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Zijin Mining Group Co., Ltd.*

紫金礦業集團股份有限公司

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

(Stock code: 2899)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2015

The Board of Directors (the “Board”) of Zijin Mining Group Co., Ltd.* (the “Company”) is pleased to announce the audited consolidated annual results of the Company and its subsidiaries (collectively referred to the “Group”) for the year ended 31 December 2015. (China Accounting Standards for Business Enterprises (“CAS”) and the related laws and regulations were adopted for the preparation of the financial statements.)

Zijin Mining Group Co., Ltd.*
Consolidated Balance Sheet
As at 31 December 2015
RMB

<u>ASSETS</u>	<u>Note</u>	<u>31 December 2015</u>	<u>31 December 2014</u>
CURRENT ASSETS			
Cash and cash equivalents		5,498,295,305	4,139,672,768
Financial assets at fair value through profit or loss		548,352,730	312,247,627
Bills receivable		264,373,037	538,484,702
Trade receivables	13	864,682,728	1,228,075,464
Prepayments		842,469,851	649,968,149
Other receivables		1,215,636,233	1,266,545,176
Inventories		10,951,318,480	10,353,917,540
Non-current assets due within one year		458,040,000	-
Other current assets		1,151,678,678	1,129,315,164
Total current assets		21,794,847,042	19,618,226,590
NON-CURRENT ASSETS			
Available-for-sale investments		972,008,647	495,285,702
Long-term equity investments		6,941,121,652	5,346,350,207
Investment properties		168,402,512	174,284,695
Fixed assets		29,359,351,288	25,003,524,624
Construction in progress		6,160,763,924	7,964,785,151
Construction materials		240,135,740	274,012,010
Intangible assets		10,283,969,425	9,385,134,080
Goodwill		496,758,705	496,758,705
Long-term deferred assets		1,084,220,930	1,126,092,176
Deferred tax assets		793,211,659	867,406,609
Other non-current assets		5,619,242,131	4,407,727,099
Total non-current assets		62,119,186,613	55,541,361,058
TOTAL ASSETS		83,914,033,655	75,159,587,648

Zijin Mining Group Co., Ltd.*
Consolidated Balance Sheet (continued)
As at 31 December 2015
RMB

<u>LIABILITIES AND OWNERS' EQUITY</u>	<u>Note</u>	<u>31 December 2015</u>	<u>31 December 2014</u>
CURRENT LIABILITIES			
Short-term borrowings		5,394,474,750	4,551,121,572
Financial liabilities at fair value through profit or loss		6,804,872,854	8,597,538,500
Bills payable		231,175,265	282,976,147
Trade payables	14	4,442,840,507	4,011,412,543
Advances from customers		1,918,146,839	1,005,215,386
Employee benefits payable		569,619,991	389,444,043
Taxes payable		698,586,919	656,071,856
Dividends payable		119,000,981	35,938,170
Other payables		4,289,196,570	2,626,729,259
Non-current liabilities due within one year		6,053,652,249	1,347,611,097
Other current liabilities		1,004,821,498	-
Total current liabilities		<u>31,526,388,423</u>	<u>23,504,058,573</u>
NON-CURRENT LIABILITIES			
Long-term borrowings		9,251,188,420	8,339,476,546
Bonds payable		8,300,000,000	7,923,716,925
Long-term payables		1,171,224,739	413,864,086
Provision		720,404,428	177,486,513
Deferred income		503,275,426	538,727,221
Deferred tax liabilities		513,296,967	593,335,439
Total non-current liabilities		<u>20,459,389,980</u>	<u>17,986,606,730</u>
TOTAL LIABILITIES		<u>51,985,778,403</u>	<u>41,490,665,303</u>
EQUITY			
Share capital		2,154,324,365	2,157,281,365
Capital reserve		7,232,538,557	7,329,951,989
Other comprehensive income	11	(830,177,675)	(447,341,491)
Special reserve		139,524,461	108,445,194
Surplus reserve		1,319,401,104	1,319,401,104
Retained earnings	15	17,521,563,160	17,591,716,635
Equity attributable to owners of the parent		<u>27,537,173,972</u>	<u>28,059,454,796</u>
Non-controlling interests		4,391,081,280	5,609,467,549
TOTAL EQUITY		<u>31,928,255,252</u>	<u>33,668,922,345</u>
TOTAL LIABILITIES AND OWNERS' EQUITY		<u>83,914,033,655</u>	<u>75,159,587,648</u>

Zijin Mining Group Co., Ltd.*
Consolidated Statement of Profit or Loss
For the year ended 31 December 2015
RMB

	<u>Note</u>	<u>2015</u>	<u>2014</u>
OPERATING INCOME	2	74,303,573,739	58,760,533,928
Less: Operating costs	2	68,007,729,583	50,881,767,555
Taxes and surcharges	3	809,662,007	838,416,174
Selling expenses		691,861,398	905,512,920
Administrative expenses		2,620,740,626	2,175,124,236
Financial expenses	4	945,668,268	767,954,016
Impairment losses on assets	5	470,685,123	362,952,805
Add: Gains/(losses) on changes in fair value	6	(125,512,228)	(141,213,373)
Investment income	7	1,312,774,399	772,566,108
<i>Including: Share of (losses)/profits of associates and joint ventures</i>		<u>(44,237,294)</u>	<u>21,433,814</u>
OPERATING PROFIT		1,944,488,905	3,460,158,957
Add: Non-operating income	8	419,019,949	236,741,221
<i>Including: Gains on disposal of non-current assets</i>		8,862,317	53,043,654
Less: Non-operating expenses	9	277,336,663	372,762,188
<i>Including: Losses on disposal of non-current assets</i>		<u>46,337,101</u>	<u>151,038,028</u>
PROFIT BEFORE TAX		2,086,172,191	3,324,137,990
Less: Income tax expenses	1	<u>743,484,427</u>	<u>688,695,999</u>
NET PROFIT		<u>1,342,687,764</u>	<u>2,635,441,991</u>
Attributable to owners of the parent		<u>1,655,671,617</u>	<u>2,345,062,669</u>
Non-controlling interests		<u>(312,983,853)</u>	<u>290,379,322</u>
NET OTHER COMPREHENSIVE INCOME AFTER TAX			
Other comprehensive income to be reclassified to profit or loss in subsequent periods			
Changes in fair value of available-for-sale investments		(37,135,047)	11,541,426
Exchange differences arising from translation of financial statements denominated in foreign currencies		<u>(345,701,137)</u>	<u>896,062</u>
Net other comprehensive income after tax attributable to owners of the parent		(382,836,184)	12,437,488
Net other comprehensive income after tax attributable to non-controlling interests		<u>(28,497,328)</u>	<u>(19,781,959)</u>
		<u>(411,333,512)</u>	<u>(7,344,471)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>931,354,252</u>	<u>2,628,097,520</u>
Attributable to:			
Owners of the parent		<u>1,272,835,433</u>	<u>2,357,500,157</u>
Non-controlling interests		<u>(341,481,181)</u>	<u>270,597,363</u>
Earnings per share			
Basic earnings per share	10	<u>0.08</u>	<u>0.11</u>

Zijin Mining Group Co., Ltd.*
Notes to Financial Statements
For the year ended 31 December 2015
RMB

1. TAXES

Major categories of taxes and tax rates

Value-added tax (“VAT”)	<p>Sales of final gold products and carrying-gold minerals are exempted from VAT. The VAT rate for mining and processing of iron concentrates and non-ferrous metals such as gold concentrates, copper concentrates, zinc concentrates, and copper cathodes, zinc bullions, material sales and processing is 17%. 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.</p> <p>VAT rate for transportation service income is 11%, and that for trademark royalty income and technical service income is 6%. Small-scale taxpayer’s VAT rate for all the income mentioned above is 3%.</p>
Business tax	<p>Business tax rate for real-estate rental income and hotel service revenue is 5%, and that for construction labour income is 3%.</p>
City construction and maintenance tax	<p>Levied on actual payment of turnover tax at rates ranging from 1% to 7%.</p>
Resource tax	<p>Tax rates for gold resources ranged from RMB1.5 to RMB7 (2014: RMB2 to RMB8.5) per tonne depending on the gold ore quantity; tax rates for copper resources ranged from RMB6 to RMB7 (2014: RMB6 to RMB7) per tonne depending on the copper ore quantity; tax rates for iron resource was RMB6.4 to RMB12.8 (2014: RMB12 to RMB12.8) per tonne according to the ore quantity of the concentrates; tax rates for zinc-lead resources was RMB20 (2014: RMB20) per tonne according to the ore quantity of the concentrates.</p>
Resource compensation fee	<p>The resource compensation fee is calculated according to a certain proportion of mineral sales revenue. The formula is: mineral sales revenue x resource compensation rate x coefficient of mining recovery. Resource compensation rates range from 2% to 4%.</p>
Corporate income tax	<p>Provision for tax for the Company and the Company’s subsidiaries incorporated and operating in the PRC has been made at the rate of 25% based on the assessable profits for the year except for certain companies in the Group which enjoyed tax concession and preferential tax rate under approval documents and further mentioned below. Provision for tax for the Company’s subsidiaries incorporated and operating in Hong Kong has been made at the rate of 16.5% on the assessable profits for the year. Provision for tax for the Company’s subsidiaries incorporated and operating in Australia and the Democratic Republic of the Congo has been made at the rate of 30% on the assessable profits for the year. Provision for tax for the Company’s subsidiaries incorporated and operating in South Africa has been made at the rate of 28 % on the assessable profits for the year. Provision for tax for the Company’s subsidiaries incorporated and operating in the Republic of Tajikistan has been made at the rate of 15% on the assessable profits for the year. Provision for tax for the Company’s subsidiaries incorporated and operating in the Russian Federation has been made at the rate of 20% on the assessable profits for the year. Provision for tax for the Company’s subsidiaries incorporated and operating in the Kyrgyz Republic has been made at the tax rate based on the scope of the revenue.</p>

Zijin Mining Group Co., Ltd.*
Notes to Financial Statements (continued)
For the year ended 31 December 2015
RMB

1. TAXES (continued)

Tax incentives

Pursuant to the Notice of the Ministry of Finance, the General Administration of Customs and the State Administration of Tax 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 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 derive over 70% of their operating income from the encouraged industries could apply for a tax incentive. After getting in-charge tax bureau's approval, those enterprises could enjoy a reduced corporate income tax ("CIT") rate of 15%. In 2015, the following subsidiaries got in-charge tax bureau's approval and were granted a reduced CIT rate of 15%:

(1) Pursuant to the Notice of Tax Issue (Ha Di Shui Tong Reduction [2015] No.72) issued by the Xinjiang Autonomous Region Habahe County Local Tax Bureau on 12 February 2015, Xinjiang Ashele Copper Company Limited ("Xinjiang Ashele") was entitled to a tax concession of Western Development at a preferential CIT rate of 15% in 2015.

(2) Pursuant to the Tax Preference Application approved by Xinjiang Autonomous Region Wujia County State Tax Bureau on 25 March 2015, Wujia County Jinwang Mining Development Company Limited ("Wujia Jinwang") was entitled to a tax concession of Western Development at a preferential CIT rate of 15% in 2015.

(3) Pursuant to the Reference Table of Corporate Income Tax issued by the State Tax Bureau of Hunchun Border Economic Cooperation Region on 22 February 2016, Hunchun Zijin Mining Company Limited ("Hunchun Zijin") was entitled to a tax concession of Western Development at a preferential CIT rate of 15% in 2015.

	2015	2014
Current tax expenses	749,031,700	617,705,361
Deferred tax expenses	<u>(5,547,273)</u>	<u>70,990,638</u>
	<u>743,484,427</u>	<u>688,695,999</u>

Zijin Mining Group Co., Ltd.*
Notes to Financial Statements (continued)
For the year ended 31 December 2015
RMB

1. TAXES (continued)

Reconciliation of income tax expenses to profit before tax is as follows:

	2015	2014
Profit before tax	2,086,172,191	3,324,137,990
Income tax expenses calculated at the applicable tax rate (Note 1)	521,543,048	831,034,497
Effect of different tax rates of certain subsidiaries (Note 1)	(175,459,407)	(184,044,511)
Overprovision in prior years	(106,279,360)	(218,580,802)
Income not subject to tax (Note 2)	(34,764,912)	(77,417,192)
Expenses not deductible for tax purposes (Note 3)	45,311,202	50,265,301
Previous tax losses utilised	(45,097,412)	(48,493,671)
Effect of unrecognised deductible temporary differences and deductible tax losses	<u>538,231,268</u>	<u>335,932,377</u>
Income tax expenses calculated at the Group's effective tax rate	<u>743,484,427</u>	<u>688,695,999</u>

Note 1: Provision for the PRC corporate income tax expenses has been made at applicable tax rates based on the estimated taxable profits. For the year 2015, there was no assessable profit arising in Hong Kong (2014: Nil). Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries/jurisdictions in which the enterprise operates.

Note 2: Including investment losses of long-term equity investments under the equity method of RMB44,237,294 (2014: investment income of RMB21,433,814), investment income of available-for-sale investments under the cost method of RMB23,785,200 (2014: RMB28,386,297), and the sales revenue which comes from the products that shall be exempted from income tax in line with national industrial policies and regulations of RMB39,659,161 (2014: RMB26,160,760) for the year 2015.

Note 3: Including donations not deductible for tax purposes of RMB31,135,699 (2014: RMB52,775,730) for the year 2015.

2. OPERATING INCOME AND OPERATING COSTS

	2015		2014	
	Operating income	Operating costs	Operating income	Operating costs
Principal operations	73,760,622,049	67,688,883,834	58,308,431,070	50,653,548,999
Other operations	<u>542,951,690</u>	<u>318,845,749</u>	<u>452,102,858</u>	<u>228,218,556</u>
	<u>74,303,573,739</u>	<u>68,007,729,583</u>	<u>58,760,533,928</u>	<u>50,881,767,555</u>

In 2015, more than 99% of the operating income arises from the sales of commodities (2014: more than 99%). As such, the management of the Group considers that it is unnecessary to disclose the operating income and costs based on the nature of income.

Zijin Mining Group Co., Ltd.*
Notes to Financial Statements (continued)
For the year ended 31 December 2015
RMB

3. TAXES AND SURCHARGES

	2015	2014
Consumption tax	484,626	646,464
Business tax	49,714,051	60,301,648
City construction and maintenance tax	45,307,747	58,657,813
Resource tax	653,156,080	637,241,752
Education surcharges	30,871,933	36,349,550
Others	30,127,570	45,218,947
	<u>809,662,007</u>	<u>838,416,174</u>

4. FINANCIAL EXPENSES

	2015	2014
Interest expenses:	1,443,645,087	1,336,798,557
<i>Including: *Bank loans</i>	977,002,228	1,015,288,458
<i>*Bonds payable</i>	466,642,859	321,510,099
Less: Interest income	146,452,526	168,134,064
Capitalised interest expenses	374,224,517	556,696,854
Exchange (gains)/losses	(74,716,245)	49,486,592
Bank charges	97,416,469	106,499,785
	<u>945,668,268</u>	<u>767,954,016</u>

Capitalised interest expenses are included in construction in progress and inventories. In 2015, no interest income arose from impaired financial assets (2014: Nil).

*In the current year, interests on bank loans and bonds payable wholly repayable within five years amounted to RMB1,359,391,630 (2014: RMB1,265,956,380). Interest on bank loans not wholly repayable within five years amounted to RMB84,253,457 (2014: RMB70,842,177).

5. IMPAIRMENT LOSSES ON ASSETS

	2015	2014
Impairment on fixed assets	335,131,513	20,782,402
Provision for decline in value of inventories	90,190,149	114,800,602
Impairment on other non-current assets	36,981,183	90,004,189
Impairment on intangible assets	13,500,000	23,280,000
Impairment on available-for-sale investments	740,039	26,810,425
Impairment on other current assets	(2,650,000)	2,650,000
Bad debt provision for trade and other receivables	(3,207,761)	84,625,187
	<u>470,685,123</u>	<u>362,952,805</u>

Zijin Mining Group Co., Ltd.*
Notes to Financial Statements (continued)
For the year ended 31 December 2015
RMB

6. GAINS/(LOSSES) ON CHANGES IN FAIR VALUE

	2015	2014
Financial assets at fair value through profit or loss (Note 1)	(210,879,019)	74,386,856
Financial liabilities at fair value through profit or loss (Note 2)	85,366,791	(215,600,229)
	(125,512,228)	(141,213,373)

Note 1: In year 2015, gains or losses on changes in fair value of financial assets at fair value through profit or loss included: net losses on changes in fair value arising from stocks and funds of RMB307,864,716 (2014: net gains of RMB28,688,646); net gains on changes in fair value of futures of RMB83,023,880 (2014: net gains of RMB15,637,586), in which, the net losses on changes in fair value of gold futures was RMB604,478 (2014: net gains of RMB2,540,478), which arose from gold futures contracts entered into by the Group in accordance with the repayment terms of gold leasing business for the purpose of hedging its risks arising from gold price fluctuation; (c) net gains on changes in fair value of other financial assets of RMB13,961,817 (2014: net gains of RMB30,060,624).

