minimum lease payments of which it is reasonably certain to exercise options to extend the leases but is not recognised as at 31 December 2018	62,626,229
	440,047,404
Weighted average incremental borrowing rate	8.80%
Present value of operating lease payments as at 1 January 2019	327,177,510
Add: Finance lease liabilities as at 31 December 2018	3,060,201
Lease liabilities as at 1 January 2019	330,237,711

Impacts of adoption of the New ASBE on Leases on the statements of financial position as at 1 January 2019 are as follows:

The Group's consolidated statement of financial position

	Figures in the financial statements	Assumed the original standard was applied	Impact
Right-of-use assets	338,968,505	—	338,968,505
Fixed assets	34,135,734,060	34,144,464,854	(8,730,794)
Lease liabilities	278,048,772	—	278,048,772
Current portion of non-current liabilities	9,759,277,961	9,707,089,022	52,188,939
	24,437,375,832	24,437,375,832	—

The Company's statement of financial position

	Figures in the financial statements	Assumed the original standard was applied	Impact
Right-of-use assets	1,204,617	—	1,204,617
Lease liabilities	1,204,617	—	1,204,617
	—	—	—

Notes to Financial Statements *(continued)*

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

36. Significant accounting judgements and estimates *(continued)*

Changes in accounting policies *(continued)*

The New ASBE on Leases (continued)

Impacts of adoption of the New ASBE on Leases on the financial statements for the year ended 31 December 2019 are as follows:

The Group's consolidated statement of financial position

	Figures in the financial statements	Assumed the original standard was applied	Impact
Right-of-use assets	354,772,381	—	354,772,381
Lease liabilities	282,347,122	—	282,347,122
Current portion of non-current liabilities	5,768,840,060	5,677,024,507	91,815,553
	(5,696,414,801)	(5,677,024,507)	(19,390,294)

The Group's consolidated statement of profit or loss

	Figures in the financial statements	Assumed the original standard was applied	Impact
Administrative expenses	3,689,326,869	3,689,982,751	(655,882)
Selling expenses	574,433,782	575,253,059	(819,277)
Operating costs	120,582,627,749	120,600,645,450	(18,017,701)
Financial expenses	1,466,849,459	1,433,426,297	33,423,162
	126,313,237,859	126,299,307,557	13,930,302

The Company's statement of financial position

	Figures in the financial statements	Assumed the original standard was applied	Impact
Right-of-use assets	5,403,083	—	5,403,083
Lease liabilities	4,246,294	—	4,246,294
Current portion of non-current liabilities	5,472,546,130	5,471,260,931	1,285,199
	(5,471,389,341)	(5,471,260,931)	(128,410)

Notes to Financial Statements *(continued)*

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*36. Significant accounting judgements and estimates *(continued)***Changes in accounting policies** *(continued)**The New ASBE on Leases* *(continued)*

The Company's statement of profit or loss

	Figures in the financial statements	Assumed the original standard was applied	Impact
Administrative expenses	624,416,397	624,567,341	(150,944)
Financial expenses	152,907,767	152,628,413	279,354
	777,324,164	777,195,754	128,410

In addition, since the date of initial application, the cash used to settle the principals and interest of lease liabilities of the Group is recognised as cash flows used in financing activities in the statements of cash flows, while the payment relating to short-term leases and leases of low-value assets under the simplified approach and contingent rental not recognised as lease liabilities are still recognised as cash flows used in operating activities.

Changes in the reporting format of financial statements

In accordance with the "Notice on the Revision and Publication of the 2019 General Corporate Financial Reporting Format" (Cai Kuai [2019] No. 6) and "Notice on the Revision and Publication of Consolidated Financial Statements Format (2019 Version)" (Cai Kuai [2019] No. 16), in the statements of financial position, "interest receivables" in "other receivables" only include interest generated from the relevant financial instruments due but not yet received (interest generated from financial assets accrued based on the effective interest method was included in the carrying amount of the relevant financial instruments), "interest payables" in "other payables" only include interest incurred by the relevant financial instruments due but not yet settled (interest incurred by financial liabilities accrued based on the effective interest method was included in the carrying amount of the relevant financial instruments). Pursuant to the transitional provisions of the new standards of financial instruments, no retrospective adjustment was made for the comparative figures. This change in accounting policy has had no impact on the amounts of net profit and owners' equity in the consolidated and company financial statements.

In the statements of financial position, "bills receivable and trade receivables" is separated into "bills receivable" and "trade receivables", "bills payable and trade payables" is separated into "bills payable" and "trade payables", the bills at fair value through other comprehensive income originally in "bills receivable" are separately disclosed as "receivables financing". The Group correspondingly restated the comparative figures. Changes in this accounting policy had no impact on the Group's and the Company's net profit or owners' equity.

Notes to Financial Statements *(continued)*

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)*

36. Significant accounting judgements and estimates *(continued)*

Changes in accounting policies *(continued)*

Changes in the reporting format of financial statements *(continued)*

The main impact of the retrospective adjustments resulting from the above changes in accounting policy in the financial statements is as follows:

The Group

2019

	Before change in accounting policy 31 December 2018	Changing in accounting policy Impact of changes in the reporting format of financial statements	After change in accounting policy 1 January 2019
Bills receivable and trade receivables	1,009,871,109	(1,009,871,109)	—
Trade receivables	—	1,009,871,109	1,009,871,109
Receivables financing	—	1,243,090,520	1,243,090,520
Other current assets	2,504,018,792	(1,243,090,520)	1,260,928,272
Bills payable and trade payables	4,700,981,856	(4,700,981,856)	—
Bills payable	—	160,733,506	160,733,506
Trade payables	—	4,540,248,350	4,540,248,350

The Company

2019

	Before change in accounting policy 31 December 2018	Changing in accounting policy Impact of changes in the reporting format of financial statements	After change in accounting policy 1 January 2019
Bills receivable and trade receivables	944,410,158	(944,410,158)	—
Trade receivables	—	944,410,158	944,410,158
Receivables financing	—	230,232,703	230,232,703
Other current assets	294,869,619	(230,232,703)	64,636,916
Bills payable and trade payables	643,993,331	(643,993,331)	—
Trade payables	—	643,993,331	643,993,331

Notes to Financial Statements *(continued)*

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

IV. TAX

1. Major taxes and tax rates

Value-added tax ("VAT") For the Company and the Company's subsidiaries incorporated and operating in the PRC: Sales of final gold products and carrying-gold minerals are exempted from VAT. The output VAT rate for mining and processing of ferrous metals such as iron concentrates and non-ferrous metals such as copper concentrates, zinc concentrates, and the sales and processing of copper cathodes, zinc bullion, silver bullion and materials was 16% before 1 April 2019 and is 13% since 1 April 2019. The taxpayer is required to remit the VAT it collects to the tax authority, but may deduct the VAT it has paid on eligible purchases. The output VAT rate for transportation service income was 10% before 1 April 2019 and is 9% since 1 April 2019, and that for trademark royalty income and technical service income is 6%. The taxpayer is required to remit the VAT it collects to the tax authority, but may deduct the VAT it has paid on eligible purchases.

For the Company's subsidiaries incorporated and operating abroad: The output VAT rate of 10%-20% is applicable to subsidiaries in different countries and regions according to local VAT or goods services tax ("GST") law.

Urban construction and maintenance tax Levied on actual payment of turnover tax at rates ranging from 1% to 7%.

Resource tax For the Company and the Company's subsidiaries incorporated and operating in the PRC: Since 1 July 2016, taxes on mineral resources have been calculated with the price-based method instead of the quantity-based method. The basis for taxation has been adjusted from original ore quantity to the sales amount of original ore concentrates (or processed products from original ore), primary products or gold bullion. The tax rates are 1% to 4% for gold resources; 2% to 7% for copper resources; 1% to 6% for iron resources; and 2% to 6% for zinc-lead resources.

For the Company's subsidiaries incorporated and operating abroad: In accordance with the relevant provisions of local resource tax, utilisation fee of mine or mining tax of mineral resources, subsidiaries in different countries and regions abroad apply different tax rates. The tax rates are 2.5% to 6% for precious metals such as gold and silver resources and 2.5% to 7% for other bulk metals such as copper and zinc resources.

Corporate income tax	Countries or regions where the subsidiaries and joint operation are situated	Tax rate
	Mainland China	25%
	Hong Kong	16.5%
	Australia, the Democratic Republic of the Congo and Papua New Guinea	30%
	The Republic of Serbia	15%
	The Republic of Tajikistan	13%
	The Russian Federation	0%
	Eritrea	38%
	The Kyrgyz Republic (Note 1)	—

Note 1 : For the Company's subsidiaries incorporated in the Kyrgyz Republic, according to the local tax laws, a zero corporate income tax rate is adopted for taxpayer specialising in mining activities and selling gold ore, gold concentrates, alloy gold and refined gold. Meanwhile, income tax is imposed on the revenue ranging at the rate from 1% to 20% depending on the range of gold price.

Some subsidiaries of the Company enjoy preferential tax treatment. Please refer to Note IV.2 for details of major subsidiaries of the Company which enjoy preferential tax treatment.

Value-added tax on land Pursuant to Regulations on Value-added Tax on Land of the People's Republic of China (Tentative), value-added tax on land is levied based on the added value obtained from transfer of real estates and the stipulated tax rates, at the rate of the 4th-level super progressive tax rate (30%-60%).

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IV. TAX *(continued)*

2. Tax incentives

Pursuant to the Notice of the Ministry of Finance, the State Administration of Taxation and the General Administration of Customs on the Issues of Preferential Taxation Policies for Further Implementing the Western Development Strategy (Cai Shui [2011] No. 58), from 1 January 2011 to 31 December 2020, the enterprises in the western region, which are principally engaged in encouraged industries as indicated in the Catalogue of Encouraged Industries of Western Region and the Catalogue of Industrial Structure Adjustment Guidance (2011 version) (Revised) (The National Development and Reform Commission Order [2013] No. 21) and which generate over 70% of their operating income from the encouraged industries could apply for a tax incentive. After getting the approval of the tax bureau in charge, those enterprises could enjoy a reduced corporate income tax ("CIT") rate of 15%.

According to the Notice Concerning Issuance and Amendment of "Handling Methods of Preferential Corporate Income Tax Policies" issued by the State Administration of Taxation (State Administration of Taxation Announcement 2018 No. 23), the handling methods of "self-determination, reporting the entitlement and retaining the relevant information for inspection" shall be adopted by the enterprises enjoying the tax concessions.

In 2019, the following subsidiaries met the conditions for enjoying tax concessions and were entitled to a reduced CIT rate of 15%:

- (1) Xinjiang Habahe Ashele Copper Co., Ltd. ("Ashele Copper") met the conditions of preferential taxation policies for the Western Development and was entitled to a tax concession at a preferential CIT rate of 15% in 2019.
- (2) Xinjiang Zijin Zinc Co., Ltd. ("Zijin Zinc") met the conditions of preferential taxation policies for the Western Development and was entitled to a tax concession at a preferential CIT rate of 15% in 2019.
- (3) Xinjiang Jinbao Mining Co., Ltd. ("Xinjiang Jinbao") met the conditions of preferential taxation policies for the Western Development and was entitled to a tax concession at a preferential CIT rate of 15% in 2019.
- (4) Hunchun Zijin Mining Co., Ltd. ("Hunchun Zijin") met the conditions of preferential taxation policies for the Western Development and was entitled to a tax concession at a preferential CIT rate of 15% in 2019.
- (5) Urad Rear Banner Zijin Mining Co., Ltd. ("Urad Rear Banner Zijin") met the conditions of preferential taxation policies for the Western Development and was entitled to a tax concession at a preferential CIT rate of 15% in 2019.

Pursuant to the Notice Concerning Revision and Issuance of Administration Policy for Determination of High and New Technology Enterprise (Guo Ke Fa Huo [2016] No. 32) issued by the Ministry of Science and Technology, the Ministry of Finance and the State Administration of Taxation and the Notice Concerning Revision and Issuance of Administration Guideline on Determination of High and New Technology Enterprise (Guo Ke Fa Huo [2016] No. 195) issued by the Ministry of Science and Technology, the Ministry of Finance and the State Administration of Taxation, the Company obtained the certificate of High and New Technology Enterprise jointly issued by authorities including the Science and Technology Department of Fujian Province, Finance Department of Fujian Province, State Tax Bureau of Fujian Province, Local Tax Bureau of Fujian Province, etc. on 23 October 2017 (reference number: GR201735000251). The validity period of the certificate is from 23 October 2017 to 23 October 2020. Zijin Mining Group Co., Ltd.* was entitled to enjoy the preferential CIT policies for high and new technology enterprises and entitled to a tax concession of the CIT rate of 15% in 2019.

According to the Departmental Interpretation and Practice Notes No. 52 issued by the Inland Revenue Department of the Hong Kong Special Administrative Region, Zijin International Capital Co., Ltd. meets the conditions for being identified as a qualified corporate treasury center, and the income tax is reduced by 50%, i.e., corporate income tax is levied at 8.25% in 2019.

The Company's subsidiaries incorporated in the Russian Federation meet the prescribed requirements of local tax laws, and the applicable income tax rate for 2018 and 2019 is 0%.

Notes to Financial Statements *(continued)*

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Cash and cash equivalents

	2019	2018
Cash	4,993,926	3,467,899
Bank deposits	5,858,208,293	9,814,256,960
Other monetary funds (Note 1)	361,942,581	272,165,949
	6,225,144,800	10,089,890,808

Note 1: As at 31 December 2019, the balance of other monetary funds of the Group in Renminbi mainly included:

land restoration and environmental rehabilitation costs of RMB120,857,247 (31 December 2018: RMB101,359,612), pursuant to the rules of the local government, the Group provided a deposit for mine restoration and improvement of ecological environment in mines and deposited the fund in a specified bank account. The fund was restricted to the use for land restoration and environmental rehabilitation after mine closure; other guarantee deposits of RMB18,696,103 (31 December 2018: RMB52,693,045), which were restricted to use; no time deposits with maturity for more than three months but less than one year (31 December 2018: RMB3,000,000), and a deposit in the Shanghai Gold Exchange of RMB222,389,231 (31 December 2018: RMB115,113,292).

As at 31 December 2019, cash and cash equivalents in the equivalent amount of RMB2,128,060,365 (31 December 2018: RMB5,778,285,534) were deposited outside Mainland China. Bank deposits of RMB9,716,486 (31 December 2018: RMB9,736,619) were frozen due to litigation reason.

Current deposits earn interest at the rate based on current deposit interest rates. Maturities of short-term time deposits range from 7 days to 12 months depending on the fund arrangement of the Group. Time deposits earn interest at the relevant rates with different maturities.

2. Held for trading financial assets

	2019	2018
Financial assets at fair value through profit or loss		
Investments in debt instruments (Note 1)	1,764,856	8,767,740
Investments in equity instruments (Note 2)	394,728,960	357,294,790
Derivative financial assets (Note 3)	59,055,417	107,539,834
Others (Note 4)	232,402,292	313,531,996
	687,951,525	787,134,360

Note 1: The Group's investments in bonds.

Note 2: The Group's investments in stocks aimed at making short-term profits.

Note 3: Derivative financial assets are as follows:

	2019	2018
(1) Derivative financial assets without designated hedging relationship	29,178,947	79,720,776
<i>Including: Forward contracts</i>	21,073,375	31,087,405
<i>Futures contracts</i>	8,105,572	48,633,371
(2) Hedging instruments – Forward contracts	29,876,470	27,819,058
	59,055,417	107,539,834

Note 4: The Group's investments in funds and other investments aimed at making short-term profits.

Notes to Financial Statements (continued)

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

3. Trade receivables

Trade receivables are interest-free with a credit period of one to six months in general.

An ageing analysis of the trade receivables is as follows:

	2019	2018
Within 1 year	920,113,326	971,470,996
Over 1 year but within 2 years	9,114,974	28,163,819
Over 2 years but within 3 years	20,743,565	18,359,531
Over 3 years	13,018,550	3,863,260
	962,990,415	1,021,857,606
Less: Bad debt provision for trade receivables	18,874,685	11,986,497
	944,115,730	1,009,871,109

* The ageing of trade receivables is calculated based on the issue date of the sales invoice.

The movements of bad debt provision for trade receivables are as follows:

	At 1 January	Impact of changes in accounting policies	Additions	Reversal	Write-off	At 31 December
2019	11,986,497	—	8,813,200	(389,998)	(1,535,014)	18,874,685
2018	11,196,522	9,495,496	2,455,700	—	(11,161,221)	11,986,497

	2019			
	Carrying amount		Bad debt provision	
	Amount	Proportion (%)	Amount	Proportion (%)
For which bad debt provision has been made individually	11,234,457	1.17	11,234,457	100.00
Provision for bad debts based on credit risk characteristics	951,755,958	98.83	7,640,228	0.80
	962,990,415	100.00	18,874,685	1.96

	2018			
	Carrying amount		Bad debt provision	
	Amount	Proportion (%)	Amount	Proportion (%)
For which bad debt provision has been made individually	4,650,678	0.46	3,983,886	85.66
Provision for bad debts based on credit risk characteristics	1,017,206,928	99.54	8,002,611	0.79
	1,021,857,606	100.00	11,986,497	1.17

Notes to Financial Statements *(continued)*

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)***V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** *(continued)***3. Trade receivables** *(continued)*

The Group's trade receivables with bad debt provision using the ageing analysis method are as follows:

	2019		
	Carrying amount with estimated default	Expected credit loss rate (%)	Entire lifetime expected credit losses
Within 1 year	920,012,775	0.30	2,760,038
Over 1 year but within 2 years	9,114,974	6.00	546,899
Over 2 years but within 3 years	16,367,816	15.00	2,455,173
Over 3 years	6,260,393	30.00	1,878,118
	951,755,958		7,640,228

	2018		
	Carrying amount with estimated default	Expected credit loss rate (%)	Entire lifetime expected credit losses
Within 1 year	971,384,134	0.30	2,914,152
Over 1 year but within 2 years	25,016,888	6.00	1,501,013
Over 2 years but within 3 years	17,695,503	15.00	2,654,325
Over 3 years	3,110,403	30.00	933,121
	1,017,206,928		8,002,611

In 2019, the provision for bad debts was RMB8,813,200 (2018: RMB2,455,700), and a provision of RMB389,998 was recovered or reversed (2018: Nil).

In 2019, trade receivables written off amounted to RMB1,535,014 (2018: RMB11,161,221).

The five entities with the largest balances of trade receivables at 31 December 2019 are as follows:

Name of entity	Relationship	Amount	Proportion of trade receivables (%)	Ageing	Closing balance of bad debt provision
The Perth Mint Australia	Third party	127,236,702	13.21	Within 1 year	381,710
Intercontinental Resources HK Co., Ltd.	Third party	78,815,252	8.18	Within 1 year	236,446
Trafigura Pte Ltd.	Third party	67,879,142	7.05	Within 1 year	203,637
Kazzinc Ltd. ("Kazzinc")	Third party	41,368,589	4.30	Within 1 year	124,106
Hanzhong Zinc Industry Co., Ltd.	Third party	35,390,000	3.68	Within 1 year	106,170
		350,689,685	36.42		1,052,069

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

3. Trade receivables *(continued)*

The five entities with the largest balances of trade receivables at 31 December 2018 are as follows:

Name of entity	Relationship	Amount	Proportion of trade receivables (%)	Ageing	Closing balance of bad debt provision
The Perth Mint Australia	Third party	89,930,782	8.80	Within 1 year	269,792
Kazzinc	Third party	86,182,790	8.43	Within 1 year	258,548
Golden Wealth International Trading Limited	Third party	62,641,775	6.13	Within 1 year	187,925
Freepoint Metals & Concentrate	Third party	55,573,232	5.44	Within 1 year	166,720
Chelyabinsk Zinc Plant	Third party	55,166,980	5.40	Within 1 year	165,501
		349,495,559	34.20		1,048,486

4. Receivables financing

	2019	2018
Bills receivable (Note 1)	1,318,505,074	1,243,090,520

Note 1: The Group reclassified bills receivable as financial assets at fair value through other comprehensive income, presented as receivables financing. Details are as follows:

	2019	2018
Bank acceptance bills	1,048,460,012	971,636,786
Commercial acceptance bills	276,795,969	277,115,790
Less: Bad debt provision for receivables financing	1,325,255,981 6,750,907	1,248,752,576 5,662,056
	1,318,505,074	1,243,090,520

The movements of bad debt provision for receivables financing are as follows:

	At 1 January	Additions	Reversal	Write-off	At 31 December
2019	5,662,056	1,088,851	—	—	6,750,907
2018	—	5,662,056	—	—	5,662,056

Notes to Financial Statements *(continued)*

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*4. Receivables financing *(continued)*

Bills receivable which have been pledged are as follows:

	2019	2018
Bank acceptance bills	—	1,972,833

Bills receivable endorsed or discounted by the Group which were not yet due at the end of the reporting period are as follows:

	2019		2018	
	Derecognised	Not derecognised	Derecognised	Not derecognised
Bank acceptance bills	529,155,989	224,098,696	393,200,171	137,193,063
Commercial acceptance bills	—	14,300,000	—	13,840,000
	529,155,989	238,398,696	393,200,171	151,033,063

As at 31 December 2019, RMB250,000 (31 December 2018: RMB4,036,113) of the Group's bills receivable were converted to trade receivables due to the drawer's inability to settle the bills on maturity.

5. Prepayments

An ageing analysis of the prepayments is as follows:

	2019		2018	
	Carrying amount	Proportion (%)	Carrying amount	Proportion (%)
Within 1 year	1,100,071,436	82.96	1,276,215,825	89.65
Over 1 year but within 2 years	111,472,507	8.41	104,815,990	7.36
Over 2 years but within 3 years	75,574,664	5.70	23,455,856	1.65
Over 3 years	38,842,021	2.93	19,047,379	1.34
	1,325,960,628	100	1,423,535,050	100
Less: Bad debt provision for prepayments	2,712,458		4,372,525	
	1,323,248,170		1,419,162,525	

As at 31 December 2019, there were no prepayments with significant balances aged over one year (31 December 2018: Nil).

As at 31 December 2019, the breakdown of bad debt provision for prepayments is as follows:

The movements of bad debt provision for prepayments are as follows:

	At 1 January	Additions	Reversal	Write-back/ Write-off	Classified as held for sale	At 31 December
2019	4,372,525	2,471,035	—	(4,131,102)	—	2,712,458
2018	7,752,470	1,076,140	—	(3,645,702)	(810,383)	4,372,525

Notes to Financial Statements *(continued)*

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

5. Prepayments *(continued)*

The five entities with the largest balances of prepayments at 31 December 2019 are as follows:

Name of entity	Relationship	Amount	Proportion of prepayments (%)
Trafigura Pte Ltd.	Third party	100,832,506	7.60
Wancheng Commercial Dongshengmiao Co., Ltd. ("Wancheng Commercial")	Associate	40,877,128	3.08
Chifeng Fubang Copper Co., Ltd.	Third party	23,533,528	1.77
MCC Non-Ferrous Trading Inc.	Third party	21,187,190	1.60
Yunnan Gold Mining Group Import & Export Co., Ltd.	Third party	19,420,000	1.46
		205,850,352	15.51

The five entities with the largest balances of prepayments at 31 December 2018 are as follows:

Name of entity	Relationship	Amount	Proportion of prepayments (%)
Zisen (Xiamen) Supply Chain Management Co., Ltd. ("Zisen Supply Chain")	Associate	150,817,902	10.59
Chifeng Fubang Copper Co., Ltd.	Third party	42,747,400	3.00
China National Gold Group Inner Mongolia Mining Co., Ltd.	Third party	34,740,792	2.44
PRC Longyan Customs (Note 1)	Third party	29,648,533	2.08
PRC Xingang Customs (Note 1)	Third party	27,531,899	1.93
		285,486,526	20.04

Note 1: Prepaid customs duty deposit.

6. Other receivables

	2019	2018
Interest receivables	18,840,754	23,376,850
Other receivables	881,006,657	1,392,135,712
	899,847,411	1,415,512,562

An ageing analysis of the other receivables is as follows:

	2019	2018
Within 1 year	531,939,182	834,777,898
Over 1 year but within 2 years	154,120,504	336,302,172
Over 2 years but within 3 years	161,779,711	190,576,920
Over 3 years	149,910,362	93,585,303
	997,749,759	1,455,242,293
Less: Bad debt provision for other receivables	116,743,102	63,106,581
	881,006,657	1,392,135,712

Notes to Financial Statements *(continued)*

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*6. Other receivables *(continued)*

The changes in bad debt provision for other receivables based on 12-month expected credit losses and the entire lifetime expected credit losses are as follows:

2019

	Stage 1 12-month expected credit losses	Stage 2 Entire lifetime expected credit losses	Stage 3 Financial assets with credit impairment occurred (entire lifetime)	Total
Balance at 1 January 2019	1,498,073	—	61,608,508	63,106,581
Balance at 1 January 2019 during the year				
– Transferred to Stage 2	—	—	—	—
– Transferred to Stage 3	—	—	—	—
– Reversed to Stage 2	—	—	—	—
– Reversed to Stage 1	—	—	—	—
Provisions during the year	—	—	69,157,337	69,157,337
Reversal during the year	(395,302)	—	(15,125,514)	(15,520,816)
Write-back during the year	—	—	—	—
Write-off during the year	—	—	—	—
Other changes	—	—	—	—
	1,102,771	—	115,640,331	116,743,102

2018

	Stage 1 12-month expected credit losses	Stage 2 Entire lifetime expected credit losses	Stage 3 Financial assets with credit impairment occurred (entire lifetime)	Total
Balance at 1 January 2018	—	—	185,331,805	185,331,805
Balance at 1 January 2018 during the year				
– Transferred to Stage 2	—	—	—	—
– Transferred to Stage 3	—	—	—	—
– Reversed to Stage 2	—	—	—	—
– Reversed to Stage 1	—	—	—	—
Provisions during the year	1,498,073	—	59,148,234	60,646,307
Reversal during the year	—	—	(141,557,407)	(141,557,407)
Write-back during the year	—	—	—	—
Write-off during the year	—	—	(31,841,089)	(31,841,089)
Other changes				
– Classified as held for sale	—	—	(9,473,035)	(9,473,035)
	1,498,073	—	61,608,508	63,106,581

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

6. Other receivables *(continued)*

In 2019, the provision for bad debt was RMB69,157,337 (2018: RMB60,646,307), and a provision of RMB15,520,816 was recovered or reversed (2018: RMB141,557,407). In 2019, other receivables written off amounted to Nil (2018: RMB31,841,089).

The category of other receivables by nature is as follows:

	2019	2018
Advanced material costs	72,949,858	81,100,461
Due from non-controlling shareholders	58,144,916	57,988,324
Staff advances and reserve funds	41,940,984	39,282,541
Due from third parties	119,403,280	293,698,641
Receivables from associates and joint ventures	104,543,556	87,182,932
Guarantees and deposits	158,917,691	161,702,883
Receivables from disposal of assets	116,352,163	269,392,246
Deferred expenses	153,477,072	152,293,971
Receivables from settlement of futures	12,803,960	17,223,394
Receivables from insurance claim	4,387,393	129,178,317
Others	154,828,886	166,198,583
	997,749,759	1,455,242,293
Less: Bad debt provision for other receivables	116,743,102	63,106,581
	881,006,657	1,392,135,712

The five entities with the largest balances of other receivables at 31 December 2019 are as follows:

	Closing balance of other receivables	Proportion of other receivables (%)	Nature	Ageing	Closing balance of bad debt provision
VAT refund receivables from Serbian Tax Administration (Note 1)	75,346,187	7.55	VAT refund receivables	Within 1 year	—
Wuping Tianan Urban Construction and Investment Development Co., Ltd. ("Wuping Tianan") (Note 2)	54,193,200	5.43	Due from third parties	Over 3 years	(54,193,200)
Fujian Makeng Mining Co., Ltd. ("Makeng Mining") (Note 3)	50,069,781	5.02	Receivables from associates	Within 1 year	—
Eritrean National Mining Corporation ("ENAMCO") (Note 4)	49,356,615	4.95	Receivables from disposal of equity interest	Within 1 year	—
Xinjiang Hongze Mining Co., Ltd. ("Xinjiang Hongze Mining") (Note 5)	45,000,000	4.51	Receivables from disposal of assets	Over 3 years	(45,000,000)
	273,965,783	27.46			(99,193,200)

Notes to Financial Statements *(continued)*

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)***V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** *(continued)***6. Other receivables** *(continued)*

The five entities with the largest balances of other receivables at 31 December 2018 are as follows:

	Closing balance of other receivables	Proportion of other receivables (%)	Nature	Ageing	Closing balance of bad debt provision
Aurum Insurance Company Inc. (Note 6)	129,178,317	8.88	Receivables from insurance claim	Within 1 year	—
Xinjiang Xingguang Chemical Industry Co., Ltd. ("Xingguang Chemical Industry") (Note 7)	105,500,000	7.25	Receivables from disposal of assets	Over 1 year but within 2 years	—
Computershare Limited (Note 8)	96,508,684	6.63	Receivables from disposal of assets	Within 1 year	—
Xinjiang Jinneng Mining Co., Ltd. ("Xinjiang Jinneng") (Note 9)	55,428,114	3.81	Due from third parties	Over 3 years	—
Makeng Mining (Note 3)	50,073,104	3.44	Receivables from associates	Within 1 year	—
	436,688,219	30.01			—

Note 1: In 2019, Serbia Zijin Bor Copper doo Bor ("Zijin Bor"), a subsidiary of the Group, purchased numerous equipment and copper concentrates due to technological upgrade and production needs. As at 31 December 2019, the amount of VAT refund receivables from the Serbian Tax Administration was RMB75,346,187.

Note 2: The Group's subsidiaries, Zijin Mining Group South Investment Co., Ltd. ("South Investment"), Wuping Zijin Mining Co., Ltd. ("Wuping Zijin") and Shanghang Jinshan Mining Co., Ltd. ("Jinshan Mining") had provided loans to the Wuping Tianan for reconstruction, relocation and land development project of the old town of Wuping County. As at 31 December 2019, the total amount of principal and interest due from Wuping Tianan was RMB54,193,200. The Group considered that it was difficult to recover the receivables and provided bad debt for the whole amount of the receivables in 2019.

Note 3: In September 2019, Zijin Mining Group Finance Co., Ltd. ("Finance Company"), a subsidiary of the Group, provided loans amounting to RMB50,000,000 to Makeng Mining, an associate of the Group. As at 31 December 2019, the total principal and interest of the borrowing amounted to RMB50,069,781, which would be due in September 2020. The previous loan amounting to RMB50,073,104 due from Makeng Mining had been settled this year.

Note 4: On 30 April 2019, Nevsun Resources (Eritrea) Ltd. ("Nevsun Resources (Eritrea)"), a subsidiary of the Group, entered into an equity transfer agreement with ENAMCO, another shareholder of Bisha Mining Share Company ("Bisha"). Nevsun Resources (Eritrea) transferred its 5% equity interest in Bisha to ENAMCO for a consideration of USD10,000,000 which would be repaid by 50% of the dividends of Bisha to ENAMCO in the future years until the amount is fully settled. As at 31 December 2019, the balance of receivables from disposal of the equity interest was USD7,075,000, equivalent to RMB49,356,615.

Note 5: Wuqia County Huaxin Mining Co., Ltd., an entity merged by Zijin Zinc (formerly "Wuqia Jinwang"), had transferred Huaxin ore processing plant to Xinjiang Hongze Mining in December 2012. As at 31 December 2019, the outstanding balance of receivables from Xinjiang Hongze Mining was RMB45,000,000. The Group considered that it was difficult to recover the receivables and provided bad debt for the whole amount of the receivables in 2018.

Note 6: In 2018, affected by the earthquake in Papua New Guinea's Southern Highlands Province, BNL, a joint operation of the Company, suspended part of its mining activities, and claimed insurance compensation from Aurum Insurance Company Inc. for losses caused during the suspension. As at 31 December 2018, according to the Group's proportion of joint control in BNL, the amount of insurance claims receivable was equivalent to RMB129,178,317. The amount was recovered in 2019.

Note 7: In 2017, the Group transferred a 100% equity interest in Xinjiang Jinneng, formerly a wholly-owned subsidiary, to Xingguang Chemical Industry for a consideration of RMB315,000,000. As at 31 December 2018, the Group had received the first instalment of the consideration of RMB159,500,000 and the second instalment of the consideration of RMB50,000,000. The remaining RMB105,500,000 was recovered in 2019.

Note 8: Zijin Global Fund (International), a subsidiary of the Group, originally held 3,197,191 issued common shares of Nevsun Resources Ltd. ("Nevsun Resources") in 2018. Meanwhile, a subsidiary of the Group acquired an 89.37% equity interest of Nevsun Resources through all cash takeover. The amount of the offer was paid to the original shareholders of Nevsun Resources through Computershare Limited. As at 31 December 2018, Zijin Global Fund (International) had not yet received the consideration for the disposal of the equity interest originally held amounting to RMB96,508,684. In 2019, the amount was recovered.

Note 9: The Group's loans to Xinjiang Jinneng in 2012 and 2016 were RMB55,428,114 and RMB45,014,481, respectively, totalling RMB100,442,595. Due to the Group's disposal of Xinjiang Jinneng in 2017, the loans were reclassified as other receivables due from third parties. The remaining balance of RMB55,428,114 was recovered in 2019.

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

7. Inventories

	2019			2018		
	Carrying amount	Inventory provision	Net book value	Carrying amount	Inventory provision	Net book value
Raw materials	6,308,023,064	(25,972,918)	6,282,050,146	5,727,609,085	(12,191,343)	5,715,417,742
Work in progress	7,255,112,369	(52,238,740)	7,202,873,629	5,844,793,946	(32,203,111)	5,812,590,835
Finished goods	1,422,362,812	(26,725,257)	1,395,637,555	1,163,677,848	(25,479,025)	1,138,198,823
Reusable materials	5,992,828	—	5,992,828	3,467,463	—	3,467,463
	14,991,491,073	(104,936,915)	14,886,554,158	12,739,548,342	(69,873,479)	12,669,674,863

The movements of inventory provision are as follows:

2019

	At 1 January	Additions	Reductions		At 31 December
			Reversal	Write-back	
Raw materials	12,191,343	22,619,534	(8,837,959)	—	25,972,918
Work in progress	32,203,111	43,449,256	(23,413,627)	—	52,238,740
Finished goods	25,479,025	25,385,206	(14,138,050)	(10,000,924)	26,725,257
	69,873,479	91,453,996	(46,389,636)	(10,000,924)	104,936,915

2018

	At 1 January	Additions	Reductions		At 31 December
			Reversal	Write-back	
Raw materials	83,672,404	23,207,508	(94,676,940)	(11,629)	12,191,343
Work in progress	25,289,064	8,365,257	(1,451,210)	—	32,203,111
Finished goods	21,879,806	62,767,829	(6,255,506)	(52,913,104)	25,479,025
	130,841,274	94,340,594	(102,383,656)	(52,924,733)	69,873,479

2019 and 2018	Determination basis of net realisable value	Basis of making provision for inventories	Reasons for reversal of inventory provision
Raw materials	Market price of raw materials/ market price of relevant finished goods	Defectiveness and obsolescence/ decrease in market price of relevant finished goods	Increase in market price of relevant finished goods
Work in progress	Market price of relevant finished goods	Decrease in market price of relevant finished goods	Increase in market price of relevant finished goods
Finished goods	Market price/contract price	Decrease in market price	Increase in market price

As at 31 December 2019, the Group had no inventories with restricted ownership (31 December 2018: Nil).

In 2019, the Group had no newly added capitalised interest expenses on inventories (2018: Nil).

As at 31 December 2019, the Group had no capitalised interest expenses in the closing balance of inventories (31 December 2018: Nil).

Notes to Financial Statements *(continued)*

For the year ended 31 December 2019

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

8. Held for sale assets/liabilities

As at 31 December 2019, there were no held for sale assets/liabilities.

As at 31 December 2018, details of held for sale assets/liabilities were set out below:

In view of the fact that the mine of Hebei Chongli Zijin Mining Co., Ltd. ("Chongli Zijin") has entered the final stage of its production period, the volume of gold resources in the gold mine is insufficient, the Company convened a board of directors' meeting on 29 December 2017, and decided to dispose of the entire 60% of the equity interest in Chongli Zijin. On 24 December 2018, the Company entered into a formal equity transfer agreement with Aikeruite (Beijing) Investment Co., Ltd. ("Aikeruite"). The consideration for the disposal was RMB180 million. According to the agreement, Aikeruite shall complete the registration of the equity change within the 2-month effective period of the agreement. As at 31 December 2018, the transfer of equity had not been completed yet. Assets and liabilities of Chongli Zijin held by the Company were therefore presented as held for sale assets and liabilities. According to the consideration of the equity transfer, the fair value of the 100% equity interest of Chongli Zijin after deduction of the costs to sell was higher than the book value.

The book values of Chongli Zijin's assets and liabilities are as follows:

	2018
Cash and cash equivalents	8,713,028
Other receivables	19,271,706
Prepayments	1,915,556
Inventories	47,251,526
Fixed assets	35,556,074
Construction materials	355,650
Intangible assets	24,244,245
Long-term deferred assets	38,724,778
Deferred tax assets	25,292,977
Other non-current assets	44,863,683
Total held for sale assets	246,189,223
Trade payables	43,774,813
Advances from customers	7,209,493
Employee benefits payable	9,349,789
Taxes payable	631,309
Other payables	7,744,045
Deferred tax liabilities	30,302
Total held for sale liabilities	68,739,751

Notes to Financial Statements *(continued)*

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

9. Current portion of non-current assets

	2019	2018
Current portion of long-term receivables	956,692,852	307,233,993

10. Other current assets

	2019	2018
Deposit for futures contracts	260,513,594	122,033,048
Deposit for gold transactions	10,000	10,000
Liquid cash for futures contracts	224,486,892	111,382,424
Input VAT to be credited	—	35,945,492
Input VAT to be verified	19,768,297	19,450,082
VAT recoverable	817,578,245	539,559,831
Taxes prepayment	19,314,865	147,104,629
Wealth management products (Note 1)	—	280,400,925
Others	10,664,503	5,041,841
	1,352,336,396	1,260,928,272

Note 1: Wealth management products in other current assets of the Group are reverse-repurchase products of Chinese government bonds, and interest is charged at a fixed interest rate.

Please refer to Note V.23 for movements of impairment provision for other current assets.