Note 2: In year 2015, gains or losses on changes in fair value of financial liabilities at fair value through profit or loss included: net losses on changes in fair value arising from the gold leasing business of RMB33,298,621 (2014: net losses of RMB741,580,718), net gains on changes in fair value of gold futures of RMB142,928,048 (2014: net gains of RMB515,929,316), which arose from gold futures contracts entered into by the Group in accordance with the repayment terms of gold leasing business for the purpose of hedging its risks arising from gold price fluctuation, and net losses on changes in fair value of other financial liabilities of RMB24,262,636 (2014: net gains of RMB10,051,173).

7. INVESTMENT INCOME

	2015	2014
(Losses)/profits from long-term equity investments under the equity method	(44,237,294)	21,433,814
<i>Including: Share of (losses)/profits of associates</i>	(205,052,213)	21,540,546
<i>Share of profits/(losses) of joint ventures</i>	160,814,919	(106,732)
Gains on disposal of long-term equity investments	3,131,710	4,676,957
<i>Including: Gains on disposal of subsidiaries</i>	3,131,710	4,676,957
Gains on disposal of financial assets and financial liabilities at fair value through profit or loss (Note 1)	1,229,029,431	667,352,138
Gains on disposal of available-for-sale investments	129,811,228	12,619,622
<i>Including: Gains on disposal of available-for-sale investments measured at cost</i>	23,785,200	28,386,297
<i>Gains/(losses) on disposal of available-for-sale investments measured at fair value (Note 2)</i>	106,026,028	(15,766,675)
Others	(4,960,676)	66,483,577
	1,312,774,399	772,566,108

Zijin Mining Group Co., Ltd.*
Notes to Financial Statements (continued)
For the year ended 31 December 2015
RMB

7. INVESTMENT INCOME (continued)

*In the year of 2015, investment income from investments in listed companies was RMB84,677,776 (2014: losses of RMB54,460,952) and investment income from investments in unlisted companies was RMB1,228,096,623 (2014: income of RMB827,027,060).

Note 1: In the year of 2015, the gains on disposal of financial assets at fair value through profit or loss included income of RMB1,496,866,592 on the settlement of futures contracts (2014: income of RMB631,373,077).

Note 2: In the year of 2015 and 2014, gains/losses on disposal of available-for-sale investments were mainly generated from the disposal of stock investments.

8. NON-OPERATING INCOME

	2015	2014	Non-recurring profits or losses in 2015
Gains on disposal of non-current assets	8,862,317	53,043,654	8,862,317
<i>Including: Gains on disposal of fixed assets</i>	<i>8,762,317</i>	<i>11,043,785</i>	<i>8,762,317</i>
Government grants	184,276,134	161,694,394	184,276,134
Penalty income	7,734,115	8,290,123	7,734,115
Gains on converting debts of Bindi Salt to equity (Note 1)	117,106,400	-	117,106,400
Income recognised from additional investment in an entity which realised a business combination (Note 2)	66,814,497	-	66,814,497
Others	34,226,486	13,713,050	34,226,486
	<u>419,019,949</u>	<u>236,741,221</u>	<u>419,019,949</u>

Analysis of government grants recognised in the profit or loss is as follows:

	2015	2014
Government grants related to assets:		
Expenditures for science projects	990,025	6,945,023
Environmental protection	6,432,054	15,696,766
Refund of land compensation	2,371,504	4,543,158
Comprehensive utilisation of mineral resources (Note 3)	49,604,776	41,160,260
Others	1,797,135	20,478,622
	<u>61,195,494</u>	<u>88,823,829</u>
Government grants related to income:		
Special government rewards (Note 4)	30,678,386	6,189,578
VAT subsidies	331,234	498,142
Tax refunds	19,101,991	16,809,008
Others (Note 5)	72,969,029	49,373,837
	<u>123,080,640</u>	<u>72,870,565</u>
	<u>184,276,134</u>	<u>161,694,394</u>

Zijin Mining Group Co., Ltd.*
Notes to Financial Statements (continued)
For the year ended 31 December 2015
RMB

8. NON-OPERATING INCOME (continued)

- Note 1: The Group's gains from converting debts of Bindi Salt to equity.
- Note 2: The Company originally held 26.35% of the equity interest in NKWE. During the year, the Company further acquired 34.12% equity interest in NKWE, making NKWE a subsidiary of the Company. The fair value of identifiable net assets as at the acquisition date was higher than the acquisition costs, the difference was recognised as non-operating income.
- Note 3: In the year of 2015, non-operating income amounted to RMB49,604,776 in total regarding amortisation of government's subsidies for the anti-seepage construction and infrastructure stripping project of the Company's Zijinshan copper mine was recognised.
- Note 4: Mainly included: the government subsidies totaled RMB14,519,000 received by Hunchun Zijin in 2015, which included the electricity incentive granted by the government and the dedicated fund for prevention and control of heavy metal pollution for year 2014; other subsidiaries received government subsidies including business support fund, exemplary enterprise award, financial support fund, etc. which totaled RMB16,159,386.
- Note 5: Mainly included: the second tranche of central interest discount fund amounted to RMB23,350,000 received by Zijin Copper in 2015; Jinhao Iron received RMB17,432,728 of transportation fee subsidy from Xinjiang Uygur Autonomous Region Economic and Information Technology Commission in 2015; Luoning Zijin received financial subsidy of RMB7,000,000 for its exploration of potential and increase in efficiency.

9. NON-OPERATING EXPENSES

	2015	2014	Non-recurring profit or loss in 2015
Losses on disposal of non-current assets	46,337,101	151,038,028	46,337,101
<i>Including: Losses on disposal of fixed assets</i>	<i>46,131,740</i>	<i>118,881,145</i>	<i>46,131,740</i>
<i>Losses on disposal of other non-current assets</i>	<i>205,361</i>	<i>32,156,883</i>	<i>205,361</i>
Donations	119,506,973	185,845,063	119,506,973
Penalties	35,035,997	8,047,755	35,035,997
Net losses arising from natural disasters	1,846	9,850	1,846
Losses on stock-taking	17,852	1,463,895	17,852
Others	76,436,894	26,357,597	76,436,894
	<u>277,336,663</u>	<u>372,762,188</u>	<u>277,336,663</u>

Zijin Mining Group Co., Ltd.*
Notes to Financial Statements (continued)
For the year ended 31 December 2015
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10. EARNINGS PER SHARE

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. The number of newly issued ordinary shares is ascertained as from the date the consideration is due (generally the issue date of shares) according to the provisions in the issuing agreement.

There were no potential dilutive ordinary shares for the Company.

Basic earnings per share is calculated as follows:

	2015	2014
Earnings		
Consolidated net profit attributable to owners of the parent	<u>1,655,671,617</u>	<u>2,345,062,669</u>
Shares		
Weighted average number of ordinary shares outstanding	<u>21,556,915,502</u>	<u>21,634,580,077</u>
Earnings per share	<u>0.08</u>	<u>0.11</u>

Due to the implementation of repurchase of H shares in 2014 and 2015, the calculation of “basic earnings per share”, “diluted earnings per share” and “basic earnings per share after non-recurring profit or loss” are based on balance of the total issued shares after deduction of the repurchased H shares as at 31 December 2014 and 31 December 2015 respectively.

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11. OTHER COMPREHENSIVE INCOME

The movement of other comprehensive income attributable to the parent in the balance sheet:

2015

	1 January 2015	Movements			31 December 2015
		Amount before tax	Taxation	Amount after tax	
Changes in fair value of available-for-sale investments	(66,022,699)	(37,431,296)	296,249	(37,135,047)	(103,157,746)
Exchange differences arising from translation of financial statements denominated in foreign currencies	(381,318,792)	(345,701,137)	-	(345,701,137)	(727,019,929)
	<u>(447,341,491)</u>	<u>(383,132,433)</u>	<u>296,249</u>	<u>(382,836,184)</u>	<u>(830,177,675)</u>

2014

	1 January 2014	Movements			31 December 2014
		Amount before tax	Taxation	Amount after tax	
Changes in fair value of available-for-sale investments	(77,564,125)	18,122,450	(6,581,024)	11,541,426	(66,022,699)
Exchange differences arising from translation of financial statements denominated in foreign currencies	(382,214,854)	896,062	-	896,062	(381,318,792)
	<u>(459,778,979)</u>	<u>19,018,512</u>	<u>(6,581,024)</u>	<u>12,437,488</u>	<u>(447,341,491)</u>

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Notes to Financial Statements (continued)
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11. OTHER COMPREHENSIVE INCOME (continued)

Other comprehensive income recognised in the statement of profit or loss during the year:

2015

	Amount before tax	Less: Other comprehensive income transferred to profit or loss during the year	Less: Taxation	Attributable to the parent	Attributable to non-controlling interests
Other comprehensive income to be reclassified to profit or loss in subsequent periods					
Change in fair value of available-for-sale investments	74,876,576	112,307,872	(296,249)	(37,135,047)	-
Exchange differences arising from translation of financial statements denominated in foreign currencies	<u>(345,701,137)</u>	<u>-</u>	<u>-</u>	<u>(345,701,137)</u>	<u>(28,497,328)</u>
	<u>(270,824,561)</u>	<u>112,307,872</u>	<u>(296,249)</u>	<u>(382,836,184)</u>	<u>(28,497,328)</u>

2014

	Amount before tax	Less: Other comprehensive income transferred to profit or loss during the year	Less: Taxation	Attributable to the parent	Attributable to non-controlling interests
Other comprehensive income to be reclassified to profit or loss in subsequent periods					
Changes in fair value of available-for-sale investments	58,107,985	39,985,535	6,581,024	11,541,426	-
Exchange differences arising from translation of financial statements denominated in foreign currencies	<u>896,062</u>	<u>-</u>	<u>-</u>	<u>896,062</u>	<u>(19,781,959)</u>
	<u>59,004,047</u>	<u>39,985,535</u>	<u>6,581,024</u>	<u>12,437,488</u>	<u>(19,781,959)</u>

12. 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, refinery 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 the gold bullion in the physical gold trading business;
- (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;
- (5) the refinery 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 concentrates;
- (8) the zinc bullion segment engages in the production of zinc bullion;
- (9) segment of others comprises, principally, the production of vitriol, copperplate, silver and iron, etc.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources 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/(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, available-for-sale investments 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 at the prevailing market prices.

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12. OPERATING SEGMENT INFORMATION (continued)

2015

Items	Gold bullion	Processed, refinery and trading gold	Gold concentrates	Copper cathodes	Refinery copper	Copper concentrates	Other concentrates	Zinc bullion	Others	Eliminations	Consolidated
Segment revenue:											
Sales to external customers	3,264,147,883	45,669,921,790	4,198,804,684	715,239,572	7,214,414,745	3,588,264,856	2,615,325,114	2,386,570,878	4,650,884,217	-	74,303,573,739
Intersegment sales	1,726,147,047	2,099,439,049	41,804,558	94,539,051	1,803,997,267	(6,567,677)	91,291,466	441,883,447	2,613,202,482	(8,905,736,690)	-
Total	4,990,294,930	47,769,360,839	4,240,609,242	809,778,623	9,018,412,012	3,581,697,179	2,706,616,580	2,828,454,325	7,264,086,699	(8,905,736,690)	74,303,573,739
Segment profit/(loss) #	787,147,725	(2,235,062)	615,813,391	102,765,306	6,994,159	841,258,243	578,114,658	(53,471,510)	(891,957,480)	-	1,984,429,430
Interest and dividend income											170,237,726
Unallocated income											1,098,342,074
Finance costs											(1,166,837,039)
Segment profit before tax											2,086,172,191
Assets and liabilities											
Segment assets	42,901,132,214	10,944,621,262	11,174,551,031	6,009,301,451	5,730,135,180	15,352,148,402	13,488,249,429	3,070,547,507	48,992,288,838	(82,287,812,469)	75,375,162,845
Unallocated assets											8,538,870,810
Total assets											83,914,033,655
Segment liabilities	26,083,872,223	7,864,885,860	6,319,347,844	3,422,386,356	3,885,401,404	8,151,280,273	10,880,430,630	2,366,723,969	41,268,244,383	(83,499,388,419)	26,743,184,523
Unallocated liabilities											25,242,593,880
Total liabilities											51,985,778,403
Other segment information											
Share of profits or losses of:											
Associates	-	-	-	515,410	-	(1,814,427)	7,821,447	-	(211,574,643)		(205,052,213)
Joint ventures	-	(4,973,857)	-	-	-	(6,643,268)	-	-	172,432,044		160,814,919
Impairment losses recognised in the statement of profit or loss	393,569	2,685,818	57,505,159	253,303,778	64,640,340	37,986,298	3,132,267	10,371,787	344,640,310		774,659,326
Impairment losses reversed in the statement of profit or loss	(1,796,855)	(2,073,826)	(108,076)	(262,759,617)	(551,110)	(3,744,195)	(3,132,267)	-	(29,808,257)		(303,974,203)
Unallocated non-cash income											(125,512,228)
Depreciation and amortisation	145,646,021	2,064,029,534	131,489,115	22,121,020	383,142,374	92,376,651	72,172,059	118,459,443	278,962,260		3,308,398,477
Investments in associates	-	-	-	433,233,102	-	364,252,197	906,201,735	-	1,563,966,328		3,267,653,362
Investments in joint ventures	-	188,122,227	-	-	-	1,557,725,650	-	-	1,927,620,413		3,673,468,290
Capital expenditure	2,948,099,180	640,409,200	2,132,202,447	103,970,759	30,990,023	826,340,682	1,060,492,802	2,453,958	954,645,372		8,699,604,423
Unallocated capital expenditure											9,005,252

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12. OPERATING SEGMENT INFORMATION (continued)

2014

Items	Gold bullion	Processed, refinery and trading gold	Gold concentrates	Copper cathodes	Refinery copper	Copper concentrates	Other concentrates	Zinc bullion	Others	Eliminations	Consolidated
Segment revenue:											
Sales to external customers	3,772,700,143	28,576,978,492	3,749,519,460	640,766,970	8,843,099,727	4,042,981,754	3,312,472,587	2,436,801,233	3,385,213,562	-	58,760,533,928
Intersegment sales	52,392,342	2,550,842,509	261,629,424	101,706,071	994,296,414	113,939,505	142,547,107	385,047,343	3,003,882,431	(7,606,283,146)	-
Total	3,825,092,485	31,127,821,001	4,011,148,884	742,473,041	9,837,396,141	4,156,921,259	3,455,019,694	2,821,848,576	6,389,095,993	(7,606,283,146)	58,760,533,928
Segment profit/(loss) #	938,819,265	(32,373,610)	819,507,324	115,495,709	110,568,315	1,487,037,590	948,853,680	(1,773,988)	(453,378,100)	-	3,932,756,185
Interest and dividend income											196,520,361
Unallocated income											81,462,932
Finance costs											(886,601,488)
Segment profit before tax											<u>3,324,137,990</u>
Assets and liabilities											
Segment assets	33,565,848,457	10,879,383,581	9,835,508,955	6,266,229,998	6,129,709,370	15,275,109,225	14,173,606,233	2,948,935,298	45,535,752,841	(76,823,721,469)	67,786,362,489
Unallocated assets											7,373,225,159
Total assets											<u>75,159,587,648</u>
Segment liabilities	17,618,564,922	6,248,076,025	5,475,442,238	3,544,099,070	4,645,128,897	7,498,127,259	10,897,888,235	2,095,342,412	35,290,636,891	(74,399,691,908)	18,913,614,041
Unallocated liabilities											22,577,051,262
Total liabilities											<u>41,490,665,303</u>
Other segment information											
Share of profits or losses of:											
Associates	-	-	-	(34,784,963)	-	(5,280,344)	56,891,527	-	4,714,326		21,540,546
Joint ventures	-	4,304,549	-	-	-	-	-	-	(4,411,281)		(106,732)
Impairment losses recognised in the statement of profit or loss	34,528,623	55,530,137	50,308,877	1,948,295	139,796,237	24,968,621	92,790,563	28,370	149,395,710		549,295,433
Impairment losses reversed in the statement of profit or loss	(148,482)	(6,766,099)	(301,224)	-	(175,604,542)	(37,266)	-	-	(3,485,015)		(186,342,628)
Unallocated non-cash income											(141,213,373)
Depreciation and amortisation	97,365,189	1,385,271,766	120,208,328	21,351,872	433,803,372	91,375,622	72,756,098	119,953,831	308,377,306		2,650,463,384
Investments in associates	-	-	-	384,345,128	-	319,013,928	925,100,232	-	1,560,650,064		3,189,109,352
Investments in joint ventures	-	201,538,186	-	-	-	-	-	-	1,955,702,669		2,157,240,855
Capital expenditure	2,195,065,225	144,038,459	2,409,996,209	32,222,604	63,874,566	336,328,614	1,055,134,838	315,140,656	1,553,358,144		8,105,159,315
Unallocated capital expenditure											9,988,988

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12. OPERATING SEGMENT INFORMATION (continued)

Segment profit/loss, which excludes intersegment transaction revenue/cost, is the operating profit/loss from external customers.

Geographical information

Over 96% (2014: 97%) of the Group's operating income was derived from customers based in Mainland China, and over 79% (2014: 84%) of the Group's assets were located in Mainland China.

Information about a major customer

In the year of 2015, the Group's income from Shanghai Gold Exchange was RMB38,702,306,601 (2014: RMB32,129,711,740). The operating income was mainly derived from gold bullion, processed, refinery and trading gold and gold concentrates segments.

13. TRADE RECEIVABLES

Trade receivables are interest-free with a credit period from one month to six months in general.

An ageing analysis of the trade receivables is as follows:

	2015	2014
Within 1 year	744,550,678	1,204,922,684
Over 1 year but within 2 years	113,127,156	17,117,052
Over 2 years but within 3 years	10,267,525	8,577,001
Over 3 years	3,554,066	1,594,371
	<u>871,499,425</u>	<u>1,232,211,108</u>
Less: Bad debt provision	<u>6,816,697</u>	<u>4,135,644</u>
	<u><u>864,682,728</u></u>	<u><u>1,228,075,464</u></u>

The sales of gold bullions are settled on the transaction dates. The credit periods on the sales of other products such as copper cathodes, zinc bullions and ore concentrates range from 1 to 6 months. The Group maintains strict control over its outstanding receivables and overdue balances are reviewed regularly. In addition, as the Group's trade receivables were related to a large number of diversified customers, there is no significant concentration of credit risk.

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13. TRADE RECEIVABLES (continued)

The movements of bad debt provision of the trade receivables are as follows:

	At 1 January		Additions	Reversal during the year	Write-off during the year	At 31 December	
2015	4,135,644		2,834,823	(111,269)	(42,501)	6,816,697	
2014	7,443,532		4,119,219	-	(7,427,107)	4,135,644	

	2015				2014					
	Carrying amount		Bad debt provision		Carrying amount		Bad debt provision		Net book value	
	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Proportion (%)		
Individually significant and for which bad debt provision has been assessed individually	618,112,522	70.93	-	-	618,112,522	932,872,837	75.71	-	-	932,872,837
Individually not significant but for which bad debt provision has been assessed individually	253,386,903	29.07	6,816,697	2.69	246,570,206	299,338,271	24.29	4,135,644	1.38	295,202,627
	<u>871,499,425</u>	<u>100.00</u>	<u>6,816,697</u>	<u>0.78</u>	<u>864,682,728</u>	<u>1,232,211,108</u>	<u>100.00</u>	<u>4,135,644</u>	<u>0.34</u>	<u>1,228,075,464</u>

14. TRADE PAYABLES

An ageing analysis of the trade payables as at 31 December 2015, based on the invoice dates, is as follows:

	2015	2014
Within 1 year	4,090,194,880	3,798,019,773
Over 1 year but within 2 years	173,463,348	162,094,487
Over 2 years but within 3 years	160,961,200	20,381,490
Over 3 years	18,221,079	30,916,793
	<u>4,442,840,507</u>	<u>4,011,412,543</u>

The trade payables are interest-free and are normally settled within three months.

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15. RETAINED EARNINGS

	2015	2014
At 1 January	17,591,716,635	16,978,322,418
Net profit attributable to owners of the parent	1,655,671,617	2,345,062,669
Less: Appropriation for the statutory reserve	-	-
Dividends distribution	<u>1,725,825,092</u>	<u>1,731,668,452</u>
At 31 December	<u>17,521,563,160</u>	<u>17,591,716,635</u>

On 11 May 2015, the 2014 annual general meeting of the Company approved the final cash dividend of RMB0.08 (tax included) per ordinary share in aggregate of RMB1,725,825,092.

On 28 May 2014, the 2013 annual general meeting of the Company approved the final cash dividend of RMB0.08 (tax included) per ordinary share in aggregate of RMB1,731,668,452.

16. NET CURRENT LIABILITIES

	2015	2014
Current assets	21,794,847,042	19,618,226,590
Less: Current liabilities	<u>31,526,388,423</u>	<u>23,504,058,573</u>
Net current liabilities	<u>(9,731,541,381)</u>	<u>(3,885,831,983)</u>

17. TOTAL ASSETS LESS CURRENT LIABILITIES

	2015	2014
Total assets	83,914,033,655	75,159,587,648
Less: Current liabilities	<u>31,526,388,423</u>	<u>23,504,058,573</u>
Total assets less current liabilities	<u>52,387,645,232</u>	<u>51,655,529,075</u>

18. PROVISION FOR DEPRECIATION

	2015	2014
Fixed assets	2,663,154,043	2,064,139,532
Investment properties	<u>7,378,872</u>	<u>4,676,364</u>

19. PROFIT DISTRIBUTION

The Company's application for non-public issuance of A Shares was reviewed and approved by the Issuance Review Committee of the China Securities Regulatory Commission (the "CSRC") on 1 February 2016, but currently the CSRC's written approval documents have not yet been obtained. According to Article 18 of the "Administration Measures on Securities Issuance and Underwriting" of the CSRC, if listed companies with a plan for issuance of shares have any profit distribution proposal or conversion of capital reserve into share capital proposal which are not submitted to shareholders' general meeting for voting, or when such proposals have been approved by the shareholders' general meeting but have not been implemented yet, the issuance of shares can only be proceeded after such proposals have been implemented. As the Company is currently carrying out the additional issuance of A Shares, in order to speed up the progress, the Board proposed that: no profit distribution will be carried out for the year of 2015 and there will be no conversion of capital reserve into share capital; an interim profit distribution will be carried out in 2016, for which the approval procedure shall be carried out in compliance with the articles of association and the relevant laws and regulations. The profit distribution proposal is proposed to be submitted to the 2015 annual general meeting for consideration.

OVERVIEW OF THE COMPANY'S OPERATION

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

The Group is mainly engaged in the exploration and mining of gold, copper, lead and zinc and other mineral resources, supplemented by refinery processing and sales of related products. The Group obtains mineral resources through self-exploration or merger and acquisition, using advanced and highly effective mining, processing and refining technology to convert ores into the respective concentrates or refining products and then sells them to make profits. Meanwhile, the Group also conducts refining and processing on concentrates purchased externally, and then sells them after turning them into refined products.

Due to the slowdown in global demand, the price of major non-ferrous metals including copper, lead, zinc, etc. kept dropping throughout 2015. As the price of gold remained volatile in low level, it brought impacts on the profits of the Company.

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

The total assets of the Company as at 31 December 2015 was RMB83.9 billion, representing an 11.65% growth compared with the same period last year.

In which, overseas assets amounted to RMB17.995 billion, representing 21.44% of the total assets.

Currently, the major overseas assets of the Company are: Norton gold mine in Australia, Altynken gold mine in Kyrgyzstan, ZGC gold mine in Tajikistan, Rio Blanco copper mine in Peru, Kolwezi copper mine in the DR Congo, Tuva lead-zinc mine in Russia, etc., and the Porgera gold mine in Papua New Guinea and Kamao copper mine in the DR Congo newly acquired in 2015, and NKWE platinum mine in South Africa, etc.

For details of the changes in the assets of the Company, please refer to "Management Discussion and Analysis".

3. Analysis on the core competitiveness during the reporting period

As a mining corporation, the Company always regards mineral resources as the corporation's most important assets. The volume of resources reserve owned by the Company keeps growing through mergers, acquisitions, restructuring and self-exploration. As at 31 December 2015, the resources reserve owned included gold of 1,261 tonnes and copper of 23.46 million tonnes, representing an increase of 21.27% and 89.06% respectively compared with the same period last year, and a relatively large amount of lead, zinc, iron, tungsten and other mineral resources. The Company is one of the enterprises owning the largest amount of metal mineral resources in the PRC.

Technological innovation is the core competitiveness for the Company's development. The Company owns several high-level research and development platforms and design entities for scientific research including the State Key Laboratory for integrated utilisation of low-grade refractory gold resources, which is the only laboratory of its kind in the gold industry, the national enterprise technology centre, workstations for academicians/experts, workstations for post-doctors' scientific research, design and research institutes of mining and metallurgy, technology companies and design companies, etc. The specific technologies researched and developed by the Company dedicated to its own mines are highly applicable and effective. The Company reduces the costs of construction and operation for the projects through technological advance, optimises techniques and crafts by focusing on economic value, improves corporate management standard and risk-resilience. The "market-simulating" operation of the Company's technological work fully enhances the effectiveness of investment in science and technology, comprehensively motivates the creativity and innovative spirit of numerous personnel working in the field of science and technology and establishes diversified incentive mechanism with market standards, creates a favourable and innovative environment and culture. After years of investment in technological research and development and accumulation of technologies, a technological innovation system with Zijin characteristics and a batch of independent intellectual property rights and scientific research achievements has been formed.

MANAGEMENT DISCUSSION AND ANALYSIS

1. Management discussion and analysis

Market overview during the reporting period

In 2015, the global economic recovery was weak. The US raised the interest rate for the first time after a long period, leading to a strong US dollar. After substantial decrease in the prices of gold and bulk commodities during the past 2 years, the demand for gold and bulk commodities remained subdued in 2015. The declining trend of metal prices continued. The average prices of major types of gold at Shanghai Gold Exchange dropped about 5.75% compared with the previous year, and the average prices of copper and zinc in Shanghai dropped about 17% and 4.4% respectively in 2015, which were record lows since 2008. Gold and mining companies in the world are confronted with immense pressures in their operations.

Condition of the industry

According to the statistics of World Gold Council, in 2015, the global gold production was 3,186.2 tonnes, representing an increase of 1.5% compared with the same period in 2014. The aggregate global demand for gold in 2015 was 4,212 tonnes, representing a decrease of 0.3% compared with the same period in 2014. Among that, the demand for jewellery was 2,415 tonnes or 57% of total demand; the demand for investment was 878 tonnes or 21% of total demand; net purchase of gold by central banks was 588 tonnes or 14% of total demand; the industrial demand was 331 tonnes or 8% of total demand.

According to the statistics of China Gold Association, the national gold production was 450.053 tonnes in 2015, representing a decrease of 1.746 tonnes or 0.39% compared with the same period in 2014. Among that, 379.423 tonnes were mined-produced gold and 70.63 tonnes were gold by-product from non-ferrous metals. China has been the largest gold producing country for a succession of 9 years. The national gold consumption was 985.90 tonnes in 2015, representing an increase of 3.66% compared with same period in 2014. Among that, 721.58 tonnes were for jewellery use, 173.08 tonnes were for gold bars, 22.80 tonnes were for gold coins and 68.44 tonnes were for industrial and other uses. Under the continuous decline in gold price, the profit margins of the entire industry dropped sharply.

According to the statistics of International Copper Study Group (“ICSG”), the global mine-produced copper production was 19.138 million tonnes in 2015, representing an increase of 3.5% compared with the same period in 2014. According to the statistics of International Lead and Zinc Study Group (“ILZSG”), the global zinc production from mines was 13.416 million tonnes in 2015, representing a decrease of 0.7% compared with the same period in 2014.

According to the statistics of Ministry of Industry and Information Technology, in 2015, the national production volumes of refinery copper, copper concentrates, refinery zinc and zinc concentrates were 7.96 million tonnes, 1.67 million tonnes, 6.15 million tonnes and 4.75 million tonnes respectively, representing an increase of 4.8%, a decrease of 6.3%, an increase of 4.9% and a decrease of 10.5% compared with the same period last year respectively. The investment in non-ferrous metals slightly decreased and the decline in the industry’s profits was significant. The national import of major mineral products kept growing rapidly in 2015, in which the import of copper concentrates and zinc concentrates were 13.32 million tonnes and 3.25 million tonnes respectively, representing an increase of 12.7% and 47.6% respectively.

Business overview

During the reporting period, by the decision and plan of the shareholders’ general meeting and the Board, the Company followed closely to the “clinging to reforms, maintaining growth and boosting development” main focus of work for the year. The employees in general discharged their duties devotedly. By enhancing efficiency, increasing profits by boosting volume, reducing cost and reducing loss, the production volume of the Company’s major products achieved double-digit growth once again. The efficiency of the Company remained at the top tier among the international mining companies.

During the reporting period, the Group realised operating income of RMB74.304 billion, representing an increase of 26.45% when compared with the same period last year (2014: RMB58.761 billion); net profit attributable to owners of the parent was RMB1.656 billion, representing a decrease of 29.40% when compared with the same period last year (2014: RMB2.345 billion). As at the end of 2015, the Group’s total assets was RMB83.914 billion, representing an increase of 11.65% compared with the beginning of the year (beginning of the year: RMB75.160 billion); net assets was RMB31.928 billion, in which the net assets attributable to owners of the parent was RMB27.537 billion, representing a decrease of 1.86% compared with the beginning of the year (beginning of the year: RMB28.059 billion).

GOLD BUSINESS

During the reporting period, the Group produced a total of 247,365kg (7,952,963 ounces) of gold, representing an increase of 55.65% when compared with the same period last year (2014: 158,924kg).

In which, 37,162kg (1,194,785 ounces) of mine-produced gold was produced, representing an increase of 10.18% when compared with same period last year (2014: 33,727kg). The production volume of major mines was as follows: Zijinshan gold mine produced 9,152kg, Norton in Australia produced 5,891kg, Longnan Zijin produced 3,263kg, ZGC produced 3,106kg, BNL produced 2,682kg (production volume since September 2015), Hunchun Zijin produced 2,581kg, Guizhou Shuiyindong gold mine produced 1,957kg, Chongli Zijin produced 1,688kg and other gold production entities of the Group produced 6,842kg.

During the reporting period, the Group produced a total of 210,203kg (6,758,178 ounces) of refinery, processed and trading gold, representing an increase of 67.90% compared with the same period last year (2014: 125,197kg).

Sales income from the gold business of the Group represented about 70.89% (after elimination) of the total operating income during the reporting period. Gross profit of the gold business represented about 40.42% of the gross profit of the Group.

(1 troy ounce = 31.1035g)

COPPER BUSINESS

During the reporting period, the Group produced a total of 414,393 tonnes of copper, representing an increase of 10.92% compared with the same period last year (2014: 373,612 tonnes).

In which, 150,307 tonnes of copper was produced from mines (including 23,294 tonnes of mine-produced copper cathodes), representing an increase of 8.55% compared with the same period last year (2014: 138,462 tonnes). The production volume of major mines are as follows: Zijinshan copper mine produced 48,702 tonnes (including 22,337 tonnes of copper cathodes), Ashele copper mine produced copper concentrates containing copper of 35,184 tonnes, Duobaoshan copper mine produced 28,978 tonnes (including 957 tonnes of copper cathodes), Qinghai Deerni copper mine produced copper concentrates containing copper of 18,946 tonnes, Hunchun Zijin produced concentrates containing copper of 11,785 tonnes and other mines produced copper of 6,712 tonnes in total.

The Group produced 264,086 tonnes of copper from refinery plants, representing an increase of 12.31% compared with the same period last year (2014: 235,150 tonnes).

Sales income from the copper business represented 15.57% (after elimination) of the total operating income during the reporting period. Gross profit of the copper business represented about 29.09% of the gross profit of the Group.

LEAD AND ZINC MINE BUSINESS

During the reporting period, the Group produced zinc of 416,938 tonnes, representing an increase of 38.76% compared with the same period last year (2014: 300,485 tonnes).

In which, the Group produced zinc concentrates containing zinc of 198,156 tonnes from mines, representing an increase of 105.85% when compared with same period last year (2014: 96,261 tonnes). The total production volume of zinc concentrates containing zinc of major mines are as follows: Wuqia Jinwang produced 72,150 tonnes, Wulatehouqi Zijin produced 62,165 tonnes, Russia Longxing produced 51,731 tonnes, Ashele copper mine produced 9,970 tonnes and other entities in the Group produced 2,140 tonnes.

218,782 tonnes of zinc bullion from refinery was produced, representing an increase of 7.13% compared with the same period last year (2014: 204,223 tonnes).

During the reporting period, the Group produced lead concentrates containing lead of 24,105 tonnes, representing an increase of 119.24% compared with the same period last year (2014: 10,995 tonnes).

Sales income from lead and zinc mine business represented about 5.10% (after elimination) of total operating income during the reporting period, and the gross profit from lead and zinc mine business represented about 10.89% of the gross profit of the Group.

SILVER, IRON MINE AND OTHER BUSINESS

During the reporting period, the Group produced silver of 403,380kg, representing an increase of 27.30% compared with the same period last year (2014: 316,867kg), of which 192,335kg of silver was produced from refinery as by-product, representing an increase of 31.93% compared with the same period last year (2014: 145,782kg); 211,045kg of silver was produced from mines, representing an increase of 23.36% compared with the same period last year (2014: 171,085kg).

During the reporting period, the Group produced iron concentrates of 1.97 million tonnes, representing a decrease of 29.64% compared with the same period last year (2014: 2.8 million tonnes).

Sales income from silver and other products represented about 8.44% (after elimination) of total operating income during the reporting period, and the gross profit represented about 19.60% of the gross profit of the Group.

Geological exploration and status of resources reserves

During the reporting period, the Group put more efforts in the marketisation reform of geological prospecting and achieved positive results. The Group invested RMB252 million in geological exploration in aggregate, and the volume of the actual works completed included the following: 217,500 meters of drilling, 11,000 meters of tunnel exploration, and 42,200 cubic meters of trench exploration. The relatively significant progress in geological exploration increased the resources volume (partially unreviewed) by the following: 73.64 tonnes of gold, 128,600 tonnes of copper, 655.45 tonnes of silver, 82,900 tonnes of lead and zinc, 2.9 million tonnes of iron, 700 tonnes of molybdenum and 3,400 tonnes of tungsten. Among all, the exploration projects including Gansu Liba gold mine, Paddington of Norton, Luoyang Kunyu gold mine's integrated exploration, Wuping Yueyang's silver mine exploration on deep and peripheral parts, etc. achieved magnificent results in ore prospecting.