11. Long-term equity investments

	2019			2018		
	Carrying amount	Impairment provision	Net book value	Carrying amount	Impairment provision	Net book value
Investments in joint ventures	3,478,019,980	(15,815,023)	3,462,204,957	3,670,508,922	(15,815,023)	3,654,693,899
Investments in associates	3,509,249,839	(47,038,703)	3,462,211,136	3,387,059,370	—	3,387,059,370
	6,987,269,819	(62,853,726)	6,924,416,093	7,057,568,292	(15,815,023)	7,041,753,269

Notes to Financial Statements (continued)

For the year ended 31 December 2019

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

11. Long-term equity investments (continued)

2019

	Movements during the year										
	At 1 January 2019	Additions	Reductions	Investment income/ (losses) under the equity method	Other comprehensive income	Other changes in equity	Cash dividends declared by investee	Provision for impairment losses	Exchange differences arising from translation of financial statements denominated in foreign currencies	At 31 December 2019	Provision for impairment losses at 31 December 2019
Joint ventures											
Gold Eagle Mining Investment Limited ("Gold Eagle Mining")	1,445,504,737	—	—	(29,177,546)	(1,407,790)	—	—	—	26,924,935	1,441,844,336	—
Shandong Guoda Gold Co., Ltd. ("Shandong Guoda")	165,782,309	—	—	8,736,516	—	—	(9,150,000)	—	—	165,368,825	(12,350,855)
Xiamen Zijin Zhonghang Properties Co., Ltd. ("Xiamen Zijin Zhonghang")	226,794,323	—	—	8,637,496	—	—	(60,827,729)	—	—	174,604,090	—
Guizhou Funeng Zijin Energy Co., Ltd. ("Guizhou Funeng Zijin")	74,816,879	—	—	—	—	—	—	—	—	74,816,879	—
Guizhou Southwest Zijin Gold Development Co., Ltd. ("Southwest Zijin Gold")	20,673,565	—	—	331,544	—	—	—	—	—	21,005,109	—
Fujian Longhu Fishery Ecological Development Co., Ltd. ("Fujian Longhu Fishery")	9,262,877	—	—	168,849	—	—	—	—	—	9,431,726	—
Kamoa	1,705,286,682	—	—	(171,121,007)	—	—	—	—	34,700,189	1,568,865,864	—
Fujian Zijin Cuifu Jewellery Development Co., Ltd. ("Zijin Cuifu")	—	—	—	—	—	—	—	—	—	—	(3,464,168)
Porgera Service Company Preduzece za Proizvodnju Bankarnog Praha Pometon Tir Doo Bor	1,027,943	—	—	(381,183)	—	—	—	—	—	646,760	—
	5,544,584	—	—	76,784	—	—	—	—	—	5,621,368	—
Subtotal	3,654,693,899	—	—	(182,728,547)	(1,407,790)	—	(69,977,729)	—	61,625,124	3,462,204,957	(15,815,023)

Notes to Financial Statements (continued)

For the year ended 31 December 2019

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

11. Long-term equity investments (continued)

2019 (continued)

	Movements during the year										
	At 1 January 2019	Additions	Reductions	Investment income/(losses) under the equity method	Other comprehensive income	Other changes in equity	Cash dividends declared by investee	Provision for impairment losses	Exchange differences arising from translation of financial statements denominated in foreign currencies	At 31 December 2019	Provision for impairment losses at 31 December 2019
Associates											
Makeng Mining	876,923,359	—	—	42,078,474	—	—	(41,500,000)	—	—	877,501,833	—
Xinjiang Tianlong Mining Co., Ltd. ("Xinjiang Tianlong")	363,999,658	—	—	(14,337,633)	—	—	—	—	—	349,662,025	—
Wengfu Zijin Chemical Co., Ltd. ("Wengfu Zijin")	310,983,390	—	—	56,828,063	—	—	—	—	—	367,811,453	—
Fujian Haixia Technology Co., Ltd. ("Haixia Technology")	228,104,609	—	—	12,802,067	—	—	(3,864,000)	—	—	237,042,676	—
Wancheng Commercial Xiamen Modern Terminals Co., Ltd. ("Xiamen Modern Terminals")	239,705,354	—	—	62,859,679	—	—	(159,953,983)	—	—	142,611,050	—
Tibet Yulong Copper Co., Ltd. ("Yulong Copper")	596,152,414	—	—	81,469,020	—	—	—	—	—	677,621,434	—
Shanghang Xinyuan Water Supply Co., Ltd. ("Shanghang Xinyuan")	109,507,289	—	—	(9,031,526)	—	—	—	—	—	100,475,763	—
Yanbian SMEs Credit Security Investment Co., Ltd. ("Yanbian Credit Security")	73,193,680	—	—	(1,545,675)	—	—	—	—	—	71,648,005	—
Xinjiang Kanas Travel Development Co., Ltd. ("Kanas Travel")	79,674,300	—	—	7,381,500	—	—	(5,400,000)	—	—	81,655,800	—
Fujian Shanghang Ting River Hydropower Co., Ltd. ("Ting River Hydropower")	61,211,550	—	—	13,246,104	—	—	(2,450,000)	—	—	72,007,654	—

Notes to Financial Statements (continued)

For the year ended 31 December 2019

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

11. Long-term equity investments (continued)

2019 (continued)

	Movements during the year										
	At 1 January 2019	Additions	Reductions	Investment income/(losses) under the equity method	Other comprehensive income	Other changes in equity	Cash dividends declared by investee	Provision for impairment losses	Exchange differences arising from translation of financial statements denominated in foreign currencies	At 31 December 2019	Provision for impairment losses at 31 December 2019
Associates (continued)											
Songpan Zijin Industrial and Commercial Co., Ltd. ("Songpan Zijin")	39,249,785	—	—	—	—	—	—	—	—	39,249,785	—
Fujian Wuping Zijin Hydropower Co., Ltd. ("Wuping Zijin Hydropower")	35,384,429	—	—	9,987,954	—	—	(480,000)	—	—	44,892,383	—
Hunchun Jindi Mining Co., Ltd. ("Hunchun Jindi")	46,215,762	—	—	—	—	822,941	—	(47,038,703)	—	—	(47,038,703)
Zisen Supply Chain	9,173,651	980,000	—	2,300,756	—	—	(1,800,000)	—	—	10,654,407	—
Fujian Kingkop Co., Ltd. ("Fujian Kingkop")	3,212,092	—	—	303,682	—	—	—	—	—	3,515,774	—
Changsha Science Environmental Technology Co., Ltd. ("Science")	174,509,759	31,200,000	—	10,854,504	—	4,101,742	—	—	—	220,666,005	—
Fujian Evergreen New Energy Technology Co., Ltd. ("Evergreen New Energy")	7,022,443	22,500,000	—	(2,399,177)	—	—	—	—	—	27,123,266	—
Beijing Anchuang Shenzhou Technology Co., Ltd. ("Beijing Anchuang Shenzhou")	144,000	—	—	—	—	—	—	—	—	144,000	—
Fujian Shanghang Caixi Cultural Media Co., Ltd. (Caixi Cultural)	—	3,000,000	—	—	—	—	—	—	—	3,000,000	—
Subtotal	3,387,059,370	57,680,000	—	275,033,769	—	4,924,683	(215,447,983)	(47,038,703)	—	3,462,211,136	(47,038,703)
Total	7,041,753,269	57,680,000	—	92,305,222	(1,407,790)	4,924,683	(285,425,712)	(47,038,703)	61,625,124	6,924,416,093	(62,853,726)

Notes to Financial Statements (continued)

For the year ended 31 December 2019

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

11. Long-term equity investments (continued)

2018

	Movements during the year										
	At 1 January 2018	Additions	Reductions	Investment income/(losses) under the equity method	Other comprehensive income	Other changes in equity	Cash dividends declared by investee	Provision for impairment losses	Exchange differences arising from translation of financial statements denominated in foreign currencies	At 31 December 2018	Provision for impairment losses at 31 December 2018
Joint ventures											
Gold Eagle Mining	1,456,649,055	—	—	(11,144,318)	—	—	—	—	—	1,445,504,737	—
Shandong Guoda	165,745,938	—	—	8,567,214	—	—	(8,530,843)	—	—	165,782,309	(12,350,855)
Xiamen Zijin Zhonghang	220,174,279	—	—	6,620,044	—	—	—	—	—	226,794,323	—
Guizhou Funeng Zijin	74,816,879	—	—	—	—	—	—	—	—	74,816,879	—
Southwest Zijin Gold	20,293,036	—	—	380,529	—	—	—	—	—	20,673,565	—
Fujian Longhu Fishery	9,188,227	—	—	74,650	—	—	—	—	—	9,262,877	—
Kamoa	1,570,666,726	—	—	134,619,956	—	—	—	—	—	1,705,286,682	—
Zijin Cuiyu	3,472,151	—	—	(7,983)	—	—	—	(3,464,168)	—	—	(3,464,168)
Porgera Service Company	491,673	—	—	536,270	—	—	—	—	—	1,027,943	—
Preduzece za Proizvodnju Bankarnog Praha											
Pometon Tir Doo Bor	—	5,544,584	—	—	—	—	—	—	—	5,544,584	—
Subtotal	3,521,497,964	5,544,584	—	139,646,362	—	—	(8,530,843)	(3,464,168)	—	3,654,693,899	(15,815,023)

Notes to Financial Statements (continued)

For the year ended 31 December 2019

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

11. Long-term equity investments (continued)

2018 (continued)

	Movements during the year											
	At 1 January 2018	Additions	Reductions	Investment income/(losses) under the equity method	Other comprehensive income	Other changes in equity	Cash dividends declared by investee	Provision for impairment losses	Exchange differences arising from translation of financial statements denominated in foreign currencies	Transfer of control and becoming investments in subsidiaries	At 31 December 2018	Provision for impairment losses at 31 December 2018
Associates												
Makeng Mining	886,068,902	—	—	11,604,457	—	—	(20,750,000)	—	—	—	876,923,359	—
Xinjiang Tianlong	374,202,269	—	—	(3,292,565)	—	—	(6,910,046)	—	—	—	363,999,658	—
Xiamen Zijin Tongguan Investment Development Company Limited ("Zijin Tongguan")	335,697,308	164,700,000	—	(16,011,644)	—	—	—	—	(484,385,664)	—	—	—
Wengfu Zijin	286,101,282	—	—	24,882,108	—	—	—	—	—	—	310,983,390	—
Haixia Technology	208,243,797	—	—	21,148,812	—	—	(1,288,000)	—	—	—	228,104,609	—
Wancheng Commercial	199,855,351	—	—	106,350,003	—	—	(66,500,000)	—	—	—	239,705,354	—
Xiamen Modern Terminals	133,006,948	—	—	4,684,898	—	—	(5,000,000)	—	—	—	132,691,846	—
Yulong Copper	219,274,376	302,500,000	—	74,378,038	—	—	—	—	—	—	596,152,414	—
Shanghai Xinyuan	114,047,122	—	—	(4,539,833)	—	—	—	—	—	—	109,507,289	—
Yanbian Credit Security	74,337,276	—	—	(1,143,596)	—	—	—	—	—	—	73,193,680	—
Kanas Travel	68,094,151	—	—	14,280,149	—	—	(2,700,000)	—	—	—	79,674,300	—
Ting River Hydropower	66,131,155	—	—	(2,469,605)	—	—	(2,450,000)	—	—	—	61,211,550	—
Songpan Zijin	39,249,785	—	—	—	—	—	—	—	—	—	39,249,785	—
Wuping Zijin Hydropower	41,905,493	—	—	(2,402,864)	—	—	(4,118,200)	—	—	—	35,384,429	—
Hunchun Jindi	46,479,075	—	—	(263,313)	—	—	—	—	—	—	46,215,762	—
Kuitun Yutong Logistics Co., Ltd.	970,729	—	(1,000,000)	29,271	—	—	—	—	—	—	—	—
Zisen Supply Chain	6,763,119	2,940,000	—	4,360,532	—	—	(4,890,000)	—	—	—	9,173,651	—
Fujian Kingkop	2,815,844	—	—	396,248	—	—	—	—	—	—	3,212,092	—
Science	172,606,270	—	—	1,903,489	—	—	—	—	—	—	174,509,759	—
Evergreen New Energy	—	7,500,000	—	(477,557)	—	—	—	—	—	—	7,022,443	—
Beijing Anchuang Shenzhou	—	144,000	—	—	—	—	—	—	—	—	144,000	—
Subtotal	3,275,850,252	477,784,000	(1,000,000)	233,417,028	—	—	(114,606,246)	—	—	(484,385,664)	3,387,059,370	—
Total	6,797,348,216	483,328,584	(1,000,000)	373,063,390	—	—	(123,137,089)	(3,464,168)	—	(484,385,664)	7,041,753,269	(15,815,023)

Notes to Financial Statements *(continued)*

For the year ended 31 December 2019

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

11. Long-term equity investments *(continued)*

Movements of provision for impairment losses of long-term equity investments:

2019

	At 1 January 2019	Additions	Reductions	At 31 December 2019
Joint venture – Zijin Cuifu	3,464,168	—	—	3,464,168
Joint venture – Shandong Guoda	12,350,855	—	—	12,350,855
Associate – Hunchun Jindi	—	47,038,703	—	47,038,703
	15,815,023	47,038,703	—	62,853,726

2018

	At 1 January 2018	Additions	Reductions	At 31 December 2018
Joint venture – Zijin Cuifu	—	3,464,168	—	3,464,168
Joint venture – Shandong Guoda	12,350,855	—	—	12,350,855
Associate – Zijin Tongguan	162,757,584	—	(162,757,584)	—
	175,108,439	3,464,168	(162,757,584)	15,815,023

Notes to Financial Statements (continued)

For the year ended 31 December 2019

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

12. Other equity instrument investments

2019

	Costs	Accumulated changes in fair value of other comprehensive income	Exchange realignments	Fair value	Dividend income for the current year		Reasons for designating at fair value through other comprehensive income
					Equity instruments derecognised in the current year	Equity instruments held in the current year	
Share-holding companies							
Fujian Shanghang Rural Commercial Bank Company Limited ("Shanghang Rural Commercial Bank")	89,900,000	8,509,354	—	98,409,354	—	6,000,000	Long-term holding
Muli County Rongda Mining Company Limited ("Muli Rongda") (Note 1)	74,950,241	66,105,437	—	141,055,678	—	16,800,000	Long-term holding
Lenghu Bindi Potash Co., Ltd. ("Bindi Potash")	187,106,400	(136,128,644)	—	50,977,756	—	—	Long-term holding
Beijing Larkworld Environmental Technology Incorporated Company	76,739,294	9,203,954	—	85,943,248	—	1,666,667	Long-term holding
Fujian Shanghang Xingcheng Guarantee Company Limited ("Xingcheng Guarantee")	50,000,000	(8,194,536)	—	41,805,464	—	—	Long-term holding
Xinjiang Xinxin Mining Industry Company Limited ("Xinjiang Xinxin")	18,314,097	1,989,063	—	20,303,160	—	—	Long-term holding
Zhenfeng Rural Credit Cooperative Union ("Zhenfeng Rural")	11,074,000	13,548,223	—	24,622,223	—	823,200	Long-term holding
Sichuan Liwu Copper Company Limited ("Liwu Copper")	19,850,000	14,986,580	—	34,836,580	—	—	Long-term holding
Nanjing China Net Communication Company Limited ("Nanjing China Net")	25,000,000	(7,155,671)	—	17,844,329	—	100,000	Long-term holding
Xinjiang Wuxin Copper Co., Ltd. ("Wuxin Copper")	6,731,300	338,934	—	7,070,234	—	—	Long-term holding
Cloud Chain (Beijing) Financial Information Services Co., Ltd.	6,500,000	(5,752,144)	—	747,856	—	—	Long-term holding
Others	12,994,115	(8,864,065)	—	4,130,050	—	390,000	Long-term holding
	579,159,447	(51,413,515)	—	527,745,932	—	25,779,867	

Notes to Financial Statements (continued)

For the year ended 31 December 2019

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

12. Other equity instrument investments (continued)

2019 (continued)

	Costs	Accumulated changes in fair value of other comprehensive income	Exchange realignments	Fair value	Dividend income for the current year		Reasons for designating at fair value through other comprehensive income
					Equity instruments derecognised in the current year	Equity instruments held in the current year	
Stocks							
Ivanhoe (Note 2)	2,328,606,265	1,374,224,100	52,980,462	3,755,810,827	—	—	Strategic investment
Asanko Gold Inc.	90,301,596	10,231,384	—	100,532,980	—	—	Strategic investment
Lydian International Ltd.	27,032,298	(16,652,464)	—	10,379,834	—	—	Strategic investment
Northern Dynasty Minerals Ltd. (Note 3)	21,231,867	(8,575,745)	—	12,656,122	—	—	Strategic investment
Equitas Resources Corp.	8,885,568	(8,778,619)	—	106,949	—	—	Strategic investment
Chrometco Ltd.	3,059,776	149,257	—	3,209,033	—	—	Strategic investment
	2,479,117,370	1,350,597,913	52,980,462	3,882,695,745	—	—	
	3,058,276,817	1,299,184,398	52,980,462	4,410,441,677	—	25,779,867	

Note 1: The Group invested an additional RMB12,932,724 in Muli Rongda in May 2019.

Note 2: Gold Mountains (H.K.), a subsidiary of the Company, purchased 65,406,578 common shares of Ivanhoe at a price of CAD3.98 per common share in 2019.

Note 3: In August 2019, the Group's subsidiary, Jin Huang Mining Co., Ltd. ("Jin Huang Mining") successively purchased 538,198 shares, 1,461,802 shares and 2,000,000 shares of Northern Dynasty Minerals Ltd. at USD0.82, USD0.80 and USD0.72 per share. As at 31 December 2019, Jin Huang Mining held 4,000,000 shares of Northern Dynasty Minerals Ltd. through Canadian Imperial Bank of Commerce.

During the year, the Group's disposals of other equity instrument investments in Pretium Resources Inc. and Bank of Nanjing Co., Ltd., resulting in accumulated profits of RMB102,412,585, which were transferred from other comprehensive income to retained earnings.

Notes to Financial Statements (continued)

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

12. Other equity instrument investments (continued)

2018

	Costs	Accumulated changes in fair value of other comprehensive income	Exchange realignments	Fair value	Dividend income for the current year		Reasons for designating at fair value through other comprehensive income
					Equity instruments derecognised in the current year	Equity instruments held in the current year	
Share-holding companies							
Shanghai Rural Commercial Bank	89,900,000	24,226,456	—	114,126,456	—	18,000,000	Long-term holding
Muli Rongda	62,017,517	35,051,457	—	97,068,974	—	9,600,000	Long-term holding
Bindi Potash	187,106,400	(93,706,292)	—	93,400,108	—	—	Long-term holding
Beijing Larkworld Environmental Technology Incorporated Company	76,739,294	132,668	—	76,871,962	—	—	Long-term holding
Xingcheng Guarantee	50,000,000	(6,438,494)	—	43,561,506	—	—	Long-term holding
Xinjiang Xinxin	18,314,097	9,360,570	—	27,674,667	—	—	Long-term holding
Zhenfeng Rural	11,074,000	14,915,707	—	25,989,707	—	514,500	Long-term holding
Liwu Copper	19,850,000	5,130,478	—	24,980,478	—	1,300,000	Long-term holding
Nanjing China Net	25,000,000	(6,932,074)	—	18,067,926	—	100,000	Long-term holding
Wuxin Copper	6,731,300	(375,337)	—	6,355,963	—	—	Long-term holding
Cloud Chain (Beijing) Financial Information Services Co., Ltd.	6,500,000	(5,272,578)	—	1,227,422	—	—	Long-term holding
Others	12,978,588	(8,864,063)	—	4,114,525	—	—	Long-term holding
	566,211,196	(32,771,502)	—	533,439,694	—	29,514,500	
Stocks							
Ivanhoe	944,178,121	249,924,064	—	1,194,102,185	—	—	Strategic investment
Pretium Resources Inc.	83,290,528	73,869,183	—	157,159,711	—	—	Strategic investment
Asanko Gold Inc.	88,835,810	(21,773,661)	—	67,062,149	—	—	Strategic investment
Lydian International Ltd.	26,593,507	(5,709,978)	—	20,883,529	—	—	Strategic investment
Bank of Nanjing	9,745,991	(1,872,201)	—	7,873,790	—	—	Strategic investment
Equitas Resources Corp.	8,741,624	(8,626,351)	—	115,273	—	—	Strategic investment
Chrometco Ltd.	3,160,462	—	—	3,160,462	—	—	Strategic investment
	1,164,546,043	285,811,056	—	1,450,357,099	—	—	
	1,730,757,239	253,039,554	—	1,983,796,793	—	29,514,500	

Notes to Financial Statements *(continued)*

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

13. Other non-current financial assets

	2019	2018
Jinrui Co-operative Business Operation Project (Note 1)	602,061,526	320,298,674
Convertible Bond in Continental Gold Inc. (Note 2)	349,717,896	—
Shiwei No.1 Fund (Note 3)	—	81,215,000
	951,779,422	401,513,674

Note 1: On 19 April 2018, the Group's subsidiary, Zijin Mining Group Capital Investment Co., Ltd. ("Zijin Capital"), entered into an agreement with Xiamen Jinrui Commercial Factoring Co., Ltd. to cooperate in the documentary factoring of commercial acceptance bills for a period of three years. As at 31 December 2019, the investment cost of the project was RMB599,300,000 and the fair value change was RMB2,761,526.

Note 2: The Group and Continental Gold Inc. ("Continental Gold") signed the "Arrangement Agreement" on 2 December 2019. According to the agreement, the Group, through its wholly-owned subsidiary Gold Mountains (H.K.), subscribed for convertible bond in Continental Gold within 10 days of the date of signing the agreement, the amount of which was USD50,000,000 and was mainly used for mining construction with a term of 5 years. As at 31 December 2019, the fair value of the convertible bond was RMB349,717,896.

Note 3: The subsidiary of the Group, Zijin Capital, held Shiwei No. 1 Fund, and the filing period would end in September 2020. As at 31 December 2019, Shiwei No.1 Fund was settled, the investment income generated from settlement was RMB13,523,114.

14. Investment properties

Buildings subsequently measured at cost:

	2019	2018
Cost		
At 1 January	756,670,882	403,634,434
Transferred from inventories	—	354,629,674
Other additions	421,324	—
Other reductions (Note 1)	(574,432,438)	(1,593,226)
At 31 December	182,659,768	756,670,882
Accumulated depreciation and amortisation		
At 1 January	68,512,215	53,093,965
Depreciation for the year	15,513,671	15,418,250
Other reductions (Note 1)	(31,739,507)	—
At 31 December	52,286,379	68,512,215
Impairment provision		
At 1 January	79,936,878	—
Impairment for the year	—	79,936,878
Other reductions (Note 1)	(79,936,878)	—
At 31 December	—	79,936,878
Net book value		
At 31 December	130,373,389	608,221,789
At 1 January	608,221,789	350,540,469

Notes to Financial Statements (continued)

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

14. Investment properties (continued)

The investment properties were leased to third parties under operating leases.

* The Group's investment properties are situated in Mainland China and are held under medium-term leases.

As at 31 December 2019, there were no investment properties of which certificates of title have not been obtained (31 December 2018: RMB435,316,077).

Note 1: Other reductions of investment properties mainly included certain investment properties of the Group's subsidiaries, Fujian Zijin Commercial Services Co., Ltd. ("Zijin Commercial Services") and Qinghai West Copper Co., Ltd. ("West Copper"), which were changed to self-use purpose and reclassified to fixed assets.

Note: The notes to financial statements with "*" are disclosed in accordance with the disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Hong Kong Companies Ordinance.

15. Fixed assets

2019

	Buildings	Mining assets	Power generation and transmission equipment	Plant, machinery and equipment	Motor vehicles	Furniture and fixtures and others	Total
Cost							
At 1 January 2019	10,732,491,001	23,320,703,750	1,917,702,523	16,734,733,982	1,574,164,826	532,025,899	54,811,821,981
Purchases	93,833,809	898,756,206	78,074,991	806,592,846	273,667,115	124,573,179	2,275,498,146
Transferred from construction in progress	1,633,509,079	1,339,268,371	204,856,863	2,401,233,820	120,332,221	22,472,729	5,721,673,083
Disposals or write-off	(153,112,766)	(340,989,453)	(28,574,077)	(367,556,637)	(56,004,751)	(14,107,779)	(960,345,463)
Reclassification	(702,353,805)	1,591,125,749	—	(888,771,944)	—	—	—
Other additions/(reductions)	564,502,235	(26,540,591)	—	—	—	(14,062,062)	523,899,582
Others	—	636,082,949	—	—	—	—	636,082,949
Exchange realignments	54,264,656	140,015,863	11,828,640	115,264,691	15,042,429	2,707,061	339,123,340
At 31 December 2019	12,223,134,209	27,558,422,844	2,183,888,940	18,801,496,758	1,927,201,840	653,609,027	63,347,753,618
Accumulated depreciation							
At 1 January 2019	2,619,303,318	7,178,410,628	822,444,242	7,044,769,065	844,669,779	324,570,247	18,834,167,279
Depreciation for the year	603,368,965	1,772,369,352	146,354,275	1,764,500,798	186,718,956	64,121,208	4,537,433,554
Disposals or write-off	(84,573,112)	(227,318,163)	(9,574,092)	(203,188,837)	(51,557,931)	(11,946,063)	(588,158,198)
Other additions/(reductions)	29,698,104	—	—	—	—	(14,062,062)	15,636,042
Exchange realignments	11,393,189	57,032,444	3,745,212	67,810,106	8,145,926	1,101,585	149,228,462
At 31 December 2019	3,179,190,464	8,780,494,261	962,969,637	8,673,891,132	987,976,730	363,784,915	22,948,307,139
Impairment provision							
At 1 January 2019	256,746,402	1,401,988,134	12,302,610	161,462,966	449,739	239,997	1,833,189,848
Impairment provided for the year	—	6,282,766	899	873,080	—	5,345	7,162,090
Disposals or write-off	(35,748,094)	(73,182,143)	(2,967,423)	(32,752,034)	—	(5,345)	(144,655,039)
Other additions/(reductions)	78,983,190	—	—	—	—	—	78,983,190
Exchange realignments	—	—	—	—	—	—	—
At 31 December 2019	299,981,498	1,335,088,757	9,336,086	129,584,012	449,739	239,997	1,774,680,089
Net book value							
At 31 December 2019	8,743,962,247	17,442,839,826	1,211,583,217	9,998,021,614	938,775,371	289,584,115	38,624,766,390
At 1 January 2019	7,856,441,281	14,740,304,988	1,082,955,671	9,528,501,951	729,045,308	207,215,655	34,144,464,854

Notes to Financial Statements (continued)

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

15. Fixed assets (continued)

2018

	Buildings	Mining assets	Power generation and transmission equipment	Plant, machinery and equipment	Motor vehicles	Furniture and fixtures and others	Total
Cost							
At 1 January 2018	7,916,900,835	23,680,005,875	1,582,387,075	13,113,760,342	1,192,672,373	440,179,545	47,925,906,045
Purchases	111,724,237	1,067,143,031	22,445,302	259,333,162	203,683,668	38,805,846	1,703,135,246
Transferred from construction in progress	2,281,872,327	(1,449,741,547)	305,367,474	1,976,847,513	(24,019,899)	10,818,428	3,101,144,296
Business combination not involving enterprises under common control	480,813,231	355,406,631	25,768,574	1,832,959,927	280,644,143	76,654,271	3,052,246,777
Classified as held for sale	(94,455,453)	(383,636,576)	(31,727,397)	(96,202,621)	(12,473,869)	(13,318,775)	(631,814,691)
Disposals or write-off	(80,060,564)	(240,539,125)	(18,283,332)	(578,027,266)	(69,365,208)	(21,533,101)	(1,007,808,596)
Exchange realignments	115,696,388	292,065,461	31,744,827	226,062,925	3,023,618	419,685	669,012,904
At 31 December 2018	10,732,491,001	23,320,703,750	1,917,702,523	16,734,733,982	1,574,164,826	532,025,899	54,811,821,981
Accumulated depreciation							
At 1 January 2018	2,110,209,091	6,189,208,251	658,222,480	5,967,479,443	808,132,847	279,250,662	16,012,502,774
Depreciation for the year	567,186,372	1,195,719,453	179,571,053	1,307,624,926	109,878,446	76,004,556	3,435,984,806
Classified as held for sale	(56,948,301)	(236,408,297)	(16,514,376)	(62,384,364)	(10,401,591)	(10,876,168)	(393,533,097)
Disposals or write-off	(21,047,037)	(55,664,434)	(6,863,369)	(313,346,560)	(62,379,545)	(19,582,638)	(478,883,583)
Exchange realignments	19,903,193	85,555,655	8,028,454	145,395,620	(560,378)	(226,165)	258,096,379
At 31 December 2018	2,619,303,318	7,178,410,628	822,444,242	7,044,769,065	844,669,779	324,570,247	18,834,167,279
Impairment provision							
At 1 January 2018	251,897,750	1,369,404,061	11,891,434	143,898,331	104,641	7,451	1,777,203,668
Impairment provided for the year	44,744,814	191,553,508	1,016,782	22,373,609	388,813	236,892	260,314,418
Classified as held for sale	(39,098,332)	(158,969,435)	(27,333)	(4,582,359)	(43,715)	(4,346)	(202,725,520)
Disposals or write-off	(797,830)	—	(578,273)	(226,615)	—	—	(1,602,718)
At 31 December 2018	256,746,402	1,401,988,134	12,302,610	161,462,966	449,739	239,997	1,833,189,848
Net book value							
At 31 December 2018	7,856,441,281	14,740,304,988	1,082,955,671	9,528,501,951	729,045,308	207,215,655	34,144,464,854
At 1 January 2018	5,554,793,994	16,121,393,563	912,273,161	7,002,382,568	384,434,885	160,921,432	30,136,199,603

Notes to Financial Statements *(continued)*

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)***V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** *(continued)***15. Fixed assets** *(continued)*

Fixed assets that are temporarily idle are as follows:

2019

	Cost	Accumulated depreciation	Impairment provision	Net book value
Buildings	987,460,637	(240,237,067)	(79,706,766)	667,516,804
Mining assets	1,803,311,680	(571,255,672)	(338,129,860)	893,926,148
Plant, machinery and equipment	463,066,951	(342,355,455)	(20,921,269)	99,790,227
Motor vehicles	46,220,664	(25,544,619)	(55,105)	20,620,940
Power generation and transmission equipment	35,068,249	(25,461,900)	(151,846)	9,454,503
Furniture and fixtures and others	6,282,013	(5,918,151)	(58,955)	304,907
	3,341,410,194	(1,210,772,864)	(439,023,801)	1,691,613,529

2018

	Cost	Accumulated depreciation	Impairment provision	Net book value
Buildings	403,704,462	(142,891,452)	(7,755,676)	253,057,334
Mining assets	1,561,967,823	(410,910,178)	(343,819,121)	807,238,524
Plant, machinery and equipment	407,839,292	(273,405,908)	(5,933,606)	128,499,778
Motor vehicles	55,670,352	(31,207,225)	(56,577)	24,406,550
Power generation and transmission equipment	50,398,535	(34,822,514)	(895,942)	14,680,079
Furniture and fixtures and others	10,389,459	(9,356,498)	(68,038)	964,923
	2,489,969,923	(902,593,775)	(358,528,960)	1,228,847,188

Fixed assets leased out under operating leases are as follows:

2019

	Cost	Accumulated depreciation	Impairment provision	Net book value
Buildings	36,420,590	(14,623,158)	—	21,797,432
Mining assets	19,048,740	(7,656,184)	—	11,392,556
Power generation and transmission equipment	3,730,676	(2,982,986)	—	747,690
Plant, machinery and equipment	8,229,872	(4,798,475)	—	3,431,397
Motor vehicles	71,500	(67,925)	—	3,575
	67,501,378	(30,128,728)	—	37,372,650

Notes to Financial Statements *(continued)*

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

15. Fixed assets *(continued)*

Fixed assets leased out under operating leases are as follows: *(continued)*

2018

	Cost	Accumulated depreciation	Impairment provision	Net book value
Buildings	31,652,467	(11,223,900)	—	20,428,567
Mining assets	19,149,655	(6,784,853)	—	12,364,802
Power generation and transmission equipment	3,730,676	(2,628,572)	—	1,102,104
Plant, machinery and equipment	5,176,615	(3,690,874)	—	1,485,741
Motor vehicles	71,500	(67,925)	—	3,575
	59,780,913	(24,396,124)	—	35,384,789

Fixed assets of which certificates of title have not been obtained are as follows:

	As at 31 December 2019 Net book value	As at 31 December 2018 Net book value	Reasons why certificates of title have not been obtained
Buildings	1,582,473,195	1,849,476,632	In the process of application/ the projects were unsettled
Mining assets	399,964,471	345,053,144	In the process of application/ the projects were unsettled
	1,982,437,666	2,194,529,776	

As at 31 December 2019, there was no fixed asset with restriction on title (31 December 2018: RMB2,132,232). Please refer to Note V.65 for details.

16. Construction in progress

	2019	2018
Construction in progress	5,279,257,840	4,807,176,438
Construction materials	597,571,585	548,629,366
	5,876,829,425	5,355,805,804

Construction in progress

2019			2018		
Carrying amount	Impairment provision	Net book value	Carrying amount	Impairment provision	Net book value
6,053,178,885	(773,921,045)	5,279,257,840	5,537,727,640	(730,551,202)	4,807,176,438

Notes to Financial Statements (continued)

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

16. Construction in progress (continued)

Construction in progress (continued)

The movements of important construction in progress in 2019 are as follows:

Project name	Budget	At 1 January 2019	Additions	Transferred to fixed assets	Other reductions	At 31 December 2019	Contribution in budget	Progress of projects	Balance of capitalised interest as at 31 December 2019	Including: capitalised interest for the year	Interest rate of capitalisation (%)	Source of funds
Zijin Bor infrastructure project	955,908,865	256,529,294	480,210,290	(177,306,165)	(483,777)	558,949,642	83%	61%	—	—	N/A	Equity fund
Heilongjiang Zijin Copper infrastructure project	2,163,969,000	1,179,757,743	856,741,920	(2,015,869,788)	—	20,629,875	94%	100%	36,538,376	22,547,767	5.00	Equity fund/ Proceeds raised/ Loan
Guizhou Zijin infrastructure project	557,170,800	445,817,833	138,547,047	(66,647,577)	—	517,717,303	105%	94%	61,701,998	22,119,068	4.57	Equity fund/Loan
Duobaoshan Copper Industry infrastructure project	881,450,068	390,667,518	106,545,193	(326,400,977)	—	170,811,734	81%	89%	18,591,158	8,350,966	4.57	Equity fund/Loan
Guizhou Xinrenji infrastructure project	350,000,000	386,911,825	2,652,847	—	—	389,564,472	111%	96%	125,996,221	—	N/A	Equity fund/Loan
COMMUS infrastructure project	1,469,663,686	281,477,355	1,262,595,834	(1,533,780,875)	—	10,292,314	105%	98%	—	—	N/A	Equity fund/ Proceeds raised
Ankang Inting infrastructure project	370,000,000	276,127,577	5,233,008	—	—	281,360,585	80%	95%	87,752,979	12,743,081	3.80	Equity fund/Loan
Zijinshan Gold and Copper Mine infrastructure project	538,080,000	160,383,177	259,121,152	(73,885,074)	(582,273)	345,036,982	88%	85%	—	—	N/A	Equity fund
Longjiang infrastructure project	559,100,000	135,588,967	337,909,049	(107,275,792)	(136,044)	366,086,180	85%	88%	134,630	134,630	7.00	Equity fund/Loan
Yilan Gold Mine infrastructure project	198,117,129	125,711,114	63,463,299	(148,440,747)	—	40,733,666	97%	97%	10,562,607	3,274,201	4.75	Equity fund/Loan
Bakita infrastructure project	3,439,777,000	48,888,742	266,027,041	(26,314,213)	(12,818,640)	275,782,930	8%	13%	8,541,281	8,541,281	4.12	Equity fund/Loan
Xinjiang Zijin Non-ferrous infrastructure project	822,520,051	20,111,864	419,523,149	—	(37,168)	439,597,845	64%	79%	1,420,487	1,420,307	4.41	Equity fund/Loan
Zijin Zinc infrastructure project	370,000,000	63,999,607	168,345,238	(42,765,496)	—	189,579,349	53%	60%	1,854,125	1,854,125	3.95	Equity fund/Loan
CARILLU infrastructure project	972,941,314	—	538,241,609	(7,156,464)	(2,852,881)	528,232,264	55%	65%	36,750,117	36,750,117	10.00	Equity fund/Loan
Others	2,074,767,505	1,765,755,024	1,390,087,798	(1,195,829,915)	(41,209,163)	1,918,803,744	N/A	N/A	12,551,363	2,790,846	N/A	Equity fund/Loan
Subtotal	15,533,465,418	5,537,727,640	6,285,244,274	(5,721,673,083)	(58,119,946)	6,053,178,885			402,375,342	120,526,389		
Impairment provision for construction in progress		(730,551,202)				(773,921,045)						
Total		4,807,176,438				5,279,257,840						

Notes to Financial Statements (continued)

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

16. Construction in progress (continued)

Construction in progress (continued)

The movements of important construction in progress in 2018 are as follows:

Project name	Budget	At 1 January 2018	Additions	Transferred to fixed assets	Other reductions	At 31 December 2018	Contribution in budget	Progress of projects	Balance of capitalised interest as at 31 December 2018	Including capitalised interest for the year	Interest rate of capitalisation (%)	Source of funds
Zijin Bor infrastructure project (Note 1)	2,498,727,665	—	1,687,385,076	(1,430,855,782)	—	256,529,294	60%	54%	—	—	N/A	Equity fund
Heilongjiang Zijin Copper infrastructure project	2,079,844,841	406,227,833	773,529,910	—	—	1,179,757,743	57%	53%	13,990,609	12,994,429	5.00	Equity fund/ Proceeds raised/ Loan
Guizhou Zijin infrastructure project	557,170,800	316,620,865	134,146,818	(4,949,850)	—	445,817,833	81%	81%	39,582,930	17,839,656	4.57	Equity fund/ Proceeds raised/ Loan
Duobashan Copper Industry infrastructure project	1,038,904,789	179,777,565	607,979,193	(391,742,513)	(5,346,727)	390,667,518	75%	81%	10,240,192	17,447,609	4.57	Equity fund/ Loan
Guizhou Xineraji infrastructure project	350,000,000	368,580,233	18,331,592	—	—	386,911,825	111%	96%	125,996,221	15,583,793	5.50	Equity fund/ Loan
COMMUS infrastructure project	1,469,663,686	1,166,034	377,411,704	(91,505,051)	(5,595,332)	281,477,355	25%	48%	—	—	N/A	Equity fund/ Proceeds raised
Ankang Jinfeng infrastructure project	278,400,000	260,795,415	15,332,162	—	—	276,127,577	99%	95%	75,009,888	12,490,129	3.80	Equity fund/ Loan
Zijinshan Gold and Copper Mine infrastructure project	400,040,000	205,217,505	155,480,159	(193,448,435)	(6,866,052)	160,383,177	88%	85%	—	—	N/A	Equity fund
Longjing infrastructure project	559,100,000	39,232,809	124,096,429	(27,740,271)	—	135,588,967	29%	30%	—	—	N/A	Equity fund
Yilan Gold Mine infrastructure project	178,589,845	120,903,077	48,120,551	(43,312,514)	—	125,711,114	95%	95%	7,288,406	4,544,167	4.75	Equity fund/ Loan
Others	6,630,352,894	1,842,870,203	1,007,474,745	(917,589,880)	(33,999,831)	1,898,755,237	N/A	N/A	9,740,697	2,031,962	N/A	Equity fund/ Loan
Subtotal	15,840,794,520	3,741,391,539	4,949,288,339	(3,101,144,296)	(51,807,942)	5,537,727,640			281,848,953	82,931,745		
Impairment provision for construction in progress		(619,094,640)				(730,551,202)						
Total		3,122,296,899				4,807,176,438						

Note 1: The addition of Zijin Bor infrastructure project amounted to RMB1,641,589,144 was due to the business combination not involving enterprises under common control, and the amount transferred to fixed assets in 2018 was RMB1,430,855,782.

Notes to Financial Statements (continued)

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

16. Construction in progress (continued)

Construction in progress (continued)

Impairment provision for construction in progress:

2019

	At 1 January 2019	Additions	Reductions	At 31 December 2019	Reasons for making provision
Luoyang Kunyu infrastructure project	5,005,874	—	—	5,005,874	No expected usable value in the future
Ankang Jinfeng infrastructure project	53,637,599	—	—	53,637,599	Expected recoverable amount less than carrying amount
Malipo Jinwei infrastructure project	973,411	—	(973,411)	—	Expected recoverable amount less than carrying amount
Jinhao Iron infrastructure project	591,814,765	—	—	591,814,765	Expected recoverable amount less than carrying amount
Wuping Zijin infrastructure project	5,653,808	—	—	5,653,808	Expected recoverable amount less than carrying amount
Liancheng Zijin infrastructure project	64,276,926	—	—	64,276,926	Expected recoverable amount less than carrying amount
Shangri-La Huaxi infrastructure project	9,188,819	—	—	9,188,819	Expected recoverable amount less than carrying amount
Sichuan Jinkang infrastructure project	—	623,967	—	623,967	Expected recoverable amount less than carrying amount
Henan Jinda infrastructure project	—	43,719,287	—	43,719,287	Expected recoverable amount less than carrying amount
	730,551,202	44,343,254	(973,411)	773,921,045	

2018

	At 1 January 2018	Additions	Reductions	At 31 December 2018	Reasons for making provision
Luoyang Kunyu infrastructure project	5,005,874	—	—	5,005,874	No expected usable value in the future
Ankang Jinfeng infrastructure project	53,637,599	—	—	53,637,599	Expected recoverable amount less than carrying amount
Malipo Jinwei infrastructure project	973,411	—	—	973,411	Expected recoverable amount less than carrying amount
Jinhao Iron infrastructure project	559,477,756	32,337,009	—	591,814,765	Expected recoverable amount less than carrying amount
Wuping Zijin infrastructure project	—	5,653,808	—	5,653,808	Expected recoverable amount less than carrying amount
Liancheng Zijin infrastructure project	—	64,276,926	—	64,276,926	Expected recoverable amount less than carrying amount
Shangri-La Huaxi infrastructure project	—	9,188,819	—	9,188,819	Expected recoverable amount less than carrying amount
	619,094,640	111,456,562	—	730,551,202	

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

16. Construction in progress *(continued)*

Construction materials

	2019			2018		
	Carrying amount	Impairment provision	Net book value	Carrying amount	Impairment provision	Net book value
Dedicated materials	400,405,024	—	400,405,024	329,683,560	—	329,683,560
Dedicated equipment	198,963,605	(1,797,044)	197,166,561	220,742,850	(1,797,044)	218,945,806
	599,368,629	(1,797,044)	597,571,585	550,426,410	(1,797,044)	548,629,366

Impairment provision for construction materials:

2019

	At 1 January	Additions	Reductions	At 31 December
	2019			2019
Dedicated equipment	1,797,044	—	—	1,797,044

2018

	At 1 January	Additions	Reductions	At 31 December
	2018			2018
Dedicated equipment	4,193,103	—	(2,396,059)	1,797,044

Notes to Financial Statements *(continued)*

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

17. Right-of-use assets

2019

	Buildings	Power generation and transmission equipment	Plant, machinery and equipment	Motor vehicles	Furniture and fixtures and others	Total
Cost						
At 1 January 2019	5,659,841	280,143,749	44,077,812	4,739,307	4,347,796	338,968,505
Additions	30,720,749	—	21,159,814	54,000,060	3,531,977	109,412,600
Exchange realignments	—	4,612,461	—	—	—	4,612,461
At 31 December 2019	36,380,590	284,756,210	65,237,626	58,739,367	7,879,773	452,993,566
Accumulated depreciation						
At 1 January 2019	—	—	—	—	—	—
Depreciation for the year	9,949,743	39,192,364	30,655,806	12,843,607	4,934,378	97,575,898
Exchange realignments	—	645,287	—	—	—	645,287
At 31 December 2019	9,949,743	39,837,651	30,655,806	12,843,607	4,934,378	98,221,185
Impairment provision						
At 1 January 2019	—	—	—	—	—	—
Impairment provided for the year	—	—	—	—	—	—
At 31 December 2019	—	—	—	—	—	—
Net book value						
At 31 December 2019	26,430,847	244,918,559	34,581,820	45,895,760	2,945,395	354,772,381
At 1 January 2019	5,659,841	280,143,749	44,077,812	4,739,307	4,347,796	338,968,505

Notes to Financial Statements *(continued)*

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

18. Intangible assets

2019

	Exploration and mining rights	Land use rights	Membership of Shanghai Gold Exchange and others	Total
Cost				
At 1 January 2019	25,213,147,009	2,358,847,137	223,100,401	27,795,094,547
Purchases	2,693,895,281	107,856,562	33,808,949	2,835,560,792
Disposals or write-off	(146,152,605)	—	(5,731,969)	(151,884,574)
Exchange realignments	176,290,290	455,069	184,527	176,929,886
Other reductions	(185,107,297)	(92,905,978)	—	(278,013,275)
At 31 December 2019	27,752,072,678	2,374,252,790	251,361,908	30,377,687,376
Accumulated amortisation				
At 1 January 2019	3,560,843,142	406,381,217	55,852,549	4,023,076,908
Amortisation provided for the year	720,169,218	93,549,735	37,599,208	851,318,161
Disposals or write-off	(55,069,436)	—	—	(55,069,436)
Exchange realignments	1,821,678	140,940	160,333	2,122,951
At 31 December 2019	4,227,764,602	500,071,892	93,612,090	4,821,448,584
Impairment provision				
At 1 January 2019	1,178,678,859	—	83,058,565	1,261,737,424
Impairment provided for the year (Note 1)	224,773,189	—	—	224,773,189
Disposals or write-off (Note 2)	(87,048,313)	—	(5,731,969)	(92,780,282)
At 31 December 2019	1,316,403,735	—	77,326,596	1,393,730,331
Net book value				
At 31 December 2019	22,207,904,341	1,874,180,898	80,423,222	24,162,508,461
At 1 January 2019	20,473,625,008	1,952,465,920	84,189,287	22,510,280,215

Note 1: During the current year, the Group made impairment provisions of RMB168,000,000 and RMB39,588,100 respectively for the exploration rights of Henan Jinda Mining Co., Ltd. ("Henan Jinda") and Sichuan Jinkang Mining Co., Ltd. ("Sichuan Jinkang") since there were indications of impairment.

Note 2: During the current year, Malipo Jinwei Mining Company Limited and Malipo Jinyuan Mining Company Limited were disposed of by the Group, and impairment provisions on intangible assets of RMB81,648,153 and RMB11,132,129 were written off respectively.