As at the end of 2015, the Group owned 237 mining rights covering a total area of 820.56 square kilometers and 267 exploration rights covering a total area of 2,949.82 square kilometers.

The table below sets out the predicted retained resources reserve volume under complete equity method (reviewed) of the Group's major mines at the end of 2015.

Summary of resources reserve volume of the Group's major mines in 2015

Type of minerals	Retained resources reserve by end of 2015 (Complete equity method)	Retained resources reserve by end of 2014 (Complete equity method)	Growth rate over same period last year (Complete equity method)	Retained resources reserve by end of 2014 (Proportional equity method)
Gold (t)	1,170.00	952.8	22.80%	1,210.2
Gold associated with other metals (t)	91.28	87.3	4.56%	131.3
Sub-total of Gold (t)	1,261.28	1,040.1	21.27%	1,341.5
Copper (Mt)	23.4640	12.411	89.06%	15.433
Silver (t)	1,110.42	1,153.8	-3.76%	1,507.2
Molybdenum (Mt)	0.5746	0.538	6.80%	0.722
Zinc (Mt)	8.3968	8.55	-1.79%	9.167
Lead (Mt)	1.5415	1.602	-3.78%	1.704
Tungsten (t)	80,300	83,000	-3.25%	125,000
Tin (Mt)	0.1397	0.1399	-0.14%	0.1399
Iron (Mt)	212	209	1.44%	229
Coal (Mt)	489	461	6.07%	489
<p>Note 1: the resources reserve data for 2014 disclosed was compiled under proportional equity method, i.e. the retained resources reserve was calculated on a 100% basis for controlling projects/mines (with more than 50% equity interest); the retained resources reserve was calculated based on the percentage of equity interest held in joint projects / mines (with less than 50% equity interest).</p>				
<p>Note 2: the resources reserve data for 2015 was compiled under complete equity method, i.e. the</p>				

resources reserve for all projects / mines was calculated according to the actual percentage of ownership of the Group.

Achieved major breakthroughs in overseas mergers and acquisitions, a positive trend began to emerge in the course of internationalisation

During the reporting period, the Company grasped the favorable timing to carry out overseas acquisitions actively in the hardship of the mining industry. The Company completed the acquisitions of Porgera gold mine and Kamao copper mine, participated in the additional issuance of shares of Ivanhoe and NKWE and completed the delisting of Norton. The completion of acquisition of the Porgera gold mine in Papua New Guinea and the Kamao copper mine in the DR Congo both are highly influential projects in the global mining industry. The Porgera gold mine project and the Kamao copper mine project added gold resources of 157 tonnes and copper resources of 10.57 million tonnes to the Company respectively according to the Company's proportionate interests, which significantly increased the retained resources reserve of high-quality gold and copper and the production capacity of gold (in which the resources reserve of gold and copper increased by 11.7% and 68.5% respectively). These acquisitions have high strategic significance in the Company's course of internationalisation and long-term development.

The Company made progress in the operation of overseas corporations. The Tuva lead-zinc mine in Russia and the Altynken Zuoan gold mine commenced production. The number of projects in production increased from 2 to 5. The production capacity of the newly acquired Porgera project is stable and the overall operating status of Norton is satisfactory. In 2015, the overseas projects produced 11.8 tonnes of mine-produced gold and 51,000 tonnes of zinc, representing approximately 32% and 26% of the total mine-produced gold and zinc of the Group respectively.

Safety and environmental protection abided by high standards and strict control, the overall performance of safety and environmental protection is getting better

The Company fully understood the significance of safety and environmental protection to the building of a responsible corporate image and the development of internationalisation. During the reporting period, the Company vigorously promoted and implemented the new "Production Safety Law" and "Environmental Protection Law", by further perfecting the safety and environmental protection rules and regulations, strictly executing a series of strong and effective measures including the introduction of incentive and punishment for safety and environmental protection, strengthening the identification, prevention and rectification of hidden dangers, promoting compliance of safety standard at various job positions and teams. The safety and environmental protection situation of the Company remains stable overall.

During the reporting period, 6 more subsidiaries achieved the goal of "zero discharge" of wastewater. As at the end of 2015, 17 subsidiaries of the Group have achieved "zero discharge" of industrial wastewater.

Stratified management, implement strong and effective measures to respond to market adjustments

In response to a grim outlook, the Company followed the laws of the market to conduct stratified management for its subsidiaries. The Company stressed to prioritise the key construction projects with production profitability as direct goal, by assembling capital, technology, manpower, management and other resources to ensure that those projects can commence production in a timely and efficient manner. Among which, the projects including Altynken Zuoan gold mine project, Zijin Copper exploring development potentials project, Luoning Huatai horizontal trenches and vertical shafts project, Chongli Zijin underground ramp project commenced operation or trial production. The construction of Zijinshan copper flotation processing plant is in smooth progress. The Kolwezi copper mine project in the DR Congo is expected to begin production ahead of schedule and save investment. Guizhou Zijin pre-oxidation technological innovation project and other projects are in progress as planned.

Optimisation of structure and cost saving to enhance profits, adding value to the business by focusing on value creation

The Company took value creation and market rules as the core to push forward human resources reforms, by streamlining organisation and staff, regulating management appointment system, normalising competition for employment and other methods to boost labour productivity significantly.

Following the downturn of the mining industry and the decline in bulk commodities prices, the Company lowered the unit price of outsourcing projects by re-negotiating with collaborators, and significantly lowered the procurement costs by expanding the scope of centralised procurement.

The Company kept expanding and innovating financing channels, obtained the support from the special construction

fund of China Development Bank and controlled the financing costs effectively; obtained the approval from the People's Bank of China to become the first non-financial enterprise starting gold import business in the PRC.

The Company focused on flattening management and automatic production, promoted the integration between industrialisation and information technology, further pushed forward intellectual operation of mines and upgrade of intellectual manufacturing services.

Strengthen technological innovation, boosting efficiency technologically with technology advancement

During the reporting period, using scientific and technological projects as a means, the Company organised scientific research units and gathered experts to solve the technical problems of the key projects affecting the Group's development, investigated and studied the technical problems of mining and processing concerning key production units and optimised the area of technical and crafts by focusing on economic value. Among all, the Bayannaoer Zijin new chemicals for cobalt removal, Zijinshan gold and copper mine's recovery and utilising of copper-containing acidic wastewater, etc. achieved greater economic benefits. Under the lead of the State Key Gold Laboratory of the Company, the Guizhou Zijin hot pre-oxidation process for refractory gold project was implemented and it will be the first equipment of its kind to realise industrial use in the PRC. The Group owns the independent intellectual property rights, which will bring in significant impacts on the effective utilisation of refractory gold resources. The project's construction is going smoothly and will officially commence production in August 2016.

The Company applied for 16 patents during the year, in which 9 patents (including 9 invention patents) were granted. Zijinshan gold and copper mine's "research on integrated utilisation technology for low-grade copper-containing gold resources and its industrial applications" project was awarded the second class award for scientific technology improvement in Fujian Province. Qinghai West's "research and application of key technology for clean and efficient processing of refractory highly-sulphuric copper and cobalt polymetallic ore" project was awarded the second class award for scientific technology improvement in Qinghai Province.

Promote corporate culture, strengthen internal control and discharge social responsibilities actively

The Company strengthened positive thoughts, kept positive working style and boosted vitality in tandem with its business development and implemented a caring system to enhance employees' sense of belonging.

The Company implemented corruption-free systems actively and effectively, strengthened the supervision on discipline enforcement and accountability and continuously enhanced the significance of internal audit and internal control evaluation.

During the reporting period, the Company consistently fulfilled its social responsibilities. The Group's social contribution amounted to RMB9 billion in total in 2015 and the donation reached RMB120 million. The Group ranked the 13th in the charity development index of the 2015 national top 100 charity-supportive state-owned enterprises issued by the Chinese Academy of Social Sciences.

STATUS OF MAIN BUSINESSES DURING THE REPORTING PERIOD

Analysis of main businesses

1. Operating results

During the reporting period, the Group recorded operating income of RMB74.304 billion, representing an increase of 26.45% compared with the same period of the previous year (2014: RMB58.761 billion).

The table below sets out the sales by products for the two years ended 31 December 2014 and 2015:

Item	2015 (Jan – Dec)					2014 (Jan – Dec)					% increase/decrease in unit price
	Unit price (tax excluded) RMB		Sales volume		Amount (RMB'000)	Unit price (tax excluded) RMB		Sales volume		Amount (RMB'000)	
Mine-produced gold	214.95	/g	35,633	kg	7,659,090	232.00	/g	33,776	kg	7,836,240	-7.35%
Refinery and processed gold	234.62	/g	210,158	kg	49,306,530	248.84	/g	125,093	kg	31,127,820	-5.71%
Mine-produced silver	2.16	/g	212,047	kg	457,410	2.47	/g	171,617	kg	423,910	-12.55%

Item	2015 (Jan – Dec)					2014 (Jan – Dec)					% increase/decrease in unit price
	Unit price (tax excluded) RMB		Sales volume		Amount (RMB'000)	Unit price (tax excluded) RMB		Sales volume		Amount (RMB'000)	
Mine-produced copper	29,052	/t	151,161	t	4,391,480	35,804	/t	136,838	t	4,899,390	-18.86%
Refinery copper	34,874	/t	258,600	t	9,018,410	41,872	/t	234,939	t	9,837,400	-16.71%
Mine-produced zinc	7,186	/t	177,230	t	1,273,570	8,146	/t	96,416	t	785,360	-11.78%
Refinery zinc	13,002	/t	217,537	t	2,828,450	13,612	/t	207,303	t	2,821,850	-4.48%
Iron concentrates	419	/t	0.9040	Mt	379,010	535	/t	2.8293	Mt	1,514,140	-21.68%
Others (Note 1)					6,323,540					7,120,700	
Less: Internal sales					-7,333,920					-7,606,280	
Total					74,303,570					58,760,530	

Note 1: During the reporting period, other sales income mainly included: RMB600 million from spheroidal graphite iron, RMB585 million from copper pipe, RMB521 million from copperplate, RMB554 million from refinery and processed silver, RMB234 million from vitriol, RMB1.004 billion from copper metal trading and RMB2.826 billion from other products, intermediate services and other services.

In 2015, the production and sales volume of the Group's mineral products increased substantially. However, the growth in sales volume was insufficient to offset the decline in income caused by the fall in prices. The main reason for the increase in operating income compared with the same period last year was the increase in the sales volume of the Group's refinery and processed gold by 68% compared with the same period last year.

2. Analysis on cost and gross profit margin

The Group is mainly engaged in mine development and refinery and processing. The Group's cost of sales of products mainly includes mining, processing, refining, mineral products and concentrates procurement costs, 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 for the two years ended 31 December 2014 and 2015. (Note 1)

Item	Unit cost of sales (RMB)				Gross profit margin (%)	
	2015 (Jan - Dec)	2014 (Jan - Dec)	Unit	Compared with same period last year (%)	2015 (Jan - Dec)	2014 (Jan - Dec)
Mine-produced gold (Note 2)	135.62	143.95	/g	-5.79	36.91	37.95
Refinery and processed gold	234.26	248.24	/g	-5.63	0.15	0.24
Mine-produced silver	1.51	1.62	/g	-6.79	29.86	34.42
Mine-produced copper	17,504	18,467	/t	-5.21	39.75	48.42
Refinery copper	34,238	41,391	/t	-17.28	1.82	1.15
Mine-produced zinc	3,800	3,509	/t	8.30	47.12	56.92
Refinery zinc	12,584	12,971	/t	-2.98	3.22	4.71
Iron concentrates	173.42	189.39	/t	-8.43	58.64	64.61
Overall					8.47	13.41
Overall (refinery and processing enterprises excluded)					38.03	44.32

Note 1: The gross profit margin by products was calculated based on the figures before offsetting internal sales, the overall gross profit margin was calculated after offsetting internal sales.

Note 2: Among the mine-produced products, the unit cost of sales of all products decreased by various extents except that of mine-produced zinc, which slightly increased compared with last year. The effect of cost control is significant.

Note 3: Affected by the fall of metal prices, gross profit margin of mine-produced products decreased compared with the same period last year.

The Group's overall gross profit margin was 8.47%, representing a decrease of 4.94 percentage points compared with the same period last year. The overall gross profit margin of mining products (excluding processed and refined products) was 38.03%, representing a decrease of 6.29 percentage points compared with the same period last year, which was mainly due to the decline in prices of mineral products being more substantial than that of the unit costs during the reporting period.

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

Currency: RMB

Item	Amount in the current period this year	Amount in the same period last year	Changes (%)
Operating income	74,303,573,739	58,760,533,928	26.45
Operating costs	68,007,729,583	50,881,767,555	33.66
Selling expenses	691,861,398	905,512,920	-23.59
Administrative expenses	2,620,740,626	2,175,124,236	20.49
Financial expenses	945,668,268	767,954,016	23.14
Net cash flows from operating activities	10,269,413,955	6,320,623,792	62.47
Net cash flows from investing activities	-8,693,155,627	-9,251,759,250	N/A
Net cash flows from financing activities	-273,017,707	2,414,082,749	N/A
Research and development expenditure	358,340,800	204,650,000	75.1
Investment income	1,312,774,399	772,566,108	69.92
Share of (losses)/profits of associates and joint ventures	-44,237,294	21,433,814	N/A
Non-operating income	419,019,949	236,741,221	76.99
Gains on disposal of non-current assets	8,862,317	53,043,654	-83.29
Losses on disposal of non-current assets	46,337,101	151,038,028	-69.32
Net (losses)/profit attributable to non-controlling interests	-312,983,853	290,379,322	N/A
Changes in fair value of available-for-sale investments	-37,135,047	11,541,426	N/A
Exchange differences arising from translation of financial statements denominated in foreign currencies	-345,701,137	896,062	N/A

Explanations:

- (1) Operating income/operating costs: Due to the increase in sales volume of products;
- (2) Selling expenses: Please refer to the analysis in "Expenses";
- (3) Administrative expenses: Please refer to the analysis in "Expenses";
- (4) Financial expenses: Please refer to the analysis in "Expenses";
- (5) Net cash flows from operating activities: Please refer to the analysis in "Cash Flows";

- (6) Net cash flows from investing activities: Please refer to the analysis in “Cash Flows”;
- (7) Net cash flows from financing activities: Please refer to the analysis in “Cash Flows”;
- (8) Research and development expenditure: Mainly due to the increased input in research and development for the comprehensive utilisation of low-grade resources of the Zijinshan gold and copper mine by the parent;
- (9) Investment income: Please refer to the analysis in “Expenses”;
- (10) Share of (losses)/profits of associates and joint ventures: the substantial decline in profitability of investees resulted in a decrease in the investment income shared by the Group compared with the same period last year;
- (11) Non-operating income: Mainly due to the gains from converting the debts of Bindi Salt into equity;
- (12) Gains/(losses) on disposal of non-current assets: Mainly due to the disposals of idle and obsolete fixed assets by certain mines during the same period last year;
- (13) Net (losses)/profit attributable to non-controlling interests: Mainly due to the decrease in profitability of the non-wholly owned subsidiaries compared with the same period last year;
- (14) Changes in fair value of available-for-sale investments: Mainly due to falling prices of stock investments;
- (15) Exchange differences arising from translation of financial statements denominated in foreign currencies: Due to the fluctuation of exchange rate of Renminbi.

4. Analysis on sales and costs

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

Unit: RMB'000

Status of main businesses by product						
By product	Operating income	Operating costs	Gross profit margin (%)	Changes in operating income compared with last year (%)	Changes in operating costs compared with last year (%)	Changes in gross profit margin compared with last year (%)
Mine-produced gold	7,659,090	4,832,500	36.91	-2.26	-0.61	Decreased by 1.04 percentage points
Refinery, processed and trading gold	49,306,530	49,231,720	0.15	58.40	58.54	Decreased by 0.09 percentage point
Mine-produced silver	457,410	320,820	29.86	7.90	15.41	Decreased by 4.56 percentage points
Mine-produced copper	4,391,480	2,645,930	39.75	-10.37	4.71	Decreased by 8.67 percentage points
Refinery copper	9,018,410	8,854,040	1.82	-8.33	-8.95	Increased by 0.67 percentage point
Mine-produced zinc	1,273,570	673,470	47.12	62.16	99.08	Decreased by 9.80 percentage points
Refinery zinc	2,828,450	2,737,480	3.22	0.23	1.80	Decreased by 1.49 percentage points
Iron concentrates	379,010	156,760	58.64	-74.97	-70.75	Decreased by 5.97 percentage points
Others	6,323,540	5,429,260	14.14	-11.19	-12.07	Increased by 0.85 percentage point
Less: Internal sales	-7,333,920	-6,874,250				
Total	74,303,570	68,007,730	8.47	26.45	33.66	Decreased by 4.94 percentage points
Status of main businesses by region						
By region	Operating income	Operating costs	Gross profit margin (%)	Changes in operating income compared with last year (%)	Changes in operating costs compared with last year (%)	Changes in gross profit margin compared with last year (%)
Mainland China	78,999,890	73,137,320	7.42	22.45	29.01	Decreased by 4.71 percentage points
Outside	2,637,600	1,744,660	33.85	42.62	16.94	Increased by 14.53

Mainland China						percentage points
Less: Internal sales	-7,333,920	-6,874,250				
Total	74,303,570	68,007,730	8.47	26.45	33.66	Decreased by 4.94 percentage points

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

Over 96% of the Company's operating income was originated from customers in Mainland China, in which 52% was from the Shanghai Gold Exchange. Therefore, it is 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)	37,162	35,633	3,704	10.18	5.50	52.69
Refinery, processed and trading gold (kg)	210,203	210,158	157	67.90	68.00	-7.46
Mine-produced silver (kg)	211,045	212,047	686	23.36	23.56	1.89
Mine-produced copper (tonne)	150,307	151,161	1,395	8.55	10.47	-28.69
Refinery copper (tonne)	264,086	258,600	5,721	12.31	10.07	N/A
Mine-produced zinc (tonne)	198,156	177,230	10,373	105.85	83.82	N/A
Refinery zinc (tonne)	218,782	217,537	3,306	7.13	4.94	60.48
Iron concentrates (million tonnes)	1.9714	0.9040	1.1923	-29.59	-68.05	854.63

Explanation on the status of production and sales volume:

Explanation on the status of production and sales volume: Except iron concentrates which was affected by external market factors, the production and sales volume of other products increased by various extent. It was mainly due to the Company's measures of exploring the potential and expanding the production capacity being strong and effective during the reporting period.

Regarding the inventory volume of iron concentrates: Mainly due to the stagnant sales of iron concentrates as a result of the severe overcapacity of the iron and steel industry in Xinjiang. Therefore, the sales volume decreased significantly compared with the same period last year and the inventory volume increased.

(3) Table of cost analysis

The table below sets out the breakdown of direct cost structure for the two years ended 31 December 2014 and 2015

Product	Cost structure	Amount for the current period (RMB'000)	Proportion to total cost during the current period (%)	Amount for the same period last year (RMB'000)	Proportion to total cost during the same period last year (%)	Changes in amount in the current period compared with the same period last year (%)
Mine-produced gold	Raw materials	2,219,410	45.93	1,884,000	38.75	17.80

	Salary	503,880	10.43	653,210	13.43	-22.86
	Depreciation	753,360	15.59	671,780	13.82	12.14
	Energy consumption	485,590	10.05	251,450	5.17	93.12
	Others	870,260	18.00	1,401,780	28.83	-37.92
Mine-produced silver	Raw materials	162,320	50.60	117,660	42.33	37.96
	Salary	37,650	11.73	24,390	8.77	54.37
	Depreciation	50,570	15.76	41,200	14.82	22.74
	Energy consumption	36,420	11.35	21,810	7.85	66.99
	Others	33,860	10.56	72,930	26.23	-53.57
Mine-produced copper	Raw materials	1,159,090	43.81	919,380	36.38	26.07
	Salary	205,400	7.76	194,740	7.71	5.47
	Depreciation	396,870	15.00	354,530	14.03	11.94
	Energy consumption	363,300	13.73	355,230	14.06	2.27
	Others	521,270	19.70	703,110	27.82	-25.86
Mine-produced zinc	Raw materials	354,580	52.65	158,840	46.95	123.23
	Salary	45,280	6.72	27,510	8.13	64.59
	Depreciation	110,010	16.34	31,200	9.22	252.60
	Energy consumption	78,000	11.58	40,510	11.97	92.55
	Others	85,600	12.71	80,240	23.73	6.67
Iron concentrates	Raw materials	149,650	95.46	313,920	58.58	-52.33
	Salary	900	0.58	23,870	4.45	-96.23
	Depreciation	2,450	1.56	50,640	9.45	-95.16
	Energy consumption	2,440	1.56	42,410	7.91	-94.25
	Others	1,320	0.84	105,010	19.61	-98.74
Refinery copper	Raw materials	6,914,020	78.09	9,147,830	94.07	-24.42
	Salary	247,040	2.79	90,440	0.93	173.15
	Depreciation	366,380	4.14	176,010	1.81	108.16
	Energy consumption	1,182,560	13.36	186,710	1.92	533.37
	Others	144,040	1.62	123,500	1.27	16.63
Refinery zinc	Raw materials	1,632,180	59.62	1,955,700	72.73	-16.54
	Salary	151,980	5.55	128,530	4.78	18.24
	Depreciation	326,290	11.92	146,010	5.43	123.47
	Energy consumption	237,780	8.69	371,890	13.83	-36.06
	Others	389,250	14.22	86,850	3.23	348.19

Other explanation on the analysis of costs:

- Note: 1. The cost structure – raw materials include the costs of purchasing raw and auxiliary materials and outsourcing. The major energy consumed was coal, electricity and petroleum.
2. Most mining corporations of the Group adopted outsourcing of works. Such outsourcing cost was included in raw materials.

5. Information on major suppliers and customers

During the reporting period, the Group's total procurement amount from the top five suppliers was RMB22.469 billion, representing 32.99% of the Group's total procurement amount. The Group's major suppliers included Shanghai Gold Exchange, Glencore International AG, MRI Trading AG, etc.

During the reporting period, the Group's total sales income from the top five customers amounted to approximately RMB43.999 billion, representing 59.21% of the Group's total sales income. The Group's major customers included Shanghai Gold Exchange, Fujian Shanghang Taiyang Copper Company Limited, Shanghai Huiao Non-ferrous Metals Company Limited, etc.

6. Expenses

Selling expenses

During the reporting period, the Group's selling expenses was RMB691,861,398, representing a decrease of 23.59% compared with the same period last year (2014: RMB905,512,920). The decrease in selling expenses was mainly due to the substantial decrease in sales volume of iron concentrates and spheroidal graphite iron in 2015, and the decrease in transportation fee compared with the same period last year.

Administrative expenses

During the reporting period, the Group's administrative expenses amounted to RMB2,620,740,626, representing an increase of 20.49% compared with the same period last year (2014: RMB2,175,124,236). It was mainly because the Group increased the input in research and development during 2015 and the research and development expenditures increased compared with the same period last year, and the increase in number of enterprises which were newly acquired and newly commenced production.

Financial expenses

During the reporting period, the Group's financial expenses was RMB945,668,268, representing an increase of 23.14% compared with the same period last year (2014: RMB767,954,016). It was mainly due to increase in the number of newly acquired enterprises and more input into technological innovation, which increased the financing scale.

Impairment losses on assets

During the reporting period, the Group's impairment losses on assets was RMB470,685,123, representing an increase of 29.68% compared with the same period last year (2014: RMB362,952,805). The details of impairment on assets in 2015 are as follows: bad debt provision of -RMB3,207,761, provision on decline in the value of inventories of RMB90,190,149, impairment on available-for-sale investments of RMB740,039, impairment on fixed assets of RMB335,131,513, impairment on intangible assets of RMB13,500,000, impairment on other current assets of -RMB2,650,000 and impairment on other non-current assets of RMB36,981,183.

Investment income

During the reporting period, the investment income of the Group was RMB1,312,774,399, representing an increase of 69.92% compared with the same period last year (2014: RMB772,566,108). It was mainly due the sharp increase in income from hedging of products in 2015 compared with the same period last year.

Derivative financial instruments in unsettled positions

As at 31 December 2015, the Group's unrealised gains from the futures contracts, gold leasing spot and gold leasing futures hedging was RMB120,170,000 (2014: unrealised losses of RMB50,030,000).

As at 31 December 2015, the Group held cross currency swaps with unrealised gains of RMB14,359,008.

7. Research and development expenditure

Table of status of research and development expenditure

	Currency: RMB
Expensed research and development expenditure for the year	252,964,144
Capitalised research and development expenditure for the year	105,376,700
Total research and development expenditure	358,340,800
Percentage of total research and development expenditure to operating income (%)	0.48
Number of research and development staff	321
Number of research and development staff to number of total staff of the Company (%)	1.69
Percentage of research and development expenditure capitalised (%)	29.41

8. Cash flows

As at 31 December 2015, the Group's cash and cash equivalents was RMB4.846 billion, representing an increase of 37.98% compared with the same period last year (2014: RMB3.512 billion).

During the reporting period, the total net cash inflow generated from the Group's operating activities was RMB10.269 billion, representing an increase of RMB3.948 billion compared with the same period last year, in which, the cash inflow generated from operating activities was RMB82.029 billion, representing an increase of RMB18.525 billion compared with the same period last year; cash outflow used in operating activities was RMB71.759 billion, representing an increase of RMB14.576 billion compared with the same period last year. Although the Company's realised net profits

decreased, there was substantial increase in operating cash flows. It showed that capital management of the Group was efficient and the operational status improved significantly.

During the reporting period, net cash outflow used in the Group's investing activities was RMB8.693 billion, representing a decrease of RMB559 million compared with the same period last year, in which, the main investing expenditures included: (1) cash payment of RMB4.858 billion for purchase and construction of fixed assets, intangible assets and other long-term assets; (2) cash payment of RMB3.04 billion for external investments; and (3) cash payment of RMB760 million for the acquisition of subsidiaries and other operating units.

During the reporting period, net cash outflow used in the Group's financing activities was RMB273 million, whilst a net cash inflow of RMB2.414 billion was recorded during the same period last year. It was mainly because the amounts of cash inflows from and cash outflows used in financing activities during 2015 were approximately the same.

As at 31 December 2015, the Group's total borrowings amounted to RMB36.41 billion (31 December 2014: RMB30.227 billion). Among which, the amount repayable within one year was approximately RMB18.859 billion, the amount repayable within one to two years was approximately RMB4.278 billion, the amount repayable within two to five years was approximately RMB10.399 billion, and the amount repayable within more than five years was approximately RMB2.874 billion. The interest rates of all borrowings ranged from 0.65% to 6.15% (2014: ranged from 1.33% to 7.21%).

The Group's daily capital requirements and capital expenditures of maintenance nature can be financed from its internal cash flow. The Group also has loan facilities with no usage restriction of approximately RMB107.1 billion provided by banks.

Gearing Ratio

Gearing ratio is defined as the ratio of consolidated total liabilities to consolidated total equity. As at 31 December 2015, the Group's consolidated total liabilities was RMB51,985,778,403 (RMB41,490,665,303 as at 31 December 2014), and the Group's consolidated total equity was RMB31,928,255,252 (RMB33,668,922,345 as at 31 December 2014). As at 31 December 2015, the Group's gearing ratio was 1.628 (1.232 as at 31 December 2014).

Non-recurring profit or loss items and their amounts

Unit: RMB

Non-recurring profit or loss items	Amount in 2015	Note (If applicable)	Amount in 2014
Gains or losses on disposal of non-current assets	-37,474,784		-97,994,374
Government grants recognised in the statement of profit or loss, except for government grants closely related to the Company's normal operations, which are in line with the country's policies, calculated according to certain standards or continuously granted in fixed amount	184,276,134		161,694,394
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	66,814,497		12,377,964
Gains or losses on changes in fair value from held-for-trading financial assets and financial liabilities, investment gains on disposal of held-for-trading financial assets and liabilities and available-for-sale investments except for	-399,707,750	Including the losses on changes in fair value of trading stocks, funds and currency swap, etc. amounted to RMB293,505,709 and losses on disposal of stocks, funds and currency	-25,772,306

the effective portion of hedge closely related to the Company's normal operations		swap amounted to RMB106,202,204.	
Other non-operating income and expenses other than the aforesaid items	-189,038,961		-212,098,951
Impairment losses on available-for-sale investments	-740,039		-26,810,425
Gains on converting debts of Bindi Salt to equity	117,106,400		
Impact on the non-controlling interests	13,839,467		11,794,131
Impact on income tax	35,413,711		20,170,783
Total	-209,511,325		-156,638,784

Items measured at fair value

Unit: RMB

Item	Balance at the beginning of the period	Balance at the end of the period	Changes during the period	Impact on the profit for the current period
Financial assets at fair value through profit or loss (excluding derivative financial assets)	251,605,877	405,084,290	153,478,413	-307,864,716
Derivative financial assets	60,641,750	143,268,440	82,626,690	96,985,697
Available-for-sale investments	86,038,950	425,110,763	339,071,813	-
Financial liabilities at fair value through profit or loss (excluding derivative financial liabilities)	-8,085,325,834	-6,411,589,909	1,673,735,925	-33,298,621
Derivative financial liabilities	-512,212,666	-393,282,945	118,929,721	118,665,412
Total	-8,199,251,923	-5,831,409,361	2,367,842,562	-125,512,228

ANALYSIS OF ASSETS AND LIABILITIES

Status of assets and liabilities

Currency: RMB

Item	Amount at the end of 2015	Proportion to total assets as at the end of 2015 (%)	Amount at the end of 2014	Proportion to total assets as at the end of 2014 (%)	Percentage change in the amount at the end of 2015 compared with the amount at the end of 2014 (%)	Reasons for the change
Cash and cash equivalents	5,498,295,305	6.55	4,139,672,768	5.51	32.82	Expansion in financing scale
Financial assets at fair value through profit or loss	548,352,730	0.65	312,247,627	0.42	75.61	Increase in stock investments
Bills receivable	264,373,037	0.32	538,484,702	0.72	-50.90	Bills undue last year became due this year
Trade receivables	864,682,728	1.03	1,228,075,464	1.63	-29.59	Change in sales method of certain subsidiaries

Prepayments	842,469,851	1.00	649,968,149	0.86	29.62	Change in procurement method of certain subsidiaries
Non-current assets due within one year	458,040,000	0.55				Debts receivable due within one year
Available-for-sale investments	972,008,647	1.16	495,285,702	0.66	96.25	Increase in stock investments
Long-term equity investments	6,941,121,652	8.27	5,346,350,207	7.11	29.83	The new investment in the Kamoia project
Advances from customers	1,918,146,839	2.28	1,005,215,386	1.34	90.82	Mainly due to the increase in advances from sales of commodity housing of real estate companies
Employee benefits payable	569,619,991	0.68	389,444,043	0.52	46.26	Provision for unpaid year-end bonus
Dividends payable	119,000,981	0.14	35,938,170	0.05	231.13	Increase in the dividends declared to be distributed to minority shareholders
Other payables	4,289,196,570	5.11	2,626,729,259	3.49	63.29	Mainly due to the increase in consideration payable for the equity and debt interests of the overseas projects acquired in 2015
Non-current liabilities due within one year	6,053,652,249	7.21	1,347,611,097	1.79	349.21	US Dollar-denominated debts become due soon
Other current liabilities	1,004,821,498	1.2				Issuance of ultra-short term financing bonds by the Company
Long-term payables	1,171,224,739	1.40	413,864,086	0.55	183.00	Increase in considerations undue for newly acquired equity and debt interests
Provision	720,404,428	0.86	177,486,513	0.24	305.89	The newly acquired BNL, increase in restoration and rehabilitation provision for the mines
Other comprehensive income	-830,177,675	-0.99	-447,341,491	-0.60	N/A	Exchange differences arising from translation of financial statements denominated in foreign currencies driven by exchange rate fluctuations

Analysis on investment status

1. Overall analysis on the status of external equity investments

The Company accelerated overseas acquisitions amidst a sluggish mining market. During the reporting period, the Company acquired the Porgera gold mine and the Kamoia copper mine, participated in the additional issuance of shares of Ivanhoe and NKWE, and completed the delisting of Norton.

(1) Key equity investments

On 12 January 2015, the Company offered a non-binding, conditional and indicative proposal to Norton Gold Fields Limited (“Norton”, stock code “NGF”), a subsidiary of the Company then listed on the Australian Securities Exchange (the “ASX”), for the acquisition of all of the issued securities of Norton that the Company did not already own. On 6 February 2015, the Company entered into a binding scheme implementation agreement (the “SIA”) with Norton. The SIA provided that the Company will acquire all of the issued securities of Norton that it did not already own, by way of a court approved scheme of arrangement. The aforesaid scheme of arrangement, approved by Norton’s shareholders on 12 June 2015 and by the court on 19 June 2015 (the “Scheme”), was implemented on 30 June 2015. The Scheme consideration of A\$0.25 for each Norton share held as at the record date (7pm on 25 June 2015, Australian time) was

paid to Scheme's participants on 30 June 2015. The total consideration was about A\$41 million. Norton was delisted from the ASX on 1 July 2015.

On 3 February 2015, Zijin Mining Group Southern Investment Co., Ltd., a wholly-owned subsidiary of the Company, and Fujian Jincuiju Jewellery Development Co., Ltd. jointly established Fujian Zijin Cuifu Jewellery Development Co., Ltd. ("Zijin Jincuiju") with registered capital of RMB20 million, in which Zijin Mining Group Southern Investment Co., Ltd. invested RMB10.2 million to subscribe for 51% shareholding while Fujian Jincuiju Jewellery Development Co., Ltd. invested RMB9.8 million to subscribe for 49% shareholding. The scope of business of Zijin Jincuiju mainly includes processing and sales of jewellery and ornaments, karat gold, diamond and jade, and fine processing of gold and recovery of metal materials, etc.