Notes to Financial Statements (continued)

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

18. Intangible assets (continued)

2018

	Exploration and mining rights	Land use rights	Membership of Shanghai Gold Exchange and others	Total
Cost				
At 1 January 2018	11,484,473,219	2,173,772,699	172,867,271	13,831,113,189
Purchases	554,463,377	128,051,502	106,228,522	788,743,401
Business combination not involving enterprises under common control	13,258,975,468	164,325,177	—	13,423,300,645
Classified as held for sale	(57,871,312)	(96,821,921)	(732,465)	(155,425,698)
Disposals or write-off	(26,893,743)	(10,480,320)	(55,262,927)	(92,636,990)
At 31 December 2018	25,213,147,009	2,358,847,137	223,100,401	27,795,094,547
Accumulated amortisation				
At 1 January 2018	2,931,241,991	404,777,394	32,291,124	3,368,310,509
Amortisation provided for the year	669,963,344	76,220,167	27,303,061	773,486,572
Classified as held for sale	(40,362,193)	(72,888,051)	(422,090)	(113,672,334)
Disposals or write-off	—	(1,728,293)	(3,319,546)	(5,047,839)
At 31 December 2018	3,560,843,142	406,381,217	55,852,549	4,023,076,908
Impairment provision				
At 1 January 2018	484,106,346	—	75,170,307	559,276,653
Impairment provided for the year (Note 3)	712,081,632	—	7,888,258	719,969,890
Classified as held for sale	(17,509,119)	—	—	(17,509,119)
Disposals or write-off	—	—	—	—
At 31 December 2018	1,178,678,859	—	83,058,565	1,261,737,424
Net book value				
At 31 December 2018	20,473,625,008	1,952,465,920	84,189,287	22,510,280,215
At 1 January 2018	8,069,124,882	1,768,995,305	65,405,840	9,903,526,027

Note 3: Some exploration rights of the Group's subsidiaries, namely Liancheng Zijin Mining Co., Ltd. ("Liancheng Zijin"), Sanming City Hongguo Mining Development Co., Ltd. ("Sanming Hongguo"), Huanmin Mining Co., Ltd. ("Huanmin Mining"), Chongli Zijin, and Shangri-La Huaxi Mining Co., Ltd. ("Shangri-La Huaxi") showed indications of impairment. Impairment tests were performed on these rights and provisions for impairment of RMB239,748,643, RMB231,807,744, RMB195,146,647, RMB13,009,930 and RMB5,725,026 were made respectively. Some mining rights of the Group's subsidiaries, namely Chongli Zijin and Shangri-La Huaxi showed indications of impairment. Impairment tests were performed on these rights and provisions for impairment of RMB4,499,189 and RMB22,144,453 were made respectively. The fishery breeding right of Yongding Zijin Longhu Ecological Industry Development Co., Ltd. ("Zijin Longhu"), a subsidiary of the Group, showed an indication of impairment. Impairment test was performed on this right and provision for impairment of RMB7,888,258 was made. During the year, the Group wrote back impairment provisions of RMB17,509,119 as Chongli Zijin was reclassified as held for sale.

As at 31 December 2019, there was no intangible asset with restrictions on title (31 December 2018: there were restrictions on title for land use rights with a carrying amount of RMB85,807,143). Details are disclosed in Note V.65.

Notes to Financial Statements *(continued)*

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

18. Intangible assets *(continued)*

Land use rights of which certificates of title have not been obtained as at 31 December 2019 are as follows:

	Net book value	Reason why certificates of title have not been obtained
Land use rights of Duobaoshan Copper Industry (storage of explosives, management and living areas, etc.)	517,456,341	In the process of application
Land use rights of Duobaoshan Copper Industry (phase II construction land)	31,650,856	In the process of application
Land use rights of Duobaoshan Copper Industry's employee apartment building	2,196,594	In the process of application
Land use rights of Ashele Copper's new tailings pool	100,819,671	In the process of application
Land use rights of Urad Rear Banner Zijin	67,628,109	In the process of application
140 hectares of land use rights of Duobaoshan Copper Industry (Orebody no. 3, mining area, dump, tailings pool)	132,511,603	In the process of application
Land beside the Zijin Avenue	12,941,806	In the process of application
Land use rights of Ashele Copper's 1,200 tonnes of copper selection from zinc tailings	1,353,892	In the process of application
169 hectares of land use rights in Duobaoshan Copper Industry (expansion of western side of open-pit mine, dump, tailings pool with level-four sub-dam)	162,963,680	In the process of application

Land use rights of which certificates of title have not been obtained as at 31 December 2018 are as follows:

	Net book value	Reason why certificates of title have not been obtained
Land use rights of Duobaoshan Copper Industry (storage of explosives, management and living areas, etc.)	543,546,577	In the process of application
Land use rights of Duobaoshan Copper Industry (phase II construction land)	16,030,760	In the process of application
Land use rights of Duobaoshan Copper Industry's employee apartment building	2,233,522	In the process of application
Land use rights of Ashele Copper's new tailings pool	112,361,572	In the process of application
Land use rights of Urad Rear Banner Zijin	70,324,247	In the process of application
140 hectares of land use rights of Duobaoshan Copper Industry (Orebody no. 3, mining area, dump, tailings pool)	193,315,174	In the process of application
Land beside the Zijin Avenue	13,311,572	In the process of application
Land use rights of Ashele Copper's 1,200 tonnes of copper selection from zinc tailings	1,481,819	In the process of application
169 hectares of land use rights in Duobaoshan Copper Industry (expansion of western side of open-pit mine, dump, tailings pool with level-four sub-dam)	207,861,072	In the process of application

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

19. Goodwill

2019

	At 1 January 2019	Additions	Reductions	At 31 December 2019
Ashele Copper	12,906,890	—	—	12,906,890
West Copper	455,874	—	—	455,874
Hunchun Zijin	71,099,520	—	—	71,099,520
Yunnan Huaxi Mineral Resources Co., Ltd. ("Yunnan Huaxi")	33,161,050	—	—	33,161,050
Zijin Mining Group (Xiamen) Investment Co., Ltd. ("Xiamen Investment")	1,241,101	—	—	1,241,101
Shanxi Zijin Mining Co., Ltd. ("Shanxi Zijin")	2,503,610	—	—	2,503,610
Xinyi Zijin Mining Co., Ltd. ("Xinyi Zijin")	44,319,632	—	—	44,319,632
Norton Gold Fields Pty Limited ("Norton")	157,778,981	—	—	157,778,981
Urad Rear Banner Zijin	119,097,944	—	—	119,097,944
Bayannur Zijin Non-ferrous Metals Co., Ltd. ("Bayannur Zijin")	14,531,538	—	—	14,531,538
Zijin Copper Co., Ltd. ("Zijin Copper")	4,340,000	—	—	4,340,000
Fujian Shanghang Jinshan Hydropower Co., Ltd. ("Jinshan Hydropower")	79,642,197	—	—	79,642,197
Beijing Anchuang	8,330,914	—	—	8,330,914
	549,409,251	—	—	549,409,251
Provision for impairment of goodwill	(235,259,663)	—	—	(235,259,663)
	314,149,588	—	—	314,149,588

2018

	At 1 January 2018	Additions	Reductions	At 31 December 2018
Ashele Copper	12,906,890	—	—	12,906,890
West Copper	455,874	—	—	455,874
Hunchun Zijin	71,099,520	—	—	71,099,520
Yunnan Huaxi	33,161,050	—	—	33,161,050
Xiamen Investment	1,241,101	—	—	1,241,101
Shanxi Zijin	2,503,610	—	—	2,503,610
Xinyi Zijin	44,319,632	—	—	44,319,632
Norton	157,778,981	—	—	157,778,981
Urad Rear Banner Zijin	119,097,944	—	—	119,097,944
Bayannur Zijin	14,531,538	—	—	14,531,538
Zijin Copper	4,340,000	—	—	4,340,000
Jinshan Hydropower	79,642,197	—	—	79,642,197
Beijing Anchuang	—	8,330,914	—	8,330,914
	541,078,337	8,330,914	—	549,409,251
Provision for impairment of goodwill	(77,480,682)	(157,778,981)	—	(235,259,663)
	463,597,655	(149,448,067)	—	314,149,588

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

19. Goodwill *(continued)*

The movements of impairment provision for goodwill are as follows:

2019

	At 1 January			At 31 December
	2019	Additions	Reductions	2019
		Provision	Disposal	
Norton	157,778,981	—	—	157,778,981
Xinyi Zijin	44,319,632	—	—	44,319,632
Yunnan Huaxi	33,161,050	—	—	33,161,050
	235,259,663	—	—	235,259,663

2018

	At 1 January			At 31 December
	2018	Additions	Reductions	2018
		Provision	Disposal	
Norton	—	157,778,981	—	157,778,981
Xinyi Zijin	44,319,632	—	—	44,319,632
Yunnan Huaxi	33,161,050	—	—	33,161,050
	77,480,682	157,778,981	—	235,259,663

Goodwill arising from business combinations has been allocated to the following asset groups or portfolio of asset groups for the impairment test:

- Refining asset group
- Mining asset group
- Hydropower asset group
- Other asset group

Refining asset group

Goodwill of the refining asset group was formed by the acquisitions of Zijin Copper and Bayannur Zijin, which was consistent with the portfolio of asset groups as determined on the acquisition dates. The original book value of goodwill of the refining asset group as at 31 December 2019 was RMB18,871,538 (31 December 2018: RMB18,871,538). The recoverable amount is determined by the present value of the expected future cash flows, which is based on the cash flow forecasts of the management's three-year rolling plan. The discount rate used for cash flow forecast is 15%.

Notes to Financial Statements *(continued)*

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*19. Goodwill *(continued)*

Mining asset group

Goodwill of the mining asset group was formed by the acquisitions of Ashele Copper, West Copper, Hunchun Zijin, Shanxi Zijin and Urad Rear Banner Zijin, which was consistent with the portfolio of asset groups as determined on the acquisition dates. As at 31 December 2019, the original book value of goodwill of the mining asset group was RMB441,323,501 (31 December 2018: RMB441,323,501). The recoverable amount is determined by the present value of the expected future cash flows or the considerations of comparable transactions. The present value of the expected future the cash flows is based on cash flow forecasts of the management's three-year rolling plan, mine production lifecycle or the pre-feasibility reports. The discount rates used for the cash flow forecasts are 15% to 18%.

Hydropower asset group

Goodwill of the hydropower asset group was formed by the acquisitions of Jinshan Hydropower. As at 31 December 2019, the carrying amount of the goodwill was RMB79,642,197 (31 December 2018: RMB79,642,197). The recoverable amount is determined by the present value of the expected future cash flows, based on the cash flow forecasts of the budget and feasibility study reports. The discount rate used for the cash flow forecast is 12%.

Other asset group

Goodwill of the other asset group was formed by the acquisition of Xiamen Investment and the acquisition of Beijing Anchuang. As at 31 December 2019, the carrying amount of the goodwill was RMB9,572,015 (31 December 2018: RMB9,572,015). The discount rate used for the cash flow forecast is 15%.

	Refining asset group		Mining asset group		Hydropower asset group		Other asset group		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
The carrying amount of goodwill	18,871,538	18,871,538	441,323,501	441,323,501	79,642,197	79,642,197	9,572,015	9,572,015	549,409,251	549,409,251
Impairment provision	—	—	(235,259,663)	(235,259,663)	—	—	—	—	(235,259,663)	(235,259,663)
Book value of goodwill	18,871,538	18,871,538	206,063,838	206,063,838	79,642,197	79,642,197	9,572,015	9,572,015	314,149,588	314,149,588

The following illustrates the key assumptions made by the management in determining cash flow forecasts for the goodwill impairment test:

Budgeted gross profit margin	The average gross profit margin achieved in the year immediately before the budget year is appropriately adjusted according to the expected raise of production efficiency variance.
Discount rates	The discount rates before tax reflect the specific risks of related asset group or portfolio of asset groups.

The amount allocated to the above asset group or portfolio of asset groups is consistent with the historical experience and external information of the Group.

As at 31 December 2019, the Group had accrued full impairment provisions for goodwill of RMB44,319,632, RMB33,161,050 and RMB157,778,981 for Xinyi Zijin, Yunnan Huaxi and Norton, respectively.

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

20. Long-term deferred assets

2019

	At 1 January	Additions	Amortisation	Other reductions	At 31 December
Land compensation costs (Note 1)	180,373,342	5,894,331	(8,421,914)	—	177,845,759
Mining shaft development expenditure	195,455,325	44,860,386	(44,094,754)	—	196,220,957
Amortisation costs of bipolar plates	203,707,175	9,892,006	(1,079,797)	—	212,519,384
Forest compensation expenditure	135,312,365	—	(26,220,164)	(527,341)	108,564,860
Others (Note 2)	272,467,264	535,987,408	(271,354,141)	(26,413,545)	510,686,986
	987,315,471	596,634,131	(351,170,770)	(26,940,886)	1,205,837,946

2018

	At 1 January	Additions	Amortisation	Other reductions	At 31 December
Land compensation costs (Note 1)	193,695,011	5,129,364	(8,123,666)	(10,327,367)	180,373,342
Mining shaft development expenditure	219,114,624	21,780,338	(45,439,637)	—	195,455,325
Amortisation costs of bipolar plates	211,787,834	1,802,983	(2,084,425)	(7,799,217)	203,707,175
Forest compensation expenditure	116,329,287	34,948,612	(15,428,508)	(537,026)	135,312,365
Others (Note 2)	373,831,888	159,694,156	(153,202,334)	(107,856,446)	272,467,264
	1,114,758,644	223,355,453	(224,278,570)	(126,520,056)	987,315,471

Note 1: The land compensation costs are related to the compensation for the occupation of forest land at the mining sites for production and construction needs. The amortisation period ranges from 5 to 50 years.

Note 2: As at 31 December 2019, other long-term deferred assets mainly included highway tolls of RMB17,254,663 (31 December 2018: RMB25,660,065); reconstruction costs of power supply lines of RMB15,945,465 (31 December 2018: RMB18,558,251); exploration expenditures of RMB27,072,766 (31 December 2018: RMB31,291,875); fixed asset improvement expenditures of RMB110,053,128 (31 December 2018: RMB47,385,776); enterprise resource planning system implementation fees of RMB43,666,802 (31 December 2018: RMB26,989,378); plant improvement expenditures of RMB52,587,534 (31 December 2018: RMB30,651,543), etc. Other long-term deferred assets are amortised in accordance with their useful lives.

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

21. Deferred tax assets/liabilities

Deferred tax assets and deferred tax liabilities before offsetting:

	2019		2018	
	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets
Deferred tax assets				
Provision for impairment of assets	417,389,014	99,904,764	539,009,855	118,626,806
Elimination of unrealised profit arising from intra-group transactions	1,038,614,417	241,100,541	748,644,808	166,856,027
Deductible losses (Note 1)	999,783,282	157,736,660	1,378,941,575	261,829,967
Differences in depreciation policies	627,987,963	99,578,972	524,923,462	89,626,658
Changes in the fair value of equity instrument investments not held for trading	137,348,782	21,116,308	89,416,683	13,739,440
Changes in fair value of held for trading financial assets	113,900,882	23,368,658	66,641,790	11,922,662
Expenses accrued but not yet paid and others	783,146,086	193,860,913	877,264,569	222,174,644
	4,118,170,426	836,666,816	4,224,842,742	884,776,204

Note 1: As at 31 December 2019, deferred tax assets generated from the above deductible tax losses were recognised to the extent that it was probable that taxable profits would be available against which the deductible tax losses can be utilised.

	2019		2018	
	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities
Deferred tax liabilities				
Fair value adjustments arising from business combination not involving enterprises under common control	7,881,856,785	1,857,880,420	8,311,438,590	1,950,149,582
Changes in fair value of held for trading financial assets	61,696,814	15,424,204	126,188,991	27,250,962
Changes in the fair value of equity instrument investments not held for trading	84,194,425	21,110,679	49,243,384	12,348,380
Differences in amortisation policies for stripping costs	2,895,842,620	793,416,374	2,634,653,026	753,423,865
	10,923,590,644	2,687,831,677	11,121,523,991	2,743,172,789

Deductible temporary differences and deductible tax losses for which deferred tax assets are not recognised are as follows:

	2019	2018
Deductible temporary differences	3,958,626,893	3,212,983,316
Deductible tax losses	5,760,671,972	5,174,507,544
	9,719,298,865	8,387,490,860

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

21. Deferred tax assets/liabilities *(continued)*

Deductible losses of unrecognised deferred tax assets will expire in the following years:

	2019	2018
2019	—	554,206,500
2020	932,752,756	934,443,312
2021	766,957,934	870,485,786
2022	528,561,999	568,482,038
2023	731,330,563	914,813,671
2024	818,557,324	—
2025 and the following years	1,982,511,396	1,332,076,237
	5,760,671,972	5,174,507,544

The accumulated deductible losses of RMB1,563,015,019 (2018: RMB1,192,534,033) incurred by the Group's subsidiaries in Hong Kong and South Africa can be deducted indefinitely; the accumulated deductible losses incurred by PRC subsidiaries of RMB3,748,995,483 (2018: RMB3,842,431,307) can be deducted within five consecutive years from the year they were incurred; the accumulated deductible losses incurred by PRC subsidiaries of RMB419,496,376 (2018: RMB139,542,204) can be deducted within ten consecutive years from the year they were incurred; and the accumulated deductible losses incurred by the Group's subsidiaries in the Republic of Serbia of RMB29,165,094 (2018: Nil) can be deducted within five consecutive years from the year they were incurred.

22. Other non-current assets

	2019	2018
Exploration and development costs	2,805,235,398	2,327,413,425
Prepaid investment costs	2,960,000	1,200,000
Long-term receivables	5,266,987,210	4,182,117,096
Prepayments for fixed assets and constructions	757,434,870	182,705,630
Deposit for mine restoration and improvement of ecological environment in mines	10,268,480	125,517,781
Prepayments for land use rights	1,874,438,678	898,381,250
Prepayments for exploration and mining rights	20,274,870	21,604,274
Inventories expected not to be processed within one year	300,885,340	375,748,494
VAT credits expected not to be utilised within one year	373,679,226	—
Others	31,845,443	83,849,996
	11,444,009,515	8,198,537,946

As at 31 December 2019, the carrying amount of other non-current assets with restrictions on use amounted to RMB10,268,480 (31 December 2018: RMB125,517,781). Details are disclosed in Note V.65.

Notes to Financial Statements (continued)

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

23. Provision for impairment of assets

2019

	At 1 January 2019	Addition		Reductions			At 31 December 2019
		Provided for the year	Reclassification	Reversal	Write-back/ Write-off	Reclassification	
Bad debt provision	79,465,603	80,441,572	—	(15,910,814)	(5,666,116)	—	138,330,245
Inventory provision	69,873,479	91,453,996	—	(46,389,636)	(10,000,924)	—	104,936,915
Impairment provision for long-term equity investments	15,815,023	47,038,703	—	—	—	—	62,853,726
Impairment provision for investment properties	79,936,878	—	—	—	(953,688)	(78,983,190)	—
Impairment provision for fixed assets	1,833,189,848	7,162,090	78,983,190	—	(144,655,039)	—	1,774,680,089
Impairment provision for construction in progress	732,348,246	44,343,254	—	—	(973,411)	—	775,718,089
Impairment provision for intangible assets	1,261,737,424	224,773,189	—	—	(92,780,282)	—	1,393,730,331
Impairment provision for goodwill	235,259,663	—	—	—	—	—	235,259,663
Impairment provision for other current assets	5,527,310	—	—	—	(5,527,310)	—	—
Impairment provision for receivables financing	5,662,056	1,088,851	—	—	—	—	6,750,907
Impairment provision for other non-current assets	498,884,816	—	—	—	—	—	498,884,816
	4,817,700,346	496,301,655	78,983,190	(62,300,450)	(260,556,770)	(78,983,190)	4,991,144,781

2018

	At 1 January 2018	Addition		Reductions			At 31 December 2018
		Provided for the year	Changes in accounting policies	Reversal	Write-back/ Write-off	Classified as held for sale	
Bad debt provision	204,280,797	64,178,147	9,495,496	(141,557,407)	(46,648,012)	(10,283,418)	79,465,603
Inventory provision	130,841,274	94,340,594	—	(102,383,656)	(52,924,733)	—	69,873,479
Impairment provision for financial assets at fair value through other comprehensive income	60,204,548	—	(10,500,000)	—	(49,704,548)	—	—
Impairment provision for long-term equity investments	175,108,439	3,464,168	—	—	(162,757,584)	—	15,815,023
Impairment provision for investment properties	—	79,936,878	—	—	—	—	79,936,878
Impairment provision for fixed assets	1,777,203,668	260,314,418	—	—	(1,602,718)	(202,725,520)	1,833,189,848
Impairment provision for construction in progress	623,287,743	111,456,562	—	—	(2,396,059)	—	732,348,246
Impairment provision for intangible assets	559,276,653	719,969,890	—	—	—	(17,509,119)	1,261,737,424
Impairment provision for goodwill	77,480,682	157,778,981	—	—	—	—	235,259,663
Impairment provision for other current assets	5,527,310	—	—	—	—	—	5,527,310
Impairment provision for receivables financing	—	5,662,056	—	—	—	—	5,662,056
Impairment provision for other non-current assets	333,663,617	165,221,199	—	—	—	—	498,884,816
	3,946,874,731	1,662,322,893	(1,004,504)	(243,941,063)	(316,033,654)	(230,518,057)	4,817,700,346

Notes to Financial Statements *(continued)*

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

24. Short-term borrowings

	2019	2018
Unsecured and non-guaranteed loans	6,564,033,351	7,894,762,845
Secured loans with securities under the lenders' custody (Note 1)	—	1,946,875
Gold leasing (Note 2)	7,006,198,930	7,482,777,453
Bills receivable discounted	870,685,605	237,193,063
	14,440,917,886	15,616,680,236

As at 31 December 2019 and 31 December 2018, the Group had no secured bank loans.

As at 31 December 2019, the interest rates of the above borrowings ranged from 2.23% to 4.35% per annum (31 December 2018: 2.85% to 4.70% per annum).

As at 31 December 2019 and 31 December 2018, there were no short-term borrowings of the Group that were overdue but not yet repaid.

Note 1: As at 31 December 2019, the Group had no pledged loans. As at 31 December 2018, bills receivable of Shanghang Zijin Jiabo Electronic New Material Technology Co., Ltd., a subsidiary of the Group, were pledged as collateral against a bank borrowing of RMB1,946,875 from Industrial and Commercial Bank of China. The loan was repaid in May 2019.

Note 2: During gold leasing, the Group entered into futures contracts with the same quantity, specification and maturity with the same gold leasing banks, and agreed that on maturity of the leases, the Group would purchase gold from those gold leasing banks with the same quantity and specification at specific prices denominated in Renminbi to return the leased gold. The Group considered that under such gold leasing business model, the banks entirely bore the risk of gold price fluctuation during the gold leasing period. The Group only bore the agreed gold leasing fee and related handling fee. Therefore, the Group included the leased gold in short-term borrowings.

25. Held for trading financial liabilities

	2019	2018
Financial liabilities at fair value through profit or loss		
Gold leasing (Note 1)	32,262,397	74,841,064
Derivative financial liabilities – commodity hedging (Note 2)	265,382,070	165,871,253
Derivative financial liabilities – foreign currency derivatives (Note 3)	28,494,587	1,770,265
	326,139,054	242,482,582

Note 1: The Group financed through leasing gold from banks and subsequently sold the gold through the Shanghai Gold Exchange. On maturity of the leases, the Group would return the gold to gold leasing banks with the same quantity and specification purchased through the Shanghai Gold Exchange, and pay the agreed leasing fees. The maturity period of gold leasing was within one year (one year inclusive). As at 31 December 2019, the cost of these financial liabilities was RMB33,440,074, and the gains from changes in fair value were RMB1,177,677. Besides, other items of gold leasing of the Group have been classified as short-term borrowings. Please refer to Note V.24.

Notes to Financial Statements (continued)

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

25. Held for trading financial liabilities (continued)

Note 2: Details of derivative financial liabilities – commodity hedging are as follows:

	2019	2018
(1) Derivative financial liabilities without designated hedging relationship	98,806,788	36,096,792
Including: Forward contracts	54,482,869	10,858,519
Futures contracts	44,323,919	25,238,273
(2) Hedging instruments – Forward contracts	166,575,282	129,774,461
	265,382,070	165,871,253

Note 3: The Group has used cross currency swap contracts to hedge the currency risk and interest rate risk. As at 31 December 2019, losses on changes in fair value arising from cross currency swap contracts were RMB28,494,587 (31 December 2018: losses on changes in fair value of RMB1,770,275).

26. Bills payable

	2019	2018
Bank acceptances bills	388,934,613	160,733,506
Commercial acceptance bills	31,925,532	—
	420,860,145	160,733,506

As at 31 December 2019, there were no overdue bills payable (31 December 2018: Nil).

27. Trade payables

	2019	2018
Trade payables	4,382,104,169	4,540,248,350

* As at 31 December 2019, an ageing analysis of the trade payables, based on the invoice dates, is as follows:

	2019	2018
Within 1 year	3,754,308,693	3,941,803,169
Over 1 year but within 2 years	358,375,254	376,762,142
Over 2 years but within 3 years	125,860,772	119,449,275
Over 3 years	143,559,450	102,233,764
	4,382,104,169	4,540,248,350

As at 31 December 2019, the significant balances of trade payables aged more than one year are as follows:

	Balance	Reason for not being settled
Wenzhou Tongye Construction Work Co., Ltd.		
Sanguikou project site	53,387,565	Construction payment not yet settled
China Fifteen Metallurgical Construction Co., Ltd.	28,458,033	Construction payment not yet settled
Wenzhou Mine Workings Co., Ltd.	27,834,742	Construction payment not yet settled
Fujian Xingwanxiang Construction Group Co., Ltd.	15,057,512	Construction payment not yet settled
	124,737,852	

Notes to Financial Statements (continued)

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

27. Trade payables (continued)

As at 31 December 2018, the significant balances of trade payables aged more than one year are as follows:

	Balance	Reason for not being settled
Wenzhou Mine Workings Co., Ltd.	29,502,871	Construction payment not yet settled
Hangzhou Steam Turbine Engineering Co., Ltd.	28,984,059	Construction payment not yet settled
China Fifteen Metallurgical Construction Co., Ltd.	27,155,865	Construction payment not yet settled
Wenzhou Tongye Construction Work Co., Ltd.		
Sanguikou project site	27,127,319	Construction payment not yet settled
BGRIMM Machinery and Electrics Technology Co., Ltd.	19,484,950	Equipment payment not yet settled
Fuzhou Fuda Automation Technology Co., Ltd.	17,742,418	Equipment payment not yet settled
Beijing Li De Heng Environmental Protection Engineering Co., Ltd.	16,821,097	Construction payment not yet settled
Fujian Xingwanxiang Construction Group Co., Ltd.	16,354,132	Construction payment not yet settled
Chongqing Industrial Equipment Installation Group Co., Ltd.	16,088,925	Construction payment not yet settled
	199,261,636	

28. Contract liabilities

	2019	2018
Advances from sales of commodity housing	—	1,645,196
Advances from sales of goods	359,453,565	275,479,862
	359,453,565	277,125,058

29. Employee benefits payable

2019

	At 1 January	Additions	Reductions	At 31 December
Short-term employee benefits	694,371,924	3,642,686,139	(3,514,020,281)	823,037,782
Post-employment benefit plan (defined contribution plan)	32,244,199	235,869,188	(239,449,423)	28,663,964
Termination benefit	13,967	12,295,460	(11,713,239)	596,188
	726,630,090	3,890,850,787	(3,765,182,943)	852,297,934

2018

	At 1 January	Additions	Reductions	At 31 December
Short-term employee benefits	650,508,839	2,904,271,680	(2,860,408,595)	694,371,924
Post-employment benefit plan (defined contribution plan)	11,215,107	216,473,793	(195,444,701)	32,244,199
Termination benefit	40,884	15,069,308	(15,096,225)	13,967
Other employee benefits due within one year	—	1,356,070	(1,356,070)	—
	661,764,830	3,137,170,851	(3,072,305,591)	726,630,090

Notes to Financial Statements *(continued)*

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*29. Employee benefits payable *(continued)*

Short-term employee benefits are as follows:

2019

	At 1 January	Additions	Reductions	At 31 December
Wages or salaries, bonuses, allowances and subsidies	506,238,608	3,007,706,348	(2,868,712,695)	645,232,261
Staff welfare	117,475,184	293,324,138	(286,210,183)	124,589,139
Social security contributions	1,989,107	102,121,422	(103,602,364)	508,165
<i>Including: Medical insurance</i>	<i>229,283</i>	<i>75,560,808</i>	<i>(75,864,305)</i>	<i>(74,214)</i>
<i>Work-related injury insurance</i>	<i>1,737,953</i>	<i>20,485,479</i>	<i>(21,684,575)</i>	<i>538,857</i>
<i>Maternity insurance</i>	<i>21,871</i>	<i>6,075,135</i>	<i>(6,053,484)</i>	<i>43,522</i>
Housing fund	1,879,086	130,400,611	(129,871,023)	2,408,674
Union running costs and employee education costs	45,416,542	76,831,952	(93,411,219)	28,837,275
Short-term compensated absence	1,557,946	24,017,248	(28,214,527)	(2,639,333)
Short-term profit-sharing plan (Note 1)	19,815,451	8,284,420	(3,998,270)	24,101,601
	694,371,924	3,642,686,139	(3,514,020,281)	823,037,782

2018

	At 1 January	Additions	Reductions	At 31 December
Wages or salaries, bonuses, allowances and subsidies	462,314,877	2,405,622,119	(2,361,698,388)	506,238,608
Staff welfare	118,970,301	234,863,238	(236,358,355)	117,475,184
Social security contributions	50,912	106,221,724	(104,283,529)	1,989,107
<i>Including: Medical insurance</i>	<i>—</i>	<i>71,541,468</i>	<i>(71,312,185)</i>	<i>229,283</i>
<i>Work-related injury insurance</i>	<i>—</i>	<i>28,727,511</i>	<i>(26,989,558)</i>	<i>1,737,953</i>
<i>Maternity insurance</i>	<i>50,912</i>	<i>5,952,745</i>	<i>(5,981,786)</i>	<i>21,871</i>
Housing fund	2,086,532	104,717,415	(104,924,861)	1,879,086
Union running costs and employee education costs	59,251,668	31,186,092	(45,021,218)	45,416,542
Short-term compensated absence	—	8,812,273	(7,254,327)	1,557,946
Short-term profit-sharing plan (Note 1)	7,834,549	12,848,819	(867,917)	19,815,451
	650,508,839	2,904,271,680	(2,860,408,595)	694,371,924

Note 1: The short-term profit-sharing plan was determined by remuneration assessment and a certain percentage of the increased amount of the Group's net assets.

Notes to Financial Statements *(continued)*

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

29. Employee benefits payable *(continued)*

Details of the defined contribution plan are as follows:

2019

	At 1 January	Additions	Reductions	At 31 December
Basic pension insurance	31,583,371	228,769,102	(232,429,465)	27,923,008
Unemployment insurance	660,828	7,100,086	(7,019,958)	740,956
	32,244,199	235,869,188	(239,449,423)	28,663,964

2018

	At 1 January	Additions	Reductions	At 31 December
Basic pension insurance	10,395,797	209,938,214	(188,750,640)	31,583,371
Unemployment insurance	819,310	6,535,579	(6,694,061)	660,828
	11,215,107	216,473,793	(195,444,701)	32,244,199

30. Taxes payable

	2019	2018
Corporate income tax	499,283,867	497,642,288
Value-added tax	137,595,058	128,853,698
Resource compensation fee	120,769,049	120,769,049
Resource tax	149,329,435	88,849,349
Others	78,215,988	67,667,722
	985,193,397	903,782,106

31. Other payables

	2019	2018
Dividends payable	11,081,780	6,939,516
Interest payables	35,579,862	502,305,167
Other payables	5,280,188,177	4,470,342,146
	5,326,849,819	4,979,586,829

Notes to Financial Statements *(continued)*

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*31. Other payables *(continued)***Dividends payable**

	2019	2018
Luoning County Funiu Mining Development Centre	5,180,000	180,000
Ministry of Finance of the Republic of Tajikistan	4,886,530	—
China Gold Henan Co., Ltd.	1,000,000	—
Malipo State-owned Assets Management Co., Ltd.	—	3,000,000
Malipo Luowei Investment Co., Ltd.	—	1,200,000
Others	15,250	2,559,516
	11,081,780	6,939,516

Interest payables

	2019	2018
Bond interest	—	238,653,997
Borrowing interest	31,228,768	186,585,234
Gold leasing interest	4,351,094	77,065,936
	35,579,862	502,305,167

Other payables

	2019	2018
Payables for construction work and equipment	2,054,715,526	1,799,763,269
Amounts due to third parties	665,636,453	772,438,058
Due to non-controlling shareholders	967,051,315	339,279,125
Deposits	308,062,478	236,601,421
Payables to FMEC (Note V.37)	313,929,000	310,134,282
Payables for exploration and mining rights	114,273,114	111,666,003
Donation payables	105,197,935	89,447,681
Withholding individual income tax	10,555,350	21,967,321
Payables for acquisition of equities and debts	2,490,000	10,894,000
Payables for losses on futures contracts	23,487,905	18,344,277
Accrued maintenance costs	62,889,279	24,493,446
Payables for consulting services	30,618,805	125,942,902
Others	621,281,017	609,370,361
Total other payables	5,280,188,177	4,470,342,146

Notes to Financial Statements *(continued)*

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

31. Other payables *(continued)*

Other payables *(continued)*

As at 31 December 2019, the significant balances of other payables aged more than one year are as follows:

	Reason for not being settled	Balance
FMEC	Payables for acquisition of equity interest not yet settled	313,929,000
Tongling Nonferrous Metals Group Holding Co., Ltd. ("Tongling Nonferrous Metals")	Payables not yet settled	202,902,291
Xiamen C&D Inc. ("C&D Inc.")	Payables not yet settled	81,211,727
Fuyun County Finance Bureau	Payables not yet settled	65,149,981
The 8th Metallurgical Construction Group Company Limited	Construction payments not yet settled	35,353,493
Mr. Zhu	Expense of mining rights not yet settled	29,672,233
Wenzhou Tongye Construction Work Co., Ltd. Changtian Project Branch	Construction payments not yet settled	28,586,901
Hunan Industrial Equipment Installation Co., Ltd.	Construction payments not yet settled	27,780,815
Shanghang County Finance Bureau	Expense of exploration rights not yet settled	22,998,760
Shanghai Baoye Group Corp., Ltd.	Construction payments not yet settled	21,731,502
		829,316,703

As at 31 December 2018, the significant balances of other payables aged more than one year are as follows:

	Reason for not being settled	Balance
Wenzhou Mine Workings Co., Ltd.	Construction payments not yet settled	47,090,971
The 8th Metallurgical Construction Group Company Limited	Construction payments not yet settled	44,899,906
ZhongYeDiKan Geotechnical Engineering Co., Ltd.	Construction payments not yet settled	43,950,736
Mr. Zhu	Expense of mining rights not yet settled	29,672,233
Shanghang County Finance Bureau	Expense of exploration rights not yet settled	22,535,911
Xiamen Minox Investment Company Limited	Payables not yet settled	19,600,000
Zhejiang Xinwang Mining Co., Ltd.	Construction payments not yet settled	19,062,055
Wenzhou Jianfeng Mining Engineering Co., Ltd. Wuping Branch	Construction payments not yet settled	13,650,312
		240,462,124

32. Current portion of non-current liabilities

	2019	2018
Current portion of long-term borrowings (Note V.34)	2,026,445,561	2,366,783,159
Current portion of long-term payables (Note V.37)	85,639,380	47,435,853
Current portion of bonds payable (Note V.35)	3,298,810,017	7,292,870,010
Current portion of bond interest (Note V.35)	266,129,549	—
Current portion of lease liabilities (Note V.36)	91,815,553	—
	5,768,840,060	9,707,089,022

Notes to Financial Statements *(continued)*

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

33. Other current liabilities

	2019	2018
Ultra short-term financing bonds (Note 1)	500,000,000	—

Note 1: In July 2019, the Company received the Notice of Registration Acceptance (Zhongshixiezhuzhu [2019] DFI No. 18) issued by the National Association of Financial Market Institutional Investors and the Company was approved to register debt financing instruments. The registration was effective within 2 years commencing from the issuance date of the notice, during which the Company was allowed to issue ultra short-term financing bonds, short-term financing bonds, medium-term notes and perpetual notes. On 18 October 2019, the Company issued ultra short-term financing bonds with a principal amount of RMB500 million and a maturity period of 270 days. The maturity date was 17 July 2020 with an interest rate of 2.65%.

34. Long-term borrowings

	2019	2018
Unsecured and non-guaranteed loans	15,852,667,085	15,284,698,865
Including: Current portion of long-term borrowings (Note V.32)	(2,026,445,561)	(2,366,783,159)
	13,826,221,524	12,917,915,706

As at 31 December 2019 and 31 December 2018, the Group had neither secured loans nor guaranteed loans.

As at 31 December 2019, interest rates of the Group's long-term borrowings ranged from 1.20% to 5.68% per annum (31 December 2018: 1.20% to 6.49% per annum).

* Maturity analysis of long-term borrowings is as follows:

	2019	2018
Within 1 year or repayable on demand	2,026,445,561	2,366,783,159
Over 1 year but within 2 years	3,896,727,340	2,687,922,863
Over 2 years but within 5 years	9,159,406,150	8,697,806,391
Over 5 years	770,088,034	1,532,186,452
	15,852,667,085	15,284,698,865

35. Bonds payable

	2019	2018
Bonds payable	5,975,290,413	10,375,987,499
Medium-term notes	9,289,988,291	5,796,336,204
	15,265,278,704	16,172,323,703
Bond interest	266,129,549	—
	15,531,408,253	16,172,323,703
Including: Current portion of bonds payable (Note V.32)	(3,298,810,017)	(7,292,870,010)
Current portion of bond interest (Note V.32)	(266,129,549)	—
	11,966,468,687	8,879,453,693

Notes to Financial Statements (continued)

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

35. Bonds payable (continued)

As at 31 December 2019, the balances of bonds payable are as follows:

Currency	Face value	Issue date	Maturity		At 1 January 2019	Exchange gains or losses	Issued in the current year	Interest accrued for the current year	Amortisation of discount/premium	Interest paid for the year	Repayment of principal in the year	At 31 December 2019
			of the bonds	Issue value of the bonds								
RMB	2,500,000,000	5 September 2014	5 years	2,500,000,000	2,499,052,416	—	—	103,125,000	947,584	(137,500,000)	(2,500,000,000)	—
RMB	2,000,000,000	18 March 2016	5 years	2,000,000,000	1,997,524,823	—	—	67,400,000	1,076,585	(67,400,000)	—	1,998,601,408
RMB	3,000,000,000	18 March 2016	5 years	3,000,000,000	2,996,365,082	—	—	29,209,235	3,428,182	(89,837,191)	(2,697,470,000)	302,323,264
RMB	1,800,000,000	15 July 2016	5 years	1,800,000,000	1,797,452,512	—	—	32,584,179	2,508,730	(54,900,000)	(1,755,999,000)	43,962,242
RMB	1,200,000,000	15 July 2016	5 years	1,200,000,000	1,198,248,418	—	—	41,400,000	659,290	(41,400,000)	—	1,198,907,708
USD (equivalent amount in RMB)	2,441,670,242	18 October 2018	3 years	2,441,670,242	2,386,396,664	39,290,662	—	129,077,955	5,808,465	(112,479,167)	—	2,431,495,791
RMB	1,500,000,000	11 March 2019	3 years	1,500,000,000	—	—	1,500,000,000	47,500,000	(1,320,598)	—	—	1,498,679,402
RMB	1,000,000,000	11 March 2019	5 years	1,000,000,000	—	—	1,000,000,000	35,833,333	(1,696,042)	—	—	998,303,958
RMB	1,000,000,000	8 July 2019	5 years	1,000,000,000	—	—	1,000,000,000	15,416,667	(1,108,304)	—	—	998,891,696
RMB	2,500,000,000	30 August 2019	5 years	2,500,000,000	—	—	2,500,000,000	32,916,667	(4,696,782)	—	—	2,495,303,218
Current portion of bonds payable												
RMB	3,300,000,000	11 September 2015	5 years	3,300,000,000	3,297,283,788	—	—	145,200,000	1,526,229	(145,200,000)	—	3,298,810,017
	22,241,670,242			22,241,670,242	16,172,323,703	39,290,662	6,000,000,000	679,663,036	7,133,339	(648,716,358)	(6,953,469,000)	15,265,278,704

As at 31 December 2018, the balances of bonds payable are as follows:

Currency	Face value	Issue date	Maturity		At 1 January 2018	Issued in the current year	Interest accrued for the current year	Amortisation of discount/premium	Interest paid for the year	Repayment of principal in the year	At 31 December 2018
			of the bonds	Issue value of the bonds							
RMB	2,500,000,000	23 October 2013	5 years	2,500,000,000	2,498,945,407	—	118,750,000	1,054,593	(142,750,000)	(2,500,000,000)	—
RMB	3,300,000,000	11 September 2015	5 years	3,300,000,000	3,295,823,852	—	145,200,000	1,459,936	(145,200,000)	—	3,297,283,788
RMB	2,000,000,000	18 March 2016	5 years	2,000,000,000	1,996,484,460	—	67,400,000	1,040,363	(67,400,000)	—	1,997,524,823
RMB	1,200,000,000	15 July 2016	5 years	1,200,000,000	1,197,611,829	—	41,400,000	636,589	(89,700,000)	—	1,198,248,418
USD (equivalent amount in RMB)	2,402,120,455	18 October 2018	3 years	2,402,120,455	—	2,402,120,455	25,728,446	(15,723,791)	—	—	2,386,396,664
Current portion of bonds payable											
RMB	2,500,000,000	5 September 2014	5 years	2,500,000,000	2,497,848,675	—	137,500,000	1,203,741	(137,500,000)	—	2,499,052,416
RMB	3,000,000,000	18 March 2016	5 years	3,000,000,000	2,994,827,720	—	89,700,000	1,537,362	(89,700,000)	—	2,996,365,082
RMB	1,800,000,000	15 July 2016	5 years	1,800,000,000	1,796,519,929	—	54,900,000	932,583	(41,400,000)	—	1,797,452,512
	18,702,120,455			18,702,120,455	16,278,061,872	2,402,120,455	680,578,446	(7,858,624)	(713,650,000)	(2,500,000,000)	16,172,323,703

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

35. Bonds payable *(continued)*

The Company, through the National Association of Financial Market Institutional Investors, issued medium-term notes with face values of RMB2.5 billion on 23 October 2013, RMB2.5 billion on 5 September 2014 and RMB3.3 billion on 11 September 2015, respectively, with a maturity of 5 years and annual interest rates of 5.7%, 5.5% and 4.4%, respectively. Interests on the notes are payable annually. Among them, the 5-year medium-term notes issued on 23 October 2013 and 5 September 2014 matured and were settled. The 5-year medium-term notes issued on 11 September 2015 will expire in 2020. The Company expects to settle the notes in full in 2020, so it is classified as bonds payable due within one year.