Sharp Hero Developments Limited (now renamed as Jin Heng Mining Company Limited ("Jin Heng Mining")), a wholly-owned subsidiary of the Company, entered into a subscription agreement with Ivanhoe Mines Ltd. ("Ivanhoe") on 23 March 2015. Jin Heng Mining agreed to subscribe 76,817,020 Class A common shares of Ivanhoe with cash consideration of Canadian Dollar ("C\$") 1.36 per share. The total consideration was C\$104,471,147. The transaction was completed and 9.9% of Ivanhoe's issued and outstanding common shares is currently owned by Jin Heng Mining. Ivanhoe is a mining exploration/development company incorporated in British Columbia, Canada. Its major assets comprise of three projects including 95% interest in the Kamoia copper deposit in the DR Congo, 68% interest in the Kipushi zinc-multimetals deposit in the DR Congo and 64% interest in the Platreef platinum deposit in South Africa.

The Company and its wholly-owned subsidiary, Gold Mountains (H.K.) International Mining Company Limited ("Gold Mountains") entered into a conditional share acquisition agreement with Ivanhoe of Canada, Ivanhoe Mines US LLC and Crystal River Global Limited on 26 May 2015. The Company designated Gold Mountains as the purchaser to acquire (1) 49.5% equity interest in Kamoia Holding Limited held by Ivanhoe Mines US LLC and (2) 49.5% of the shareholder's loans provided to Kamoia Holding Limited by Ivanhoe and its affiliates as at the date of the transaction. The total consideration of the acquisition was US\$412 million. Kamoia Holding Limited holds 95% interest in Kamoia Copper SA and Kamoia Copper SA holds the Kamoia copper mine project in the DR Congo. According to the Letter of Assessment Opinions on Reserve Volume of Mineral Resources in relation to the Verification Report on the Reserve Volume of Resources of the Kamoia Copper Mine in Katanga Province, the DR Congo (Zhongkuangzippingzi [2015] No. 67) issued by Beijing CMA Consultancy Center, the Kamoia copper mine possesses copper metal of 22.471 million tonnes, with an average grade of 2.57%. The aforesaid acquisition was settled on 8 December 2015.

On 26 May 2015, the Company and Gold Mountains, a wholly-owned subsidiary of the Company, jointly entered into a share acquisition agreement with Barrick Gold Corporation ("Barrick") and Barrick (PD) Australia Pty Limited ("Barrick Australia"). Gold Mountains would pay US\$298 million in cash to acquire (a) 50% equity interest in BNL held by Barrick Australia and (b) 50% of the shareholders' loans provided to BNL by Barrick and its affiliates. BNL is a company incorporated in Papua New Guinea, with 100% of its equity interest held by Barrick through its wholly-owned subsidiary, Barrick Australia. The major asset of BNL is the 95% equity interest it holds in the Porgera Joint Venture (non-registered) in Papua New Guinea. According to the Letter of Assessment Opinions on Reserve Volume of Mineral Resources regarding the Verification Report on the Reserve Volume of Resources of the Porgera Gold Mine in Enga Province, Papua New Guinea (Zhongkuangzippingzi [2015] No. 68) issued by Beijing CMA Consultancy Center, the Porgera gold mine possesses 330.13 tonnes of gold metal volume with an average grade of 4.65 grammes/tonne. The aforesaid acquisition was settled on 31 August 2015.

On 15 June 2015, the Company established a wholly-owned subsidiary, Zijin Mining Group Capital Investment Co., Ltd. ("Zijin Capital Investment") with registered capital of RMB1 billion. The paid-in capital during the reporting period was RMB200 million. Zijin Capital Investment is mainly engaged in entrusted management of unlisted equity investment and the related consultation services, entrusted management and operation of equity investment funds and providing consultation services, investment and asset management, spot sales of gold, wholesale of metals and metal ores, trading agency, etc.

On 20 July 2015, Jin Jiang Mining Limited ("Jin Jiang"), an overseas wholly-owned subsidiary of the Company, entered into a sale of shares agreement with Genorah Resources (Pty) Limited (a company incorporated in South Africa, "Genorah"), Genorah Resources Australia Proprietary Limited (a wholly-owned subsidiary of Genorah incorporated in Australia, "Genorah Australia"), NKWE Platinum Limited ("NKWE") and NKWE Platinum (South Africa) (Pty) Limited (a subsidiary of NKWE incorporated in South Africa). Jin Jiang agreed to acquire 305,833,120 fully paid ordinary shares in NKWE which are held by Genorah and Genorah Australia and free of all encumbrances with a cash consideration of A\$0.10 per share. The total consideration was A\$30,583,312. After the completion of the transaction, the Company, Jin Jiang and other wholly-owned subsidiaries of the Company would own 541,985,880 fully paid ordinary shares of NKWE in aggregate, representing approximately 60.47% of the issued fully paid ordinary shares of NKWE. The key assets of NKWE are several diversified Platinum Group Metals (PGM) mining rights in South Africa. The aforesaid transaction was settled in October 2015.

On 5 August 2015, Zijin Capital Investment, a wholly-owned subsidiary of the Company, contributed capital with 4 natural person shareholders to establish Zijin Jinhang (Shenzhen) E-commerce Company Limited (“Zijin Jinhang”). The registered capital was RMB50 million. The initial paid-up capital was RMB10 million. The shareholding was: 70% by Zijin Capital Investment and 30% by the other 4 natural persons altogether. Zijin Jinhang is mainly engaged in the provision of internet platform services for the wholesale and retail of gold, silver, jewellerys and ornaments, mineral products, metal materials, construction materials, etc. It also provides financial intermediary services and other services through internet and other technical means.

On 31 December 2015, the overseas wholly-owned subsidiary of the Company, Jinyu (H.K.) International Mining Company Limited (“Jinyu”) and Wellhope Gold Ltd. (“Wellhope”) entered into the “Golden China Nei Men Gold Exploration Corporation Share Transfer Agreement”, pursuant to which Jinyu agreed to accept the transfer of 45% equity interest in Golden China Nei Men Gold Exploration Corporation (“Golden China Nei Men”) that Wellhope owned with a consideration of RMB195,727,500. The key asset of Golden China Nei Men was 95% equity interest in Inner Mongolia Jinzhong Mining Co., Ltd. (“Inner Mongolia Jinzhong”). On 15 January 2015, Jinyu and Wellhope entered into the “Golden China Nei Men Share Transfer Agreement”, and the Company’s wholly-owned subsidiary, Zijin International Mining Co., Ltd. (“Zijin International”) and Huixinda International Investment Co., Ltd. (“Huixinda”) entered into the “Inner Mongolia Jinzhong Share Transfer Agreement”. After negotiations between all parties to the agreements, it was agreed that the execution of the aforesaid two agreements would not be continued, which means Jinyu and Zijin International are still holding 55% equity interest in Golden China Nei Men and 5% equity interest in Inner Mongolia Jinzhong respectively. The Company holds 100% of equity interests in Inner Mongolia Jinzhong through its wholly-owned subsidiaries.

(2) Key non-equity investments

Project name	Amount (RMB billion)	Progress	Investment during the reporting period (RMB billion)	Actual accumulated investment (RMB billion)	Project return status
Russia Tuva Kyzyl-Tash Turk multi-metals mine	3.5	Commenced production since 1 July 2015.	0.0134	3.312	Planned to produce about 80,000 tonnes of zinc a year.
Gansu Yate Li County gold mine project	1.4	The feasibility reports for phase 2 of the 8,000 tonnes/day work and biological pre-oxidation were completed, preparatory work are currently being carried out and modified; relocation of the 152 households near the Gong River and Liba, resumption of land and stripping of mining infrastructure are being carried out.	0.017	0.495	Production capacity is planned to reach approximately 5 tonnes of mine-produced gold per year after completion of all the 2 phases of the project.
Kyrgyzstan Zuoan gold mine project	1.489	Trial production commenced successfully on 29 July 2015, and copper-sulphur separation technological innovation project was carried out	0.116	1.514	Planned production capacity is about 3.7 tonnes of gold per year.

		from August to October. Currently it is in the process of refinement and inspection of the tailing dam. Production is expected to commence from June 2016.			
Technological innovation of ZGC gold mine in Tajikistan	1.916	The stripping of open-pit infrastructure of Jilau and Taror has been completed. The construction of Jilau 10,000 tonnes processing plant is completed and is operating on a single line.	0.075	1.478	Upon completion of technological innovation, additional production of about 3.5 tonnes of gold a year.
The Kolwezi copper mine project in the DR Congo	3.529	The construction of the electrical room has been completed (temporary power sources have already been connected for use); Part of the infrastructure such as the water pool, drainage, staff quarter, office building, etc., has been completed. The project has a good progress, production is expected to commence in the first half of 2017.	0.1247	0.1247	Annual production capacity planned to reach 7,212 tonnes of sulphuric copper concentrates (containing 60% copper), 43,616 tonnes of crude copper (containing 90% copper) and 8,203 tonnes of copper cathode.
40,000 tonnes (25,000 tonnes for flotation processing, 15,000 tonnes for heap leaching) processing plant at the Zijinshan gold and copper mine	0.875	Preliminary design has been completed; the land levelling plans for the main plant, concentrates screening plant and the elevated water tank have been drafted; road planning, plans for colour matching for the appearance of the exterior of the plant and equipment have been confirmed; waste rock transfer system has been basically completed; the	0.197	0.215	Upon completion of the project, the annual production capacity is expected to reach copper concentrates containing copper of 37,000 tonnes, copper cathodes of 11,600 tonnes, gold by-product of 1.02 tonnes and silver of 26.47 tonnes.

		construction projects for the main grinding and flotation plant, concentrates handling plant and tailings transfer system were 60%, 50% and 30% completed respectively; contracts for key equipment were assigned. It is expected that production will commence in August 2016.			
Total	12.709	/	0.5431	7.1387	/

Disposal of key assets and equity interests

Hunan Nonferrous Metals Jinsheng Development Company Limited and Hunan Nonferrous Metals Corporation Limited (“Hunan Nonferrous”) issued a joint announcement on 11 December 2014 and a composite offer and response document on 20 January 2015 relating to the pre-conditional voluntary cash offer to acquire all the issued domestic shares in Hunan Nonferrous. Pursuant to the conditions of the offer, the Company sold all of the 30,000,000 domestic shares it held in Hunan Nonferrous at RMB1.58 per share during the reporting period and the total amount was RMB47.40 million. Profits of RMB17.4 million was realised over the initial investment.

During the reporting period, Gold Mountains, a wholly-owned subsidiary of the Company, sold a total of 62,187,000 shares of China Hanking (3788.HK) at an average price of HK\$3.21 per share with a total amount of approximately HK\$200 million through bulk trading platforms and secondary markets. Profits of HK\$42 million was realised over the initial investment. The Company no longer owns any shares of China Hanking.

During the reporting period, Gold Mountains, a wholly-owned subsidiary of the Company, sold a total of 31,250,000 shares of Hengxing Gold (2303.HK) at an average price of HK\$1.50 per share with a total amount of HK\$46.88 million through bulk trading platforms. Loss of HK\$3.12 million was realised over the initial investment. The Company no longer owns any shares of Hengxing Gold.

Analysis of major subsidiaries and associates

Analysis on operating status and results of major subsidiaries

Currency: RMB'000

Company name	Major products	Registered capital	Total assets	Net assets	Net profit
Xinjiang Ashele Copper Company Limited	Copper concentrates	250,000	2,919,680	1,240,300	334,130
Hunchun Zijin Mining Company Limited	Copper and gold concentrates	200,000	4,192,310	1,615,540	233,600
Zijin Copper Company Limited	Copper cathode	2,116,300	6,971,910	1,810,840	193,320
Longnan Zijin Mining Company Limited	Gold	242,220	884,750	269,120	185,780
Guizhou Zijin Mining Company Limited	Gold	200,000	2,146,920	865,880	92,080
Wulatehouqi Zijin Mining Company Limited	Zinc concentrates	150,000	2,017,410	629,460	64,380
Norton Gold Fields Limited	Gold	A\$186.84 million	2,587,850	1,295,150	49,490
Qinghai West Copper Mining Company Limited	Copper concentrates	120,000	1,440,550	1,214,070	21,790
Hebei Chongli Zijin Mining Company Limited	Gold	237,500	689,440	423,330	20,240

Bayannaoer Zijin Non-ferrous Metals Company Limited	Zinc bullion	375,000	3,519,040	848,600	6,820
Heilongjiang Duobaoshan Copper Company Limited	Copper concentrates	800,000	2,743,410	1,285,950	-1,460
Xinjiang Jinbao Mining Company Limited	Iron concentrates	50,000	1,412,590	542,660	-33,740
Wenshan Malipo Zijin Tungsten Company Limited	Tungsten products	1,000,000	2,072,620	1,144,980	-62,740
Xinjiang Aletai Jinhao Iron Company Limited	Spheroidal graphite iron	810,000	1,950,380	-79,240	-529,930

(1) Due to the decline in product prices, the results of Xinjiang Ashele, Wulatehouqi Zijin, Qinghai West, Hebei Chongli, Duobaoshan Copper, Malipo Tungsten, etc., dropped compared with the same period last year;

(2) The sharp decline in Xinjiang Jinbao's results compared with the same period last year was mainly attributable to the falling price of iron concentrates, severe overcapacity in Xinjiang's iron and steel industry and stagnant sales of iron concentrates;

(3) Jinhao Iron incurred losses for its operating results mainly due to the drop in price of iron metal and the provision for impairment on certain fixed assets based on the discounted cash flow model.

Operations status and result of subsidiaries or associates affecting the Company's net profit for over 10%

Currency: RMB'000

Company name	Total assets	Net assets	Operating income	Operating profit	Net profit
Xinjiang Ashele Copper Company Limited	2,919,680	1,240,300	1,183,530	460,040	334,130
Fujian Zijin Real Estate Company Limited	3,769,070	877,730	20,010	240,100	233,790
Hunchun Zijin Mining Company Limited	4,192,310	1,615,540	924,980	268,010	233,600
Zijin Copper Company Limited	6,971,910	1,810,840	12,467,710	226,380	193,320

Note: Fujian Zijin Real Estate recognised investment income of RMB281 million for year 2015 from the joint venture, Xiamen Zijin Zhonghang.

Discussion and analysis on the Company's future development

(1) Competition landscape and development trend in the industry

From a global perspective, the global mining giants, which are mainly from the developed countries, have already secured a predominant position in the control of the world's mineral resources. The mining companies in China lag behind the developed countries both in terms of development of overseas mineral resources and apparently their competitiveness. From a domestic perspective, the mineral resources in China are of small to medium scale, low grades, with high level of difficulties for mining, relatively higher costs and weaker competitiveness; the mining industry in China has long been confronted with issues such as low industrial concentration and irrational industrial structure.

While the world's economy, including that of China, remains subdued, global mining industry will continue to experience enormous pressure. Faster mergers, acquisitions and restructuring are anticipated in the mining market, concentration of the mining industry is likely to be higher. These will provide valuable opportunities to Chinese mining companies on merger and acquisition.

As one of the preeminent producers among Chinese mining companies, the Company has clear edges and stronger competitiveness in a range of areas including systems, management team, resources, technology, costs, development of overseas resources, etc.

(2) Development strategies of the Company

Focusing on the principle of "clinging to reforms, maintaining growth and boosting development", the Company will promote reforms strongly in management systems under the guidance of value creation principles and market standards. The goal is to carve out a new system with Zijin characteristics that fits with global modern standards under the "new norm" and, with mining as the primary focus, recognise the importance of integrating mining with finance, fully capitalise on the Internet's capacities to reform the Group's management system and tackle, explore the "Internet+" businesses that are relevant to the industry; fully unleash corporate potentials, boost production volume of products further and bring in more rigorous cost control to achieve growths in the Group's operating cash flows and profits;

unflinchingly push for a new round of development, execute global resources strategies in a sound and steady manner, achieve corporate sustainability and rapid growth in terms of scale and strength, strive to join the top rank of the world's mining groups by 2030, and make big strides towards the ultimate goal of becoming an "extra-large scale international mining group with high technology and efficiency".

(3) Business plans

Business environment

In 2016, gold price will see support and even rooms for uptick given the functions of gold both as a financial instrument and a safe haven; basic metals are expected to see moderate rebounds in price.

Business plans

The planned production volumes of major products of the Company for year 2016 are: mine-produced gold of 42.5 tonnes or 15% growth year-on-year (37.1 tonnes produced in 2015); mine-produced copper of 155,000 tonnes or 3% growth year-on-year (150,000 tonnes produced in 2015); mine-produced lead and zinc of 270,000 tonnes or 36% growth year-on-year (198,000 tonnes produced in 2015); other mineral products of 30,000 tonnes (copper equivalent).

The above plan was made in light of the current economic condition, market situation and the existing conditions of the Company. The Board may revise the production plan from time to time in accordance with the prevailing circumstances.

Specific business strategies for 2016

In 2016, the Company will thoroughly implement reforms to the systems of human resources, operations, finance, logistics, construction, technology, etc. to stimulate corporate growth from self-motivation; unleash potentials thoroughly, improve efficiency by cost reduction and further assess the economic accountability system to achieve operational targets with best efforts; execute the internationalisation strategy at a faster pace, combine overseas mergers and acquisitions with stronger, effective mine exploration and reserve expansion to support the Company's future growth; adhere to the high standards for the safety and environmental protection related works; and promote Zijin spirit, joint forces to drive corporate growth in a healthy and harmonious manner.