Pursuant to the approval of the CSRC on 17 February 2016, the Company issued corporate bonds with a face value of RMB2 billion on the Shanghai Stock Exchange on 18 March 2016. The bonds have a maturity of five years and an annual interest rate of 3.37%. On 18 March 2016, the Company issued corporate bonds with a face value of RMB3 billion on the Shanghai Stock Exchange. The bonds have a maturity of five years, and an annual interest rate of 2.99%, with terms that the issuer has an option to adjust the interest rate and investors have an option to sell back the bonds at the end of the third year. The Company exercised the sell back in 2019. On 15 July 2016, the Company issued corporate bonds with a face value of RMB1.8 billion on the Shanghai Stock Exchange. The bonds have a maturity of five years, and an annual interest rate of 3.05%, with terms that the issuer has an option to adjust the interest rate and investors have an option to sell back the bonds at the end of the third year. The Company exercised the sell back in 2019. On 15 July 2016, the Company issued corporate bonds with a face value of RMB1.2 billion on the Shanghai Stock Exchange. The bonds have a maturity of five years with an annual interest rate of 3.45%. The interest of the above bonds shall be settled annually and the principal shall be repaid in full upon their maturity.

On 18 October 2018, Zijin International Capital Co., Ltd., an overseas wholly-owned subsidiary of the Company, issued guaranteed senior notes with an aggregate face value of USD350 million and an annual interest rate of 5.282% through the Stock Exchange of Hong Kong Limited. The date of maturity is 18 October 2021 and the Company is the guarantor. From 18 April 2019, the interest shall be paid semi-annually on 18 April and 18 October.

In 2019, the Company, through the National Association of Financial Market Institutional Investors, issued medium-term notes with a face value of RMB1.5 billion, a maturity of 3 years and an annual interest rate of 3.80%, and issued medium-term notes with a face value of RMB1.0 billion, a maturity of 5 years and an annual interest rate of 4.30% on 11 March 2019; issued medium-term notes with a face value of RMB1.0 billion, a maturity of 5 years and an annual interest rate of 3.70% on 8 July 2019; issued medium-term notes with a face value of RMB2.5 billion, a maturity of 5 years and an annual interest rate of 3.95% on 30 August 2019. The interest payments of the above medium-term notes shall be settled annually and the principals shall be repaid in full upon their maturity.

As at 31 December 2019 and 31 December 2018, the Company had no overdue bonds.

36. Lease liabilities

	2019
Lease liabilities	374,162,675
Including: Current portion of lease liabilities (Note V.32)	(91,815,553)
	282,347,122

Notes to Financial Statements *(continued)*

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

37. Long-term payables

	2019	2018
Payables for acquisition of equities/debts	147,444,299	181,972,127
Payable to FMEC (Note 1)	687,578,473	—
Payables for acquisition of mining rights	97,678,750	63,162,176
Entrusted investments	221,178,781	142,894,314
Loans from a shareholder	22,200,000	70,400,000
Deposit for restoration and improvement of ecological environment in mines	—	111,991,951
Others	110,950,746	210,093,157
Subtotal	1,287,031,049	780,513,725
Including: Current portion of long-term payables (Note V.32)	(85,639,380)	(47,435,853)
	1,201,391,669	733,077,872

*Maturity analysis of long-term payables is as follows:

	2019	2018
Within 1 year or repayable on demand	85,639,380	47,435,853
Over 1 year but within 2 years	440,930,033	279,372,794
Over 2 years but within 5 years	112,510,923	95,920,815
Over 5 years	647,950,713	357,784,263
	1,287,031,049	780,513,725

Note 1: On 3 November 2019, Zijin Europe acquired 72% Class B Shares of CuAu International Holdings (BVI) Ltd. held by FMEC to obtain interests in the Lower Zone of the Timok Copper and Gold Mine and interests in relevant exploration licences held by FMEC. Pursuant to the share purchase agreement, the consideration includes an initial payment and a deferred payment. On 27 December 2019, Zijin Europe settled the initial payment of USD240,000,000 (equivalent to RMB1,677,096,000) and completed registration for the change of equity interest. The present value of deferred payment was USD40,631,106 (equivalent to RMB283,450,719) and it is expected that repayment of the amount will begin after five years.

Besides, Nevsun Resources entered into a cooperation agreement with FMEC to acquire a 100% interest in the Upper Zone and partial interest in the Lower Zone of the Timok Copper and Gold Mine in 2016. According to the agreement, the outstanding balance to be paid to FMEC amounted to USD107,500,000 in total. On 31 December 2018, the Group acquired Nevsun Resources and its subsidiaries, and the present values of the relevant outstanding balances were recorded in "Other Payables" and "Provision" respectively based on the estimated payment schedule.

On 27 December 2019, the Group acquired the remaining interests in the Lower Zone of the Timok Copper and Gold Mine held by FMEC. After negotiation, both parties agreed that the above cooperation agreement entered into between Nevsun Resources and FMEC would be terminated and the abovementioned outstanding balances shall be settled before 2022, among which, USD45,000,000, USD50,000,000 and USD12,500,000 shall be paid on or before 31 July 2020, 31 December 2021 and 31 March 2022 respectively. As at 31 December 2019, the present values of the relevant outstanding balances were recorded in "Other Payables" and "Long-term payables" respectively.

Notes to Financial Statements *(continued)*

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)***V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** *(continued)***38. Provision****2019**

	1 January 2019	Additions	Reductions	31 December 2019
Provision for environmental rehabilitation and restoration of mines (Note 1)	2,061,474,181	892,575,291	(145,269,157)	2,808,780,315
Defined benefits payable	62,754,474	9,662,103	(6,010,548)	66,406,029
Provision for litigation	41,621,501	10,960,884	(56,446)	52,525,939
Onerous contracts	119,810,882	—	(119,810,882)	—
Payable to FMEC (Note V.37)	400,429,415	—	(400,429,415)	—
	2,686,090,453	913,198,278	(671,576,448)	2,927,712,283

2018

	1 January 2018	Additions	Reductions	31 December 2018
Provision for environmental rehabilitation and restoration of mines (Note 1)	861,014,312	1,420,625,796	(220,165,927)	2,061,474,181
Defined benefits payable	—	62,754,474	—	62,754,474
Provision for litigation	—	41,621,501	—	41,621,501
Onerous contracts	—	119,810,882	—	119,810,882
Payable to FMEC (Note V.37)	—	400,429,415	—	400,429,415
	861,014,312	2,045,242,068	(220,165,927)	2,686,090,453

Note 1: The subsidiaries of the Group recognised a provision for environmental rehabilitation and restoration of mines based on the estimation of the lives of mining tenements, timing of mine closure and costs of rehabilitation to be incurred at mine closure.

39. Deferred income**2019**

	1 January 2019	Additions	Reductions	31 December 2019
Government grants	422,783,097	107,368,668	(33,431,601)	496,720,164

2018

	1 January 2018	Additions	Reductions	31 December 2018
Government grants	451,419,375	21,864,414	(50,500,692)	422,783,097

Notes to Financial Statements *(continued)*

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

39. Deferred income *(continued)*

As at 31 December 2019, liabilities related to government grants are as follows:

	1 January 2019	Additions	Recognised as other income for the year	Other movements	31 December 2019	Related to assets or income
Expenditures for science projects	8,692,800	—	(3,840,937)	—	4,851,863	Assets
Fund for environmental protection projects	70,390,182	66,196,500	(7,439,644)	—	129,147,038	Assets
Refund of land compensation	101,630,672	—	(2,635,645)	—	98,995,027	Assets
Comprehensive utilisation of mineral resources	180,325,678	—	(16,061,468)	—	164,264,210	Assets
Other financial subsidies	61,743,765	41,172,168	(3,453,907)	—	99,462,026	Assets
	422,783,097	107,368,668	(33,431,601)	—	496,720,164	

As at 31 December 2018, liabilities related to government grants are as follows:

	1 January 2018	Additions	Recognised as other income for the year	Other movements	31 December 2018	Related to assets or income
Expenditures for science projects	11,177,388	—	(2,484,588)	—	8,692,800	Assets
Fund for environmental protection projects	65,086,772	13,000,000	(7,696,590)	—	70,390,182	Assets
Refund of land compensation	104,579,032	—	(2,948,360)	—	101,630,672	Assets
Comprehensive utilisation of mineral resources	214,290,178	—	(33,964,500)	—	180,325,678	Assets
Other financial subsidies	56,286,005	8,864,414	(2,077,260)	(1,329,394)	61,743,765	Assets
	451,419,375	21,864,414	(49,171,298)	(1,329,394)	422,783,097	

Notes to Financial Statements (continued)

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

40. Share capital

2019

	At 1 January		Movements				At 31 December	
		Issuance of new shares	Stock dividend	Conversion of capital reserve into shares	Others	Subtotal		
I. Shares not subject to trading moratorium								
RMB ordinary shares	1,687,572,584	234,604,106	—	—	—	234,604,106	1,922,176,690	
Overseas-listed foreign invested shares	573,694,000	—	—	—	—	—	573,694,000	
Total share capital of shares not subject to trading moratorium	2,261,266,584	234,604,106	—	—	—	234,604,106	2,495,870,690	
II. Shares subject to trading moratorium								
RMB ordinary shares	41,855,305	—	—	—	—	—	41,855,305	
III. Total share capital	2,303,121,889	234,604,106	—	—	—	234,604,106	2,537,725,995	

2018

	At 1 January		Movements				At 31 December	
		Issuance of new shares	Stock dividend	Conversion of capital reserve into shares	Others	Subtotal		
I. Shares not subject to trading moratorium								
RMB ordinary shares	1,580,380,365	—	—	—	107,192,219	107,192,219	1,687,572,584	
Overseas-listed foreign invested shares	573,694,000	—	—	—	—	—	573,694,000	
Total share capital of shares not subject to trading moratorium	2,154,074,365	—	—	—	107,192,219	107,192,219	2,261,266,584	
II. Shares subject to trading moratorium								
RMB ordinary shares	149,047,524	—	—	—	(107,192,219)	(107,192,219)	41,855,305	
III. Total share capital	2,303,121,889	—	—	—	—	—	2,303,121,889	

The increase in share capital for 2019 was due to the public issuance of A Shares by the Company. For details, please refer to Note I. Corporate Information. The increase was verified by Ernst & Young Hua Ming LLP according to the "Ernst & Young Hua Ming (2019) Yan Zi No. 60468092_H01" verification report. As at 31 December 2019, the Company's total number of issued shares was 25,377,259,946.

Notes to Financial Statements *(continued)*

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

41. Other equity instruments

(1) Basic information of renewable corporate bonds issued and outstanding

As at 31 December 2019 and 31 December 2018, the detailed information of renewable corporate bonds issued by the Group was as follows:

Name of bond	Date of issuance	Accounting classification	Interest rate	Issue price (RMB)	Number	Amount	Amount	Date of maturity
						of total issuance (RMB)	recognised in other equity instruments (RMB)	
18 Zijin Y1	16 October 2018	Renewable corporate bonds	5.17%	100	45,000,000	4,500,000,000	4,486,950,000	17 October 2021
17 Zijin Y1	12 September 2017	Renewable corporate bonds	5.17%	100	5,000,000	500,000,000	498,550,000	13 September 2020
						5,000,000,000	4,985,500,000	

On 16 October 2018, the Group issued 2018 Renewable Corporate Bonds (the First Tranche) ("18 Zijin Y1") with a total principal amount of RMB4,500,000,000 and the coupon rate of 5.17% for the first period. The remaining balance of RMB4,486,950,000 after deducting issuance expenses was recognised in other equity instruments.

The base period of 18 Zijin Y1 is 3 years. At the end of the base period and the end of each renewal period, the Group has an option to renew the bonds for one more period (i.e., 3 years). The renewable corporate bonds will mature when the Group does not exercise the renewal option and redeems the bonds in full amount.

18 Zijin Y1 applies a fixed interest rate on an annual basis, instead of a compound interest rate. In the case of deferral, each deferred interest is accrued at the prevailing coupon rate during the deferred period. The coupon rate inquiry range for the first base period of 18 Zijin Y1 is 4.3%-5.8%. The coupon rate for the first base period will be determined by the Group and the bookkeeping manager within the preset range according to the book building conditions. The coupon rate is fixed for the first base period and will be reset at each subsequent period. The coupon rate for the first base period is the initial benchmark rate plus the initial interest rate margin, and the coupon rates of the subsequent periods will be adjusted to the prevailing benchmark interest rate plus initial interest rate margin and 300 basis points. The initial interest rate margin is the coupon rate of the first period minus the initial benchmark interest rate. If the prevailing benchmark interest rate is unavailable at the interest rate reset date due to factors such as macroeconomic and policy changes in the future, the benchmark interest rate prior to the interest rate reset date is deemed to be the prevailing benchmark interest rate. The determination method of the benchmark interest rate: the initial benchmark interest rate shall be the arithmetic mean of the yield of Chinese government bond with maturity equals to the length of the initial period as shown in China Bond Inter-bank Fixed Rate Chinese Government Bond Yield Curve published on China Bond Information Website (www.chinabond.com.cn) (or other websites as recognised by China Central Depository & Clearing Co. Ltd.) 250 working days before the book building date (rounded to 0.01%). The benchmark interest rates for the subsequent periods shall be the arithmetic mean of the yield of Chinese government bond with maturity equals to the length of the initial period as shown in China Bond Inter-bank Fixed Rate Chinese Government Bond Yield Curve published on China Bond Information Website (www.chinabond.com.cn) (or other websites as recognised by China Central Depository & Clearing Co. Ltd.) 250 working days before the date of coupon rate reset (rounded to 0.01%).

Notes to Financial Statements *(continued)*

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)***V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** *(continued)***41. Other equity instruments** *(continued)***(1) Basic information of renewable corporate bonds issued and outstanding** *(continued)*

On 12 September 2017, the Group issued 2017 Renewable Corporate Bonds (the First Tranche) ("17 Zijin Y1") with a total principal amount of RMB500,000,000 and the coupon rate of 5.17% for the first period. The remaining balance of RMB498,550,000 after deducting issuance expenses was recognised as other equity instruments.

The base period of 17 Zijin Y1 is 3 years. At the end of the base period and the end of each renewal period, the Group has an option to renew the bonds for one more period (i.e., 3 years). The renewable corporate bonds will mature when the Group does not exercise the renewal option and redeems the bonds in full amount.

17 Zijin Y1 applies a fixed interest rate on an annual basis, instead of a compound interest rate. In the case of deferral, each deferred interest is accrued at the prevailing coupon rate during the deferred period. The coupon rate inquiry range for the first base period of 17 Zijin Y1 is 4.8%-5.8%. The coupon rate for the first base period will be determined by the Group and the bookkeeping manager within the preset range according to the book building conditions. The coupon rate is fixed for the first base period and will be reset at each subsequent period. The coupon rate for the first base period is the initial benchmark rate plus the initial interest rate margin, and the coupon rates of the subsequent periods will be adjusted to the prevailing benchmark interest rate plus initial interest rate margin and 300 basis points. The initial interest rate margin is the coupon rate of the first period minus the initial benchmark interest rate. If the prevailing benchmark interest rate is unavailable at the interest rate reset date due to factors such as macroeconomic and policy changes in the future, the benchmark interest rate prior to the interest rate reset date is deemed to be the prevailing benchmark interest rate. The determination method of the benchmark interest rate: the initial benchmark interest rate shall be the arithmetic mean of the yield of Chinese government bond with maturity equals to the length of the initial period as shown in China Bond Inter-bank Fixed Rate Chinese Government Bond Yield Curve published on China Bond Information Website (www.chinabond.com.cn) (or other websites as recognised by China Central Depository & Clearing Co. Ltd.) 250 working days before the book building date (rounded to 0.01%). The benchmark interest rates for the subsequent periods shall be the arithmetic mean of the yield of Chinese government bond with maturity equals to the length of the initial period as shown in China Bond Inter-bank Fixed Rate Chinese Government Bond Yield Curve published on China Bond Information Website (www.chinabond.com.cn) (or other websites as recognised by China Central Depository & Clearing Co. Ltd.) 250 working days before the date of coupon rate reset (rounded to 0.01%).

(2) Movements of renewable corporate bonds issued and outstanding:**2019**

	At 1 January		Additions		Reductions		At 31 December	
	Number	Book value	Number	Book value	Number	Book value	Number	Book value
18 Zijin Y1	45,000,000	4,486,950,000	—	—	—	—	45,000,000	4,486,950,000
17 Zijin Y1	5,000,000	498,550,000	—	—	—	—	5,000,000	498,550,000
		4,985,500,000		—		—		4,985,500,000

Notes to Financial Statements *(continued)*

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

41. Other equity instruments *(continued)*

(2) Movements of renewable corporate bonds issued and outstanding: *(continued)*

2018

	At 1 January		Additions		Reductions		At 31 December	
	Number	Book value	Number	Book value	Number	Book value	Number	Book value
18 Zijin Y1	—	—	45,000,000	4,486,950,000	—	—	45,000,000	4,486,950,000
17 Zijin Y1	5,000,000	498,550,000	—	—	—	—	5,000,000	498,550,000
		498,550,000		4,486,950,000		—		4,985,500,000

42. Capital reserve

2019

	At 1 January 2019	Additions	Reductions	At 31 December 2019
Share premium (Note 1)	10,902,398,401	7,612,823,862	—	18,515,222,263
Others (Note 2)	192,367,989	29,902,560	(47,150,412)	175,120,137
	11,094,766,390	7,642,726,422	(47,150,412)	18,690,342,400

2018

	At 1 January 2018	Additions	Reductions	At 31 December 2018
Share premium	10,902,398,401	—	—	10,902,398,401
Others (Note 3)	207,520,660	10,373,708	(25,526,379)	192,367,989
	11,109,919,061	10,373,708	(25,526,379)	11,094,766,390

Note 1: The Company publicly issued Renminbi-denominated ordinary A Shares and raised RMB7,847,427,968 on 21 November 2019, which increased the registered capital and share premium of capital reserve by RMB234,604,106 and RMB7,612,823,862 respectively.

Note 2: In 2019, the Group disposed of a 39% equity interest of its subsidiary, Zijin Mineral Processing Chemicals Co., Ltd., which increased the capital reserve by RMB25,260,125. The Group acquired the equity interest owned by the non-controlling shareholders of Nkwe Platinum Ltd. ("Nkwe"), which increased the capital reserve by RMB4,642,435. The Group disposed of a 5% equity interest of its subsidiary, Bisha, which decreased the capital reserve by RMB44,504,851. Other disposals of subsidiaries led to a decrease in capital reserve by RMB2,645,561 in total.

Note 3: In 2018, the Group acquired 6% of the equity interest of its former associate, Zijin Tongguan, and increased its shareholding to 51%. Hence, it is included in the scope of consolidation. The capital reserve previously recognised under the equity method was transferred to investment income, and hence the capital reserve was reduced by approximately RMB25,526,379. In 2018, the Group sold 5% of the equity interest of its subsidiary, Zeravshan, at a consideration of USD1, hence the capital reserve was increased by approximately RMB10,373,708.

Notes to Financial Statements *(continued)*

For the year ended 31 December 2019

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)***V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** *(continued)***43. Other comprehensive income**

The accumulated balance of other comprehensive income attributable to owners of the parent in the consolidated statement of financial position is as follows:

2019

	Opening balance	Movements			Closing balance
		Amount before tax	Income tax	Amount after tax	
Changes in fair value of other equity instrument investments (Note)	(948,864,104)	1,045,753,536	(1,399,785)	1,044,353,751	95,489,647
Hedging costs – forward elements	61,666,120	(65,505,914)	—	(65,505,914)	(3,839,794)
Exchange differences arising from translation of financial statements denominated in foreign currencies	(688,775,081)	123,196,019	—	123,196,019	(565,579,062)
	(1,575,973,065)	1,103,443,641	(1,399,785)	1,102,043,856	(473,929,209)

2018

	Opening balance	Impact of accounting policies	Movements			Closing balance
			Amount before tax	Income tax	Amount after tax	
Changes in fair value of other equity instrument investments	23,861,374	186,956,573	(1,158,320,421)	(1,361,630)	(1,159,682,051)	(948,864,104)
Hedging costs – forward elements	—	—	61,666,120	—	61,666,120	61,666,120
Exchange differences arising from translation of financial statements denominated in foreign currencies	(626,754,900)	—	(62,020,181)	—	(62,020,181)	(688,775,081)
	(602,893,526)	186,956,573	(1,158,674,482)	(1,361,630)	(1,160,036,112)	(1,575,973,065)

Note: Changes in fair value of other equity instrument investments were mainly due to the fair value change of the stocks of Ivanhoe.

Notes to Financial Statements (continued)

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

43. Other comprehensive income (continued)

Total amount of other comprehensive income recognised in the statement of profit or loss during the year:

2019

	Amount before tax	Less: Amount of other comprehensive income recognised in the previous periods transferred into profit or loss during the current period	Less: Amount of other comprehensive income recognised in the previous periods transferred into retained earnings during the current period	Less: Income tax	Attributable to the parent	Attributable to non-controlling interests
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods Changes in fair value of other equity instrument investments	1,253,318,391	—	102,412,585	721,412	1,146,766,336	3,418,058
Other comprehensive income that may be reclassified to profit or loss in subsequent periods Hedging costs – forward elements	(66,897,988)	5,678,619	—	—	(65,505,914)	(7,070,693)
Exchange differences arising from translation of financial statements denominated in foreign currencies	212,006,510	—	—	—	123,196,019	88,810,491
	1,398,426,913	5,678,619	102,412,585	721,412	1,204,456,441	85,157,856

2018

	Amount before tax	Less: Amount of other comprehensive income recognised in the previous periods transferred into profit or loss during the current period	Less: Amount of other comprehensive income recognised in the previous periods transferred into retained earnings during the current period	Less: Income tax	Attributable to the parent	Attributable to non-controlling interests
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods Changes in fair value of other equity instrument investments	(1,157,992,851)	—	—	1,952,206	(1,159,682,051)	(263,006)
Other comprehensive income that may be reclassified to profit or loss in subsequent periods Hedging costs – forward elements	61,666,120	—	—	—	61,666,120	—
Exchange differences arising from translation of financial statements denominated in foreign currencies	(76,206,453)	—	—	—	(62,020,181)	(14,186,272)
	(1,172,533,184)	—	—	1,952,206	(1,160,036,112)	(14,449,278)

Notes to Financial Statements *(continued)*

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)***V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** *(continued)***44. Special reserve****2019**

	At 1 January 2019	Additions	Reductions	At 31 December 2019
Work safety fund	147,393,497	522,735,350	(549,176,631)	120,952,216

2018

	At 1 January 2018	Additions	Reductions	At 31 December 2018
Work safety fund	176,862,772	667,226,059	(696,695,334)	147,393,497

45. Surplus reserve**2019**

	At 1 January 2019	Additions	Reductions	At 31 December 2019
Statutory reserve	1,319,401,104	—	—	1,319,401,104

2018

	At 1 January 2018	Additions	Reductions	At 31 December 2018
Statutory reserve	1,319,401,104	—	—	1,319,401,104

Pursuant to the stipulations of the Company Law of the PRC and the articles of associations of the Company, the Company shall make provision for statutory reserve at the amount of 10% of net profit. Provision for statutory reserve is optional if the aggregate balance of the statutory reserve reaches 50% of the Company's registered capital. The balance of the statutory reserve has reached 50% of the Company's registered capital. Therefore, no provision for statutory reserve was made.

The Company can make provision for a discretionary reserve after the provision for statutory reserve is made. Discretionary reserve can be used to offset accumulated losses for previous years or to issue capital on approval.

Notes to Financial Statements *(continued)*

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

46. Retained earnings

	2019	2018
At 1 January	22,181,224,459	20,194,761,855
Changes in accounting policies	—	(9,495,496)
Net profit attributable to owners of the parent	4,283,957,365	4,093,773,630
Gains on disposal of other equity instrument investments	102,412,585	979,461
Less: Appropriation for the statutory reserve	—	—
Interest payable on renewable corporate bonds	258,500,000	25,985,291
Dividends payable in cash for ordinary shareholders	2,303,121,889	2,072,809,700
At 31 December	24,005,972,520	22,181,224,459

Pursuant to the resolution of the shareholders' general meeting on 24 May 2019, the Company distributed a cash dividend of RMB0.10 per share (2018: RMB0.09 per share) to all shareholders, calculated on the basis of 23,031,218,891 issued shares (2018: 23,031,218,891 shares), with an aggregate amount of RMB2,303,121,889 (2018: RMB2,072,809,700).

47. Operating income and operating costs

	2019		2018	
	Operating income	Operating costs	Operating income	Operating costs
Principal operations	135,150,418,869	119,863,254,551	105,098,239,175	91,989,132,007
Other operations	947,559,149	719,373,198	896,006,948	662,242,468
	136,097,978,018	120,582,627,749	105,994,246,123	92,651,374,475

Note: The Group's domestic sales revenue for the year totalled RMB115,526,180,810.

	2019	2018
Sales of goods	135,267,755,186	105,240,131,265
Rendering of services	112,855,707	103,786,558
Rental income	52,911,237	41,859,429
Others	664,455,888	608,468,871
	136,097,978,018	105,994,246,123

Notes to Financial Statements *(continued)*

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)***V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** *(continued)***47. Operating income and operating costs** *(continued)*

Breakdown of operating income

Reporting segment	2019	2018
Major types of income		
Mining income	19,429,712,097	14,959,804,840
Refining income	95,595,155,812	69,207,696,436
Trading income	15,214,108,073	13,308,938,038
Real estate income	21,673,273	1,601,637,039
Other income	5,837,328,763	6,916,169,770
	136,097,978,018	105,994,246,123
Timing of revenue recognition		
Revenue recognised at a point in time		
Sales of goods	135,267,755,186	105,240,131,265
Others	664,455,888	608,468,871
Revenue recognised over time		
Rendering of services	112,855,707	103,786,558
Rental income	52,911,237	41,859,429
	136,097,978,018	105,994,246,123

Income recognised in the current year that was included in the contract liability balance at the beginning of the year is as follow:

	2019	2018
Sales of goods	275,479,862	—

Notes to Financial Statements *(continued)*

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

48. Taxes and surcharges

	2019	2018
Resource tax	1,388,335,234	980,256,575
Property tax	65,935,554	67,467,075
Education surcharges	63,373,995	86,595,719
Stamp duty	58,291,082	49,550,111
City construction and maintenance tax	50,869,140	71,395,452
Customs tax (Note 1)	31,840,463	17,095,032
Road tax (Note 1)	29,638,037	20,564,811
Local development fund	23,881,786	23,090,833
Land use tax	20,191,923	28,655,676
Environmental protection tax	16,511,206	13,032,582
Mineral concentrates tax (Note 1)	10,385,777	10,381,162
Vehicle and vessel use tax	1,387,683	1,469,212
Consumption tax	784,664	608,536
Value-added tax on land (Note 2)	(44,338,650)	35,108,475
Others	157,053,500	193,724,398
	1,874,141,394	1,598,995,649

Note1: Road tax, customs tax and mineral concentrates tax were the taxes payable by the Group's overseas subsidiary, La Compagnie Minière de Musonoie Global Société par Actions Simplifiée ("COMMUS"), for the purchase or sale of mineral products.

Note2: During the year 2019, Zijin Commercial Services completed land value-added tax settlement for its real estate development projects in previous years, and received a land value-added tax refund of RMB44,338,650.

49. Selling expenses

	2019	2018
Transportation expenses	194,040,305	545,708,177
Service expenses related to sales	83,236,258	43,972,876
Salaries and benefits	80,327,253	85,771,407
Customs charges	32,143,712	14,471,808
Depreciation expenses	26,408,523	10,295,554
Charge of commission sales	25,937,355	21,882,200
Packing expenses	12,257,097	13,561,970
Repair expenses	11,542,438	5,051,341
Safety measures fee	11,250,719	11,978,391
Insurance expenses	10,789,759	16,344,104
Material consumption	7,270,647	10,296,043
Storage expenses	5,089,289	4,853,019
Use and maintenance fees for roads	5,038,877	24,570,309
Uploading and unloading expenses	3,144,181	3,107,797
Advertising expenses	1,246,126	1,600,468
Others	64,711,243	73,985,874
	574,433,782	887,451,338

Notes to Financial Statements *(continued)*

For the year ended 31 December 2019

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

50. Administrative expenses

	2019	2018
Salaries and benefits	1,702,948,923	1,252,599,136
Depreciation and amortisation	565,326,325	426,331,593
Professional consulting expenses	230,869,452	200,010,849
Exploration expenses	196,351,237	312,112,984
Stipulated fees	169,181,529	133,287,260
Material consumption fee	166,765,510	107,083,062
Office expenses	165,891,326	130,226,641
Travelling and conference expenses	123,371,493	118,805,365
Audit fees*	29,969,125	23,926,406
Others	338,651,949	260,581,569
	3,689,326,869	2,964,964,865

* In the year of 2019, the auditor's remuneration of the Company was RMB10,900,000 (2018: RMB10,450,000).

51. Research and development expenses

	2019	2018
Material consumption fee	152,421,514	36,728,510
Salaries and benefits	149,892,296	95,529,997
Technical development costs	81,792,959	64,955,784
Depreciation and amortisation	43,755,723	36,852,673
Office expenses	32,510,323	22,303,339
Others	15,969,126	18,009,919
	476,341,941	274,380,222

52. Financial expenses

	2019	2018
Interest expenses	2,048,343,925	1,658,778,634
<i>Including: Bank loans</i>	1,502,675,435	996,063,466
<i>Bonds payable</i>	541,303,212	662,715,168
<i>Ultra short-term financing bonds</i>	4,365,278	—
Less: Interest income	499,675,899	351,234,358
Less: Capitalised interest expenses	120,526,389	82,931,745
Exchange gains	(129,976,244)	(81,219,010)
Bank charges	86,372,706	110,469,849
Unrecognised finance expenses (Note 1)	89,826,651	377,773
Unrealised finance income (Note 2)	(7,515,291)	—
	1,466,849,459	1,254,241,143

Note 1: Unrecognised finance expenses consisted of: amortisation of unrecognised interest expenses of provision of RMB56,403,489; amortisation of interest expenses of lease liabilities of RMB33,423,162.

Note 2: Unrealised finance income was the amortisation of unrecognised finance income from long-term receivables.

Capitalised interest expenses of 2019 were included in construction in progress. In 2019 and 2018, there was no interest income arising from impaired financial assets.

Notes to Financial Statements *(continued)*

For the year ended 31 December 2019

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

53. Other income

	2019	2018
Government grants relating to daily operating activities	290,839,484	227,613,533

Government grants relating to daily operating activities in 2019 are as follows:

	2019	Related to income/ assets
Tax incentives and subsidies received by Zijin Copper for 2017	89,410,000	Income
Alloy gold and remelting gold award	58,477,200	Income
Export incentives	20,241,893	Income
Depreciation of stripped copper mine infrastructure subsidised by the government	15,514,493	Income
Incentives and special funds from Industry and Information Technology Bureau	12,062,400	Income
Subsidies for research and development	11,215,900	Income
Subsidies to export insurance	7,418,043	Income
Government award for "One Enterprise, One Policy"	3,730,000	Income
Government grants for intelligent manufacturing upgrade and reform to Jilin Zijin Copper	3,700,000	Income
Special fund for foreign investment and cooperation from Commerce Bureau	3,000,000	Income
Subsidies for social security	2,901,960	Income
Special fund for prevention of heavy metal pollution to Bayannur Zijin	2,660,000	Income
Property tax and land use tax incentives	1,859,100	Income
Incentives for commercial circulation and development for 2018	1,560,000	Income
Subsidies for employment security	1,529,428	Income
Government grants to Mining and Metallurgy Institute	1,407,500	Income
Subsidies for special fund from Zhenfeng County's Treasury Centre	1,360,000	Income
Special funds for industrial development for 2019	1,244,000	Income
Gradient transfer key points support fund of Longyan City for 2018	1,200,000	Income
Amortisation of refund of land supporting facilities compensation from Kuitun Dushanzi Economic and Technological Development Zone	1,188,324	Income
Other government grants directly recognised in other income	15,727,642	Income
Other government grants transferred from deferred income	33,431,601	Assets
	290,839,484	

Notes to Financial Statements *(continued)*

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)***V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** *(continued)***53. Other income** *(continued)*

Government grants relating to daily operating activities in 2018 are as follows:

	2018	Related to income/assets
Alloy gold and remelting gold award	56,995,700	Income
Tax incentives of Shanghang County Economic, Information Technology, Science and Technology Bureau for 2017	20,000,000	Income
VAT subsidy for sulphuric acid	15,902,675	Income
Government award for "One Enterprise, One Policy"	9,093,000	Income
Bonus of major contribution to innovation and development (Qiqihar Fulajiji District Development, Reform and Industry and Information Technology Bureau)	7,740,000	Income
Export incentives	7,658,343	Income
Commerce Bureau's special allowance for foreign investment and cooperation for 2017	5,000,000	Income
Reward of Longyan City output value exceeding RMB20 billion (Shanghang County Economic, Information Technology, Science and Technology Bureau)	5,000,000	Income
Land used tax deduction	4,241,199	Income
Property tax, urban land used tax award in 2017 from Shanghang County Economic, Information Technology, Science and Technology Bureau	3,000,000	Income
Government grants for Mining and Metallurgy Research Institute	2,843,300	Income
Subsidies for stamp duty	2,549,105	Income
Subsidies for social security	2,463,100	Income
Subsidies for equipment investment	1,787,000	Income
Subsidies for electricity	1,528,380	Income
2018 provincial specific allowance for transformation and upgrade of processing and trading	1,500,000	Income
2017 annual gradient transfer funds of processing and trading (Shanghang County Finance Bureau)	1,500,000	Income
Non-financial funds to purchase equipment subsidies for new research and development institutions	1,337,056	Income
Subsidy of comprehensive utilisation of low-grade refractory gold resources for State Key laboratory	1,204,000	Income
Subsidies for research and development	1,030,541	Income
Hidden danger management award for goaves in mines	1,000,000	Income
2017 stable growth award (Malipo County Industry, Information Technology and Commerce Bureau)	1,000,000	Income
Allowance for hidden danger management	1,000,000	Income
Other government grants directly recognised in other income	23,068,836	Income
Other government grants transferred from deferred income	49,171,298	Assets
	227,613,533	

Notes to Financial Statements *(continued)*

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

54. Investment income

	2019	2018
Income from long-term equity investments under the equity method	96,011,495	373,063,390
(Losses)/Income from disposal of long-term equity investments	(4,964,011)	24,669,669
Investment income from the revaluation of fair value of long-term equity investment	—	430,958,659
Dividend income from investments in other equity instruments during holding period	25,779,867	29,514,500
(Losses)/Income from disposal of financial assets and liabilities at fair value through profit or loss (Note 1)	(87,114,517)	209,040,948
Others	4,693,390	(6,724,243)
	34,406,224	1,060,522,923

Note 1: (Losses)/Income from disposal of financial assets and liabilities at fair value through profit or loss are as follows:

	2019	2018
1. Held for trading equity instrument investments – (Losses)/Income arising from stock investments	(38,191,494)	34,923,544
2. Losses arising from gold leasing investments at fair value	(51,019,363)	(23,273,151)
3. Hedging instruments – Income/(Losses) arising from ineffectively hedged derivative instruments	6,450,862	(728,017)
4. (Losses)/Income arising from derivative instruments without designated hedging relationship	(46,524,639)	101,454,777
(4-1) <i>Cross currency swaps</i>	13,316	(9,323,071)
(4-2) <i>Gold leasing hedging contracts</i>	—	(59,802,540)
(4-3) <i>Commodity hedging contracts</i>	(46,537,955)	170,580,388
5. Investment (loss)/income from derivative instruments with designated hedging relationship	(835,301)	6,639,271
6. Others	43,005,418	90,024,524
	(87,114,517)	209,040,948

55. Losses on changes in fair value

	2019	2018
Financial assets at fair value through profit or loss	32,259,831	(143,996,214)
Financial liabilities at fair value through profit or loss	(92,011,943)	8,212,485
	(59,752,112)	(135,783,729)

Notes to Financial Statements *(continued)*

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*55. Losses on changes in fair value *(continued)*

Losses on changes in fair value are as follows:

	2019	2018
1. Held for trading equity instrument investments – Gains/(Losses) arising from changes in fair value of stock investments	60,348,192	(175,546,385)
2. (Losses)/Gains arising from changes in fair value of gold leasing at fair value	(2,577,625)	38,245,976
3. Hedging instruments – (Losses)/Gains arising from changes in fair value of ineffectively hedged derivative instruments	(943,939)	960,658
4. (Losses)/Gains arising from changes in fair value of derivative instruments without designated hedging relationship	(139,976,147)	32,984,054
(4-1) <i>Cross currency swaps</i>	(26,724,322)	7,190,493
(4-2) <i>Commodity hedging contracts</i>	(113,251,825)	25,793,561
5. Others	23,397,407	(32,428,032)
	(59,752,112)	(135,783,729)

56. Credit impairment losses

	2019	2018
Bad debt provision for trade receivables	(8,423,202)	(2,455,700)
Bad debt provision for other receivables	(53,636,521)	80,911,100
Bad debt provision for receivables financing	(1,088,851)	(5,662,056)
Bad debt provision for prepayments	(2,471,035)	(1,076,140)
Bad debt provision for other non-current assets	—	10,300,196
	(65,619,609)	82,017,400

57. Impairment losses on assets

	2019	2018
Impairment provision for fixed assets	(7,162,090)	(260,314,418)
Provision for decline in value of inventories	(45,064,360)	8,043,062
Impairment provision for intangible assets	(224,773,189)	(719,969,890)
Impairment provision for construction in progress	(44,343,254)	(111,456,562)
Impairment provision for long-term equity investments	(47,038,703)	(3,464,168)
Impairment provision for goodwill	—	(157,778,981)
Impairment provision for investment properties	—	(79,936,878)
Impairment provision for other non-current assets	—	(175,521,395)
	(368,381,596)	(1,500,399,230)

Notes to Financial Statements *(continued)*

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

58. (Losses)/Gains on disposal of non-current assets

	2019	2018
Losses on disposal of fixed assets	(22,623,785)	(12,204,721)
Gains on disposal of intangible assets	1,724,794	96,528,588
(Losses)/Gains on disposal of other non-current assets	(2,776,062)	237,871
	(23,675,053)	84,561,738

59. Non-operating income

	2019	2018	Non-recurring profits or losses in 2019
Penalty income	13,928,403	9,527,375	13,928,403
Indemnity insurance income (Note 1)	4,095,872	276,878,897	4,095,872
Waiver of debts	8,959,036	25,539,410	8,959,036
Others	23,097,627	54,007,904	23,097,627
	50,080,938	365,953,586	50,080,938

Note 1: The indemnity insurance income in 2018 mainly included the insurance indemnity of RMB250,374,281 received by BNL, a joint operation of the Group, due to the occurrence of earthquake.

60. Non-operating expenses

	2019	2018	Non-recurring profits or losses in 2019
Losses on disposal of non-current assets	92,506,857	138,468,772	92,506,857
Donations	178,033,075	206,505,553	178,033,075
Penalties and compensations	11,651,161	37,755,716	11,651,161
Losses on stocktaking	13,057,260	3,369,509	13,057,260
Others	22,627,981	31,045,320	22,627,981
	317,876,334	417,144,870	317,876,334

61. Income tax expenses

	2019	2018
Current income tax expenses	1,851,659,710	1,183,414,353
Deferred tax expenses	61,714,372	264,088,876
	1,913,374,082	1,447,503,229

Notes to Financial Statements *(continued)*

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*61. Income tax expenses *(continued)*

Reconciliation of income tax expenses to profit before tax is as follows:

	2019	2018
Profit before tax	6,974,278,766	6,130,179,782
Tax at the statutory tax rate (Note 1)	1,743,569,692	1,532,544,945
Effect of different tax rates applicable to certain subsidiaries (Note 1)	69,634,030	(352,487,710)
Adjustments in respect of current tax of previous periods	(22,968,893)	(42,457,827)
Income not subject to tax (Note 2)	(33,292,467)	(81,573,075)
Expenses not deductible for tax	47,188,912	42,902,995
Tax losses utilised from previous periods	(214,529,747)	(65,817,974)
Effect of unrecognised deductible temporary differences and deductible tax losses	323,772,555	414,391,875
Tax charge at the Group's effective tax rate	1,913,374,082	1,447,503,229

Note 1: Provision for the PRC corporate income tax expenses has been made at the applicable tax rates based on the estimated taxable profits. Provision for Hong Kong profits tax expenses has been made at the applicable tax rate based on assessable profits. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing and in accordance with current laws, interpretations and customs in the countries/jurisdictions in which the Group operates.

Note 2: In 2019, income not subject to tax mainly included investment income from long-term equity investments under the equity method of RMB96,011,495 (2018: investment income of RMB373,063,390). Sales revenue from certain products of the Group that meet the national industrial policy and enjoyed tax exemption totalled RMB24,216,353 (2018: RMB39,033,294).

62. Earnings per share

	2019 RMB/share	2018 RMB/share
Basic earnings per share		
Continuing operations	0.18	0.18
Diluted earnings per share		
Continuing operations	0.18	0.18

Basic earnings per share is calculated by dividing the consolidated net profit for the current year attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding.

There were no potential dilutive ordinary shares for the Company.

Basic earnings per share is calculated as follows:

	2019	2018
Earnings		
Consolidated net profit attributable to ordinary shareholders of the Company		
Continuing operations	4,283,957,365	4,093,773,630
Shares		
Weighted average number of ordinary shares outstanding	23,288,319,281	23,031,218,891
Adjusted weighted average number of ordinary shares outstanding	23,288,319,281	23,031,218,891

Notes to Financial Statements *(continued)*

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

63. Notes to the statement of cash flows

	2019	2018
Other cash receipts relating to operating activities		
Interest income	63,127,813	84,250,571
Government grants	364,776,551	177,112,841
Others	398,200,014	779,372,525
	826,104,378	1,040,735,937
Other cash payments relating to operating activities		
Transportation expenses, insurance expenses, commission charges and other selling expenses	(467,698,006)	(791,384,377)
Office expenses, conference expenses and other administrative expenses	(1,316,585,909)	(876,675,064)
Donations	(103,463,161)	(166,749,049)
Losses on the settlement of forward contracts, futures contracts and others	(416,994,553)	(240,915,806)
	(2,304,741,629)	(2,075,724,296)
Other cash receipts relating to investing activities		
Cash receipts from time deposits with maturity of more than three months	3,000,000	2,855,596
Recovered wealth management products	457,685,011	2,321,454,667
	460,685,011	2,324,310,263
Other cash payments relating to investing activities		
Cash paid for time deposits with maturity of more than three months	—	(3,000,000)
Funds for construction and operation of joint venture	(1,394,540,898)	(758,676,755)
Fees related to acquisitions of subsidiaries	(123,910,136)	(48,496,785)
	(1,518,451,034)	(810,173,540)
Other cash receipts relating to financing activities		
Disposal of equity interest to non-controlling shareholders	20,630,903	—
Borrowings from third parties	114,946,726	18,255,855
Government grants relating to assets	—	21,864,414
	135,577,629	40,120,269
Other cash payments relating to financing activities		
Payment to Zijin Bor's third parties prior to acquisition date	(109,588,200)	(1,556,273,813)
Repayment of borrowings from third parties	(85,135,094)	(28,376,132)
Acquisition of non-controlling interests of subsidiaries	(1,169,055,198)	—
Payment for lease liabilities	(107,641,592)	—
Bank charges and others	(136,150,284)	(168,954,303)
	(1,607,570,368)	(1,753,604,248)

Notes to Financial Statements *(continued)*

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

64. Supplementary information to the statement of cash flows

(1) Supplementary information to the statement of cash flows

Reconciliation of net profit to cash flows from operating activities:

	2019	2018
Net profit	5,060,904,684	4,682,676,553
Add: Provisions for asset impairment	434,001,205	1,418,381,830
Depreciation and amortisation of investment properties	15,513,671	15,418,250
Depreciation of fixed assets	4,537,433,554	3,435,984,806
Depreciation of right-of-use assets	97,575,898	—
Amortisation of intangible assets	851,318,161	773,486,572
Amortisation of long-term deferred assets	351,170,770	224,278,570
Gains/(Losses) on disposal of fixed assets, intangible assets and other non-current assets	23,675,053	(84,561,738)
Losses on write-off of fixed assets	92,506,857	138,468,772
Losses on changes in fair values	59,752,112	135,783,729
Financial expenses	1,529,977,272	1,523,228,712
Investment income	(75,328,619)	(884,031,281)
Decrease in deferred tax assets	46,709,603	122,895,090
Increase in deferred tax liabilities	16,148,398	124,578,329
Increase in inventories	(2,147,113,293)	(407,206,023)
(Increase)/Decrease in receivables from operating activities	(584,956,016)	312,502,639
Increase/(Decrease) in payables from operating activities	243,597,087	(1,653,460,685)
Decrease in special reserve	(26,441,281)	(29,469,275)
Exploration and development expenses	196,351,237	312,112,984
Others	(57,239,340)	71,941,867
Net cash flows from operating activities	10,665,557,013	10,233,009,701

Significant non-cash investing activities:

	2019	2018
Acquisitions of right-of-use assets by assuming lease liabilities	109,412,600	—

Bills endorsement:

	2019	2018
Bills endorsement of bank acceptance bills in the sale of goods and rendering of services	749,580,998	1,094,842,786

Notes to Financial Statements *(continued)*

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

64. Supplementary information to the statement of cash flows *(continued)*

(1) Supplementary information to the statement of cash flows *(continued)*

Net changes in cash and cash equivalents:

	2019	2018
Closing balance of cash	5,863,202,219	9,817,724,859
Less: Opening balance of cash	9,817,724,859	5,537,001,830
Add: Closing balance of cash equivalents	222,389,231	115,113,292
Less: Opening balance of cash equivalents	115,113,292	217,342,125
Net (decrease)/increase in cash and cash equivalents	(3,847,246,701)	4,178,494,196

(2) Information about acquisitions or disposals of subsidiaries and other business units

Information about acquisitions of subsidiaries and other business units

	2019	2018
Consideration for acquisitions of subsidiaries and other business units	258,634,464	11,904,847,235
Cash and cash equivalents paid for acquisitions of subsidiaries and other business units	258,634,464	10,981,098,912
Less: Cash and cash equivalents obtained from acquisition of subsidiaries and other business units	10,205,248	3,127,481,245
Net cash payments for acquisitions of subsidiaries and other business units	248,429,216	7,853,617,667

Information about disposals of subsidiaries and other business units

	2019	2018
Consideration for disposals of subsidiaries and other business units	134,841,140	—
Cash and cash equivalents received from disposals of subsidiaries and other business units	152,884,710	—
Less: Cash and cash equivalents held by subsidiaries and other business units disposed of	10,978,214	—
Net cash receipts from disposals of subsidiaries and other business units	141,906,496	—

Notes to Financial Statements *(continued)*

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*64. Supplementary information to the statement of cash flows *(continued)*

(3) Cash and cash equivalents

	2019	2018
Cash	5,863,202,219	9,817,724,859
<i>Including: Cash on hand</i>	4,993,926	3,467,899
<i>Cash at banks that can be readily drawn on demand</i>	5,858,208,293	9,814,256,960
Cash equivalents	222,389,231	115,113,292
Closing balance of cash and cash equivalents	6,085,591,450	9,932,838,151

As at 31 December 2019, bank deposits with a carrying amount of RMB9,716,486 (31 December 2018: RMB9,736,619) were with restrictions on title. Details are disclosed in Note V.65.

65. Assets with restrictions on title or use

	2019	2018
Cash and cash equivalents (Note 1)	149,269,836	163,789,276
Bills receivable (Note 2)	—	1,972,833
Fixed assets (Note 3)	—	2,132,232
Intangible assets (Note 4)	—	85,807,143
Other non-current assets (Note 5)	10,268,480	125,517,781
	159,538,316	379,219,265

Note 1: As at 31 December 2019, the closing balance of cash and cash equivalents of the Group denominated in Renminbi mainly included: land restoration and environmental rehabilitation costs of RMB120,857,247 (31 December 2018: RMB101,359,612). Pursuant to the rules of the People's Government of Longyan City, the Company provided a deposit for mine restoration and improvement of ecological environment in mines and deposited the fund in a specified bank account. The fund was restricted to the use of land restoration and environmental rehabilitation and environmental protection after mine closure; other guarantee deposits of RMB18,696,103 which were restricted to use (31 December 2018: RMB52,693,045); bank deposits with a carrying amount of RMB9,716,486 were frozen due to litigation (31 December 2018: RMB9,736,619).

Note 2: As at 31 December 2019, there were no bills receivable with restrictions on title (31 December 2018: RMB1,972,833).

Note 3: As at 31 December 2019, there were no fixed assets with restrictions on title (31 December 2018: RMB2,132,232).

Note 4: As at 31 December 2019, there were no intangible assets with restrictions on title (31 December 2018: RMB85,807,143).

Note 5: As at 31 December 2019, other non-current assets with a carrying amount of RMB10,268,480 were deposits for mine restoration and improvement of ecological environment in mines, and their rights of use were restricted (31 December 2018: RMB125,517,781).

Notes to Financial Statements *(continued)*

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

66. Foreign currency monetary items

	2019			2018		
	Original amount	Exchange rate	Equivalent to RMB	Original amount	Exchange rate	Equivalent to RMB
Cash and cash equivalents						
HKD	27,588,888	0.8958	24,714,126	15,674,451	0.8762	13,733,954
USD	342,529,902	6.9762	2,389,557,102	678,405,739	6.8632	4,656,034,268
GBP	1,088,055	9.1501	9,955,812	988,811	8.6762	8,579,122
CAD	5,680,940	5.3421	30,348,150	221,481,591	5.0381	1,115,846,404
AUD	48,232,556	4.8843	235,582,273	39,531,327	4.8250	190,738,653
RUB	65,951,048	0.1126	7,426,088	15,602,535	0.0986	1,538,410
EUR	752,654	7.8155	5,882,367	626,228	7.8473	4,914,199
Others	N/A	N/A	22,086,732	N/A	N/A	15,124,455
Trade receivables						
AUD	2,931,210	4.8843	14,316,909	4,145,488	4.8250	20,001,980
USD	77,750,137	6.9762	542,400,506	51,319,433	6.8632	352,215,533
HKD	—	0.8958	—	392,225,736	0.8762	343,668,190
Others	N/A	N/A	1,619,418	N/A	N/A	—
Other receivables						
HKD	—	0.8958	—	116,914,180	0.8762	102,440,205
USD	46,252,500	6.9762	322,666,691	11,650,114	6.8632	79,957,062
AUD	3,696,887	4.8843	18,056,705	—	4.8250	—
CAD	191,874	5.3421	1,025,010	—	5.0381	—
Others	N/A	N/A	6,190,147	N/A	N/A	—
Other non-current assets						
USD	737,346,968	6.9762	5,143,879,918	572,115,484	6.8632	3,926,542,990
Total foreign currency monetary assets			8,775,707,954			10,831,335,425

Notes to Financial Statements *(continued)*

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*66. Foreign currency monetary items *(continued)*

	2019			2018		
	Original amount	Exchange rate	Equivalent to RMB	Original amount	Exchange rate	Equivalent to RMB
Short-term borrowings						
USD	322,799,778	6.9762	2,251,915,811	970,828,327	6.8632	6,662,988,974
Trade payables						
USD	80,948,569	6.9762	564,713,407	102,297,179	6.8632	702,085,999
AUD	37,161,110	4.8843	181,506,010	6,312,876	4.8250	30,459,627
HKD	—	0.8958	—	534,080,174	0.8762	467,961,048
Others	N/A	N/A	245,202,245	N/A	N/A	—
Other payables						
HKD	—	0.8958	—	53,417	0.8762	46,804
USD	187,161,951	6.9762	1,305,679,203	139,107,353	6.8632	954,721,585
AUD	16,100,073	4.8843	78,637,587	15,758,115	4.8250	76,032,905
CAD	657,545	5.3421	3,512,671	—	5.0381	—
Others	N/A	N/A	3,959,235	N/A	N/A	—
Current portion of non-current liabilities						
USD	153,300,000	6.9762	1,069,451,460	70,817,610	6.8632	486,035,421
EUR	—	7.8155	—	30,500,000	7.8473	239,342,650
Long-term borrowings						
USD	1,476,600,000	6.9762	10,301,056,920	1,459,482,390	6.8632	10,016,719,539
EUR	120,000,000	7.8155	937,860,000	—	—	—
Long-term payables						
USD	111,422,096	6.9762	777,302,826	22,081,387	6.8632	151,548,975
HKD	—	0.8958	—	228,529,658	0.8762	200,237,686
Lease liabilities						
USD	27,120,681	6.9762	189,199,295	—	6.8632	—
Bonds payable						
USD	350,000,000	6.9762	2,441,670,000	350,000,000	6.8632	2,402,120,455
Total foreign currency monetary liabilities			20,351,666,670			22,390,301,668

Notes to Financial Statements *(continued)*

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

66. Foreign currency monetary items *(continued)*

Information about foreign business entities

Name of foreign business entity	Places of registration and business	Accounting currency	Basis for adoption of accounting currency
Longxing Limited Liability Company ("Longxing")	Russia	USD	Major sales, purchase, financing and other business activities in USD
Zeravshan	Tajikistan	USD	Major sales, purchase, financing and other business activities in USD
Altynken Limited Liability Company ("Altynken")	Kyrgyzstan	USD	Major sales, purchase, financing and other business activities in USD
COMMUS	DR Congo	USD	Major sales, purchase, financing and other business activities in USD
BNL	Papua New Guinea	USD	Major sales, purchase, financing and other business activities in USD
Norton	Australia	AUD	Major sales, purchase, financing and other business activities in AUD
Nkwe Platinum (South Africa) (Pty) Ltd. ("Nkwe SA")	South Africa	USD	Major sales, purchase, financing and other business activities in USD
Zijin Bor	Serbia	USD	Major sales, purchase, financing and other business activities in USD
Bisha	Eritrea	USD	Major sales, purchase, financing and other business activities in USD
Rakita Exploration Doo Bor ("Rakita")	Serbia	USD	Major sales, purchase, financing and other business activities in USD
Rio Blanco Copper S.A. ("Rio Blanco Copper")	Peru	USD	Major sales, purchase, financing and other business activities in USD
CARRILU	DR Congo	USD	Major sales, purchase, financing and other business activities in USD

67. Hedging

Fair value hedge

The Group is engaged in the production and processing of gold, silver, copper and zinc (hereinafter referred to as "precious metals") products, and the raw materials for precious metal products are exposed to the risk of price changes of precious metals. Therefore, the Group uses precious metals futures contracts and forward contracts in the futures exchanges to manage the commodity price risk faced by some of the raw materials for precious metal products. The precious metal products produced and processed by the Group are the same as the standard precious metal products in the precious metals futures contracts and forward contracts. The basic variables of the hedging instruments (precious metals futures contracts and forward contracts) and the hedged items (the ore concentrates required for the Group to produce precious metal products) are standard precious metal prices. The effect of credit risk does not dominate the value changes. The Group determines the ratio of the number of hedging instruments to the hedged items for silver, copper and zinc is 1.13:1 (containing the effect of VAT) while for gold is 1:1. The ineffective part of the hedge mainly comes from the difference in spot and forward exchange rates. The amount of the ineffective part recognised in this year was not significant. The Group uses fair value hedges for such hedging.

As at 31 December 2019, the Group entered into a currency swap agreement with a notional amount of USD330,000,000 (equivalent to RMB2,302,146,000), under which the Group exchanged U.S. dollar liabilities at a fixed exchange rate for floating-rate U.S. dollar liabilities. The purpose of the currency swap is to hedge the risk of changes in the fair value of the U.S. dollar liabilities. Through qualitative analysis, the Group determines the ratio of the number of hedging instruments to the hedged items is 1:1. The ineffective part of the hedge mainly comes from the market price fluctuation of the floating exchange rate. The ineffective part of the fair value hedge was not significant in this year.

Notes to Financial Statements *(continued)*

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*67. Hedging *(continued)***Fair value hedge** *(continued)*

The temporal distribution of the nominal amount of the hedging instruments and the average price or interest rate are as follows:

2019

	Less than 6 months	6 to 12 months	Over 1 year	Total
Notional amount of gold futures	186,811,150	—	—	186,811,150
Average price of gold futures – RMB/gramme	345	—	—	345
Notional amount of silver futures	148,227,465	—	—	148,227,465
Average price of silver futures – RMB/kg	4,410	—	—	4,410
Notional amount of copper futures	564,925,110	—	—	564,925,110
Average price of copper futures – RMB/tonne	47,156	—	—	47,156
Notional amount of zinc futures	58,895,775	—	—	58,895,775
Average price of zinc futures – RMB/tonne	18,122	—	—	18,122
Notional amount of gold forward	—	77,510,934	—	77,510,934
Average price of gold forward – RMB/gramme	—	375	—	375
Notional amount of zinc forward	144,380,133	—	—	144,380,133
Average price of zinc forward – RMB/tonne	16,595	—	—	16,595
Notional amount of currency swaps	1,883,574,000	418,572,000	—	2,302,146,000
Average exchange rate of currency swaps – USD to RMB	7	7	—	7

2018

	Less than 6 months	6 to 12 months	Over 1 year	Total
Notional amount of gold futures	—	147,600,650	—	147,600,650
Average price of gold futures – RMB/gramme	—	273	—	273
Notional amount of silver futures	—	107,660,025	—	107,660,025
Average price of silver futures – RMB/kg	—	3,583	—	3,583
Notional amount of copper futures	433,973,600	25,310,650	—	459,284,250
Average price of copper futures – RMB/tonne	49,882	49,147	—	49,841
Notional amount of zinc futures	66,646,450	—	—	66,646,450
Average price of zinc futures – RMB/tonne	21,158	—	—	21,158
Notional amount of gold forward	—	62,163,762	—	62,163,762
Average price of gold forward – RMB/gramme	—	274	—	274
Notional amount of zinc forward	31,013,085	—	—	31,013,085
Average price of zinc forward – RMB/tonne	17,229	—	—	17,229
Notional amount of currency swaps	—	—	3,225,704,000	3,225,704,000
Average exchange rate of currency swaps – USD to RMB	—	—	7	7

Notes to Financial Statements *(continued)*

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

67. Hedging *(continued)*

Fair value hedge *(continued)*

Changes in the book value and fair value of hedging instruments are as follows:

2019

	Notional amount of hedging instruments	Book value of hedging instruments		Line items in the statement of financial position including hedging instruments	Change in fair value of the hedging instruments used for measuring hedge ineffectiveness for 2019		
		Assets				Liabilities	
		Assets	Liabilities			Assets	Liabilities
Fair value hedge							
Foreign exchange risk – foreign currency liabilities	2,302,146,000	—	98,620,555	Held for trading financial liabilities	—		
Commodity price risk – inventories	1,180,750,567	29,876,470	67,954,727	Held for trading financial assets/liabilities	14,505,510		

2018

	Notional amount of hedging instruments	Book value of hedging instruments		Line items in the statement of financial position including hedging instruments	Change in fair value of the hedging instruments used for measuring hedge ineffectiveness for 2018		
		Assets				Liabilities	
		Assets	Liabilities			Assets	Liabilities
Fair value hedge							
Foreign exchange risk – foreign currency liabilities	3,225,704,000	—	122,133,713	Held for trading financial liabilities	(113,751,122)		
Commodity price risk – inventories	874,368,222	27,819,058	7,640,748	Held for trading financial assets/liabilities	312,220		

Notes to Financial Statements (continued)

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

67. Hedging (continued)

Fair value hedge (continued)

The book value of the hedged items and the associated adjustments are as follows:

2019

	Fair value of hedged items Accumulated fair value adjustments of the hedge (recognised in book values of hedged items)				Line item in the statement of financial position including hedged items	Change in fair value of the hedging instruments used for measuring hedge ineffectiveness for 2019	Cash flow hedge reserve
	Book value of hedged items		book values of hedged items)				
	Assets	Liabilities	Assets	Liabilities			
Fair value hedge							
Foreign exchange risk – foreign currency liabilities (Note 1)	—	2,211,908,037	196,980,159	—	Long-term payables	—	Not applicable
Commodity price risk – inventories	1,190,769,300	—	63,421,692	—	Inventories	(26,370,125)	Not applicable

2018

	Fair value of hedged items Accumulated fair value adjustments of the hedge (recognised in book values of hedged items)				Line item in the statement of financial position including hedged items	Change in fair value of the hedging instruments used for measuring hedge ineffectiveness for 2018	Cash flow hedge reserve
	Book value of hedged items		book values of hedged items)				
	Assets	Liabilities	Assets	Liabilities			
Fair value hedge							
Foreign exchange risk – foreign currency liabilities (Note 1)	—	3,111,946,879	231,898,595	—	Long-term payables	(231,898,595)	Not applicable
Commodity price risk – inventories	873,223,824	—	—	6,344,454	Inventories	1,427,103	Not applicable

Note 1: The hedged item is a liability formed by the counterparty within the Group. The exchange gains or losses of the monetary item formed by such transaction cannot be offset in the consolidated financial statements. The enterprise can designate it as a hedged item in the consolidated level. In order to truly and fairly reflect the hedge accounting process, the Group uses the pre-offset data of the transaction to present the hedged items.

Notes to Financial Statements *(continued)*

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

67. Hedging *(continued)*

Fair value hedge *(continued)*

The ineffective part of the hedges in the changes in fair values of hedging instruments are as follows:

2019

	Ineffective part of the hedges included in the profit or loss for the current period	Ineffective part of the hedges included in other comprehensive income	Item listed in the statement of profit or loss including the ineffective part
Fair value hedge			
Commodity price risk	(943,939)	—	Gains or losses on changes in fair value

2018

	Ineffective part of the hedges included in the profit or loss for the current period	Ineffective part of the hedges included in other comprehensive income	Item listed in the statement of profit or loss including the ineffective part
Fair value hedge			
Foreign exchange risk	(86,194)	—	Gains or losses on changes in fair value
Commodity price risk	1,046,852	—	Gains or losses on changes in fair value

In addition, the Group implemented risk management on the purchases and sales of refined and processed metals as well as the sales of other metals through forward contracts and futures contracts, in order to avoid the risk of significant fluctuation in the prices of relevant products. The Group implemented risk management on exchange rate risk and interest rate risk through currency derivative contracts, so as to avoid the exchange rate risk and interest rate risk borne by the Group. As the above-mentioned forward contracts, futures contracts and currency derivative contracts were not designated as hedging instruments or were not consistent with the hedge accounting standards, the gains or losses arising from changes in fair value would be directly charged to profit or loss during the period. Please refer to Notes V.55 and 54 for details of the gains or losses on changes in fair value and investment income or losses on the derivative financial instruments without designated hedging relationship.

Notes to Financial Statements *(continued)*

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

VI. CHANGES IN THE SCOPE OF CONSOLIDATION

1. Disposal of subsidiary

The Company originally held a 60% equity interest in Chongli Zijin. On 24 December 2018, the Company entered into an equity transfer agreement with Aikeruite. The consideration for the disposal was RMB180 million. Pursuant to the agreement, it was agreed that the amount would be settled in 10 years and the discounted value of the amount was RMB133,941,140 (at a discount rate of 8%). As at 31 December 2018, the equity transfer procedures had not been completed yet. The Company received the first installment of the consideration for equity transfer of RMB40,000,000 on 21 January 2019, and it completed the registration for the share transfer. The date of disposal was 21 January 2019. Gain on disposal of RMB8,857,543 was recognised. Therefore, the Group excluded Chongli Zijin in the scope of consolidation from 21 January 2019.

2. Newly established subsidiaries

Jinshan Construction d.o.o. Bor. was incorporated in Serbia on 24 June 2019 with registered capital of EUR10,000. Zijin Mining Construction Co., Ltd. ("Zijin Construction"), a subsidiary of the Group, holds a 100% equity interest in Jinshan Construction d.o.o. Bor. As at 31 December 2019, both the registered capital and the paid-in capital of Jinshan Construction d.o.o. Bor. were EUR10,000. The newly established subsidiary has been included in the scope of consolidation during the reporting period.

Limited Liability Company "Pamir international industrial" was incorporated in the Republic of Tajikistan on 25 July 2019 with registered capital of TJS200,000. Jinfeng (HK) International Mining Company Limited, a subsidiary of the Group, holds 100% equity interest in Limited Liability Company "Pamir international industrial". As at 31 December 2019, the registered capital and the paid-in capital of Limited Liability Company "Pamir international industrial" were both TJS200,000. The newly established subsidiary has been included in the scope of consolidation during the reporting period.

Gold Vale Trading and Logistics (Pty) Ltd. was incorporated on 14 March 2019 in Johannesburg, South Africa, with registered capital of ZAR50,000. Capco International Mining Company Limited, a subsidiary of the Group, holds a 100% equity interest in Gold Vale Trading and Logistics (Pty) Ltd. As at 31 December 2019, the registered capital and the paid-in capital of Gold Vale Trading and Logistics (Pty) Ltd. were both ZAR50,000. The newly established subsidiary has been included in the scope of consolidation during the reporting period.

Jinzuan International Mining Co., Ltd. was incorporated in Hong Kong on 4 June 2019 with registered capital of USD1. Gold Mountains (H.K.), a subsidiary of the Company, holds a 100% equity interest in Jinzuan International Mining Co., Ltd. As at 31 December 2019, the registered capital and the paid-in capital of Jinzuan International Mining Co., Ltd. were both USD1. The newly established subsidiary has been included in the scope of consolidation during the reporting period.

Zijin (America) Gold Mining Company Limited ("Zijin America") was incorporated in Hong Kong on 27 September 2019 with registered capital of HKD1. Gold Mountains (H.K.), a subsidiary of the Company, holds 100% of Zijin America. As at 31 December 2019, the registered capital and the paid-in capital of Zijin America were both HKD1. The newly established subsidiary has been included in the scope of consolidation during the reporting period.

Longyan Xinjing Investment Partnership (Limited Partnership) ("Longyan Xinjing") was incorporated in Longyan City, Fujian Province on 2 December 2019 with registered capital of RMB120,000,000. Zijin Mining Equity Investment and Management (Xiamen) Co., Ltd. and Zijin Mining Group Capital Investment Co., Ltd., two subsidiaries of the Company, hold 75% and 25% equity interest in Longyan Xinjing, respectively. As at 31 December 2019, the registered capital and the paid-in capital of Longyan Xinjing were both RMB120,000,000. The newly established subsidiary has been included in the scope of consolidation during the reporting period.

Notes to Financial Statements *(continued)*

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

VI. CHANGES IN THE SCOPE OF CONSOLIDATION *(continued)*

3. Acquisition of a subsidiary that does not constitute a business

On 8 March 2019, the Group entered into a share purchase agreement with Canoca Investment Limited to acquire 51% of CARRILU's equity interest at a consideration of USD37,621,200 (equivalent to approximately RMB258,634,464). The acquisition was completed on 24 June 2019. CARRILU is located in Kolwezi, the Democratic Republic of the Congo. It has registered capital of USD10,000, and owns four limestone mining rights. As at the acquisition date, it was still in the preliminary stage of infrastructure construction and there is a lack of input, process and ability to create output. The net assets assumed through acquisition of CARRILU do not constitute a business. Therefore, the accounting treatment of this acquisition was not in accordance with the Accounting Standard for Business Enterprises No. 20 – Business Combinations.

4. Deregistered subsidiaries

Company name	Place of registration	Principal activity	Proportion of equity attributable to the Group	Proportion of voting right attributable to the Group	Reason for deconsolidation
Zijin Mining Inner Mongolia Aipaike Resources Co., Ltd.	Hohhot	Mineral exploration	100%	100%	Deregistration
1178179 B.C. LTD.	Canada	Mineral rights investment	100%	100%	Deregistration
1178180 B.C. LTD.	Canada	Mineral rights investment	100%	100%	Deregistration
Reservoir Minerals Inc.	Canada	Mineral rights investment	100%	100%	Deregistration

Notes to Financial Statements *(continued)*

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

VII. INVESTMENTS IN OTHER ENTITIES

1. Investments in subsidiaries

(1) Major subsidiaries acquired by establishment or investment

Company name	Principal place of business	Place of registration	Principal activities	Registered capital	Percentage of ownership interest	
					Direct	Indirect
Gold Mountains (H.K.) (Note 1)	Hong Kong	Hong Kong	Trading and investment	HKD18,531,933,712	100%	—
Zijin Commercial Services	Xiamen City, Fujian Province	Xiamen City, Fujian Province	Logistics management services of company, construction engineering machinery and equipment leasing, property management, export of various goods and technologies (except for goods and technologies of the company that are restricted or prohibited from being exported by the state)	500,000,000	100%	—
Zijin Europe	Hong Kong	Hong Kong	Investment; financing	USD350,000,000	—	100%
Zijin International Capital Company Limited	Hong Kong	Hong Kong	Bond issuance; financing	USD10,000,000	—	100%
Finance Company	Shanghang County, Longyan City, Fujian Province	Shanghang County, Longyan City, Fujian Province	Assisting member units to settle payments; entrusted loans and investment among member units; bill acceptance and discounting among member units; internal account settlement and clearing among member units; acceptance of deposits from member units; application for loans and finance leases among member units; intercompany lending; investment; investments in securities (excluding stocks traded in the secondary market), etc.	668,595,500	95%	—
Capital Investment Company	Xiamen City, Fujian Province	Xiamen City, Fujian Province	Entrusted management of non-security equity investments and related advisory services; entrusted management and operation of equity investment funds and provision of consultancy services; investment and asset management; spot gold sales; wholesale of metals and ores; trade agency service	1,000,000,000	100%	—

Note 1: In December 2019, the Company increased the capital of Gold Mountains (H.K.), a subsidiary of the Company, by cash of HKD7,988,375,376. After the capital increase, the registered capital of Gold Mountains (H.K.) was changed to HKD18,531,933,712.

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

VII. INVESTMENTS IN OTHER ENTITIES *(continued)*

1. Investments in subsidiaries *(continued)*

(2) Major subsidiaries acquired by business combination not involving enterprises under common control

Company name	Principal place of business	Place of registration	Principal activities	Registered capital	Percentage of ownership interest	
					Direct	Indirect
Ashele Copper	Altay City, Xinjiang Uyghur Autonomous Region	Altay City, Xinjiang Uyghur Autonomous Region	Exploration and development of geological resources; production, processing and sale of mineral products; technological services of geological mining; motor transportation, environmental protection, development of tourism and hotel investment	250,000,000	51%	—
Norton	Australia	Australia	Production of gold; geological and mineral resources exploration and related information and technical services	AUD186,844,557	—	100%
Bayannur Zijin	Bayannur City, Inner Mongolia	Bayannur City, Inner Mongolia	Refining, mining, milling and processing of zinc and other non-ferrous metals, ferrous metals and other energy mineral resources, and sale of mineral products	375,000,000	87.20%	—
Zijin Copper	Shanghang County, Longyan City, Fujian Province	Shanghang County, Longyan City, Fujian Province	Refining and sale of copper cathode, gold, silver, crude selenium; manufacture and sale of sulphuric acid for industrial use and copper sulphate	2,221,402,200	100%	—
Luoyang Zijin Yinhui Gold Refinery Co., Ltd. ("Zijin Yinhui")	Luoyang City, Henan Province	Luoyang City, Henan Province	Refining of gold and silver; testing and examination; purchase of gold ore; gold transaction agency; sale of mineral products and mining pit design and research	150,000,000	70%	—
Hunchun Zijin	Hunchun City, Jilin Province	Hunchun City, Jilin Province	Mining, milling, refining and processing of gold, copper and other non-ferrous metal and non-metallic mineral products; sale of mineral products; mineral resources exploration information and technical services	150,000,000	96.63%	3.37%
Longxing	Russia	Russia	Mining of zinc-lead ore; refining and processing; sale of mineral products	RUB700,000,000	—	70%
Zijin Zinc	Wuqia County, Kizilsu Kyrgyz Prefecture, Xinjiang	Wuqia County, Kizilsu Kyrgyz Prefecture, Xinjiang	Exploration and development of Wulugan Lead and Zinc Mine in Wuqia County	346,500,000	—	100%
Zijin Bor	Serbia	Serbia	Mining, processing, refining of ferrous metals, non-ferrous metals, precious metals and other metals	RSD39,414,455,845	—	63%
Bisha	Eritrea	Eritrea	Mining, refining and processing of zinc-copper ore; sale of mineral products	USD64,296,314	—	55%
Rakita	Serbia	Serbia	Mining, refining and processing of copper-gold ore; sale of mineral products	RSD4,929,947,027	—	100%

Note: The above-mentioned PRC subsidiaries are companies with limited liability.

Notes to Financial Statements (continued)

For the year ended 31 December 2019

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

VII. INVESTMENTS IN OTHER ENTITIES (continued)

1. Investments in subsidiaries (continued)

Details of the Group's subsidiaries that have material non-controlling interests are set out below:

2019

	Percentage of equity interest held by non-controlling shareholders	Profit/(Loss) for the year attributable to non-controlling shareholders	Dividend paid to non-controlling shareholders	Accumulated balances of non-controlling interests at the date of statement of financial position
Zijin Bor	37.00%	74,032,313	—	1,520,856,237
Zijin Tongguan	49.00%	(18,032,268)	—	1,054,115,501
Ashele Copper	49.00%	320,778,758	(343,000,000)	925,392,068
Bisha	45.00%	18,760,392	(41,408,952)	1,022,876,517
Xinjiang Jinbao	44.00%	389,394,393	(308,000,000)	542,439,073
Guizhou Zijin Mining Co., Ltd. ("Guizhou Zijin")	44.00%	24,205,498	—	326,847,559
Heilongjiang Zijin Longxing Mining Co., Ltd. ("Hei Longxing")	30.00%	(14,271,679)	—	280,480,471
Luoyang Kunyu Mining Co., Ltd. ("Luoyang Kunyu")	30.00%	15,351,140	(6,000,000)	254,630,553
Wenshan Malipo Zijin Tungsten Group Co., Ltd. ("Malipo Tungsten Group")	23.08%	27,642,008	—	214,041,628
Yunnan Huaxi	47.00%	745,253	—	202,896,207
Bayannur Zijin	12.80%	29,999,051	(9,600,000)	155,557,287
Altynken	40.00%	98,406,848	—	281,655,380
Xinjiang Altay Jinhao Iron Co., Ltd. ("Jinhao Iron")	61.48%	(43,311,059)	—	(1,207,184,471)
Others		(146,753,329)	(129,346,048)	319,029,028
Total		776,947,319	(837,355,000)	5,893,633,038

The major financial information of the above-mentioned subsidiaries is stated in the table below. These amounts are before elimination:

	2019						2018					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Zijin Bor	2,153,454,054	3,903,133,839	6,056,587,893	(671,554,946)	(1,836,886,003)	(2,508,440,949)	1,552,583,833	4,161,616,689	5,714,200,522	(433,523,130)	(1,433,384,692)	(1,866,907,822)
Zijin Tongguan	301,006,087	2,934,689,042	3,235,695,129	(592,675,203)	(9,039,807)	(601,715,010)	348,260,596	2,735,374,105	3,083,634,701	(2,989,020)	(876,369,521)	(879,358,541)
Ashele Copper	360,703,266	2,580,762,737	2,941,466,003	(618,376,706)	(453,345,000)	(1,071,721,706)	345,042,414	2,670,588,421	3,015,630,835	(191,078,869)	(905,145,000)	(1,096,223,869)
Bisha	1,115,941,397	2,886,905,958	4,002,847,355	(381,589,798)	(266,485,178)	(648,074,976)	1,328,451,740	2,563,470,188	3,891,921,928	(382,720,351)	(243,101,407)	(625,821,758)
Xinjiang Jinbao	1,231,992,536	340,144,460	1,572,136,996	(352,406,473)	(6,140,806)	(358,547,279)	1,006,743,527	414,254,964	1,420,998,491	(386,088,740)	(6,307,291)	(392,396,031)
Guizhou Zijin	237,894,520	2,272,741,087	2,510,635,607	(985,246,507)	(780,000,000)	(1,765,246,507)	214,620,272	2,153,058,780	2,367,679,052	(1,271,300,918)	(400,000,000)	(1,671,300,918)
Hei Longxing (consolidated)	753,453,487	2,918,366,439	3,671,819,926	(1,526,329,061)	(1,165,857,022)	(2,692,186,083)	666,956,306	2,884,001,375	3,550,957,681	(1,580,804,695)	(1,046,611,236)	(2,627,415,931)
Luoyang Kunyu	65,682,060	878,909,870	944,591,930	(163,939,889)	(110,841,887)	(274,781,776)	64,829,626	866,598,912	931,428,538	(247,035,578)	(88,682,951)	(335,718,529)
Malipo Tungsten Group	120,071,990	1,405,613,431	1,525,685,421	(678,284,810)	—	(678,284,810)	350,485,898	1,498,765,391	1,849,251,289	(729,383,314)	—	(729,383,314)
Yunnan Huaxi	150,209,649	160,458,830	310,668,479	(1,257,124)	—	(1,257,124)	142,041,044	167,213,537	309,254,581	(1,428,871)	—	(1,428,871)
Bayannur Zijin	967,549,538	1,958,699,552	2,926,249,090	(1,523,837,241)	(230,639,313)	(1,754,476,554)	752,363,086	1,956,570,998	2,708,934,084	(1,298,082,077)	(374,031,292)	(1,672,113,369)
Altynken	214,461,376	1,983,575,009	2,198,036,385	(1,066,456,289)	(801,095,211)	(1,867,551,500)	225,995,059	2,065,494,910	2,291,489,969	(1,437,891,626)	(775,634,027)	(2,213,525,653)
Jinhao Iron	159,202,727	223,808,219	383,010,946	(1,156,498,715)	(1,055,019,809)	(2,211,518,524)	115,318,202	287,604,433	402,922,635	(1,108,926,433)	(1,053,399,845)	(2,162,326,278)

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

VII. INVESTMENTS IN OTHER ENTITIES (continued)

1. Investments in subsidiaries (continued)

The major financial information of the above-mentioned subsidiaries is stated in the table below. These amounts are before elimination: (continued)

	2019				2018			
	Operating income	Net profit/(loss)	Total comprehensive income	Cash flows from operating activities	Operating income	Net profit/(loss)	Total comprehensive income	Cash flows from operating activities
Zijin Bor	3,678,281,042	229,350,679	229,350,679	(641,066,706)	63,626,365	22,479,962	22,479,962	(158,369,433)
Zijin Tongguan	—	(36,800,547)	(36,800,547)	(50,993,098)	—	—	—	—
Ashele Copper	1,827,034,444	656,621,488	656,621,488	1,015,559,577	1,947,683,115	844,512,196	844,512,196	932,663,420
Bisha	2,294,463,818	210,362,527	210,362,527	721,154,479	—	—	—	—
Xinjiang Jinbao	1,858,045,172	884,987,257	884,987,257	1,003,333,139	1,453,913,416	632,414,102	632,414,102	574,200,038
Guizhou Zijin	1,938,479,363	55,012,496	55,012,496	138,270,400	1,395,227,272	(60,978,650)	(60,978,650)	(6,413,413)
Hei Longxing (consolidated)	1,046,761,478	33,972,129	33,972,129	284,672,224	1,698,980,458	666,467,643	737,607,272	946,422,458
Luoyang Kunyu	613,167,714	94,100,144	94,100,144	188,177,833	503,594,178	26,210,975	26,210,975	79,954,002
Malipo Tungsten Group	272,892,460	(268,576,139)	(268,576,139)	73,973,811	295,199,337	47,337,042	47,337,042	81,842,913
Yunnan Huaxi	373,725	1,585,644	1,585,644	(310,933)	1,367,782	2,483,342	2,483,342	(856,070)
Bayannur Zijin	4,265,629,324	229,598,022	229,598,022	571,306,060	3,877,035,494	129,037,390	129,037,390	(213,715,636)
Altynken	1,197,418,895	269,507,857	269,507,857	530,224,959	903,255,341	157,625,523	157,625,523	49,670,625
Jinhao Iron	3,382,519	(112,312,615)	(112,312,615)	(3,384,543)	9,743,747	(118,721,635)	(118,721,635)	4,326,736

2. Transaction resulting in changes in proportion of owners' equity but without impact on the control of a subsidiary

In March 2019, the Group acquired the remaining 10.63% equity interest in its subsidiary, Nevsun Resources, and its equity interest in Nevsun Resources changed from 89.37% to 100%. The consideration for acquisition of the equity interest was CAD197,575,980 (equivalent to RMB999,677,309). The transaction led to a decrease of non-controlling interests in the consolidated financial statements by RMB999,677,309.

In May 2019, the Group disposed of a 5% equity interest in its subsidiary, Bisha, and its equity interest in Bisha changed from 60% to 55%. The consideration for disposal of the equity interest was USD10,000,000. The transaction led to an increase in non-controlling interests of RMB113,459,964 and a decrease in capital reserve of RMB44,504,851.