1. Thoroughly implement reforms to stimulate corporate growth from self-motivation based on market standards

The thorough implementation of reforms will stimulate corporate growth from self-motivation, propelling the formation of clear value orientations and effective structural mechanisms. With market standards as the benchmark and value creation at the core, key initiatives will be introduced to reform the management system, establish the Business Units or Strategic Business Units that are characterised with business segment-based management, and remove regional management function. The Groups' management system will be rejuvenated by flattening the management hierarchy. Upon renovation and upgrade to the IT system, the Group's management and service functions will be further strengthened, a financial sharing centre and a procurement and sales platform will be set up, project management will be improved, a group with both construction and engineering capacities will be formed. All these measures are aiming to build a normative and highly effective governance system for the Company.

2. Maintain growth with all-out effort and unswerving determination, ensure the achievement of operational and production targets

Targets for mining entities: endeavor to complete the construction and commence production for projects such as the Zijinshan copper mine 25,000 tonnes floatation processing plant, Ashele Copper new processing plant, Guizhou Zijin hot pressure pre-oxidation ahead of schedule, ensuring that production, standards and efficiency can all deliver the targets; tackle the key issues concerning the Wulatehouqi Zijin 10,000 tonnes processing plant, the Guizhou Zijin phase 3 processing plant and other projects which could not meet production and standards targets; push the limits of efficiency improvement by boosting production volume; accelerate the construction progress of the Zijinshan Caikeng tailing dam, Ashele deep parts exploration, etc., to lay a solid ground for future expansion in production capacity.

Targets for refining and processing entities: improve the level of management and operation, practically enhance liquidity management, speed up capital flows, examine workflows and inventories, shorten inventory cycles, transfer risks to other parts of the supply chain, ensure an asset-light operation and reduce finance charges. Take adequate steps to avoid risks, maintain a profit-making processing unit.

Targets for overseas entities: Operating entities such as Norton, Tuva in Russia, ZGC, Porgera in Papua New Guinea should strive to achieve year-on-year growth; Zuoan gold mine should achieve production and targets as soon as possible; the Kolwezi copper mine project in the DR Congo should be constructed at the highest efficiency; and Norton

should endeavour to achieve breakthroughs for processing low-grade ores economically. Overseas projects will make profound contributions to the Group's "maintaining growth" target.

Targets for finance and finance-related entities: Stay close to the industry's development to secure low-cost funding from the capital market. Make favourable use of financial instruments and capital and investment planning for prudent control of market risks and better development of the industry.

3. Promote internationalisation in a sound and steady manner, reach for quality resources to ensure sustainable development

The management of overseas investments should be tightened at the base level, a formal and optimal management system should be in place. "Soft powers" such as community relation-building, information system, legal knowledge, trainings and language proficiency ought to be improved, the nurturing and recruitment of talents for overseas projects shall be equally emphasised. Data sharing shall be promoted for practically boosting the healthy development of overseas entities.

Effective mine exploration and reserve expansion should be strengthened, supplementary surveying of the existing mines and developable mining areas should be earnestly implemented. More studies will be conducted at the deeper and peripheral parts of the mines in respect of their mineralisation conditions and ore prospects. At the mines including the Deerni copper mine, Chongli Dongping gold mine, Zijinshan gold and copper mine, Luoning Shanggong-Luyuangou gold mine metallogenic belt, etc., more efforts will be directed towards the discovery of new deposits from the presently owned mines. Overseas mines will focus on supplementary surveying in particular to achieve material breakthroughs.

4. Rigorously control the level of liquidity, use return on assets as the key indicator to guide project investments

The Company enhances inventory management by shortening turnover days of products and improving cash-flows.

It also strives to achieve asset-light operation, leverage on multiple funding sources to meet capital needs.

Liquidity management will be incorporated into economic accountability mechanism; return on assets will be used as the key indicator to guide investments for a more stringent control over investment projects and better solutions to the effectiveness and value of investments.

5. Strictly adhere to the "Double Zero" target, adhere to high standards for the supervision of safety and environmental protection related works for 2016

The Company thoroughly understands and adopts the "Opinions in relation to Accelerating and Promoting the Building of Ecological Civilisation" issued by the central government of the PRC, firmly adheres to the principles of "red-line awareness" and "bottom-line awareness", adopts "zero casualty, zero environmental incident" as the basic requirements to consolidate the fundamentals, stresses implementation progress and sets out clear rules for rewards and punishments, comprehensively promotes clean production, energy conservation and lower emissions, puts efforts in the building of ecological civilisation, and adheres to high standards for the supervision of safety and environmental protection related works for 2016.

6. Promote Zijin spirit, joint forces to drive corporate growth in a healthy and harmonious manner

The Company actively promotes the Zijin spirit of "founding business from direst situations with explorations and innovations", further optimises the Company's internal control system and mechanism, exhibits and promotes positive morale and the unification of positive energy, strives to improve humanity and care, joints forces to push for the smooth implementation of various tasks of the Group.

(4) Possible risks

The Group's major source of income is from metal products such as gold, copper, zinc, etc. The Company's operating results is subject to the price movement of the aforesaid products. If product prices decline in future, the Company may experience more pressure in production and operation. To realise a low-cost and highly effective operation and make it into a norm, the Company will adopt a multi-thronged approach to lower costs and boost efficiency, which include raising efficiency and bolstering profits by expanding production volume, cutting costs and minimising losses. The Company will also improve market judgement and avoid price fluctuation risks by the proper use of derivative financial instruments.

Mining is an industry with relatively higher environmental protection and safety risks. With compliant production and technological advances as the support, the Company is capable of building a safe and environmentally-friendly brand name and carving a unique competitiveness of its own. The Company will adopt the "life comes first" safety principle and focus on the improvement of fundamental safety level to consistently advance the building of a management system

for standardised work safety practice and vocational health and safety, improve the level of standardisation for work safety management; implement the basic mindset of “priority for the environment” to fulfill the responsibilities of environmental protection and ecological rehabilitation throughout the development of the mines, construct green mines, and combine the treatments for wastewater, exhaust gas and solid waste with more scientific research and technological cooperations on the subject of valuable metal recovery, to develop the business for environmental protection.

As the Company’s progress of internationalisation gets faster, more talents with global exposure are required. Internationalisation is the key direction for the Company’s future development. To begin with, a Zijin concept for innovation should be formed, and management concepts and frameworks that fit well with international standards should be in place. The Company should also follow the basic market principles, actively implement the strategy of recruiting global talents, adhere to the value creation principle as the basic standard for the measurement of individual performance, optimise the talent structure, perfect the incentive scheme, deploy talents both from local recruitment and the Group’s assignment for overseas projects, and enhance the nurture, introduction and team building of global talents from a strategic point of view.

(5) Others

Capital needs for sustaining existing business and completing investment projects under construction

In accordance with the Company’s preliminary plan, it is expected that in 2016, the Company will invest approximately RMB2.8 billion in project construction (including technological innovation), approximately RMB230 million in exploration (including production geology), approximately RMB1.2 billion - 2.4 billion in domestic acquisitions, approximately US\$1 billion in overseas acquisitions (acquisitions have higher uncertainty). All the capital expenditures mentioned above will be financed by the Group’s internal funds, direct financing from the capital market, bank borrowings, issuance of bonds and other feasible financing methods.

Significant matters

Profit distribution proposal or the plan for converting capital reserve into share capital of ordinary shares

(1) Formulation, execution or adjustment of cash dividend distribution policy

According to “Notice in Relation to Further Implementing Cash Dividend Distribution of Listed Companies” (Zheng Jian Fa [2012] No.37) and “Guidelines of Listed Companies No. 3 - cash dividends of listed companies” (Zheng Jian Fa [2013] No.43) issued by the China Securities Regulatory Commission (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 Company formulated the “Profit Distribution and Return Plan for the Next Three Years (Year 2015-2017)” (the “Profit Distribution and Return Plan”). The Profit Distribution and Return Plan clearly defines the principle, format, cash dividend conditions of the Company’s profit distribution policy, and the procedures for forming profit distribution policy, procedures for amending profit distribution policy, etc. Unless there is a special circumstance, the Company’s cumulative profit distribution by way of cash for the latest three years shall not be less than 60% of the average annual distributable profits realised for the last three years. In principle, the Company’s annual distribution of cash dividends shall not be less than 15% of the realised distributable profits for the year (excluding the accumulated undistributed profits of last year). The abovementioned Profit Distribution and Return Plan was considered and approved at the first extraordinary shareholders’ general meeting in 2015.

(2) The Company’s profit distribution proposal or plans, conversion of capital reserve into share capital proposal or plan for the latest three years (including the year 2015):

Currency: 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 shareholders of listed company on consolidated financial statement for the dividend distribution year	Percentage of dividends to net profit attributable to shareholders of the listed company accounted for in the consolidated financial statements (%)
2015		0		0	1,655,671,617	0
2014		0.8		1,725,825,092	2,345,062,669	73.59
2013		0.8		1,731,668,452	2,125,353,823	81.48

(3) In the event that a company generated profits during the reporting period and the profits of the parent distributable to ordinary shareholders is positive but cash profit distribution for ordinary shares is not proposed,

the company should disclose the reasons in detail and the use and using plan of the undistributed profits

The Company's net profit attributable to owners of the parent in 2015, which was audited by Ernst & Young Hua Ming (LLP) and calculated under the CAS, was RMB1,655,671,617.

The Company's application for non-public issuance of A Shares was reviewed and approved by the Issuance Review Committee of the CSRC on 1 February 2016, but currently the CSRC's written approval documents have not yet been obtained. According to Article 18 of the "Administration Measures on Securities Issuance and Underwriting" of the CSRC, if listed companies with a plan for issuance of shares have any profit distribution proposal or conversion of capital reserve into share capital proposal which are not submitted to shareholders' general meeting for voting, or when such proposals have been approved by the shareholders' general meeting but have not been implemented yet, the issuance of shares can only be proceeded after such proposals have been implemented. As the Company is currently carrying out the additional issuance of A Shares, in order to speed up the progress, the Board proposed that: no profit distribution will be carried out for the year of 2015 and there will be no conversion of capital reserve into share capital; an interim profit distribution will be carried out in 2016, for which the approval procedure shall be carried out in compliance with the articles of association and the relevant laws and regulations. The profit distribution proposal is proposed to be submitted to the 2015 annual general meeting for consideration. The independent directors of the Company have delivered independent opinions on the above matters.

Company, shareholders and actual controller

Undertakings made by the acquirers, directors, supervisors, senior management or other related parties of the Company during the reporting period or remain 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 valid period	Whether there is validity period	Whether the undertaking has been strictly complied with
Undertaking related to the initial public offer	Avoidance of competition within the same industry	Minxi Xinghang State-owned Assets Investment Co., Ltd.	During the period of being the controlling shareholder of the Company, Minxi Xinghang and its wholly-owned or controlling enterprises will not engage in any business that is in competition with the Company or constitutes a competitive threat to the Company's main business or main products within or outside the PRC, including investing, acquiring, merging or entrusting to operate 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	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 controlling shareholder of the Company.	Yes	Yes

			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.			
Other undertaking	Others	Minxi Xinghang State-owned Assets Investment Co., Ltd.	Not to reduce the number of shares of the Company held within 6 months from the date of the undertaking	Within 6 months from 11 July 2015	Yes	Yes
Other undertaking	Others	The directors, supervisors and senior management of the Company	Not to reduce the number of shares of the Company held within 6 months from the date of the undertaking	Within 6 months from 11 July 2015	Yes	Yes

Major litigation and arbitration

Summary and type of event	Index for details
<p>On 21 September 2010, the collapse of Yinyan Tin Mine Gaoqiling tailing pool dam of Xinyi Zijin and the collapse of the dam of Shihuadi hydropower station in Qianpai Town, Xinyi City were affected by the extreme weather brought by typhoon “Fanapi”, resulting in casualties and property damage downstream. The local government and the victims sued Xinyi Zijin and other defendants in the People’s Court of Xinyi City. Most of the litigations arising from this incident were settled by way of mediation in 2011 and 2012.</p> <p>6 hydropower plants (including Shihuadi) and a water treatment plant sued the defendants (including Xinyi Zijin) for liability for damages due to collapse of structures. On 31 December 2015, Xinyi Zijin received the first instance verdict from the People’s Court of Xinyi City, which imposed a compensation of RMB27.519 million in total on Xinyi Zijin for the property loss of the plaintiffs in 7 cases. Fujian Jinma Construction Engineering Company Limited had 50% of joint liability for the abovementioned compensation while the Company bore a supplementary responsibility for the compensation. Xinyi Zijin and the Company objected to the first instance verdict and made an appeal to the Intermediate People’s Court in Maoming City.</p> <p>For the proceeding initiated by Xinyi Zijin against defendants including Shihuadi hydropower plant for recovery of damages (the court determined the cause was a dispute on the liability for damages due to collapse of structures), the People’s Court of Xinyi City conducted a hearing in September 2014, Xinyi Zijin made a claim of RMB49.9 million to the defendants. A verdict has yet to be made in the aforementioned case.</p>	<p>For details, please refer to the Company’s announcements on HKEx website (http://www.hkex.com.hk) dated 9 March 2012 and 13 September 2012.</p>

Litigation, arbitration which have not been published in provisional announcements or without further progress

Currency: RMB'000

During the reporting period:									
Plaintiff(s)	Defendant(s)	Jointly and	Type of proceedings/	Basic information	Amount involved in	Whether provisions	Progress of the	Hearing results and	Enforcement progress of

		severally liable parties	arbitration	of the proceeding/ arbitration	the proceedings/ arbitration	are made for the proceedings/ arbitration	proceedings/ arbitration	impacts of the proceeding arbitration	verdict of the proceedings/ arbitration
Zijin Mining Group Company Limited	Zhongxing Henghe Investment Group Company Limited	Nil	Civil	On 28 April 2010, the plaintiff entered into a Share Transfer Framework Agreement with the defendant. Since the defendant failed to refund the deposit on time, the plaintiff filed the claims.	45,000	Fully impaired for the year ended 2012	The verdict in the second hearing requested the defendant to refund RMB45 million to the plaintiff and bear the relevant interest costs and legal fee.	The Company applied to the court to enforce the verdict.	In progress

Material connected transactions

Connected transactions related to daily business operation

Summary of event	Index for details
The Company's subsidiary, Xinjiang Ashele Copper Co., Ltd. ("Xinjiang Ashele"), sold copper concentrates to Xinjiang Wuxin Copper Company Limited which is indirectly held by Xinjiang Ashele's major shareholder, Xinjiang Non-ferrous Metals Industry (Group) Company Limited. One of Xinjiang Ashele's ordinary businesses is selling copper concentrates and the contract was entered into under normal commercial terms, which reflects the principle of fairness and reasonableness. During the reporting period, the total amount of the transaction was RMB365 million.	For details, please refer to the Company's announcement on HKEx website (http://www.hkex.com.hk) dated 6 February 2015.
Fujian Shanghang Ting River Hydropower Co., Ltd. ("Ting River Hydropower") is a subsidiary of Minxi Xinghang, the Company's substantial shareholder, and an associate of Zijin Finance, the Company's subsidiary. Zijin Finance provided financial services to Ting River Hydropower. As at the end of the reporting period, Zijin Finance has provided loans in the amount of RMB27.1 million to Ting River Hydropower.	For details, please refer to the Company's announcement on HKEx website (http://www.hkex.com.hk) dated 9 January 2014.

The status of work in the active fulfillment of social responsibilities

(1) Works related to social responsibilities

For details, please refer to the 2015 Social Responsibility Report issued on the website of the Shanghai Stock Exchange at www.sse.com.cn.

(2) Explanation on the environmental protection of listed companies and their subsidiaries which are engaged in the heavy pollution industries as specified by the national environmental protection authorities

The Company continually adheres to the policy of "environmental protection and development go together" and the environmental protection concept of "protecting the green mountains and clear water while developing treasured mines", regards "zero environmental incident" as the basic requirement, insists that environmental protection, environmental management and environmental restoration are as important as mine development, puts efforts on building intrinsic environmental safety, promotes the value and reputation of Zijin's brand name.

Emission of pollutants meeting the standards

In 2015, according to the supervisory monitoring reports about the sources of pollution published by the local environmental protection departments, all of the wastewater, exhaust gas and noise at plant boundary produced by the branch companies (subsidiaries) of the Group met the emission standards, which were in compliance with, but not

limited to, the “Integrated Wastewater Discharge Standard” (GB8978-1996), “Integrated Emission Standards of Air Pollutants” (GB16297-1996), the “Emission Standard for Industrial Enterprises Noise at Boundary” (GB12348-2008), “Emission Standard of Pollutants for Copper, Nickel, Cobalt Industries” (GB25467-2010), and “Emission Standard of Pollutants for Lead and Zinc Industries” (GB 25466-2010).

Environmental impact assessment and the implementation of the “three simultaneous” system

In 2015, the branch companies (subsidiaries) of the Group strictly followed the “Environmental Protection Law of the People’s Republic of China”, “Environmental Impact Assessment Law of the People’s Republic of China”, etc. to carry out construction projects’ environmental impact assessment. The pollution controlling facilities were designed, constructed and put into use simultaneously with the main part of construction body.