Notes to Financial Statements *(continued)*

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*VII. INVESTMENTS IN OTHER ENTITIES *(continued)*

3. Investments in joint ventures and associates

	Principal place of business	Place of registration	Principal activities	Registered capital	Proportion of ownership interest		Accounting treatment
					Direct	Indirect	
Joint ventures							
Shandong Guoda (Note 1)	Zhaoyuan City, Shandong Province	Zhaoyuan City, Shandong Province	Production of gold, silver, copper cathode and sulphuric acid; sale of self-produced products	173,430,000	—	30.05%	Equity method
Xiamen Zijin Zhonghang	Xiamen City, Fujian Province	Xiamen City, Fujian Province	Development, operation and management of real estate, property management, business information consulting services, marketing and technical consultation	250,000,000	—	50%	Equity method
Gold Eagle Mining (Note 2)	Hong Kong	Hong Kong	Trading and investment	HKD3,498,500	—	45%	Equity method
Southwest Zijin Gold	Zhenfeng County, Guizhou Province	Zhenfeng County, Guizhou Province	Research and development of manufacturing technology, design and processing, wholesale, retail and technical consultation services of precious metals, jewellery and jade products	100,000,000	—	50%	Equity method
Guizhou Funeng Zijin (Note 3)	Anshun City, Guizhou Province	Anshun City, Guizhou Province	Power and electricity investment	200,000,000	—	50%	Equity method
Fujian Longhu Fishery (Note 4)	Longyan City, Fujian Province	Longyan City, Fujian Province	Ecological aquaculture, fishing, aquatic product processing, recreational fishing business, tourism, tourism real estate development	21,500,000	—	51.16%	Equity method
Zijin Cuifu (Note 5)	Longyan City, Fujian Province	Longyan City, Fujian Province	Trade of precious metals, fine processing of gold, processing and sale of jewellery products, diamond and jade, recovery of metal materials	20,000,000	—	51%	Equity method
Kamoa (Note 6)	DR Congo	Barbados	Mining of copper mineral	USD14,000	—	49.5%	Equity method
Porgera Service Company	Australia	Cairns, Australia	Provision of corporate advisory service	AUD1,000	—	50%	Equity method
Preduzece za Proizvodnju Bankarnog Praha Pometon Tir Doo Bor (Note 7)	Serbia	Bor, Serbia	Production of copper powder, copper processing	RSD104,610,167	—	49%	Equity method
Associates							
Ting River Hydropower	Shanghang County, Fujian Province	Shanghang County, Fujian Province	Hydroelectric power generation	69,000,000	—	49%	Equity method
Wuping Zijin Hydropower	Wuping County, Fujian Province	Wuping County, Fujian Province	Hydroelectric power generation and investment in hydropower industry	60,000,000	—	48%	Equity method
Haixia Technology (Note 8)	Yongan City, Fujian Province	Yongan City, Fujian Province	Production of explosives for civilian use	411,489,086	—	16.06%	Equity method
Shanghang Xinyuan	Shanghang County, Fujian Province	Shanghang County, Fujian Province	Pipe water supply	300,000,000	—	38%	Equity method
Hunchun Jindi (Note 9)	Hunchun City, Yanbian Korean Autonomous Prefecture	Hunchun City, Yanbian Korean Autonomous Prefecture	Analysis and testing of geological exploration for mineral, technology development, consultation and transfer, sale of mineral products	100,000,000	—	51%	Equity method

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

VII. INVESTMENTS IN OTHER ENTITIES *(continued)*

3. Investments in joint ventures and associates *(continued)*

	Principal place of business	Place of registration	Principal activities	Registered capital	Proportion of ownership interest		Accounting treatment
					Direct	Indirect	
Associates <i>(continued)</i>							
Yanbian Credit Security	Yanbian Korean Autonomous Prefecture	Yanbian Korean Autonomous Prefecture	Provision of loan guarantees for SMEs and individuals	200,000,000	—	25%	Equity method
Kanas Travel	Burqin County, Xinjiang	Burqin County, Xinjiang	Catering and travel services	135,000,000	—	21.09%	Equity method
Makeng Mining	Longyan City, Fujian Province	Longyan City, Fujian Province	Iron and molybdenum mining	1,000,000,000	41.5%	—	Equity method
Songpan Zijin	Songpan County, Ngawa Tibetan and Qiang Autonomous Prefecture	Songpan County, Ngawa Tibetan and Qiang Autonomous Prefecture	Sale of industrial materials, equipment and instruments, development, manufacture and sale of general machinery	80,000,000	34%	—	Equity method
Wancheng Commercial	Urad Rear Banner, Bayannur City, Inner Mongolia	Urad Rear Banner, Bayannur City, Inner Mongolia	Mining, processing and sale of zinc, lead, sulphur, copper and iron	73,440,000	10%	37.5%	Equity method
Yulong Copper	Changdu County, Changdu Prefecture, Tibet Autonomous Region	Changdu County, Changdu Prefecture, Tibet Autonomous Region	Mining of copper mineral and geological studies	2,000,000,000	22%	—	Equity method
Xinjiang Tianlong (Note 10)	Fukang City, Xinjian, Xinjiang	Fukang City, Xinjian, Xinjiang	Limestone mining, cement production, intensive processing and refining of non-ferrous metals	870,935,192	—	16.42%	Equity method
Xiamen Modern Terminals	Xiamen City, Fujian Province	Xiamen City, Fujian Province	Dock construction, operation of dock and other port facilities; cargo loading and storage operation (under permission in license)	355,580,000	—	25%	Equity method
Wengfu Zijin	Shanghang County, Fujian Province	Shanghang County, Fujian Province	Production of monoammonium phosphate, diammonium hydrogen phosphate, gypsum block and cement additive	813,340,000	—	37.38%	Equity method
Longyan Zijin AVIC Properties Co., Ltd. ("Longyan Zijin AVIC")	Longyan City, Fujian Province	Longyan City, Fujian Province	Development, operation and management of real estate, property management, and car park service	320,408,163	—	49%	Equity method
Zisen Supply Chain	Xiamen City, Fujian Province	Xiamen City, Fujian Province	Supply chain management, management and consultation of investment; business information consultation and investment consultation	10,000,000	—	49%	Equity method
Fujian Kingkop	Fuzhou City, Fujian Province	Fuzhou City, Fujian Province	Design, manufacture, sale and repair of automatic and intelligent equipment; technological development and service in respect of industrial automation and electrical engineering; development and design of computer hardware and software products, and provision of informational system integration service	10,000,000	10%	20%	Equity method

Notes to Financial Statements *(continued)*

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*VII. INVESTMENTS IN OTHER ENTITIES *(continued)*3. Investments in joint ventures and associates *(continued)*

	Principal place of business	Place of registration	Principal activities	Registered capital	Proportion of ownership interest		Accounting treatment
					Direct	Indirect	
Associates <i>(continued)</i>							
Science	Changsha City, Hunan Province	Changsha City, Hunan Province	Technological consultation, design, development and operation services; design, contracting and construction of environmental protection engineering projects; and research, development, manufacture, sale and related technical services for chemicals and environmental protection equipment used in sewage and wastewater treatment	71,120,000	—	28.29%	Equity method
Evergreen New Energy	Shanghang County, Fujian Province	Shanghang County, Fujian Province	Research of power battery recovery technology, power battery recovery, production and sale of precursors	200,000,000	30%	—	Equity method
Beijing Anchuang Shenzhou	Beijing City	Chaoyang District, Beijing City	Technology development, technology transfer, technological consultation, technology promotion, technical services; computer technology training, etc.	10,000,000	—	45%	Equity method
Caixi Cultural	Shanghang County, Fujian Province	Shanghang County, Fujian Province	Cultural and entertainment agency; investments in culture, sports and entertainment; other cultural and artistic industries	1,250,000	20%	—	Equity method

Note 1: Pursuant to the articles of association of Shandong Guoda, the board of directors of Shandong Guoda consists of five directors, including two appointed by the Group and three appointed by Shandong Zhaojin Group Zhaoyuan Gold Smelting Company Limited. The operating decisions of Shandong Guoda are effective only when approved by two-thirds of the directors. Therefore, the management of the Group considers that the Group has joint control over Shandong Guoda, and accounts for it as a joint venture.

Note 2: Pursuant to the shareholders' agreement related to Gold Eagle Mining, the board of directors of Gold Eagle Mining consists of five directors, including two appointed by the Group and three appointed by Jinchuan Group. The operating decisions of Gold Eagle Mining are effective only when approved by two-thirds of the directors. Therefore, the management of the Group considers that the Group has joint control over Gold Eagle Mining, and accounts for it as a joint venture.

Note 3: In December 2014, Guizhou Zijin and Fujian Coal and Electric Company Limited ("Fujian Coal and Electric") jointly established Guizhou Funeng Zijin with respective shareholding ratios of 50% and 50%. Pursuant to the agreement between the two parties, the board of directors of Guizhou Funeng Zijin consists of five directors, including two appointed by the Group and three appointed by Fujian Coal and Electric. The operating decisions of Guizhou Funeng Zijin are effective only when approved by two-thirds of the directors. Therefore, the management of the Group considers that the Group has joint control over Guizhou Funeng Zijin, and accounts for it as a joint venture.

Note 4: Pursuant to the articles of association of Fujian Longhu Fishery, the board of directors consists of three directors, including two appointed by the Group. The resolutions of the board of directors must be approved by more than two-thirds of the directors. Therefore, the management of the Group considers that the Group has joint control over Fujian Longhu Fishery, and accounts for it as a joint venture.

Notes to Financial Statements *(continued)*

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

VII. INVESTMENTS IN OTHER ENTITIES *(continued)*

3. Investments in joint ventures and associates *(continued)*

- Note 5: On 3 February 2015, South Investment, a wholly-owned subsidiary of the Group, and Fujian JincuiFu Jewellery Development Company Limited ("JincuiFu") jointly established Zijin Cuifu with respective shareholding ratios of 51% and 49%. Pursuant to the articles of association of Zijin Cuifu, the board of directors of Zijin Cuifu consists of five directors, including three appointed by South Investment (one of them being appointed as the chairman) and two appointed by JincuiFu. The operation of Zijin Cuifu is carried out under contracted operation by the general manager delegated by JincuiFu. The operating decisions of Zijin Cuifu are effective only when approved by over two-thirds of the directors. Therefore, the management of the Group considers that the Group has joint control over Zijin Cuifu, and accounts for it as a joint venture.
- Note 6: Gold Mountains (H.K.) and Ivanhoe Mines US LLC both own 49.5% equity interest in KamoA respectively. The remaining proportion of 1% is held by Crystal River Global. Pursuant to the articles of association of KamoA, the board of directors of KamoA consists of five directors, including two appointed by the Group, two appointed by Ivanhoe Mines US LLC, and one appointed by Crystal River Global. The operating decisions of KamoA are effective only when approved by more than 80.01% of shareholders, therefore, the management of the Group considers that the Group has joint control over KamoA, and accounts for it as a joint venture.
- Note 7: Preduzece za Proizvodnju Bankrnog Praha Pometon Tir Doo Bor is a joint venture of Zijin Bor, which is a subsidiary of the Group acquired in 2018. Pursuant to the articles of association of Preduzece za Proizvodnju Bankrnog Praha Pometon Tir Doo Bor, the company shall set up a board of directors, which consists of five directors, two of whom shall be appointed by Zijin Bor. The decisions of the company shall only be implemented with the unanimous consent of all the operating parties. Therefore, the Group has joint control over the company, and it has been accounted for as a joint venture.
- Note 8: Pursuant to the articles of association of Haixia Technology, the board of directors of Haixia Technology consists of six directors, including one appointed by the Group, three appointed by Fujian Province Mechanical and Electrical (Holding) Company Limited and two appointed by Fujian Energy Group Company Limited. The chairman of the supervisory committee and the deputy general manager of Haixia Technology are appointed by the Group. Therefore, the management of the Group considers that the Group has significant influence over the financial and operating decisions of Haixia Technology, and accounts for it as an associate.
- Note 9: Pursuant to the articles of association of Hunchun Jindi, the board of directors of Hunchun Jindi consists of five directors, including two appointed by the Group. The operating decisions of Hunchun Jindi are effective only when approved by over two-thirds of the directors. Therefore, the management of the Group considers that the Group has significant influence over the financial and operating decisions of Hunchun Jindi, and accounts for it as an associate.
- Note 10: Pursuant to the articles of association of Xinjiang Tianlong, the board of directors of Xinjiang Tianlong consists of eleven directors, including two appointed by the Group. The operating decisions of Xinjiang Tianlong are effective only when approved by more than half of the directors. Therefore, the management of the Group considers that the Group has significant influence over the financial and operating decisions of Xinjiang Tianlong, and accounts for it as an associate.

Notes to Financial Statements *(continued)*

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)***VII. INVESTMENTS IN OTHER ENTITIES** *(continued)***3. Investments in joint ventures and associates** *(continued)*

The significant joint ventures of the Group include Gold Eagle Mining and Kamo, which are accounted for using the equity method.

The financial information of the above-mentioned significant joint ventures is set out below, which was adjusted to the book value per consolidated financial statements in accordance with the Group's accounting policies:

2019

	Gold Eagle Mining	Kamo
Current assets	552,613,312	1,459,654,041
<i>Including: Cash and cash equivalents</i>	491,049,114	516,013,243
Non-current assets	3,999,084,342	12,360,059,040
Total assets	4,551,697,654	13,819,713,081
Current liabilities	1,458,912,242	541,746,275
Non-current liabilities	3,488,100	10,557,880,411
Total liabilities	1,462,400,342	11,099,626,686
Non-controlling interests	(114,801,217)	(449,339,592)
Equity attributable to owners of the parent	3,204,098,529	3,169,425,987
Share of net assets based on proportion of equity interest	1,441,844,336	1,568,865,864
Adjustments		
Impairment provision	—	—
Book value of equity investments	1,441,844,336	1,568,865,864
Operating income	—	—
Financial expenses	57,088,317	442,450,965
<i>Including: Interest income</i>	—	(38,065,299)
<i>Including: Interest expenses</i>	57,075,779	480,516,264
Income tax expenses	—	(140,090,662)
Net loss	(64,838,988)	(345,699,005)
Other comprehensive income	—	—
Total comprehensive loss	(64,838,988)	(345,699,005)
Dividends received	—	—

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

VII. INVESTMENTS IN OTHER ENTITIES *(continued)*

3. Investments in joint ventures and associates *(continued)*

The financial information of the above-mentioned significant joint ventures is set out below, which was adjusted to the book value per consolidated financial statements in accordance with the Group's accounting policies: *(continued)*

2018

	Gold Eagle Mining	Kamoa
Current assets	629,435,361	549,973,185
<i>Including: Cash and cash equivalents</i>	<i>553,816,385</i>	<i>239,636,713</i>
Non-current assets	3,955,403,486	9,302,739,150
Total assets	4,584,838,847	9,852,712,335
Current liabilities	1,371,847,240	139,903,928
Non-current liabilities	88,071,079	6,644,766,309
Total liabilities	1,459,918,319	6,784,670,237
Non-controlling interests	(87,312,221)	(376,981,502)
Equity attributable to owners of the parent	3,212,232,749	3,445,023,600
Share of net assets based on proportion of equity interest	1,445,504,737	1,705,286,682
Adjustments		
Impairment provision	—	—
Book value of equity investments	1,445,504,737	1,705,286,682
Operating income	—	—
Financial expenses	27,778,612	366,735,301
<i>Including: Interest income</i>	<i>(439)</i>	<i>(25,767,958)</i>
<i>Including: Interest expenses</i>	<i>54,376,432</i>	<i>392,503,258</i>
Income tax expenses	—	(760,252,479)
Net (loss)/profit	(24,765,151)	271,959,507
Other comprehensive income	—	—
Total comprehensive (loss)/income	(24,765,151)	271,959,507
Dividends received	—	—

Notes to Financial Statements *(continued)*

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)***VII. INVESTMENTS IN OTHER ENTITIES** *(continued)***3. Investments in joint ventures and associates** *(continued)*

The significant associates of the Group include Makeng Mining and Yulong Copper, which are accounted for using the equity method.

The financial information of the above significant associates is set out below, which was adjusted to the book value per consolidated financial statements in accordance with the Group's accounting policies:

2019

	Makeng Mining	Yulong Copper
Current assets	265,070,248	972,168,611
Non-current assets	4,663,588,858	8,087,634,694
Total assets	4,928,659,106	9,059,803,305
Current liabilities	1,946,484,273	2,153,933,471
Non-current liabilities	1,666,785,747	3,825,772,408
Total liabilities	3,613,270,020	5,979,705,879
Non-controlling interests	—	—
Equity attributable to owners of the parent	1,315,389,086	3,080,097,426
Share of net assets based on proportion of equity interest	545,886,470	677,621,434
Adjustments		
Goodwill	331,615,363	—
Book value of equity investments	877,501,833	677,621,434
Operating income	1,158,622,584	1,111,133,182
Income tax expenses	42,727,327	8,556,024
Net profit	101,358,247	370,313,728
Other comprehensive income	—	—
Total comprehensive income	101,358,247	370,313,728
Dividends received	41,500,000	—

Notes to Financial Statements *(continued)*

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

VII. INVESTMENTS IN OTHER ENTITIES *(continued)*

3. Investments in joint ventures and associates *(continued)*

The financial information of the above significant associates is set out below, which was adjusted to the book value per consolidated financial statements in accordance with the Group's accounting policies: *(continued)*

2018

	Makeng Mining	Yulong Copper
Current assets	455,462,149	782,515,051
Non-current assets	4,221,160,134	6,270,164,204
Total assets	4,676,622,283	7,052,679,255
Current liabilities	2,142,521,552	2,077,827,370
Non-current liabilities	1,220,105,560	2,265,068,185
Total liabilities	3,362,627,112	4,342,895,555
Non-controlling interests	—	—
Equity attributable to owners of the parent	1,313,995,171	2,709,783,700
Share of net assets based on proportion of equity interest	545,307,996	596,152,414
Adjustments		
Goodwill	331,615,363	—
Book value of equity investments	876,923,359	596,152,414
Operating income	569,694,017	1,148,570,963
Income tax expenses	8,644,994	56,772,464
Net profit	27,962,547	338,081,993
Other comprehensive income	—	—
Total comprehensive income	27,962,545	338,081,993
Dividends received	20,750,000	—

Notes to Financial Statements *(continued)*

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*VII. INVESTMENTS IN OTHER ENTITIES *(continued)*3. Investments in joint ventures and associates *(continued)*

The following table illustrates the aggregate financial information of the Group's joint ventures and associates that are not individually significant:

	2019	2018
Joint ventures		
Aggregate book value of the Group's investments in joint ventures	451,494,757	503,902,480
Items below were calculated by the proportion of equity interest		
Share of net profit of joint ventures	17,570,004	16,170,724
Share of other comprehensive income of joint ventures	—	—
Share of total comprehensive income of joint ventures	17,570,004	16,170,724
Associates		
Aggregate book value of the Group's investments in associates	1,907,087,869	1,913,983,597
Items below were calculated by the proportion of equity interest		
Share of net profit of associates	151,486,275	147,434,533
Share of other comprehensive income of associates	—	—
Share of total comprehensive income of associates	151,486,275	147,434,533

The Group will provide financial support for the capital expenditure of Kamo a based on the proportion of equity interest held. The funding commitment in the following year amounted to USD355,078,522, equivalent to RMB2,477,098,785 (2018: USD202,271,539, equivalent to RMB1,388,230,032).

4. Significant joint operation

Company name	Principal place of business	Place of registration	Principal activities	Proportion of ownership interest	Proportion of voting rights	Strategic or not
BNL	Papua New Guinea	Port Moresby, Papua New Guinea	Mining, processing and sale of gold ores	50%	50%	Yes

The Group has determined that BNL is jointly controlled by Gold Mountains (H.K.), a wholly-owned subsidiary of the Company, and Barrick (PD) Australia Pty Limited, and each of the parties has rights to the assets and obligations for the liabilities of BNL, and is eligible to BNL's products and recognises the expenses incurred in the proportion of 50% each. Therefore, the Group accounts for it as a joint operation.

Notes to Financial Statements (continued)

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

VIII. FINANCIAL INSTRUMENTS AND RISKS

1. Financial instruments by category

The carrying amounts of each category of financial instruments as at the end date of the reporting period are as follows:

2019

Financial assets

	Financial assets at fair value		Financial assets at fair value through other comprehensive income		Total
	through profit or loss	Financial assets at amortised cost	Standards' requirement	Designated	
Cash and cash equivalents	—	6,085,591,450	—	—	6,085,591,450
Held for trading financial assets	687,951,525	—	—	—	687,951,525
Trade receivables	—	944,115,730	—	—	944,115,730
Receivables financing	—	—	1,318,505,074	—	1,318,505,074
Other receivables	—	746,370,339	—	—	746,370,339
Current portion of non-current assets	—	956,692,852	—	—	956,692,852
Other current assets	—	485,010,486	—	—	485,010,486
Other equity instrument investments	—	—	—	4,410,441,677	4,410,441,677
Other non-current financial assets	951,779,422	—	—	—	951,779,422
Other non-current assets	—	5,266,987,210	—	—	5,266,987,210
	1,639,730,947	14,484,768,067	1,318,505,074	4,410,441,677	21,853,445,765

Financial liabilities

	Financial liabilities at fair value		Total
	through profit or loss	Financial liabilities at amortised cost	
Short-term borrowings	—	14,440,917,886	14,440,917,886
Held for trading financial liabilities	326,139,054	—	326,139,054
Bills payable	—	420,860,145	420,860,145
Trade payables	—	4,382,104,169	4,382,104,169
Other payables	—	5,253,405,190	5,253,405,190
Current portion of non-current liabilities	—	5,768,840,060	5,768,840,060
Other current liabilities	—	500,000,000	500,000,000
Long-term borrowings	—	13,826,221,524	13,826,221,524
Bonds payable	—	11,966,468,687	11,966,468,687
Lease liabilities	—	282,347,122	282,347,122
Long-term payables	—	1,201,391,669	1,201,391,669
	326,139,054	58,042,556,452	58,368,695,506

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

VIII. FINANCIAL INSTRUMENTS AND RISKS (continued)

1. Financial instruments by category (continued)

2018

Financial assets

	Financial assets at fair value through profit or loss		Financial assets at amortised cost	Financial assets at fair value through other comprehensive income		Total
	Standards' requirement	Designated		Standards' requirement	Designated	
Cash and cash equivalents	—	—	9,935,838,151	—	—	9,935,838,151
Held for trading financial assets	787,134,360	—	—	—	—	787,134,360
Trade receivables	—	—	1,009,871,109	—	—	1,009,871,109
Receivables financing	—	—	—	1,243,090,520	—	1,243,090,520
Other receivables	—	—	1,263,218,591	—	—	1,263,218,591
Current portion of non-current assets	—	—	307,233,993	—	—	307,233,993
Other current assets	—	—	513,826,397	—	—	513,826,397
Other equity instrument investments	—	—	—	1,983,796,793	—	1,983,796,793
Other non-current financial assets	401,513,674	—	—	—	—	401,513,674
Other non-current assets	—	—	4,182,117,096	—	—	4,182,117,096
	1,188,648,034		17,212,105,337	1,243,090,520	1,983,796,793	21,627,640,684

Financial liabilities

	Financial liabilities at fair value through profit or loss		Financial liabilities at amortised cost	Total
	Standards' requirement	Designated		
Short-term borrowings	—	—	15,616,680,236	15,616,680,236
Held for trading financial liabilities	242,482,582	—	—	242,482,582
Bills payable	—	—	160,733,506	160,733,506
Trade payables	—	—	4,540,248,350	4,540,248,350
Other payables	—	—	4,933,126,062	4,933,126,062
Current portion of non-current liabilities	—	—	9,707,089,022	9,707,089,022
Long-term borrowings	—	—	12,917,915,706	12,917,915,706
Bonds payable	—	—	8,879,453,693	8,879,453,693
Long-term payables	—	—	621,085,921	621,085,921
	242,482,582		57,376,332,496	57,618,815,078

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

VIII. FINANCIAL INSTRUMENTS AND RISKS *(continued)*

2. Transfer of financial assets

Transferred financial assets that are not derecognised in their entirety

As at 31 December 2019, the Group endorsed commercial acceptance bills with a carrying amount of RMB14,300,000 (31 December 2018: RMB13,840,000) to its suppliers in order to settle the trade payables due to such suppliers; the Group did not endorse bank acceptance bills (31 December 2018: Nil) to certain of its suppliers in order to settle the trade payables due to such suppliers. During the year of 2019, the Group operated a number of discounting businesses through several banks in China. As at 31 December 2019, the Group discounted bank acceptance bills through the People's Bank of China with repurchase obligation at the maturity date with a carrying amount of RMB224,098,696 (31 December 2018: RMB137,193,063). In the opinion of the Group, the Group has retained substantially all the risks and rewards, which include default risks relating to such endorsed bills, and accordingly, it continued to recognise the full carrying amounts of the endorsed bills and the associated trade payables settled. Subsequent to the endorsement, the Group did not retain any rights on the use of the endorsed bills, including the sale, transfer or pledge of the endorsed bills to any other third parties. The aggregate carrying amount of the trade payables settled by the endorsed bills as at 31 December 2019 was RMB238,398,696 (31 December 2018: RMB151,033,063).

Transferred financial assets that are derecognised in their entirety in which continuing involvement exists

As at 31 December 2019, the Group endorsed certain bank acceptance bills (the "Derecognised Bills") with a carrying amount of RMB75,504,585 (31 December 2018: RMB203,542,580) to certain of its suppliers in order to settle the trade payables due to such suppliers. During the year of 2019, the Group operated a number of discounting business through several banks in China. As at 31 December 2019, the Group discounted bank acceptance bills with a carrying amount of RMB453,651,404 (31 December 2018: RMB189,657,591) which are without repurchase obligation at the maturity date to banks. As at 31 December 2019, the Derecognised Bills had a maturity of 1 to 12 months as at the date of statement of financial position. In accordance with the Law of Negotiable Instruments, the holders of the Derecognised Bills have the right of recourse against the Group if the accepting banks default (the "Continuing Involvement"). In the opinion of the Group, the Group has transferred substantially all risks and rewards relating to the Derecognised Bills. Accordingly, it has derecognised the carrying amounts of such Derecognised Bills and the associated trade payables. The maximum exposure to loss from the Group's Continuing Involvement in the Derecognised Bills and the undiscounted cash flows to repurchase these Derecognised Bills is equal to their carrying amounts. In the opinion of the Group, the fair values of the Group's Continuing Involvement in the Derecognised Bills are not significant.

During the year ended 31 December 2019, the Group has not recognised any gain or loss at the date of transfer of the Derecognised Bills. No gains or losses were recognised from the Continuing Involvement in the derecognised financial assets, both during the year or cumulatively. In general, the endorsement has been made evenly throughout the year.

3. Risk of financial instruments

The Group is exposed to the risks of various financial instruments in its daily activities, mainly including credit risk, liquidity risk and market risk (including currency risk, interest rate risk, equity instruments price risk and commodity price risk). The Group's principal financial instruments, including cash and cash equivalents, loans, bills receivable and trade receivables, other receivables, bills payable and trade payables, and other payables. The Group also enters into derivative transactions, mainly including futures and forward contracts. The purpose is to manage the market risks arising from the Group's operation. The Group will manage the market risk of the derivative financial instruments in accordance with the variance between actual metal prices in the active market and estimated target prices, etc. Policies of the risk management to lowering the risks of the Group are summarised below.

To manage market risks in operations, the Group also conducts derivative transactions, mainly forward sales contracts. The Group manages the market risk of derivative financial instruments based on the differences between market metal prices and management's predetermined metal target prices.

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

VIII. FINANCIAL INSTRUMENTS AND RISKS *(continued)*

3. Risk of financial instruments *(continued)*

The Group's principal risks of financial instruments are credit risk, liquidity risk and market risk. Policies of risk management of the Group are summarised below.

Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, trade receivable balances are monitored on an ongoing basis to ensure that the Group's exposure to bad debts is not significant.

As the counterparties of cash and cash equivalents, bank acceptance bills receivable and derivative financial instruments are banks with good reputation and high credit ratings, these financial instruments have low credit risk.

The credit risk of the Group's other financial assets, which comprise cash and cash equivalents, held for trading financial assets, loans, trade receivables and certain derivative instruments, arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments.

The maximum exposure to credit risk of the Group at each date of statement of financial position is the total amount charged to the customers less the amount of the impairment provision

The Group is also exposed to credit risk for providing financial guarantees. Detailed information is disclosed in Note XI.

Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral. Concentrations of credit risks are managed by customer/counterparty, by geographical region and by industry sector. There are no significant concentrations of credit risk within the Group as the customer bases of the Group's trade receivables are widely dispersed in different sectors and industries. The Group does not hold any collateral or other credit enhancements over its trade receivable balances.

Determination of significant increase in credit risk

At the end of each reporting period, the Group determines whether the credit risk of a financial asset has increased significantly since initial recognition. When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the end of each reporting period with the risk of default as at the date of initial recognition, based on a single financial asset or classes of financial assets with similar credit risks characteristics.

The Group determines that the credit risk of financial assets has significantly increased when one or more of the following quantitative or qualitative criteria below are met:

- quantitative criteria are mainly probability of default increasing more than a given % since initial recognition;
- qualitative criteria are mainly significant detrimental changes in the borrower's operating or financial conditions, early warning customer lists, etc.

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

VIII. FINANCIAL INSTRUMENTS AND RISKS *(continued)*

3. Risk of financial instruments *(continued)*

Credit risk *(continued)*

Definition of credit-impaired financial assets

In assessing whether a financial asset is credit-impaired, the Group considers both quantitative and qualitative indicators and adopts the standard of determination in line with internal credit risk management goal of the relevant financial instruments. The Group assesses whether a financial asset is credit-impaired by considering the following factors:

- significant financial difficulty of the issuer or borrower;
- a breach of contract such as a default or past due event of interests and principals;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation;
- the disappearance of an active market for that financial asset because of financial difficulties of the issuer or borrower;
- financial assets purchased or sourced at large discounts indicating credit losses have occurred.

The impairment of financial assets may not be necessarily due to a single discrete event. The combined effects of multiple events may result in financial assets being credit-impaired.

Parameters of the expected credit loss model

Based on whether there is a significant increase in credit risk and whether the financial assets are credit-impaired, the Group recognises impairment allowance for different assets using either 12-month expected credit losses or lifetime expected credit losses. The measurement of the expected credit loss model is a function of the probability of default, the loss given default and the exposure at default as key parameters. The Group establishes the model of the probability of default, the loss given default and the exposure at default by considering the quantitative analysis of historical statistics such as the counterparty rating, guarantee method, collateral category, repayment method, and also forward-looking information.

Definitions:

- The probability of default is the probability that the debtor will not be able to meet its repayment obligations within the following 12 months or throughout the remaining duration. To reflect the macro-economic expected credit loss environment conditions, the Group's assessment of the probability of default is based on the calculation of the expected credit loss model adjusted by forward-looking information.
- The loss given default refers to the Group's expectation of the extent of the loss of default risk exposure. The loss given default varies depending on the type of counterparty, the way and priority of recourse, and the type of collateral. The loss given default is the percentage of the risk exposure loss at the time of default, calculated on the basis of the next 12 months or the entire duration.
- The exposure at default refers to the amount that the Group should be repaid in the event of default in the next 12 months or throughout the remaining period.

Notes to Financial Statements *(continued)*

For the year ended 31 December 2019

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)***VIII. FINANCIAL INSTRUMENTS AND RISKS** *(continued)***3. Risk of financial instruments** *(continued)***Credit risk** *(continued)*

The assessment of a significant increase in credit risk and the calculation of expected credit losses both involve forward-looking information. The Group recognises key economic ratios that influence credit risk and expected credit losses by historical data analysis.

As at 31 December 2019, there was no evidence of a significant increase in credit risk.

Liquidity risk

The Group monitors its risk of shortage of funds using a recurring liquidity planning tool. This tool considers both the maturity of the financial instruments and projected cash flows from operations.

The Group's objective is to maintain a balance between continuity and flexibility of funding through the use of debentures, bank borrowings and other borrowings. As at 31 December 2019, approximately 49% of the Group's debts will mature in less than one year (31 December 2018: 61%).

The table below summarises the maturity profile of the Group's financial liabilities based on the contractual undiscounted cash flows:

2019

	Over 1 year but			Total
	Within 1 year	within 5 years	Over 5 years	
Short-term borrowings	14,537,023,666	—	—	14,537,023,666
Held for trading financial liabilities	326,139,054	—	—	326,139,054
Bills payable	420,860,145	—	—	420,860,145
Trade payables	4,382,104,169	—	—	4,382,104,169
Other payables	5,253,405,190	—	—	5,253,405,190
Current portion of non-current liabilities	6,021,623,033	—	—	6,021,623,033
Other current liabilities	509,765,741	—	—	509,765,741
Long-term borrowings	334,595,398	13,773,013,994	1,054,143,677	15,161,753,069
Bonds payable	1,097,433,684	12,871,944,936	—	13,969,378,620
Lease liabilities	—	331,815,308	—	331,815,308
Long-term payables	15,362,078	614,889,268	711,615,949	1,341,867,295
	32,898,312,158	27,591,663,506	1,765,759,626	62,255,735,290

Notes to Financial Statements (continued)

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

VIII. FINANCIAL INSTRUMENTS AND RISKS (continued)

3. Risk of financial instruments (continued)

Liquidity risk (continued)

2018

	Within 1 year	Over 1 year but within 5 years	Over 5 years	Total
Short-term borrowings	15,815,766,142	—	—	15,815,766,142
Held for trading financial liabilities	242,482,582	—	—	242,482,582
Bills payable	160,733,506	—	—	160,733,506
Trade payables	4,540,248,350	—	—	4,540,248,350
Other payables	4,933,126,062	—	—	4,933,126,062
Current portion of non-current liabilities	10,016,942,463	—	—	10,016,942,463
Long-term borrowings	566,700,741	6,890,025,928	8,150,069,504	15,606,796,173
Bonds payable	380,880,002	9,523,380,460	—	9,904,260,462
Long-term payables	10,232,004	292,145,603	701,732,505	1,004,110,112
	36,667,111,852	16,705,551,991	8,851,802,009	62,224,465,852

Market risk

Interest rate risk

The Group's exposure to the risk of changes in market interest rates primarily relates to the Group's debt obligations with floating interest rates.

The Group maintains an appropriate fixed rate and variable rate debts portfolio to manage the interest costs. As at 31 December 2019, approximately 66% (31 December 2018: 71%) of the interest-bearing borrowings were fixed rate debts.

The table below demonstrates the sensitivity analysis of the impact (of floating rate borrowings) on the net profit and other comprehensive income after tax when reasonable and possible fluctuations of interest rate occurred, under the assumption that other variables were held constant.

2019

	Increase/(decrease) in basis points	Increase/(decrease) in net profit	Increase/(decrease) in other comprehensive income after tax	Total increase/(decrease) in equity
RMB	100/(100)	(16,088,505)/16,088,505	—	(16,088,505)/16,088,505
USD	100/(100)	(107,750,004)/107,750,004	—	(107,750,004)/107,750,004

2018

	Increase/(decrease) in basis points	Increase/(decrease) in net profit	Increase/(decrease) in other comprehensive income after tax	Total increase/(decrease) in equity
RMB	100/(100)	(20,180,500)/20,180,500	—	(20,180,500)/20,180,500
USD	100/(100)	(89,555,377)/89,555,377	—	(89,555,377)/89,555,377

Notes to Financial Statements *(continued)*

For the year ended 31 December 2019

RMB

*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)***VIII. FINANCIAL INSTRUMENTS AND RISKS** *(continued)***3. Risk of financial instruments** *(continued)***Market risk** *(continued)**Currency risk*

The operating results of the Group is subject to the change of value in the assets and liabilities held in foreign currencies by the Group, which is caused by the fluctuation of exchange rates. The Group carried out hedging businesses for the exchange rate risk exposure. The Board approved the annual transaction amount, the maximum position quantity, business type and business duration for the foreign currency derivative transaction business. Financial planning team is responsible for the overall management of foreign currency business and makes adjustment to the foreign currency hedging strategy according to the market. A specialised monetary financial planning team is set up under the financial planning team to carry out the specific transaction business.

The table below demonstrates the sensitivity analysis of the impact on the net profit and other comprehensive income after tax when there were reasonable and possible changes in the Renminbi exchange rates against United States dollar, Great British Pound, Hong Kong dollar, Canadian dollar, Russian ruble, Australian dollar and Euro, under the assumption that other variables held constant.

2019

	Increase/ (decrease) in exchange rate %	Increase/ (decrease) in net profit	Increase/ (decrease) in other comprehensive income after tax	Total increase/ (decrease) in equity
If RMB weakens against USD	10%	(990,028,802)	—	(990,028,802)
If RMB strengthens against USD	(10%)	990,028,802	—	990,028,802
If RMB weakens against GBP	10%	1,528,453	—	1,528,453
If RMB strengthens against GBP	(10%)	(1,528,453)	—	(1,528,453)
If RMB weakens against HKD	10%	3,617,750	—	3,617,750
If RMB strengthens against HKD	(10%)	(3,617,750)	—	(3,617,750)
If RMB weakens against CAD	10%	20,479,466	387,978,522	408,457,988
If RMB strengthens against CAD	(10%)	(20,479,466)	(387,978,522)	(408,457,988)
If RMB weakens against RUB	10%	742,609	—	742,609
If RMB strengthens against RUB	(10%)	(742,609)	—	(742,609)
If RMB weakens against AUD	10%	4,377,413	—	4,377,413
If RMB strengthens against AUD	(10%)	(4,377,413)	—	(4,377,413)
If RMB weakens against EUR	10%	(93,197,763)	—	(93,197,763)
If RMB strengthens against EUR	(10%)	93,197,763	—	93,197,763

Notes to Financial Statements *(continued)*

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

VIII. FINANCIAL INSTRUMENTS AND RISKS *(continued)*

3. Risk of financial instruments *(continued)*

Market risk *(continued)*

Currency risk *(continued)*

2018

	Increase/ (decrease) in exchange rate %	Increase/ (decrease) in net profit	Increase/ (decrease) in other comprehensive income after tax	Total increase/ (decrease) in equity
If RMB weakens against USD	10%	(1,235,288,657)	—	(1,235,288,657)
If RMB strengthens against USD	(10%)	1,235,288,657	—	1,235,288,657
If RMB weakens against GBP	10%	1,447,777	—	1,447,777
If RMB strengthens against GBP	(10%)	(1,447,777)	—	(1,447,777)
If RMB weakens against HKD	10%	(16,904,921)	—	(16,904,921)
If RMB strengthens against HKD	(10%)	16,904,921	—	16,904,921
If RMB weakens against CAD	10%	130,450,057	143,932,266	274,382,323
If RMB strengthens against CAD	(10%)	(130,450,057)	(143,932,266)	(274,382,323)
If RMB weakens against RUB	10%	153,841	—	153,841
If RMB strengthens against RUB	(10%)	(153,841)	—	(153,841)
If RMB weakens against AUD	10%	16,724,998	—	16,724,998
If RMB strengthens against AUD	(10%)	(16,724,998)	—	(16,724,998)
If RMB weakens against EUR	10%	(23,442,845)	—	(23,442,845)
If RMB strengthens against EUR	(10%)	23,442,845	—	23,442,845

Equity instruments price risk

Equity instruments price risk is the risk that the fair values of equity securities change as a result of changes in the levels of equity indices and the value of individual securities. The Group is exposed to equity instruments price risk arising from financial assets at fair value through profit or loss (Note V.2) and other equity instrument investments (Note V.12) as at 31 December 2019. The Group's listed equity instrument investments are listed on the Shanghai, Shenzhen, Toronto, New York, London, Hong Kong, Australian and Johannesburg stock exchanges, etc., and are valued at quoted market prices at the end date of the reporting period.

Notes to Financial Statements (continued)

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

VIII. FINANCIAL INSTRUMENTS AND RISKS (continued)

3. Risk of financial instruments (continued)

Market risk (continued)

Equity instruments price risk (continued)

The market equity indices for the following stock exchanges, at the close of business of the nearest trading day in the year to the end date of the reporting period, and their respective highest and lowest closing points during the year were as follows:

	End of 2019	Highest/lowest 2019	End of 2018	Highest/lowest 2018
Shanghai – SSE Composite Index	3,050	3,271/2,464	2,494	3,559/2,483
Shenzhen – A Share Index	1,802	1,865/1,303	1,326	3,534/1,288
Hong Kong – Hang Seng Index	28,190	30,157/25,064	25,846	33,154/22,150
Toronto TSX Venture Exchange	578	641/522	557	925/530
Toronto Stock Exchange	17,099	17,180/14,213	14,222	16,567/13,780
New York Stock Exchange	13,876	13,944/11,190	11,291	13,637/10,770
London Stock Exchange Index	6,734	7,687/6,693	6,728	7,877/6,585
Australian Securities Exchange Index	6,684	6,846/5,865	5,646	6,320/5,646
Johannesburg Stock Exchange	45,310	53,184/45,310	46,727	54,576/44,418
NASDAQ	6,361	8,778/6,147	6,330	7,660/5,899

The table below shows the sensitivity analysis of the impact on the net profit and other comprehensive income after tax if the fluctuation was 10% on the basis of the carrying amount as at 31 December 2019 towards the fair value of equity instruments, under the assumption that other variables were held constant and any tax impact was excluded.

2019

	Carrying amount of equity investments	Increase/(decrease) in net profit	Increase/(decrease) in other comprehensive income after tax	Total increase/(decrease) in equity
Held for trading financial assets				
Hong Kong Stock Exchange	11,463,369	859,753/(859,753)	—	859,753/(859,753)
Toronto Stock Exchange	50,361,252	3,777,094/(3,777,094)	—	3,777,094/(3,777,094)
Toronto TSX Venture Exchange	116,609,899	8,745,742/(8,745,742)	—	8,745,742/(8,745,742)
New York Stock Exchange	170,972,744	12,822,956/(12,822,956)	—	12,822,956/(12,822,956)
London Stock Exchange	5,328,713	399,653/(399,653)	—	399,653/(399,653)
Australian Securities Exchange	35,961,844	2,697,138/(2,697,138)	—	2,697,138/(2,697,138)
Johannesburg Stock Exchange	2,735,155	205,137/(205,137)	—	205,137/(205,137)
NASDAQ	1,295,984	97,199/(97,199)	—	97,199/(97,199)
Other equity instrument investments				
Toronto TSX Exchange	3,879,486,712	—	290,961,503/(290,961,503)	290,961,503/(290,961,503)
Johannesburg Stock Exchange	3,209,033	—	240,678/(240,677)	240,678/(240,677)

Notes to Financial Statements (continued)

For the year ended 31 December 2019

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

VIII. FINANCIAL INSTRUMENTS AND RISKS (continued)

3. Risk of financial instruments (continued)

Market risk (continued)

Equity instruments price risk (continued)

2018

	Carrying amount of equity investments	Increase/(decrease) in net profit	Increase/(decrease) in other comprehensive income after tax	Total increase/(decrease) in equity
Held for trading financial assets				
Hong Kong Stock Exchange	39,353,979	2,951,548/(2,951,548)	—	2,951,548/(2,951,548)
Toronto Stock Exchange	103,633,350	7,772,501/(7,772,501)	—	7,772,501/(7,772,501)
Toronto TSX Venture Exchange	13,954,022	1,046,552/(1,046,552)	—	1,046,552/(1,046,552)
New York Stock Exchange	75,637,682	5,672,826/(5,672,826)	—	5,672,826/(5,672,826)
London Stock Exchange	5,600,684	420,051/(420,051)	—	420,051/(420,051)
Australian Securities Exchange	62,477,101	4,685,783/(4,685,783)	—	4,685,783/(4,685,783)
Canadian Securities Exchange	16,122,453	1,209,184/(1,209,184)	—	1,209,184/(1,209,184)
Johannesburg Stock Exchange	2,625,824	196,937/(196,937)	—	196,937/(196,937)
NASDAQ	37,889,695	2,841,727/(2,841,727)	—	2,841,727/(2,841,727)
Other equity instrument investments				
Toronto TSX Exchange	1,439,322,847	—	107,949,213/(107,949,213)	107,949,213/(107,949,213)
Shanghai Stock Exchange	7,873,790	—	590,534/(590,534)	590,534/(590,534)
Johannesburg Stock Exchange	3,160,462	—	237,035/(237,035)	237,035/(237,035)

Commodity price risk

The Group's exposure to commodity price risk principally relates to the future market price fluctuation in major metals, such as gold, copper, zinc and silver. The price fluctuation can affect the Group's operating results.

The Group has carried out hedging businesses on the future sales of gold, copper, zinc and silver. The board of directors has approved the maximum position quantity of hedging derivative transactions of gold, copper, zinc and silver, and the hedging decision-making team and hedging business team are responsible for the organisation and implementation, and constantly pay attention to the price fluctuation of commodity futures contracts.

4. Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, repurchase shares or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2019 and 31 December 2018.

The Group monitors capital using the debt-to-asset ratio, which is total liabilities divided by total assets. The Group's debt-to-asset ratio as at the end of the reporting period was as follows:

	2019	2018
Total assets	123,830,947,219	112,879,303,842
Total liabilities	66,751,349,155	65,605,591,140
Debt-to-asset ratio	54%	58%

Notes to Financial Statements *(continued)*

For the year ended 31 December 2019

RMB

*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)***IX. DISCLOSURE OF FAIR VALUE**

1. Assets and liabilities measured at fair value

2019

	Fair value measurement using			Total
	Quoted price in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Measured at fair value				
Held for trading financial assets				
Held for trading debt investments	1,764,856	—	—	1,764,856
Held for trading equity investments	394,728,960	—	—	394,728,960
Derivative financial assets	37,982,042	21,073,375	—	59,055,417
Others	232,402,292	—	—	232,402,292
Receivables financing				
Bills receivable	—	1,318,505,074	—	1,318,505,074
Other equity instrument investments				
Listed available-for-sale equity instruments	3,882,695,745	—	527,745,932	4,410,441,677
Other non-current financial assets				
Funds of co-operative factoring business operation project	—	602,061,526	—	602,061,526
Convertible Bond in Continental Gold	—	349,717,896	—	349,717,896
Total assets measured at fair value	4,549,573,895	2,291,357,871	527,745,932	7,368,677,698
Held for trading financial liabilities				
Gold leasing	32,262,397	—	—	32,262,397
Derivative financial liabilities – commodity hedging	210,899,201	54,482,869	—	265,382,070
Derivative financial liabilities – foreign exchange derivative instruments	—	28,494,587	—	28,494,587
Total liabilities measured at fair value	243,161,598	82,977,456	—	326,139,054

Notes to Financial Statements *(continued)*

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

IX. DISCLOSURE OF FAIR VALUE *(continued)*

1. Assets and liabilities measured at fair value *(continued)*

2018

	Fair value measurement using			Total
	Quoted price in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Measured at fair value				
Held for trading financial assets				
Held for trading debt investments	8,767,740	—	—	8,767,740
Held for trading equity investments	357,294,790	—	—	357,294,790
Derivative financial assets	76,452,429	31,087,405	—	107,539,834
Others	313,531,996	—	—	313,531,996
Receivables financing				
Bills receivable	—	1,243,090,520	—	1,243,090,520
Other equity instrument investments				
Listed available-for-sale equity instruments	1,450,357,099	—	533,439,694	1,983,796,793
Other non-current financial assets				
Funds of co-operative factoring business operation project	—	401,513,674	—	401,513,674
Total assets measured at fair value	2,206,404,054	1,675,691,599	533,439,694	4,415,535,347
Held for trading financial liabilities				
Gold leasing	74,841,064	—	—	74,841,064
Derivative financial liabilities – commodity hedging	155,012,734	10,858,519	—	165,871,253
Derivative financial liabilities – foreign exchange derivative instruments	—	1,770,265	—	1,770,265
Total liabilities measured at fair value	229,853,798	12,628,784	—	242,482,582

In the years 2019 and 2018, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out from Level 3.

2. Assets and liabilities disclosed at fair value

2019

	Fair value measurement using			Total
	Quoted price in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Long-term receivables	—	—	5,266,987,210	5,266,987,210
Borrowings	—	28,267,139,410	—	28,267,139,410
Bonds payable	—	11,966,468,687	—	11,966,468,687
Long-term payables	—	—	1,201,391,669	1,201,391,669
Current portion of non-current assets	—	—	956,692,852	956,692,852
Current portion of non-current liabilities	—	5,591,385,127	177,454,933	5,768,840,060

Notes to Financial Statements *(continued)*

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)***IX. DISCLOSURE OF FAIR VALUE** *(continued)***2. Assets and liabilities disclosed at fair value** *(continued)*

2018

	Fair value measurement using			Total
	Quoted price in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Long-term receivables	—	—	4,182,117,096	4,182,117,096
Borrowings	—	28,534,595,942	—	28,534,595,942
Bonds payable	—	8,879,453,693	—	8,879,453,693
Long-term payables	—	—	621,085,921	621,085,921
Current portion of non-current assets	—	—	307,233,993	307,233,993
Current portion of non-current liabilities	—	9,659,653,169	47,435,853	9,707,089,022

3. Estimation of fair value

The net book values of the Group's financial instruments approximate to their fair values.

The management has assessed that the fair values of cash and cash equivalents, trade receivables, other receivables, other current assets, bills payable, trade payables, dividends payable, other payables, current portion of non-current liabilities and other current liabilities approximate to their carrying amounts largely due to the short remaining maturities of these instruments.

The fair values of financial assets and liabilities are the amounts at which the instrument could be exchanged or debts could be settled in an arm's length transaction between knowledgeable and willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values.

The fair values of other non-current assets, short-term and long-term borrowings, long-term payables and bonds payable have been calculated by discounting the expected future cash flows using market rates of return currently available for other financial instruments with similar terms, credit risk and remaining maturities or incremental borrowing rate. As at 31 December 2019, the Group's own non-performance risk for short-term and long-term borrowings was assessed to be insignificant. The fair values of listed equity investments are measured at quoted market prices.

The Group has entered into derivative financial instrument contracts with various counterparties (mainly financial institutions with high credit ratings). Derivative financial instruments, including forward contracts and cross currency swap contracts, are measured using valuation techniques similar to forward pricing, swap models and the present value method. The models incorporate various market observable inputs including the credit quality of counterparties, spot and forward foreign exchange rates and interest rates curves. The carrying values of forward contracts and cross currency swap contracts are the same as their fair values.

Notes to Financial Statements *(continued)*

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

1. The largest shareholder of the company

Company name	Place of registration	Nature of business	Registered capital	Proportion of the Company's ownership	Proportion of the Company's voting power	Ultimate controlling entity of the Company
Minxi Xinghang	No. 110 Zhenxing Road, Linjiang Village, Shanghang County, Longyan City, Fujian Province	Investment in Fujian	RMB368 million	23.97%	23.97%	Minxi Xinghang

2. Subsidiaries

Information about the major subsidiaries of the Company is disclosed in Note VII.1.

3. Joint ventures and associates

Information about the joint ventures and associates of the Company is disclosed in Note VII.3.

4. Joint operation

Information about the joint operation of the Company is disclosed in Note VII.4.

5. Other related parties of the Company

	Relationship between the related parties and the Company
Shanghang County Jinshan Trading	A non-controlling shareholder of the Company
Fujian Shanghang Qilin Mining Construction Co., Ltd. ("Qilin Mining")	A non-controlling shareholder of Zijin Construction
La Générale des Carrières et des Mines (Gécamines) ("Gécamines")	A non-controlling shareholder of COMMUS
Tech-Resources (Hong Kong) Trading Limited ("Tech-Resources (Hong Kong)")	The parent company of Canoca Investment Limited, a non-controlling shareholder of CARRILU
Tongling Nonferrous Metals	A non-controlling shareholder of Zijin Tongguan
C&D Inc.	A non-controlling shareholder of Zijin Tongguan
Xiamen Minoxing	A non-controlling shareholder of Yunnan Zixing Mining Investment Co., Ltd, a subsidiary of the Group
Mr. Zhu	A non-controlling shareholder of Huanmin Mining
Guizhou Geological and Mineral Resources Development Co., Ltd. ("Guizhou Geological and Mineral Resources")	A non-controlling shareholder of Guizhou Zijin
Guizhou Province Geological and Mineral Resources Exploration and Development Bureau Team 105	A non-controlling shareholder of Guizhou Zijin

Notes to Financial Statements (continued)

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (continued)

6. Related party transactions

(A) Sales and purchases of products, and rendering and receipt of services to and from related parties

Purchases of products and receipt of services from related parties

	Nature of transaction	Pricing method and decision-making procedures of the related party transaction	2019	2018
Wancheng Commercial	Purchase of zinc concentrates	Market price	184,919,227	270,292,880
Haixia Technology	Purchase of raw materials	Market price	434,949	1,973,715
Xiamen Zijin Zhonghang	Construction service	Market price	—	20,827,400
Southwest Zijin Gold	Purchase of low-purity gold	Market price	259,397,056	229,426,418
Zisen Supply Chain	Purchase of raw materials	Market price	923,045,027	1,143,796,014
Shanghang County Jinshan Trading	Purchase of raw materials	Market price	21,699,505	33,765,992
Qilin Mining	Construction and transportation service	Market price	22,174,285	23,653,686
Guizhou Geological and Mineral Resources	Purchase of low-purity gold	Market price	143,861,412	162,977,147
Makeng Mining	Purchase of iron ore	Market price	297,005,778	97,658,368
			1,852,537,239	1,984,371,620

Sales of products and rendering of services to related parties

	Nature of transaction	Pricing method and decision making procedures of the related party transaction	2019	2018
Shandong Guoda	Sale of silver concentrates	Market price	70,056,660	60,999,874
Wengfu Zijin	Sale of sulphuric acid	Market price	85,935,269	117,301,838
Zisen Supply Chain	Sale of zinc concentrates and copper cathodes	Market price	75,589,112	1,109,446,926
Southwest Zijin Gold	Sale of gold material	Market price	214,857	1,031,521
Wuxin Copper*	Sale of copper concentrates	Market price	879,194,502	989,949,929
Makeng Mining	Sale of goods	Market price	4,634,614	2,463,283
			1,115,625,014	2,281,193,371

* Continuing connected transaction under the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

Notes to Financial Statements *(continued)*

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS *(continued)*

6. Related party transactions *(continued)*

(B) Related party guarantees

- (1) Provision of guarantees by related parties for bank loans of the Group

In 2019 and 2018, there were no related party guarantees provided for bank loans of the Group.

- (2) The Group's provision of guarantees for bank loans of related parties

2019

Guarantor	Guaranteed party	Amount of guarantee	Inception date of guarantee	Due date of guarantee	Whether performance of guarantee has been completed
The Company	Wengfu Zijin (Note XI.2 (Note 3))	139,780,000	28 April 2011	27 April 2019	Yes
The Company	Wengfu Zijin (Note XI.2 (Note 3))	201,478,200	27 March 2019	31 December 2020	No
The Company	Yulong Copper (Note XI.2 (Note 1))	682,488,400	9 September 2019	8 September 2034	No

2018

Guarantor	Guaranteed party	Amount of guarantee	Inception date of guarantee	Due date of guarantee	Whether performance of guarantee has been completed
The Company	Wengfu Zijin (Note XI.2 (Note3))	139,780,000	28 April 2011	27 April 2019	Yes

(C) Borrowings from/to related parties

Borrowings from related parties

2019

Lender	Note	Amount of borrowings	Inception date	Due date	Annual interest rate
Minxi Xinghang	Note 1	22,200,000	11 December 2015	9 December 2027	1.20%

2018

Lender	Note	Amount of borrowings	Inception date	Due date	Annual interest rate
Minxi Xinghang	Note 1	45,600,000	29 December 2015	28 December 2026	1.20%
Minxi Xinghang	Note 1	24,800,000	11 December 2015	9 December 2027	1.20%
		70,400,000			

Notes to Financial Statements (continued)

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (continued)

6. Related party transactions (continued)

(C) Borrowings from/to related parties (continued)

Borrowings to related parties

2019

Borrowers	Notes	Amount of borrowings	Inception date	Due date	Annual interest rate
Gold Eagle Mining	Note 2	240,921,183	30 June 2015	30 June 2020	LIBOR+2.60%
Gold Eagle Mining	Note 2	410,217,148	15 May 2017	31 August 2020	LIBOR+2.60%
Longyan Zijin AVIC	Note 3	440,754,485	18 March 2016	16 March 2020	6.50%
Kamoa	Note 4	1,263,787,707	8 December 2015	—	LIBOR+7%
Kamoa	Note 4	34,881,000	2 January 2016	—	LIBOR+7%
Kamoa	Note 4	53,891,675	15 March 2016	—	LIBOR+7%
Kamoa	Note 4	142,963,267	15 August 2016	—	LIBOR+7%
Kamoa	Note 4	131,380,779	14 October 2016	—	LIBOR+7%
Kamoa	Note 4	79,158,718	21 December 2016	—	LIBOR+7%
Kamoa	Note 4	24,501,140	24 January 2017	—	LIBOR+7%
Kamoa	Note 4	24,501,140	22 February 2017	—	LIBOR+7%
Kamoa	Note 4	31,784,655	24 March 2017	—	LIBOR+7%
Kamoa	Note 4	13,464,087	31 March 2017	—	LIBOR+7%
Kamoa	Note 4	28,920,842	24 April 2017	—	LIBOR+7%
Kamoa	Note 4	78,691,257	24 May 2017	—	LIBOR+7%
Kamoa	Note 4	34,236,594	31 July 2017	—	LIBOR+7%
Kamoa	Note 4	92,099,862	31 August 2017	—	LIBOR+7%
Kamoa	Note 4	52,077,005	31 August 2017	—	LIBOR+7%
Kamoa	Note 4	58,454,836	30 September 2017	—	LIBOR+7%
Kamoa	Note 4	50,651,691	31 October 2017	—	LIBOR+7%
Kamoa	Note 4	57,188,292	30 November 2017	—	LIBOR+7%
Kamoa	Note 4	9,630,567	25 January 2018	—	LIBOR+7%
Kamoa	Note 4	33,871,216	23 February 2018	—	LIBOR+7%
Kamoa	Note 4	38,306,091	6 April 2018	—	LIBOR+7%
Kamoa	Note 4	18,524,734	23 April 2018	—	LIBOR+7%
Kamoa	Note 4	48,684,479	24 May 2018	—	LIBOR+7%
Kamoa	Note 4	24,978,919	6 August 2018	—	LIBOR+7%
Kamoa	Note 4	58,264,218	23 August 2018	—	LIBOR+7%
Kamoa	Note 4	32,414,411	25 September 2018	—	LIBOR+7%
Kamoa	Note 4	138,890,973	25 October 2018	—	LIBOR+7%
Kamoa	Note 4	83,249,471	23 November 2018	—	LIBOR+7%
Kamoa	Note 4	99,032,775	21 February 2019	—	LIBOR+7%
Kamoa	Note 4	47,540,396	11 April 2019	—	LIBOR+7%
Kamoa	Note 4	117,647,467	26 April 2019	—	LIBOR+7%
Kamoa	Note 4	113,622,946	23 May 2019	—	LIBOR+7%
Kamoa	Note 4	148,014,224	26 July 2019	—	LIBOR+7%
Kamoa	Note 4	123,371,718	6 August 2019	—	LIBOR+7%
Kamoa	Note 4	141,665,484	22 August 2019	—	LIBOR+7%
Kamoa	Note 4	52,528,519	25 September 2019	—	LIBOR+7%
Kamoa	Note 4	75,005,661	25 October 2019	—	LIBOR+7%
Kamoa	Note 4	229,128,636	22 November 2019	—	LIBOR+7%
Kamoa	Note 4	263,528,885	30 December 2019	—	LIBOR+7%
Kamoa	Note 4	974,974,425	—	—	—
Makeng Mining	Note 5	50,069,781	5 September 2019	4 September 2020	4.52%
Wengfu Zijin	Note 6	14,020,469	29 August 2019	28 August 2020	4.79%
		6,281,493,828			

Notes to Financial Statements *(continued)*

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS *(continued)*

6. Related party transactions *(continued)*

(C) Borrowings from/to related parties *(continued)*

Borrowings to related parties *(continued)*

2018

Borrowers	Notes	Amount of borrowings	Inception date	Due date	Annual interest rate
Gold Eagle Mining	Note 2	225,400,573	30 June 2015	30 June 2020	LIBOR+2.60%
Gold Eagle Mining	Note 2	381,061,713	15 May 2017	31 August 2020	LIBOR+2.60%
Longyan Zijin AVIC	Note 3	424,879,188	18 March 2016	17 March 2019	6.50%
Kamoa	Note 4	1,243,316,962	8 December 2015	—	LIBOR+7%
Kamoa	Note 4	34,316,000	2 January 2016	—	LIBOR+7%
Kamoa	Note 4	53,018,742	15 March 2016	—	LIBOR+7%
Kamoa	Note 4	140,647,558	15 August 2016	—	LIBOR+7%
Kamoa	Note 4	129,252,683	14 October 2016	—	LIBOR+7%
Kamoa	Note 4	77,876,511	21 December 2016	—	LIBOR+7%
Kamoa	Note 4	24,104,272	24 January 2017	—	LIBOR+7%
Kamoa	Note 4	24,104,272	22 February 2017	—	LIBOR+7%
Kamoa	Note 4	31,269,810	24 March 2017	—	LIBOR+7%
Kamoa	Note 4	13,245,997	31 March 2017	—	LIBOR+7%
Kamoa	Note 4	28,452,384	24 April 2017	—	LIBOR+7%
Kamoa	Note 4	77,416,621	24 May 2017	—	LIBOR+7%
Kamoa	Note 4	33,682,032	31 July 2017	—	LIBOR+7%
Kamoa	Note 4	90,608,035	31 August 2017	—	LIBOR+7%
Kamoa	Note 4	51,233,465	31 August 2017	—	LIBOR+7%
Kamoa	Note 4	57,507,988	30 September 2017	—	LIBOR+7%
Kamoa	Note 4	49,831,238	31 October 2017	—	LIBOR+7%
Kamoa	Note 4	56,261,960	30 November 2017	—	LIBOR+7%
Kamoa	Note 4	9,474,572	25 January 2018	—	LIBOR+7%
Kamoa	Note 4	33,322,572	23 February 2018	—	LIBOR+7%
Kamoa	Note 4	37,685,612	6 April 2018	—	LIBOR+7%
Kamoa	Note 4	18,224,672	23 April 2018	—	LIBOR+7%
Kamoa	Note 4	47,895,891	24 May 2018	—	LIBOR+7%
Kamoa	Note 4	24,574,312	6 August 2018	—	LIBOR+7%
Kamoa	Note 4	57,320,458	23 August 2018	—	LIBOR+7%
Kamoa	Note 4	31,889,365	25 September 2018	—	LIBOR+7%
Kamoa	Note 4	136,641,226	25 October 2018	—	LIBOR+7%
Kamoa	Note 4	81,901,002	23 November 2018	—	LIBOR+7%
Makeng Mining	Note 5	50,073,104	23 November 2018	18 September 2019	4.785%

3,776,490,790

Notes to Financial Statements *(continued)*

For the year ended 31 December 2019

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)***X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS** *(continued)***6. Related party transactions** *(continued)***(C) Borrowings from/to related parties** *(continued)*Borrowings to related parties *(continued)*

Note 1: Minxi Xinghang, a shareholder of the Company, provided the Company with an unsecured loan of RMB30,000,000 with an annual interest rate of 1.2% on 11 December 2015. As at 31 December 2019, the Company had repaid RMB7,800,000 in advance. Minxi Xinghang provided the Company with an unsecured loan of RMB57,000,000 with an annual interest rate of 1.2% on 29 December 2015. As at 31 December 2019, the Company had repaid the whole amount in advance.

Note 2: In 2012, Jin Jian Global Mining Limited ("Jin Jian Global"), a subsidiary of the Group, entered into an agreement with Gold Eagle Mining. Pursuant to the agreement, Jin Jian Global provided a loan of USD22,680,000 to Gold Eagle Mining which was extended to 30 June 2020. As at 31 December 2019, the total amount of the loan principal and the interest receivable was USD34,534,730, equivalent to RMB240,921,183 (31 December 2018: USD32,841,907, equivalent to RMB225,400,573). In 2014, Jin Jian Global provided an additional loan of USD51,750,000 to Gold Eagle Mining which was extended to 31 August 2020. As at 31 December 2019, the total amount of the loan principal and the interest receivable was USD58,802,378, equivalent to RMB410,217,148 (31 December 2018: USD55,522,455, equivalent to RMB381,061,713). The above loans were both unsecured with an interest rate of the one-year LIBOR +2.60%.

Note 3: In 2016, the Company provided a loan of RMB419,440,000 to an associate, Longyan Zijin AVIC. The loan was unsecured with an interest rate of 6.50% per annum and the maturity date of the loan had been extended to 16 March 2020. As at 31 December 2019, the principal and interest receivable were RMB440,754,485 in total. In 2017, the Company accrued a bad debt provision of RMB153,203,515 for the loan provided to Longyan Zijin AVIC.

Note 4: Pursuant to the equity transfer agreement entered into in 2015, part of the original shareholders' loans to Kamo a in the amount of USD181,157,035 was transferred to the Group's subsidiary, Gold Mountains (H.K.). As at 31 December 2019, the amount was equivalent to RMB1,263,787,707 (31 December 2018: RMB1,243,316,962). Besides, shareholders of Kamo a had provided working capital fund to Kamo a in proportion to shareholding interest since 2016. Gold Mountains (H.K.) provided loans of USD413,799,580 to Kamo a accumulatively, which was equivalent to RMB2,886,748,630. These loans were unsecured with an interest rate of the one-year LIBOR+7%. The Company and Kamo a agreed that these loans would be repaid with Kamo a's future operating cash flows. As at 31 December 2019, the total principal receivable from Kamo a was USD594,956,615 which was equivalent to RMB4,150,536,337. The total interest receivable from Kamo a was USD139,757,235 which was equivalent to RMB974,974,425 (31 December 2018: the total principal receivable from Kamo a was USD392,685,076 which was equivalent to RMB2,695,076,212. The total interest receivable from Kamo a was USD82,327,406 which was equivalent to RMB565,029,455).

Note 5: In September 2019, Finance Company, a subsidiary of the Group, provided loans of RMB50,000,000 to Makeng Mining, an associate of the Group, with an annual interest rate of 4.52%. As at 31 December 2019, the total amount of principal and interest receivable was RMB50,069,781. The loan will be due in September 2020.

Note 6: In August 2019, Finance Company, a subsidiary of the Group, provided loans of RMB14,000,000 to Wengfu Zijin, an associate of the Group, with an annual interest rate of 4.79%. As at 31 December 2019, the total amount of principal and interest receivable was RMB14,020,469. The loan will be due in August 2020.

(D) Other major related party transactions*(1) Compensation of key management and remuneration of directors accrued during the year*

	2019	2018
Remuneration of directors	26,705,318	27,017,845
Compensation of key management	12,544,040	13,206,579
	39,249,358	40,224,424

Details of remuneration of directors are disclosed in Note XIII.3.

(2) Commitments between the Group and related parties

Commitments between the Group and related parties are disclosed in Note VII.3.

(3) Joint external investments between the Group and related parties

In 2019, there was no joint external investment between the Group and related parties.

Notes to Financial Statements *(continued)*

For the year ended 31 December 2019

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS *(continued)*

7. Amounts due from related parties

	31 December 2019		31 December 2018	
	Carrying amount	Bad debt provision	Carrying amount	Bad debt provision
Trade receivables				
Wengfu Zijin	1,842,805	—	11,740,857	—
Receivables financing				
Wengfu Zijin	8,000,000	—	—	—
Prepayments				
Xiamen Zijin Zhonghang	3,086,207	—	3,086,207	—
Wancheng Commercial	40,877,128	—	132,430	—
Haixia Technology	6,811,242	—	4,651,157	—
Zisen Supply Chain	4,663,147	—	150,817,902	—
	55,437,724	—	158,687,696	—
Other receivables				
Makeng Mining	50,069,781	—	50,073,104	—
Wengfu Zijin	14,020,469	—	14,000,000	—
Xiamen Minoxing	30,683,478	11,083,478	30,683,478	—
Xiamen Modern Terminal	3,500,000	—	3,500,000	—
	98,273,728	11,083,478	98,256,582	—
Current portion of non-current assets				
Gold Eagle Mining	651,138,331	—	—	—
Longyan Zijin AVIC	440,754,485	153,203,515	424,914,932	153,203,515
	1,091,892,816	153,203,515	424,914,932	153,203,515
Other non-current assets				
Gold Eagle Mining	—	—	606,462,286	—
Kamoa	5,125,510,762	—	3,260,105,667	—
	5,125,510,762	—	3,866,567,953	—

Notes to Financial Statements *(continued)*

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)***X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS** *(continued)***8. Amounts due to related parties**

	31 December 2019	31 December 2018
Trade payables		
Fujian Kingkop	12,017,759	8,067,660
Xiamen Modern Terminals	—	3,037,187
	12,017,759	11,104,847
Contract liabilities		
Zisen Supply Chain	—	1,080,020
Shandong Guoda	—	2,656,789
	—	3,736,809
Other payables		
Tech-Resources (Hong Kong)	593,468,207	—
Tongling Nonferrous Metals	202,902,291	194,447,147
C&D Inc.	81,211,727	111,110,360
Zisen Supply Chain	37,268,139	37,070,048
Mr. Zhu	29,672,233	29,672,233
Haixia Technology	6,988,854	6,988,854
Guizhou Province Geological and Mineral Resources Exploration and Development Bureau Team 105	14,852,837	13,371,997
	966,364,288	392,660,639
Current portion of non-current liabilities		
Gécamines	37,671,480	37,061,152
Minxi Xinghang	2,600,000	8,300,000
	40,271,480	45,361,152
Long-term payables		
Gécamines	37,671,480	74,122,560
Minxi Xinghang	19,600,000	62,100,000
	57,271,480	136,222,560

Except for the amounts due from Gold Eagle Mining, Makeng Mining, Longyan Zijin AVIC and Wengfu Zijin which were interest-bearing and had a fixed term of repayment, the amount due from Kamo which was interest-bearing and without a fixed term of repayment, the amount of entrance fee due to Gécamines which was interest-free and had a fixed term of repayment; and the amount due to Minxi Xinghang which was interest-bearing and had a fixed term of repayment, other amounts due from/to related parties were interest-free, unsecured and had no fixed terms of repayment.

There was no loan provided by the Group to the directors as at 31 December 2019.

Notes to Financial Statements *(continued)*

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

XI. COMMITMENTS AND CONTINGENCIES

1. Commitments

	2019	2018
Contracted, but not provided		
Capital commitments (Note 1)	7,897,773,409	8,446,140,525
Investment commitments (Note 2)	2,477,098,785	1,388,230,032
Total	10,374,872,194	9,834,370,557

Note 1: As at 31 December 2019, the amount of the capital commitments relating to the acquisition and construction of property, plant, machinery and equipment, and mining assets were RMB7,886,161,170 (2018: RMB8,428,290,292), among which, according to the Agreement on Strategic Partnership signed between the Company and Serbia in 2018, Zijin Bor will invest about USD1,260,000,000 for technological upgrade, expansion or construction of its four mines and one smelter plant in the following six years commencing from 2019. As at 31 December 2019, the amount of the remaining committed investment was USD769,000,000, equivalent to RMB5,065,512,000. (2018: USD910,000,000, equivalent to RMB6,245,512,000).

Note 2: The amount represents the Group's commitments to support the capital expenditure of Kamo, a joint venture. Details are disclosed in Note VII.3.

2. Contingencies

	2019	2018
Guarantees provided to third parties		
Yulong Copper (Note 1)	682,488,400	—
Fujian Rare Earth (Group) Company Limited ("Fujian Rare Earth") (Note 2)	487,909,275	555,859,508
Wengfu Zijin (Note 3)	201,478,200	139,780,000
Total	1,371,875,875	695,639,508

Note 1: As at 31 December 2019, the Company's associate Yulong Copper had a syndicated loan (within the scope of guarantees of the Company) of RMB3,102,220,000. The Company provided the guarantee based on its shareholding proportion of 22%, i.e. RMB682,488,400.

Note 2: As at 31 December 2019, the loan of the Company provided to Makeng Mining (within the scope of guarantees of the Company), an associate of the Company, was RMB1,175,685,000. Makeng Mining's controlling shareholder, Fujian Rare Earth (Group) Company Limited, provided a guarantee for its financing. The Company pledged its 41.5% equity interest in Makeng Mining and the interest derived from such shareholdings to provide a counter guarantee for Fujian Rare Earth (Group) Company Limited. As at 31 December 2019, the guarantee provided by the Company amounted to RMB487,909,275 (31 December 2018: RMB555,859,508).

Note 3: As at 31 December 2019, the Company granted to Wengfu Zijin, an associate of the Group, joint guarantees in respect of bank loans at a maximum amount of RMB281,581,000 (31 December 2018: RMB450,000,000). As at 31 December 2019, Wengfu Zijin had utilised RMB201,478,200 of the guarantee facility (31 December 2018: RMB139,780,000).

Notes to Financial Statements *(continued)*

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

XII. EVENTS AFTER THE REPORTING PERIOD

1. The Group's subsidiary, Zijin America, entered into the arrangement agreement with Continental Gold on 2 December 2019 and proposed an acquisition arrangement to acquire all of the issued and outstanding common shares and dilutive instruments of Continental Gold in cash at a consideration of CAD5.50 per common share. The total number of shares to be acquired was approximately 215,599,073 and the total consideration was approximately CAD1.33 billion. As at 27 February 2020, all domestic and overseas approvals or filing formalities required for the acquisition of equity interest were completed. On 3 March 2020, Zijin America settled the consideration amounted to CAD1,336,500,000 (approximately equivalent to RMB6,971,584,950) in cash. The acquisition of equity interest was completed on 5 March 2020. Since then, Zijin America owns 100% equity interest in Continental Gold. After completion of the acquisition, Continental Gold was officially delisted from the Toronto Stock Exchange of Canada and OTCQX International of the United States.
2. The Group used Zijin America as the principal of the transactions relating to Continental Gold, and introduced cooperation partners to subscribe for certain equity interest in Zijin America. Gold Mountains (H.K.) ultimately owned approximately 68.766% of Zijin America's equity interest after such subscription. All shareholders of Zijin America invested a total of USD1.378 billion (approximately equivalent to RMB9,619,955,800) in cash in proportion to their respective shareholding percentage. The above-mentioned fund for capital increase was settled on 2 March 2020.
3. From the beginning of 2020 to the date of this report, as a result of the impact of novel coronavirus pneumonia outbreak, downward pressure on global economy was obviously heightened, giving rise to the fluctuation risk of non-ferrous metal prices. In response to the continued spreading of the disease outbreak, the Board will further enhance the countermeasures, strengthen the tracking and forecast on the prices of bulk commodities and metals, strive to ensure steady production and operation, and minimise the negative impact of the disease outbreak on the Company's production and operation as much as possible.

XIII. OTHER SIGNIFICANT EVENTS

1. Operating segment information

For management purposes, the Group is organised into business units based on its products and services and has nine reportable operating segments as follows:

- (1) the gold bullion segment engages in the production of gold bullion through the Group's integrated processes, i.e., mining, processing and refining;
- (2) the processed, refined and trading gold segment engages in the production of gold bullion by processing gold concentrates produced by the Group or purchased from external suppliers and gold bullion in the business of physical gold trading;
- (3) the gold concentrates segment engages in the production of gold concentrates that are up to smelting standard by processing gold ore produced by the Group;
- (4) the copper cathodes segment engages in the production of copper cathodes through the Group's integrated processes, i.e., mining, processing and refining;

Notes to Financial Statements *(continued)*

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

XIII. OTHER SIGNIFICANT EVENTS *(continued)*

1. Operating segment information *(continued)*

- (5) the refined copper segment engages in the production of copper cathodes by processing copper concentrates produced by the Group or purchased from external suppliers;
- (6) the copper concentrates segment engages in the production of copper concentrates that are up to smelting standard by processing copper ore produced by the Group;
- (7) other concentrates segment comprises, principally, the production of zinc concentrates, tungsten concentrates, lead concentrates and iron ore;
- (8) the zinc bullion segment engages in the production of zinc bullion; and
- (9) the segment of others comprises, principally, income from sales of sulphuric acid, copperplate, silver, iron, etc. and copper cathodes trading income.

The management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit, which is a measure of adjusted operating profit before tax. The adjusted operating profit before tax is measured consistently with the Group's operating profit before tax except that interest income, finance costs, dividend income, fair value gains or losses from the Group's financial instruments as well as head office and corporate expenses are excluded from this measurement.

Segment assets exclude cash and cash equivalents, deferred tax assets, equity investments at fair value through profit or loss, derivative financial instruments and other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude financial liabilities at fair value through profit or loss, derivative financial instruments, bank and other borrowings, deferred tax liabilities, taxes payable, bonds payable and other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties.

Notes to Financial Statements *(continued)*

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)***XIII. OTHER SIGNIFICANT EVENTS** *(continued)***1. Operating segment information** *(continued)*

* Segment profit/loss, which excluded intersegment transaction revenue/cost, is the operating profit/loss from external customers.

Geographical information

In 2019, over 85% (2018: 91%) of the Group's operating income was derived from customers in Mainland China, and over 51% (2018: 54%) of the Group's assets were located in Mainland China.

Information about a major customer

In the year 2019, the Group's income from the Shanghai Gold Exchange was RMB70,320,301,855 (2018: RMB47,167,523,218), which was mainly derived from the gold bullion segment, and the processed, refined and trading gold segment.

2. Leases**(1) As lessor***Operating leases*

The Group has entered into operating leases on some of its buildings, plant, machinery and equipment and motor vehicles and the lease term is 5 years. The underlying assets are classified as investment properties and fixed assets, details are disclosed in Note V.14 and Note V.15.

The profit or loss relating to operating leases is as follows:

	2019
Lease income*	52,911,237

* The operating lease income included in profit or loss in 2018 was RMB41,859,429.

Pursuant to the operating lease agreements entered into with lessees, the minimum lease receipts under irrevocable operating leases are as follows:

	2019
Within 1 year (1 year inclusive)	28,225,084
Over 1 year but within 2 years (2 years inclusive)	19,202,933
Over 2 years but within 3 years (3 years inclusive)	18,575,695
Over 3 years but within 4 years (4 years inclusive)	13,714,014
Over 4 years but within 5 years (5 years inclusive)	13,712,993
Over 5 years	47,296,403
	140,727,122

(2) As lessee

	2019
Interest expense on lease liabilities	33,423,162
Expenses relating to short-term leases accounting for applying practical expedients	19,064,618
Total cash outflow for leases	107,641,592

The Group has lease contracts for various items of buildings, plant, machinery and equipment, motor vehicles and other equipment used in its operations. Leases of these assets generally have lease terms of 3 to 5 years. The lease contracts for power generation and transmission equipment include extension options and purchase options, and the lease term of such contracts is assessed to be 8 years.

Notes to Financial Statements *(continued)*

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

XIII. OTHER SIGNIFICANT EVENTS *(continued)*

2. Leases *(continued)*

(2) As lessee *(continued)*

Significant operating leases (only applicable to 2018)

Pursuant to the operating lease agreements entered into with lessors, the minimum lease payments under irrevocable operating leases are as follows:

	2018
Within 1 year (1 year inclusive)	77,198,222
Over 1 year but within 2 years (2 years inclusive)	69,296,210
Over 2 years but within 3 years (3 years inclusive)	59,551,992
Over 3 years but within 5 years (5 years inclusive)	116,159,325
Over 5 years	65,678,692
	387,884,441

Other information relating to leases

For right-of-use assets, please refer to Note V.17; for practical expedients of short-term leases and leases of low-value assets, please refer to Note III.29; and for lease liabilities, please refer to Note V.36 and Note VIII.1.

3. Directors' and supervisors' remuneration

Remuneration of directors accrued during the year	2019	2018
Fees	630,000	660,000
Other emoluments:		
Basic salaries	13,977,337	13,901,972
Discretionary bonuses [#]	11,957,260	12,313,014
Pension scheme contributions	140,721	142,859
	26,075,318	26,357,845
	26,705,318	27,017,845

[#] The discretionary bonuses were determined by a certain percentage of the increased amount of the Group's net assets.

There were no emoluments paid by the Group to a director or a supervisor as an inducement to join or upon joining the Group or as compensation for loss of office during the year (2018: Nil).

Notes to Financial Statements *(continued)*

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)***XIII. OTHER SIGNIFICANT EVENTS** *(continued)***3. Directors' and supervisors' remuneration** *(continued)***(a) Independent non-executive directors/non-executive directors**

The fees accrued for and paid to the independent non-executive directors/non-executive director during the year are as follows:

	2019	2018
Mr. Sit Hoi Wah, Kenneth (Note 1)	180,000	210,000
Mr. Li Jian	150,000	150,000
Mr. Zhu Guang	150,000	150,000
Mr. Cai Meifeng (Note 1)	150,000	150,000
Mr. Mao Jingwen (Note 2)	—	—
Mr. Li Changqing (Note 2)	—	—
Mr. He Fulong (Note 2)	—	—
Mr. Suen Man Tak (Note 2)	—	—
	630,000	660,000

Note 1: Resigned as independent non-executive directors of the Company on 30 December 2019.

Note 2: Appointed as independent non-executive directors of the Company on 30 December 2019.

(b) Executive directors

The remuneration accrued for executive directors during the year is as follows:

	Basic salaries	Discretionary bonuses	Pension scheme contributions	Total
2019				
Mr. Chen Jinghe	2,880,000	2,397,255	33,148	5,310,403
Mr. Lan Fusheng	2,880,000	2,387,602	27,941	5,295,543
Mr. Zou Laichang	1,800,000	1,672,873	32,656	3,505,529
Mr. Lin Hongfu	1,800,000	1,672,873	23,447	3,496,320
Mr. Fang Qixue	2,817,337	2,153,784	—	4,971,121
Ms. Lin Hongying	1,800,000	1,672,873	23,529	3,496,402
	13,977,337	11,957,260	140,721	26,075,318
2018				
Mr. Chen Jinghe	2,880,000	2,489,236	33,630	5,402,866
Mr. Lan Fusheng	2,880,000	2,473,717	26,733	5,380,450
Mr. Zou Laichang	1,800,000	1,734,096	34,836	3,568,932
Mr. Lin Hongfu	1,800,000	1,734,095	23,830	3,557,925
Mr. Fang Qixue	2,741,972	2,147,775	—	4,889,747
Ms. Lin Hongying	1,800,000	1,734,095	23,830	3,557,925
	13,901,972	12,313,014	142,859	26,357,845

Notes to Financial Statements *(continued)*

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

XIII. OTHER SIGNIFICANT EVENTS *(continued)*

3. Directors' and supervisors' remuneration *(continued)*

(b) Executive directors *(continued)*

Pursuant to the remuneration policy of the Company, the remuneration, allowances, benefits in kind and discretionary bonuses accrued for the executive directors are subject to the approval of the remuneration committee and shareholders at the annual general meeting.

There was no agreement pursuant to which a director waived or agreed to waive any remuneration during the year.

(c) Supervisors

The remuneration accrued for supervisors during the year is as follows:

	Basic salaries	Discretionary bonuses	Pension scheme contributions	Fees	Total
2019					
Mr. Lin Shuiqing	1,800,000	1,672,873	17,599	—	3,490,472
Mr. Xu Qiang	—	—	—	120,000	120,000
Mr. Fan Wensheng	—	—	—	72,000	72,000
Mr. Liu Wenhong	—	—	—	72,000	72,000
Mr. Cao Sanxing (Note 1)	—	—	—	—	—
Ms. Lan Liying (Note 2)	—	—	—	72,000	72,000
	1,800,000	1,672,873	17,599	336,000	3,826,472
2018					
Mr. Lin Shuiqing	1,800,000	1,734,096	18,268	—	3,552,364
Mr. Xu Qiang	—	—	—	120,000	120,000
Mr. Fan Wensheng	—	—	—	72,000	72,000
Mr. Liu Wenhong	—	—	—	72,000	72,000
Ms. Lan Liying (Note 2)	—	—	—	72,000	72,000
	1,800,000	1,734,096	18,268	336,000	3,888,364

Note 1: Appointed as supervisor representing workers and staff of the Company on 30 December 2019.

Note 2: Resigned as supervisor representing workers and staff of the Company on 30 December 2019.

Notes to Financial Statements *(continued)*

For the year ended 31 December 2019

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)***XIII. OTHER SIGNIFICANT EVENTS** *(continued)***4. The five highest paid employees of the Group during the year**

The five highest paid employees of the Group during the year included five directors (2018: five directors). Details of the remuneration are as follows:

	2019	2018
Basic salaries	12,177,337	12,101,972
Discretionary bonuses	10,284,387	10,578,919
Pension scheme contributions	117,274	119,029
	22,578,998	22,799,920

The number of highest paid employees whose pre-tax remuneration fell within the following bands is as follows:

	2019	2018
RMB3,000,001 – RMB3,500,000	1	—
RMB3,500,001 – RMB4,000,000	1	2
RMB4,000,001 – RMB4,500,000	—	—
RMB4,500,001 – RMB5,000,000	1	1
RMB5,000,001 – RMB5,500,000	2	2
RMB5,500,001 – RMB6,000,000	—	—
	5	5

5. Pension scheme contributions

	2019	2018
Net payment of pension scheme contributions	228,769,102	209,938,214

In 2019, the Group had no forfeited contributions available to reduce its contributions to the pension scheme in future years (2018: Nil).

6. Net current (liabilities)/assets

	31 December 2019 Group	31 December 2018 Group	31 December 2019 Company	31 December 2018 Company
Current assets	28,594,396,116	30,448,688,235	13,801,433,844	18,543,134,076
Less: Current liabilities	33,362,656,029	37,223,097,530	13,216,595,877	17,755,661,974
Net current (liabilities)/assets	(4,768,259,913)	(6,774,409,295)	584,837,967	787,472,102

7. Total assets less current liabilities

	31 December 2019 Group	31 December 2018 Group	31 December 2019 Company	31 December 2018 Company
Total assets	123,830,947,219	112,879,303,842	65,408,509,522	62,219,598,738
Less: Current liabilities	33,362,656,029	37,223,097,530	13,216,595,877	17,755,661,974
Total assets less current liabilities	90,468,291,190	75,656,206,312	52,191,913,645	44,463,936,764

Notes to Financial Statements (continued)

For the year ended 31 December 2019

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

XIV. NOTES TO FINANCIAL STATEMENTS OF THE COMPANY

1. Trade receivables

The trade receivables are interest-free with a credit period of one to six months in general.

An ageing analysis of the trade receivables is as follows:

	2019	2018
Within 1 year	556,083,306	936,356,981
Over 1 year but within 2 years	13,584,762	3,508,028
Over 2 years but within 3 years	641,460	3,960,697
Over 3 years	1,710,850	935,267
	572,020,378	944,760,973
Less: Bad debt provision for trade receivables	516,709	350,815
	571,503,669	944,410,158

The movements of bad debt provision for trade receivables are as follows:

	At 1 January	Additions	Reversal	Write-off	At 31 December
2019	350,815	385,894	—	(220,000)	516,709
2018	119,579	291,236	—	(60,000)	350,815

	2019			
	Carrying amount		Bad debt provision	
	Amount	Proportion (%)	Amount	Proportion (%)
For which bad debt provision has been made individually	146,441	0.03	146,441	100
Provision for bad debts based on credit risk characteristics				
Group 1	565,307,099	98.83	—	—
Group 2	6,566,838	1.15	370,268	5.64
	572,020,378	100.00	516,709	0.09

	2018			
	Carrying amount		Bad debt provision	
	Amount	Proportion (%)	Amount	Proportion (%)
For which bad debt provision has been made individually	146,441	0.02	146,441	100
Provision for bad debts based on credit risk characteristics				
Group 1	940,519,871	99.55	—	—
Group 2	4,094,661	0.43	204,374	4.99
	944,760,973	100	350,815	0.04

Notes to Financial Statements *(continued)*

For the year ended 31 December 2019

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)***XIV. NOTES TO FINANCIAL STATEMENTS OF THE COMPANY** *(continued)***1. Trade receivables** *(continued)*

The Company's trade receivables with provision for bad debts using the ageing analysis method are as follows:

	2019		
	Carrying amount with estimated default	Expected credit loss rate (%)	Entire lifetime expected credit losses
Within 1 year	5,177,696	0.30	15,533
Over 1 year but within 2 years	240,280	6.00	14,417
Over 2 years but within 3 years	28,938	15.00	4,341
Over 3 years	1,119,924	30.00	335,977
	6,566,838		370,268

	2018		
	Carrying amount with estimated default	Expected credit loss rate (%)	Entire lifetime expected credit losses
Within 1 year	2,964,551	0.30	8,894
Over 1 year but within 2 years	48,859	6.30	3,078
Over 2 years but within 3 years	878,988	15.40	135,364
Over 3 years	202,263	28.20	57,038
	4,094,661		204,374

In 2019, the provision for bad debts was RMB385,894 (2018: RMB291,236), and no provision for bad debts was recovered or reversed (2018: Nil).

In 2019, the trade receivables written off amounted to RMB220,000 (2018: RMB60,000).

The five entities with the largest balances of trade receivables at 31 December 2019 are as follows:

Name of entity	Relationship	Amount	Proportion of trade receivables (%)	Ageing	Closing balance of bad debt provision
Fujian Zijin Copper Co., Ltd.	Subsidiary	417,028,598	72.90	Within 1 year	—
Heilongjiang Duobaoshan Copper Industry Inc. ("Duobaoshan Copper Industry")	Subsidiary	27,802,574	4.86	Within 1 year	—
Zijin Copper	Subsidiary	26,083,028	4.27	Within 1 year/ Over 1 year but within 2 years	—
Zijin Zinc	Subsidiary	24,440,730	4.56	Within 1 year/ Over 1 year but within 2 years	—
Urad Rear Banner Zijin	Subsidiary	20,926,163	3.66	Within 1 year	—
		516,281,093	90.25		—

Notes to Financial Statements (continued)

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

XIV. NOTES TO FINANCIAL STATEMENTS OF THE COMPANY (continued)

1. Trade receivables (continued)

The five entities with the largest balances of trade receivables at 31 December 2018 are as follows:

Name of entity	Relationship	Amount	Proportion of trade receivables (%)	Ageing	Closing balance of bad debt provision
Fujian Zijin Copper Co., Ltd.	Subsidiary	463,083,308	49.00	Within 1 year	—
Zijin Copper	Subsidiary	448,267,756	47.43	Within 1 year	—
Gold refinery of Zijin Copper Co., Ltd.	Subsidiary	6,582,389	0.70	Within 1 year	—
Duobaoshan Copper Industry	Subsidiary	5,180,056	0.55	Within 1 year/ Over 1 year but within 2 years/ Over 2 years but within 3 years	—
Zijin Zinc	Subsidiary	3,865,350	0.41	Within 1 year	—
		926,978,859	98.09		—

2. Other receivables

	2019	2018
Dividend receivables	103,600,001	25,500,000
Other receivables	10,289,372,217	13,343,634,726
	10,392,972,218	13,369,134,726

An ageing analysis of the other receivables is as follows:

	2019	2018
Within 1 year	7,341,790,677	3,830,586,548
Over 1 year but within 2 years	280,621,846	3,387,976,469
Over 2 years but within 3 years	1,120,952,426	1,473,247,907
Over 3 years	1,551,641,184	4,657,465,862
	10,295,006,133	13,349,276,786
Less: Bad debt provision for other receivables	5,633,916	5,642,060
	10,289,372,217	13,343,634,726

Notes to Financial Statements *(continued)*

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*XIV. NOTES TO FINANCIAL STATEMENTS OF THE COMPANY *(continued)*2. Other receivables *(continued)*

The changes in bad debt provision for other receivables based on 12-month expected credit losses and the entire lifetime expected credit losses are as follows:

2019

	Stage 1 12-month expected credit losses	Stage 2 Entire lifetime expected credit losses	Stage 3 Financial assets with credit impairment occurred (entire lifetime)	Total
Balance at 1 January 2019	467,255	—	5,174,805	5,642,060
Balance at 1 January 2019 during the year				
– Transferred to Stage 2	—	—	—	—
– Transferred to Stage 3	—	—	—	—
– Reversed to Stage 2	—	—	—	—
– Reversed to Stage 1	—	—	—	—
Provisions during the year	—	—	91,941,619	91,941,619
Reversal during the year	(8,144)	—	—	(8,144)
Write-back during the year	—	—	—	—
Write-off during the year	—	—	(91,941,619)	(91,941,619)
Other changes	—	—	—	—
	459,111	—	5,174,805	5,633,916

2018

	Stage 1 12-month expected credit losses	Stage 2 Entire lifetime expected credit losses	Stage 3 Financial assets with credit impairment occurred (entire lifetime)	Total
Balance at 1 January 2018	—	—	145,955,374	145,955,374
Balance at 1 January 2018 during the year				
– Transferred to Stage 2	—	—	—	—
– Transferred to Stage 3	—	—	—	—
– Reversed to Stage 2	—	—	—	—
– Reversed to Stage 1	—	—	—	—
Provisions during the year	467,255	—	211,847	679,102
Reversal during the year	—	—	(140,992,416)	(140,992,416)
Write-back during the year	—	—	—	—
Write-off during the year	—	—	—	—
Other changes	—	—	—	—
	467,255	—	5,174,805	5,642,060

In 2019, the provision for bad debt was RMB91,941,619 (2018: RMB679,102), and provision of RMB8,144 was recovered or reversed (2018: RMB140,992,416). In 2019, other receivables written off amounted to RMB91,941,619 (2018: Nil).

Notes to Financial Statements (continued)

For the year ended 31 December 2019

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

XIV. NOTES TO FINANCIAL STATEMENTS OF THE COMPANY (continued)

2. Other receivables (continued)

The category of other receivables by nature is as follows:

	2019	2018
Due from subsidiaries	9,682,056,699	12,555,407,307
Due from associates and joint ventures	294,431,613	270,727,561
Receivables from disposal of assets	—	105,500,000
Advanced material costs	71,614,724	90,885,846
Securities and deposits	20,576,769	40,500,724
Deferred expenses	51,410,684	43,565,093
Receivables from settlement of futures	52,460,962	39,861,576
Staff advances and reserve funds	1,598,220	5,365,757
Others	120,856,462	197,462,922
	10,295,006,133	13,349,276,786
Less: Bad debt provision for other receivables	5,633,916	5,642,060
	10,289,372,217	13,343,634,726

The five entities with the largest balances of other receivables at 31 December 2019 are as follows:

	Closing balance of other receivables	Proportion of other receivables (%)	Nature	Ageing	Closing balance of bad debt provision
Gold Mountains (H.K.)	1,837,670,675	17.85	Due from subsidiaries	Within 1 year/ Over 1 year but within 2 years/ Over 2 years but within 3 years/ Over 3 years	—
South Investment	1,292,057,733	12.55	Due from subsidiaries	Within 1 year	—
Zijin Copper	971,389,012	9.44	Due from subsidiaries	Within 1 year/ Over 1 year but within 2 years/ Over 2 years but within 3 years/ Over 3 years	—
Xinyi Zijin	675,452,650	6.56	Due from subsidiaries	Within 1 year	—
Fuyun Jinshan Mining Co., Ltd.	594,354,417	5.77	Due from subsidiaries	Within 1 year	—
	5,370,924,487	52.17			—

Notes to Financial Statements *(continued)*

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*XIV. NOTES TO FINANCIAL STATEMENTS OF THE COMPANY *(continued)*2. Other receivables *(continued)*

The five entities with the largest balances of other receivables at 31 December 2018 are as follows:

	Closing balance of other receivables	Proportion of other receivables (%)	Nature	Ageing	Closing balance of bad debt provision
Gold Mountains (H.K.)	3,471,700,819	26.01	Due from subsidiaries	Within 1 year/ Over 1 year but within 2 years/ Over 2 years but within 3 years	—
Zeravshan	772,656,639	5.79	Due from subsidiaries	Over 1 year but within 2 years/ Over 2 years but within 3 years/ Over 3 years	—
Zijin Copper	666,579,108	4.99	Due from subsidiaries	Within 1 year/ Over 1 year but within 2 years/ Over 2 years but within 3 years	—
Xinyi Zijin	663,026,890	4.97	Due from subsidiaries	Within 1 year/ Over 1 year but within 2 years	—
Hei Longxing	502,346,619	3.76	Due from subsidiaries	Over 2 years but within 3 years/ Over 3 years	—
	6,076,310,075	45.52			—

3. Long-term equity investments

	2019			2018		
	Carrying amount	Impairment provision	Net book value	Carrying amount	Impairment provision	Net book value
Investments in subsidiaries	35,104,330,359	(603,556,935)	34,500,773,424	28,144,580,670	(449,676,935)	27,694,903,735
Investments in associates	1,667,151,881	—	1,667,151,881	1,578,921,315	—	1,578,921,315
	36,771,482,240	(603,556,935)	36,167,925,305	29,723,501,985	(449,676,935)	29,273,825,050

Notes to Financial Statements (continued)

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

XIV. NOTES TO FINANCIAL STATEMENTS OF THE COMPANY (continued)

3. Long-term equity investments (continued)

(i) Investments in subsidiaries

	1 January 2018	Additions	Reductions	31 December 2018	Additions	Reductions	31 December 2019	Provision for impairment at 31 December 2019
Zijin Copper	2,225,749,543	—	—	2,225,749,543	—	—	2,225,749,543	—
Zijin Mining Group Southwest Co., Ltd.	1,189,255,345	2,328,795	—	1,191,584,140	5,929,530	—	1,197,513,670	—
West Copper	936,000,000	—	—	936,000,000	—	—	936,000,000	—
Gold Mountains (H.K.)	7,818,543,399	2,603,564,806	—	10,422,108,205	7,190,644,594	(720,349,962)	16,892,402,837	—
Luoyang Kunyu	676,605,023	137,822	—	676,742,845	86,634	—	676,829,479	—
Finance Company	475,000,000	—	—	475,000,000	130,186,575	—	605,186,575	—
Xiamen Investment	397,061,613	—	—	397,061,613	—	—	397,061,613	—
Longnan Zijin	370,839,918	—	(28,064)	370,811,854	2,727,295	—	373,539,149	(43,019,351)
Bayannur Zijin	579,027,464	—	—	579,027,464	—	—	579,027,464	—
Northwest Company	1,127,869,475	—	—	1,127,869,475	13,843,404	—	1,141,712,879	—
South Investment	1,255,253,896	197,504	—	1,255,451,400	14,868	—	1,255,466,268	—
Huanmin Mining	306,000,000	—	—	306,000,000	—	—	306,000,000	—
Zijin Commercial Services	500,000,000	—	—	500,000,000	—	—	500,000,000	—
Shanghang Jinshan Mining Co., Ltd.	275,785,150	—	—	275,785,150	—	—	275,785,150	—
Xinyi Zijin	243,900,000	—	—	243,900,000	—	—	243,900,000	(243,900,000)
Zijin Capital	400,000,000	200,000,000	—	600,000,000	200,000,000	—	800,000,000	—
Zijin International Mining Co., Ltd.	1,370,896,686	918,405,246	—	2,289,301,932	17,056,503	—	2,306,358,435	—
Hunchun Zijin	139,189,081	—	—	139,189,081	—	—	139,189,081	—
Jilin Zijin Copper Co., Ltd.	47,270,990	15,126,015	—	62,397,005	4,050,728	—	66,447,733	—
Fujian Zijin Copper Co., Ltd.	146,222,366	—	—	146,222,366	—	—	146,222,366	—
Chongli Zijin	142,501,896	—	(142,501,896)	—	—	—	—	—
Ashele Copper	139,335,849	—	—	139,335,849	—	—	139,335,849	—
Henan Jinda	129,880,000	—	—	129,880,000	—	—	129,880,000	(129,880,000)
Shanxi Zijin	127,284,118	—	—	127,284,118	—	—	127,284,118	—
Zijin Yinhui	105,000,000	—	—	105,000,000	—	—	105,000,000	—
Yunnan Huaxi	86,830,000	—	—	86,830,000	—	—	86,830,000	—
Ankang Zijin Mining Co., Ltd.	87,787,471	—	—	87,787,471	—	—	87,787,471	—

Notes to Financial Statements *(continued)*

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*XIV. NOTES TO FINANCIAL STATEMENTS OF THE COMPANY *(continued)*3. Long-term equity investments *(continued)*(i) Investments in subsidiaries *(continued)*

	1 January 2018	Additions	Reductions	31 December 2018	Additions	Reductions	31 December 2019	Provision for impairment at 31 December 2019
Longsheng Dexin Mining Co., Ltd.	53,550,000	—	—	53,550,000	—	—	53,550,000	—
Xiamen Zijin Mining and Metallurgy Technology Co., Ltd.	50,000,000	—	—	50,000,000	—	—	50,000,000	—
Zijin Global Metals Exchange Co., Ltd.	46,000,000	—	—	46,000,000	—	—	46,000,000	—
Guizhou Zijin	30,713,875	1,219,643	—	31,933,518	811,275	—	32,744,793	—
Xiamen Boshang Zijin E-Commerce Co., Ltd.	25,542,446	320,470	—	25,862,916	20,735	—	25,883,651	—
Sichuan Ganzhi Zijin Mining Co., Ltd.	24,000,000	—	—	24,000,000	—	—	24,000,000	(24,000,000)
Zijin Mining Group Gold Jewellery Co., Ltd.	20,000,000	297,000,000	—	317,000,000	113,000,000	—	430,000,000	—
Wuping Zijin	19,465,037	964,250	—	20,429,287	—	—	20,429,287	—
Zijin Mining Logistics Co., Ltd.	51,539,700	200,000,000	—	251,539,700	—	—	251,539,700	—
Fujian Zijin Hotel Property Management Co., Ltd.	10,000,000	—	—	10,000,000	—	—	10,000,000	—
Fujian Zijin Mining and Metallurgy Testing Technology Co., Ltd.	5,000,000	—	—	5,000,000	5,000,000	—	10,000,000	—
Nkwe	3,272,490	—	—	3,272,490	—	(3,272,490)	—	—
Heilong Mining Group Co., Ltd.	1,561,220,000	—	—	1,561,220,000	—	—	1,561,220,000	—
Zijin Mining Group Gold Smelting Co., Ltd.	50,000,000	—	(50,000,000)	—	—	—	—	—
Zijin Tongguan	—	848,453,248	—	848,453,248	—	—	848,453,248	(162,757,584)
	23,249,392,831	5,087,717,799	(192,529,960)	28,144,580,670	7,683,372,141	(723,622,452)	35,104,330,359	(603,556,935)

Notes to Financial Statements (continued)

For the year ended 31 December 2019

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

XIV. NOTES TO FINANCIAL STATEMENTS OF THE COMPANY (continued)

3. Long-term equity investments (continued)

(ii) Investments in associates

2019

Investee	Movements during the year									
	At 1 January 2019	Additions	Reductions	Investment income/(losses) under the equity method	Other comprehensive income	Other changes in equity	Cash dividends declared by investee	Provision for impairment losses	Additional investment and becoming subsidiaries	Provision for impairment losses at 31 December 2019
Makeng Mining	876,938,160	—	—	42,063,673	—	—	(41,500,000)	—	—	877,501,833
Yulong Copper	596,152,412	—	—	81,469,022	—	—	—	—	—	677,621,434
Songgan Zijin	39,249,785	—	—	—	—	—	—	—	—	39,249,785
Wancheng Commercial	58,496,914	—	—	16,678,607	—	—	(33,674,523)	—	—	41,500,998
Fujian Kingkop	1,061,597	—	—	92,968	—	—	—	—	—	1,154,565
Eiergreen New Energy	7,022,447	22,500,000	—	(2,399,181)	—	—	—	—	—	27,123,266
Caixi Cultural	—	3,000,000	—	—	—	—	—	—	—	3,000,000
Total	1,578,921,315	25,500,000	—	137,905,089	—	—	(75,174,523)	—	—	1,667,151,881

2018

Investee	Movements during the year									
	At 1 January 2018	Additions	Reductions	Investment income/(losses) under the equity method	Other comprehensive income	Other changes in equity	Cash dividends declared by investee	Provision for impairment losses	Additional investment and becoming subsidiaries	Provision for impairment losses at 31 December 2018
Makeng Mining	886,068,902	—	—	11,619,258	—	—	(20,750,000)	—	—	876,938,160
Yulong Copper	219,274,376	302,500,000	—	74,378,036	—	—	—	—	—	596,152,412
Songgan Zijin	39,249,785	—	—	—	—	—	—	—	—	39,249,785
Zijin Tongguan	335,697,308	164,700,000	—	(16,011,644)	—	—	—	(484,385,664)	—	—
Wancheng Commercial	49,464,994	—	—	75,531,920	—	—	(66,500,000)	—	—	58,496,914
Fujian Kingkop	772,502	—	—	289,095	—	—	—	—	—	1,061,597
Eiergreen New Energy	—	7,022,447	—	—	—	—	—	—	—	7,022,447
Total	1,530,527,867	474,222,447	—	145,806,665	—	—	(87,250,000)	—	(484,385,664)	1,578,921,315

Notes to Financial Statements (continued)

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

XIV. NOTES TO FINANCIAL STATEMENTS OF THE COMPANY (continued)

4. Fixed assets

2019

	Buildings	Mining assets	Power generation and transmission equipment	Plant, machinery and equipment	Motor vehicles	Furniture and fixtures and others	Total
Cost							
At 1 January 2019	808,988,374	4,452,467,192	54,362,169	1,069,914,011	83,472,191	96,904,715	6,566,108,652
Purchases	—	11,918,781	1,404,139	39,203,559	4,403,057	14,088,325	71,017,861
Transferred from construction in progress	675,524	59,517,396	—	14,650,744	—	—	74,843,664
Disposals or write-off	(3,146,643)	(12,506,620)	—	(17,512,163)	(5,200,975)	(617,194)	(38,983,595)
Others	—	318,164,321	—	—	—	—	318,164,321
At 31 December 2019	806,517,255	4,829,561,070	55,766,308	1,106,256,151	82,674,273	110,375,846	6,991,150,903
Accumulated depreciation							
At 1 January 2019	248,825,250	2,134,611,774	31,668,123	585,730,089	69,678,086	69,805,032	3,140,318,354
Depreciation for the year	39,713,915	339,692,842	2,217,805	91,368,052	4,839,109	5,875,597	483,707,320
Disposals or write-off	(628,899)	(1,743,349)	—	(10,563,173)	(4,944,352)	(576,427)	(18,456,200)
At 31 December 2019	287,910,266	2,472,561,267	33,885,928	666,534,968	69,572,843	75,104,202	3,605,569,474
Impairment provision							
At 1 January 2019	—	285,118	13,157	2,094,253	—	1,632	2,394,160
Impairment provided for the year	—	—	—	—	—	—	—
Disposals or write-off	—	—	—	(2,375)	—	—	(2,375)
At 31 December 2019	—	285,118	13,157	2,091,878	—	1,632	2,391,785
Net book value							
At 31 December 2019	518,606,989	2,356,714,685	21,867,223	437,629,305	13,101,430	35,270,012	3,383,189,644
At 1 January 2019	560,163,124	2,317,570,300	22,680,889	482,089,669	13,794,105	27,098,051	3,423,396,138

Notes to Financial Statements (continued)

For the year ended 31 December 2019

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

XIV. NOTES TO FINANCIAL STATEMENTS OF THE COMPANY (continued)

4. Fixed assets (continued)

2018

	Buildings	Mining assets	Power generation and transmission equipment	Plant, machinery and equipment	Motor vehicles	Furniture and fixtures and others	Total
Cost							
At 1 January 2018	852,186,024	4,163,976,295	52,911,943	1,028,504,671	77,992,268	91,795,674	6,267,366,875
Purchases	583,002	119,310,193	2,837	28,972,981	8,335,490	7,443,520	164,648,023
Transferred from construction in progress	(21,095,915)	185,475,008	1,485,389	27,878,652	—	—	193,743,134
Disposals or write-off	(22,684,737)	(16,294,304)	(38,000)	(15,442,293)	(2,855,567)	(2,334,479)	(59,649,380)
At 31 December 2018	808,988,374	4,452,467,192	54,362,169	1,069,914,011	83,472,191	96,904,715	6,566,108,652
Accumulated depreciation							
At 1 January 2018	221,297,615	1,794,565,309	29,440,169	506,302,092	66,159,747	65,891,620	2,683,656,552
Depreciation for the year	39,994,083	356,340,769	2,265,954	92,267,791	6,288,856	6,132,346	503,289,799
Disposals or write-off	(12,466,448)	(16,294,304)	(38,000)	(12,839,794)	(2,770,517)	(2,218,934)	(46,627,997)
At 31 December 2018	248,825,250	2,134,611,774	31,668,123	585,730,089	69,678,086	69,805,032	3,140,318,354
Impairment provision							
At 1 January 2018	—	285,118	13,157	2,142,225	—	1,632	2,442,132
Impairment provided for the year	—	—	—	—	—	—	—
Disposals or write-off	—	—	—	(47,972)	—	—	(47,972)
At 31 December 2018	—	285,118	13,157	2,094,253	—	1,632	2,394,160
Net book value							
At 31 December 2018	560,163,124	2,317,570,300	22,680,889	482,089,669	13,794,105	27,098,051	3,423,396,138
At 1 January 2018	630,888,409	2,369,125,868	23,458,617	520,060,354	11,832,521	25,902,422	3,581,268,191

Fixed assets that are temporarily idle are as follows:

2019

	Cost	Accumulated depreciation	Impairment provision	Net book value
Mining assets	395,591	(377,533)	—	18,058
Plant, machinery and equipment	20,930,246	(16,949,039)	(380,272)	3,600,935
	21,325,837	(17,326,572)	(380,272)	3,618,993

Notes to Financial Statements (continued)

For the year ended 31 December 2019

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

XIV. NOTES TO FINANCIAL STATEMENTS OF THE COMPANY (continued)

4. Fixed assets (continued)

Fixed assets that are temporarily idle are as follows: (continued)

2018

	Cost	Accumulated depreciation	Impairment provision	Net book value
Mining assets	269,402	(243,633)	—	25,769
Plant, machinery and equipment	11,043,772	(7,573,966)	(230,634)	3,239,172
	11,313,174	(7,817,599)	(230,634)	3,264,941

Fixed assets of which certificates of title have not been obtained as at 31 December 2019 are as follows:

	Net book value	Reasons why certificates of title have not been obtained
Buildings	118,553,633	In the process of application

Fixed assets of which certificates of title have not been obtained as at 31 December 2018 are as follows:

	Net book value	Reasons why certificates of title have not been obtained
Buildings	273,937,958	In the process of application

5. Construction in progress

	2019	2018
Construction in progress	347,311,523	160,383,177
Construction materials	2,471,985	2,587,136
	349,783,508	162,970,313

Construction in progress

2019			2018		
Carrying amount	Impairment provision	Net book value	Carrying amount	Impairment provision	Net book value
347,311,523	—	347,311,523	160,383,177	—	160,383,177

Notes to Financial Statements (continued)

For the year ended 31 December 2019

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

XIV. NOTES TO FINANCIAL STATEMENTS OF THE COMPANY (continued)

5. Construction in progress (continued)

Construction in progress (continued)

The movements of important construction in progress in 2019 are as follows:

	Budget	At 1 January 2019	Additions	Transferred to fixed assets	Other reductions	At 31 December 2019	Contribution in budget	Progress of construction	Accumulated balance of capitalised interest as at 31 December 2019	Including: capitalised interest for the year	Interest rate of capitalisation (%)	Source of funds
Zijinshan Gold and Copper Mine infrastructure project	538,080,000	160,383,177	259,121,152	(73,885,074)	(582,273)	345,036,982	88%	85%	—	—	N/A	Equity fund
Others	—	—	3,233,131	(958,590)	—	2,274,541	N/A	N/A	—	—	N/A	Equity fund
Subtotal	538,080,000	160,383,177	262,354,283	(74,843,664)	(582,273)	347,311,523			—	—		
Impairment provision for construction in progress		—				—						
Total		160,383,177				347,311,523						

The movements of important construction in progress in 2018 are as follows:

	Budget	At 1 January 2018	Additions	Transferred to fixed assets	Other reductions	At 31 December 2018	Contribution in budget	Progress of construction	Accumulated balance of capitalised interest as at 31 December 2018	Including: capitalised interest for the year	Interest rate of capitalisation (%)	Source of funds
Zijinshan Gold and Copper Mine infrastructure project	400,040,000	205,217,505	155,480,159	(193,448,435)	(6,866,052)	160,383,177	88%	85%	—	—	N/A	Equity fund
Others	—	—	294,699	(294,699)	—	—	N/A	N/A	—	—	N/A	Equity fund
Subtotal	400,040,000	205,217,505	155,774,858	(193,743,134)	(6,866,052)	160,383,177			—	—		
Impairment provision for construction in progress		—				—						
Total		205,217,505				160,383,177						

For the years ended 31 December 2019 and 31 December 2018, there were no borrowing costs eligible for capitalisation of the Company.

As at 31 December 2019 and 31 December 2018, there was no impairment provision for construction in progress of the Company.

Notes to Financial Statements *(continued)*

For the year ended 31 December 2019

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*XIV. NOTES TO FINANCIAL STATEMENTS OF THE COMPANY *(continued)*

6. Intangible assets

2019

	Exploration and mining rights	Land use rights	Membership of Shanghai Gold Exchange and others	Total
Cost				
At 1 January 2019	388,144,802	94,547,535	31,666,483	514,358,820
Purchases	—	—	558,868	558,868
Disposals or write-off	—	—	—	—
At 31 December 2019	388,144,802	94,547,535	32,225,351	514,917,688
Accumulated amortisation				
At 1 January 2019	201,692,285	23,347,495	8,823,789	233,863,569
Amortisation provided for the year	4,512,300	2,740,172	3,875,250	11,127,722
Disposals or write-off	—	—	—	—
At 31 December 2019	206,204,585	26,087,667	12,699,039	244,991,291
Impairment provision				
At 1 January 2019	—	—	—	—
Impairment provided for the year	—	—	—	—
Disposals or write-off	—	—	—	—
At 31 December 2019	—	—	—	—
Net book value				
At 31 December 2019	181,940,217	68,459,868	19,526,312	269,926,397
At 1 January 2019	186,452,517	71,200,040	22,842,694	280,495,251

Notes to Financial Statements *(continued)*

For the year ended 31 December 2019

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

XIV. NOTES TO FINANCIAL STATEMENTS OF THE COMPANY *(continued)*

6. Intangible assets *(continued)*

2018

	Exploration and mining rights	Land use rights	Membership of Shanghai Gold Exchange and others	Total
Cost				
At 1 January 2018	388,144,802	93,955,477	31,329,847	513,430,126
Purchases	—	6,519,901	336,636	6,856,537
Disposals or write-off	—	(5,927,843)	—	(5,927,843)
At 31 December 2018	388,144,802	94,547,535	31,666,483	514,358,820
Accumulated amortisation				
At 1 January 2018	197,179,985	22,362,896	5,066,272	224,609,153
Amortisation provided for the year	4,512,300	2,696,116	3,757,517	10,965,933
Disposals or write-off	—	(1,711,517)	—	(1,711,517)
At 31 December 2018	201,692,285	23,347,495	8,823,789	233,863,569
Impairment provision				
At 1 January 2018	—	—	—	—
Impairment provided for the year	—	—	—	—
Disposals or write-off	—	—	—	—
At 31 December 2018	—	—	—	—
Net book value				
At 31 December 2018	186,452,517	71,200,040	22,842,694	280,495,251
At 1 January 2018	190,964,817	71,592,581	26,263,575	288,820,973

7. Long-term deferred assets

2019

	At 1 January 2019	Additions	Amortisation	Other reductions	At 31 December 2019
Forest compensation expenditure (Note 1)	67,368,854	—	(9,949,003)	—	57,419,851
Land compensation costs (Note 2)	30,979,397	—	(3,584,708)	—	27,394,689
Others	103,792,062	75,749,913	(41,866,103)	—	137,675,872
	202,140,313	75,749,913	(55,399,814)	—	222,490,412

Notes to Financial Statements *(continued)*

For the year ended 31 December 2019

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*XIV. NOTES TO FINANCIAL STATEMENTS OF THE COMPANY *(continued)*7. Long-term deferred assets *(continued)*

2018

	At 1 January 2018	Additions	Amortisation	Other reductions	At 31 December 2018
Forest compensation expenditure (Note 1)	45,683,368	29,019,155	(7,333,669)	—	67,368,854
Land compensation costs (Note 2)	34,564,105	—	(3,584,708)	—	30,979,397
Others	95,932,625	46,617,256	(38,757,819)	—	103,792,062
	176,180,098	75,636,411	(49,676,196)	—	202,140,313

Note 1: The forest compensation expenditure relates to the compensation for the damage to forests at the mining sites for production and construction needs. The amortisation period is 10 years.

Note 2: The land compensation costs relate to the compensation for the occupation of forest lands at the mining sites for production and construction needs. The amortisation period ranges from 5 to 50 years.

8. Other non-current assets

	2019	2018
Long-term receivables	9,549,169,108	8,987,844,885
Exploration and development costs	953,589,150	819,466,920
Prepaid investment costs, prepayments for exploration and mining rights and others	182,043,674	22,919,793
	10,684,801,932	9,830,231,598

9. Provision for impairment of assets

2019

	At 1 January 2019	Additions	Reductions		At 31 December 2019
			Reversal	Write-back/ Write-off	
Bad debt provision	5,992,875	92,327,513	(8,144)	(92,161,619)	6,150,625
Inventory provision	7,307,370	—	—	—	7,307,370
Impairment provision for long-term equity investments	449,676,935	153,880,000	—	—	603,556,935
Impairment provision for fixed assets	2,394,160	—	—	(2,375)	2,391,785
Impairment provision for other non-current assets	198,203,515	—	—	—	198,203,515
	663,574,855	246,207,513	(8,144)	(92,163,994)	817,610,230

Notes to Financial Statements *(continued)*

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

XIV. NOTES TO FINANCIAL STATEMENTS OF THE COMPANY *(continued)*

9. Provision for impairment of assets *(continued)*

2018

	At 1 January 2018	Additions	Reductions		At 31 December 2018
			Reversal	Write back/ Write-off	
Bad debt provision	146,529,182	970,338	(140,992,416)	(514,229)	5,992,875
Inventory provision	3,731,641	3,575,729	—	—	7,307,370
Impairment provision for long-term equity investments	449,676,935	—	—	—	449,676,935
Impairment provision for fixed assets	2,442,132	—	—	(47,972)	2,394,160
Impairment provision for other non-current assets	198,203,515	—	—	—	198,203,515
	800,583,405	4,546,067	(140,992,416)	(562,201)	663,574,855

10. Trade payables

Trade payables are interest-free and normally settled within four months.

As at 31 December 2019 and 31 December 2018, the Company had no significant trade payables aged more than one year.

11. Bonds payable

The Company, through the National Association of Financial Market Institutional Investors, issued medium-term notes with face values of RMB2.5 billion on 23 October 2013, RMB2.5 billion on 5 September 2014 and RMB3.3 billion on 11 September 2015, respectively, with a maturity of 5 years and annual interest rates of 5.7%, 5.5% and 4.4%, respectively. Interests on the notes are payable annually. Among them, the 5-year medium-term notes issued on 23 October 2013 and 5 September 2014 matured and were settled. The 5-year medium-term notes issued on 11 September 2015 will expire in 2020. The Company expects to settle the notes in full in 2020, so it is classified as bonds payable due within one year.

Pursuant to the approval of the CSRC on 17 February 2016, the Company issued corporate bonds with a face value of RMB2 billion on the Shanghai Stock Exchange on 18 March 2016. The bonds have a maturity of five years and an annual interest rate of 3.37%. On 18 March 2016, the Company issued corporate bonds with a face value of RMB3 billion on the Shanghai Stock Exchange. The bonds have a maturity of five years, and an annual interest rate of 2.99%, with terms that the issuer has an option to adjust the interest rate and investors have an option to sell back the bonds at the end of the third year. The Company exercised the sell back in 2019. On 15 July 2016, the Company issued corporate bonds with a face value of RMB1.8 billion on the Shanghai Stock Exchange. The bonds have a maturity of five years, and an annual interest rate of 3.05%, with terms that the issuer has an option to adjust the interest rate and investors have an option to sell back the bonds at the end of the third year. The Company exercised the sell back in 2019. On 15 July 2016, the Company issued corporate bonds with a face value of RMB1.2 billion on the Shanghai Stock Exchange. The bonds have a maturity of five years with an annual interest rate of 3.45%. The interest of the above bonds shall be settled annually and the principal shall be repaid in full upon their maturity.

Notes to Financial Statements *(continued)*

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*XIV. NOTES TO FINANCIAL STATEMENTS OF THE COMPANY *(continued)*11. Bonds payable *(continued)*

On 18 October 2018, Zijin International Capital Co., Ltd., an overseas wholly-owned subsidiary of the Company, issued guaranteed senior notes with an aggregate face value of USD350 million and an annual interest rate of 5.282% through the Stock Exchange of Hong Kong Limited. The date of maturity is 18 October 2021 and the Company is the guarantor. From 18 April 2019, the interest shall be paid semi-annually on 18 April and 18 October.

In 2019, the Company, through the National Association of Financial Market Institutional Investors, issued medium-term notes with a face value of RMB1.5 billion, a maturity of 3 years and an annual interest rate of 3.80%, and issued medium-term notes with a face value of RMB1.0 billion, a maturity of 5 years and an annual interest rate of 4.30% on 11 March 2019; issued medium-term notes with a face value of RMB1.0 billion, a maturity of 5 years and an annual interest rate of 3.70% on 8 July 2019; issued medium-term notes with a face value of RMB2.5 billion, a maturity of 5 years and an annual interest rate of 3.95% on 30 August 2019. The interest payments of the above medium-term notes shall be settled annually and the principals shall be repaid in full upon their maturity.

As at 31 December 2019 and 31 December 2018, the Company had no overdue bonds.

12. Long-term payables

	2019	2018
Entrusted investments	220,748,782	144,348,040
Deposit for restoration and improvement of ecological environment in mines	—	68,320,794
Loans from a shareholder	22,200,000	70,400,000
	242,948,782	283,068,834
<i>Including: Current portion of long-term payables</i>	<i>(2,600,000)</i>	<i>(8,300,000)</i>
	240,348,782	274,768,834

*Maturity analysis of long-term payables is as follows:

	2019	2018
Within 1 year or repayable on demand	2,600,000	8,300,000
Over 1 year but within 2 years	2,600,000	62,100,000
Over 2 years but within 5 years	8,400,000	—
Over 5 years	229,348,782	212,668,834
	242,948,782	283,068,834

13. Operating income and operating costs

	2019		2018	
	Operating income	Operating costs	Operating income	Operating costs
Principal operations	3,765,822,217	2,285,058,941	3,818,651,849	2,273,133,092
Other operations	415,852,390	166,661,214	267,180,761	235,493,255
	4,181,674,607	2,451,720,155	4,085,832,610	2,508,626,347

Notes to Financial Statements *(continued)*

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

XIV. NOTES TO FINANCIAL STATEMENTS OF THE COMPANY *(continued)*

14. Financial expenses

	2019	2018
Interest expenses	1,009,578,109	1,206,285,681
<i>Including: Bank loans</i>	463,909,619	543,570,513
<i>Bonds payable</i>	541,303,212	662,715,168
<i>Ultra short-term financing bonds</i>	4,365,278	—
Less: Interest income	833,540,091	960,508,815
Exchange gains	(42,382,748)	(82,874,155)
Bank charges	11,216,546	25,663,976
Unrecognised finance expenses (Note 1)	15,551,242	—
Unearned finance income (Note 2)	(7,515,291)	—
	152,907,767	188,566,687

Note 1: Unrecognised finance expenses consisted of amortisation of unrecognised interest expenses of provision of RMB15,271,888 and amortisation of interest expenses of lease liabilities of RMB279,354.

Note 2: Unearned finance income was the amortisation of unrecognised finance income from long-term receivables.

In 2019 and 2018, the Company incurred no capitalised interest expenses, and there was no interest income arising from impaired financial assets.

15. Impairment losses on assets and credit impairment losses

Credit impairment losses	2019	2018
Bad debt provision for trade receivables	(385,894)	(291,236)
Bad debt provision for other receivables	(91,933,475)	140,313,314
	(92,319,369)	140,022,078
Impairment losses on assets	2019	2018
Provision for decline in value of inventories	—	(3,575,729)
Impairment provision for long-term equity investments	(153,880,000)	—
	(153,880,000)	(3,575,729)

Notes to Financial Statements *(continued)*

For the year ended 31 December 2019

RMB

*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)*XIV. NOTES TO FINANCIAL STATEMENTS OF THE COMPANY *(continued)*

16. Investment income

	2019	2018
Income from long-term equity investments under the cost method	1,059,525,000	1,859,667,441
Investment income from long-term equity investments under the equity method	137,905,089	145,806,665
Gains on disposal of subsidiaries	(8,558,860)	—
Losses on disposal of financial assets and financial liabilities at fair value through profit or loss (Note 1)	(2,383,481)	(66,246,798)
Dividend income from investments in other equity instruments during holding period	6,100,000	—
	1,192,587,748	1,939,227,308

Note 1: Losses on disposal of financial assets and financial liabilities at fair value through profit or loss included the investment losses from gold leasing amounting to Nil (2018: losses of RMB10,505,965), investment income from hedging derivative instruments amounting to RMB112,449 (2018: losses of RMB110,155,781), and other investment losses amounting to RMB2,495,930 (2018: gains of RMB54,414,948).

17. Supplementary information to the statement of cash flows

(1) Supplementary information to the statement of cash flows

Reconciliation of net profit to cash flows from operating activities:

	2019	2018
Net profit	1,419,503,407	2,373,747,350
Add: Provisions for asset impairment	246,199,369	(136,446,349)
Depreciation of fixed assets	483,707,320	503,289,799
Depreciation of right-of-use assets	1,350,771	—
Amortisation of intangible assets	11,127,722	10,965,933
Amortisation of long-term deferred assets	55,399,814	49,676,196
Gains on disposal of fixed assets, intangible assets and other long-term assets	(401,573)	(22,394,838)
Losses on write-off of fixed assets	2,710,331	8,842,788
Losses on changes in fair values	5,772,264	14,512,179
Financial expenses	192,399,774	209,177,491
Investment income	(1,193,816,680)	(1,940,061,808)
(Increase)/Decrease in deferred tax assets	(60,117,445)	51,521,549
Increase in deferred tax liabilities	27,096,829	—
Decrease in inventories	77,468,743	33,025,372
Decrease in receivables from operating activities	156,356,740	400,528,978
(Decrease)/Increase in payables from operating activities	(28,873,287)	194,258,273
Net cash flows from operating activities	1,395,884,099	1,750,642,913

Notes to Financial Statements *(continued)*

For the year ended 31 December 2019

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

XIV. NOTES TO FINANCIAL STATEMENTS OF THE COMPANY *(continued)*

17. Supplementary information to the statement of cash flows *(continued)*

(1) Supplementary information to the statement of cash flows *(continued)*

Net changes in cash and cash equivalents:

	2019	2018
Closing balance of cash	1,445,704,014	2,305,622,601
Less: Opening balance of cash	2,305,622,601	1,841,597,980
Add: Closing balance of cash equivalents	111,083,410	820,712,582
Less: Opening balance of cash equivalents	820,712,582	1,554,442,193
Decrease in cash and cash equivalents	(1,569,547,759)	(269,704,990)

(2) Cash and cash equivalents

	2019	2018
Cash	1,445,704,014	2,305,622,601
<i>Including: Cash on hand</i>	82,501	156,635
<i>Cash at banks that can be readily drawn on demand</i>	1,445,621,513	2,305,465,966
Cash equivalents	111,083,410	820,712,582
Closing balance of cash and cash equivalents	1,556,787,424	3,126,335,183

18. Commitments

	2019	2018
Capital commitments (Note 1)	24,848,403	53,454,407

Note 1: As at 31 December 2019, the amounts of the capital commitments relating to the acquisition and construction of property, plant, machinery and equipment, and mining assets were RMB21,736,652 (31 December 2018: RMB53,454,407).

Notes to Financial Statements *(continued)*

For the year ended 31 December 2019

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*(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)***XV. SUPPLEMENTARY INFORMATION****I. SUMMARY OF NON-RECURRING PROFIT OR LOSS**

Item	2019
Net profit attributable to owners of the parent	4,283,957,365
Add/(Less): Non-recurring profit or loss attributable to owners of the parent	
Net losses on disposal of non-current assets	116,181,910
Government grants recognised in the statement of profit or loss	(290,839,484)
Gains or losses on changes in fair value arising from held for trading financial assets and financial liabilities, investment income or losses on disposal of held for trading financial assets and financial liabilities except for the effective hedging business and gold leasing relating to the Group's normal business operations (Note 1)	178,823,455
Capital utilisation fee received from non-financial enterprises which is included in the profit or loss for the current period	(417,164,084)
Investment income from disposal of long-term equity investments	4,964,011
Reversal of impairment provision for receivables individually subject to impairment test	(15,153,129)
Other non-operating income and expenses other than the aforesaid items	175,288,539
	4,036,058,583
Impact on income tax	17,307,368
	4,053,365,951
Impact on the non-controlling interests (after tax)	(56,608,714)
	3,996,757,237

The non-recurring profit or loss of the Group was recognised under the CSRC Announcement [2008] No. 43, Explanatory Announcement No.1 on Information Disclosure and Presentation Rules for Companies Making Public Offering of Securities – Non-recurring Profit or Loss. The effective hedging business and gold leasing transactions of the Group are directly related to the normal business operations, of which the underlying assets are the mineral products or similar metal products of the Group, which are aimed at reducing the risk of significant profitability fluctuation from ordinary operations in light of price fluctuation. Effective hedging business and gold leasing transactions are frequent and the Group has continued and will continue to engage in such transactions in the foreseeable future. For the above-mentioned reasons, the profit or loss on effective hedging business and gold leasing transactions is not classified as non-recurring profit or loss.

Note 1: Including the losses on changes in fair values of trading stocks, funds and currency swaps amounting to RMB105,424,899 and losses on disposal of stocks, funds, currency swaps and wealth management products amounting to RMB73,398,556.

Notes to Financial Statements *(continued)*

For the year ended 31 December 2019

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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

XV. SUPPLEMENTARY INFORMATION *(continued)*

II. RETURN ON NET ASSETS AND EARNINGS PER SHARE

2019

		Return on net assets (%)		Basic earnings per share
		Fully diluted	Weighted average	
Net profit attributable to ordinary shareholders of the parent	4,283,957,365	9.27	11.38	0.18
Net profit after non-recurring profit or loss attributable to ordinary shareholders of the parent	3,996,757,237	8.65	10.61	0.17

2018

		Return on net assets (%)		Basic earnings per share
		Fully diluted	Weighted average	
Net profit attributable to ordinary shareholders of the parent	4,093,773,630	11.54	11.70	0.18
Net profit after non-recurring profit or loss attributable to ordinary shareholders of the parent	3,061,250,525	8.72	8.83	0.13

The above-mentioned return on net assets and earnings per share were calculated according to the Information Disclosure and Presentation Rules for Companies Making Public Offering of Securities No. 9 - Calculation and Disclosure of Return on Net Assets and Earnings Per Share (2010 revision) issued by the CSRC.

There were no potential dilutive ordinary shares for the years ended 31 December 2019 and 31 December 2018.



紫金礦業集團股份有限公司
ZIJIN MINING GROUP COMPANY LIMITED*