Treatment and disposal of general industrial solid waste and hazardous waste

In 2015, the branch companies (subsidiaries) of the Group safely disposed or comprehensively utilised general industrial solid waste and hazardous waste at the treatment rate of 100%.

Payment of sewage charges

In 2015, the branch companies (subsidiaries) of the Group paid the sewage charges in accordance with the relevant requirements of the sewage discharge payment notices, sewage discharge approval notices, sewage discharge approval and review decision notices issued by the local environmental protection administration departments.

Construction of ecological civilisation

The Group adheres to the targets of protecting ecological environment, reducing resources consumption and pursuing sustainable economy, practises and implements the belief of green ecology throughout the entire process of developing and utilising mine resources. The construction of green mines has been given top priority both in the overall development agenda of the Company as well as sustainable development strategy and has been earnestly adopted and implemented, and achieved positive results. In 2015, the Company’s subsidiary, Zijin Copper Company Limited, was selected by the country’s Ministry of Industry and Information Technology to be the first batch of “Pilot Enterprise for National Industrial Products’ Ecological Design”. It was one of the only two copper refining enterprises in the country to be presented with such honour. Meanwhile, Zijin Copper’s 200,000 tonnes/year copper refining project was also awarded “National Water and Soil Conservation Ecological Civilisation Project”. It was the first non-ferrous metal enterprise and the first enterprise in Fujian Province to be presented with such award. As at the end of 2015, the Group had 9 subsidiaries being awarded as the “National Green Mine Pilot Unit”.

Change in issued ordinary shares

At the 2014 annual general meeting, the first A Shareholders’ class meeting in 2015 and the first H Shareholders’ class meeting in 2015 convened by the Company on 11 May 2015, a resolution in relation to the proposal of granting a general mandate to the Board to repurchase H shares was approved. According to the authorisation, the Company continued to implement repurchases of H Shares in 2015 and repurchased 29,570,000 H Shares in aggregate with the total amount paid of HK\$81,320,000 (excluding commission and other expenses). The cancellation of the H Shares repurchased in 2015 was completed in Hong Kong but is pending for the approval by the relevant PRC authorities.

Impacts on financial indicators including earnings per share, net assets per share, etc. from changes in ordinary shares during the most recent year and period (if any)

Pursuant to the relevant laws and regulations regarding share repurchase in the PRC, if a listed company issues periodic report during the repurchase period, the total issued share capital to be disclosed should be after the deduction of the number of shares repurchased, and the relevant indicators (e.g. basic earnings per share, etc.) should be calculated with the share capital after the deduction. Using the number of shares before repurchase for calculation, the Company’s earnings per share for 2015 (rounded to the nearest two decimal places, same hereinafter) was RMB0.08 and the net assets per share was RMB1.28. The above financial indicators are generally consistent with the indicators based on the number of shares after deduction of the repurchased shares. The repurchase this time does not have any significant impact on the Company’s major financial indicators.

Other contents which the Company considered necessary or are required to be disclosed by the securities regulatory authorities

The Company issued the Plan for the Non-public Issuance of A Shares of the Company on 27 May 2015. The maximum number of A Shares to be issued under such plan will be 2,421,307,506 shares (2,421,307,506 shares inclusive), the subscription price shall not be less than 90% of the average trading price of the Company’s A Shares in the 20 trading days preceding the base day for pricing (i.e. not less than RMB4.13 per share) and the total amount of proceeds to be raised will not exceed RMB10 billion. In view of the recent changes in the securities market, the Company readjusted the base day for pricing, subscription price and pricing principles and number of shares to be issued of the non-public

issuance on 21 December 2015. After the readjustment, the maximum number of A Shares to be issued will be 2,795,031,055 shares (2,795,031,055 shares inclusive), the subscription price shall not be less than 90% of the average trading price of the Company's A Shares in the 20 trading days preceding the base day for pricing (i.e. not less than RMB3.22 per share) and the total amount of proceeds to be raised will not exceed RMB9 billion. The application for the non-public issuance of A Shares was reviewed and approved by the Issuance Review Committee of the CSRC at its 23rd meeting in the year of 2016 on 1 February 2016, but the approval documents in writing were not obtained. Please refer to the relevant announcements on the HKEx website of the Hong Kong Stock Exchange (www.hkexnews.hk) for more details.

Changes in the Company's directors, supervisors and senior management

Name	Position	Change	Reasons for the change
Yang Kaihui	Vice-president	Resignation	Personal reasons
Fang Qixue	Executive director, vice-president	Appointment	Elected by the shareholders' general meeting and appointed by the board of directors
Xie Chengfu	Vice-president	Resignation	Personal reasons

The independent director of the Company, Mr. Qiu Guanzhou submitted a written resignation to the Company on 21 December 2015 due to personal work reasons. However, his resignation will lead to the number of independent directors of the Company being less than one-third of the total number of directors of the Company, which fails to meet the relevant laws and regulations. Therefore, the resignation of Mr. Qiu Guanzhou will become effective after the Company's shareholders' general meeting elects a new independent director to fill in such vacancy.

For the constitution of the directors, supervisors and senior management, please refer to the Company's 2015 annual report.

Details of the shareholders' general meetings

Session of meeting	Convening date	Resolutions for the shareholders' general meeting	Index of the designated website publishing the resolutions	Date of publishing poll results of the resolutions
2014 annual general meeting, the first A Shareholders' class meeting in 2015 and the first H Shareholders' class meeting in 2015 of the Company	11 May 2015	<p>2014 annual general meeting:</p> <p>Special resolutions: The proposal of completion of repurchase of H shares and its change of registered capital of the Company, the proposal of amendments on the articles of association of the Company, the proposal of granting general mandate to the Board of Directors of the Company to repurchase H shares, the proposal of a general mandate to issue debt financing instruments, the proposal of the Company to provide guarantee to its overseas subsidiaries for the loans;</p> <p>Ordinary resolutions: Report of the Board of Directors of the Company for 2014, Report of the Independent Directors of the Company for 2014, Report of Supervisory Committee of the Company for 2014, the Company's financial report for the year ended 31 December 2014, the Company's 2014 annual report and its summary report, a profit distribution proposal of the Company for the year ended 31 December 2014, the proposal of remunerations of the Executive Directors and Chairman of Supervisory Committee of the Company for the year ended 31 December 2014, the proposal of reappointment of domestic auditor for the year ended 31 December 2015 and the authorisation to the Board of Directors to determine the auditor's 2015 remuneration, and the proposal of electing Mr. Fang Qixue (方啟學先生) as an executive director of the fifth Board of Directors of the Company and authorising the Board of Directors to enter into service contract and/or appointment letter with the</p>	www.hkexnews.hk	11 May 2015

Session of meeting	Convening date	Resolutions for the shareholders' general meeting	Index of the designated website publishing the resolutions	Date of publishing poll results of the resolutions
		<p>newly elected director subject to such terms and conditions as the Board of Directors shall think fit and to do all such acts and things and handle all other related matters as necessary.</p> <p>The first A Shareholders'/H Shareholders' class meetings in 2015: Special resolution: the proposal of granting general mandate to the Board of Directors of the Company to repurchase H shares.</p>		
<p>The first extraordinary general meeting in 2015, the second A Shareholders' class meeting in 2015 and the second H Shareholders' class meeting in 2015 of the Company</p>	<p>18 August 2015</p>	<p>The first extraordinary general meeting in 2015: Special resolutions: The formulation of "The Profit Distribution and Return Plan for the Next Three Years (Year 2015-2017)", the Proposal on the Non-public Issuance of A Shares of the Company, the Plan for the Non-public Issuance of A Shares of the Company (revised version), the dilutive impact of the Non-public Issuance of A Shares on immediate returns and the adoption of recovery measures, the authorisation to the Board to handle all the matters relating to the Non-public Issuance of A Shares (revised), the absorption and merger of Shanghang Jinshan Mining Co., Ltd., a wholly-owned subsidiary of the Company.</p> <p>Ordinary resolutions: The satisfaction of the conditions for the Non-public Issuance of A Shares of the Company, the Feasibility Report on the Use of Proceeds Raised in the Non-public Issuance of A Shares (revised version), the proposal of not to produce a report on the use of proceeds previously raised.</p> <p>The second A Shareholders'/H Shareholders' class meetings in 2015: Special resolutions: The Proposal on the Non-public Issuance of A Shares of the Company, the Plan for the Non-public Issuance of A Shares of the Company (revised version), the authorisation to the Board to handle all the matters relating to the Non-public Issuance of A Shares (revised).</p>	<p>www.hkexnews.hk</p>	<p>18 August 2015</p>
<p>The second extraordinary general meeting in 2015</p>	<p>8 December 2015</p>	<p>Ordinary resolutions: The plan in relation to the Company's satisfaction of the conditions for public issuance of corporate bonds to qualified investors, the Self-inspection Report on the Real Estate Business of Zijin Mining Group Co., Ltd.*, the Letter of Undertaking in respect of Matters relating to the Real Estate Business Provided by the Directors, Supervisors and Senior Management of the Company, the Letter of Undertaking in respect of Matters relating to the Real Estate Business Provided by the Controlling Shareholder of the Company, Minxi Xinghang State-owned Assets Investment Company Limited.</p> <p>Special resolutions: The plan in relation to the public issuance of corporate bonds to qualified investors, the plan in relation to the authorisation to the board of directors to deal with all the matters relating to public issuance of corporate bonds to qualified investors, the proposal regarding the provision of counter-guarantee for an</p>	<p>www.hkexnews.hk</p>	<p>8 December 2015</p>

Session of meeting	Convening date	Resolutions for the shareholders' general meeting	Index of the designated website publishing the resolutions	Date of publishing poll results of the resolutions
		associate which constitutes a connected transaction.		

Purchase, redemption or sale of listed securities of the Company

For the year ended 31 December 2015, the Company repurchased 29,570,000 H shares in aggregate at the Hong Kong Stock Exchange. Details as follow:

At the 2014 annual general meeting, the first A shareholders' class meeting in 2015 and the first H shareholders' class meeting in 2015 convened by the Company on 11 May 2015, a resolution in relation to the proposal of granting a general mandate to the Board of the Company to repurchase H Shares was approved. According to the authorisation, the Company started to implement repurchases of H shares on 9 June 2015. As at 31 December 2015, the Company repurchased 29,570,000 H Shares in aggregate with the total amount paid of HK\$81,320,000. The cancellation of the shares repurchased was completed at Computershare Hong Kong Investor Services Limited, but the change of business registration in the PRC for the cancellation of the repurchased H Shares has not yet been completed.

Save as disclosed above, for the year ended 31 December 2015, the Board confirmed that neither the Company nor any of its subsidiaries purchased, redeemed, sold or wrote off any of the Company's listed securities.

Corporate Governance

As required by provision A.1.8 of the Corporate Governance Code and Corporate Governance Report set out in Appendix 14 to the Listing Rules (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 Directors from committing errors and minimising 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 this policy of insurance from time to time and may arrange insurance cover 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 should report to the secretary of the Board 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. The provision A.5.6 of the CG Code stipulates that the nomination committee (or the board) should have a policy concerning diversity of board members, and should disclose the policy or a summary of the policy in the corporate governance report. The nomination and remuneration committee of the Company would review the Board composition from time to time and from a number of aspects, including but not limited to skills, experience, knowledge, expertise, culture, independence, age and gender. It considered that the board diversity is in place and therefore the update of policy is not required. As required by provision A.6.7 of the CG Code, independent non-executive director should attend general meetings. Independent non-executive director Mr. Qiu Guanzhou had a business trip and could not attend the first extraordinary general meeting in 2015, the second A Shareholders' class meeting in 2015 and the second H Shareholders' class meeting in 2015 of the Company on 18 August 2015.

Save as disclosed above, for the year ended 31 December 2015, 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 (for details, please refer to the Group's 2015 annual report).

Independent Non-executive Directors

In compliance with rules 3.10(1) and 3.10(2) of the Listing Rules, which state 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 related financial management expertise. The Company appointed four independent non-executive directors and one of them possesses accounting and related financial management expertise. For details of the independent non-executive directors, please refer to the Group's 2015 annual report.

Securities transactions by Directors of the Company

The Group has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules as the model code for the trading of securities by directors of the Group. The effective date was 23 December 2003. Following enquiries with all directors of the Company, the Group confirmed that all directors have complied with the provisions of the Model Code for the year ended 31 December 2015.

Shareholdings of Directors and supervisors in the Company

As at 31 December 2015, Mr. Chen Jinghe, the Chairman of the Board of the Company held 102,000,000 shares, Mr. Lan Fusheng, Vice Chairman, held 7,230,510 shares, Mr. Zou Laichang, Director, held 1,130,000 shares, Mr. Lin Hongfu, Director, held 562,500 shares and Mr. Liu Wenhong, Supervisor, held 24,450 shares in the Company.

Audit and internal control committee

The audit and internal control committee has reviewed the Group's financial report for the year ended 31 December 2015 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 2015 was in compliance with the applicable accounting standards and relevant laws and regulations and had made sufficient disclosure.

Appointment and dismissal of Auditors

	Currently appointed
Auditors in Mainland China	Ernst & Young Hua Ming (LLP)
Remuneration for auditors in Mainland China this year	RMB8,100,000 (tax exclusive)
Appointment term of the auditors in Mainland China	Renew once a year
Auditors outside Mainland China	Nil
Remuneration for auditors outside Mainland China this year	Nil
Appointment term of the auditors outside Mainland China	Nil

Post balance sheet events

1. On 11 January 2016, the Company convened the first extraordinary general meeting in 2016, the first A Shareholders' class meeting in 2016 and the first H Shareholders' class meeting in 2016. All of the proposed resolutions were approved. Details of the resolutions are as follows:

The first extraordinary general meeting in 2016:

Special resolutions: "To consider and approve the adjustments to the Proposal on the Non-public Issuance of A Shares of the Company (revised version)", "To consider and approve the Plan for the Non-public Issuance of A Shares of the Company (3rd revision)", "To consider and approve the dilutive impact of the Non-public Issuance of A Shares on immediate returns and the adoption of recovery measures" and "To consider and approve the authorisation to the Board to handle all the matters relating to the Non-public Issuance of A Shares".

Ordinary resolutions: "To consider and approve the satisfaction of the conditions for the Non-public Issuance of A Shares of the Company", "To consider and approve the Feasibility Report on the Use of Proceeds Raised in the Non-public Issuance of A Shares (3rd revision)" and "To consider and approve Zhuoxin Investments' purchase of gold and silver bullion from BNL, which constitutes a continuing connected transaction".

The first A/H Shareholders' class meetings in 2016:

Special resolutions: "The adjustments to the Proposal on the Non-public Issuance of A Shares of the Company (revised version)", "The Plan for the Non-public Issuance of A Shares of the Company (3rd revision)" and "The authorisation to the Board to handle all the matters relating to the Non-public Issuance of A Shares".

Please refer to the Company's announcement on HKEx website (<http://www.hkex.com.hk>) dated 11 January 2016 for details.

2. For the period from 1 January 2016 to the date of issuance of this announcement, the Company repurchased 2,500,000 H shares in aggregate at the Hong Kong Stock Exchange. Details as follow:

At the 2014 annual general meeting, the first A shareholders' class meeting in 2015 and the first H shareholders' class meeting in 2015 convened by the Company on 11 May 2015, a resolution in relation to the proposal of granting a general mandate to the Board of the Company to repurchase H Shares was approved. According to the authorisation, the Company continued to implement repurchase of shares on 13 January 2016 and repurchased 2,500,000 H Shares in aggregate on that day with the total amount paid of HK\$4,845,000 (excluding commission and other expenses). The cancellation of the shares repurchased was completed at Computershare Hong Kong Investor Services Limited, but the change of business registration in the PRC for the cancellation of the repurchased H Shares has not yet been completed.

3. From 12 January 2016 to 13 January 2016, 18 March 2016 and 22 March 2016, the Company issued the 2016 ultra

short-term financing bonds with issuance amount of RMB2 billion, RMB2 billion and RMB1 billion respectively. For details, Please refer to the Company's announcements on HKEx website (<http://www.hkex.com.hk>) dated 14 January 2016, 21 March 2016 and 23 March 2016.

4. On 1 February 2016, the Issuance Review Committee of the CSRC reviewed the application of the Company for non-public issuance of A shares at its 23rd meeting in 2016. According to results of the review concluded at the meeting, the Company's application for the non-public issuance of A Shares for RMB9 billion was approved. For details, please refer to the Company's announcement on HKEx website (<http://www.hkex.com.hk>) dated 1 February 2016.
5. In February 2016, the Company received the approval to issue corporate bonds with face value of not more than RMB8 billion publicly to qualified investors according to the approval document issued by the CSRC (Zhengjian Xuke [2016] No.285). The corporate bonds will be issued by tranches. The issuance of the first tranche was completed on 21 March 2016. The bonds have two types. The issuance size of type one was RMB3 billion with coupon rate of 2.99%. The issuance size of type two was RMB2 billion with coupon rate of 3.37%. Please refer to the Company's announcements on HKEx website (<http://www.hkex.com.hk>) dated 26 February 2016, 15 March 2016, 17 March 2016 and 22 March 2016 for details.

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

Definition

In this announcement, 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
A Shareholder(s)	Holder(s) of A Share(s)
Altynken	Altynken Limited Liability Company, a subsidiary of the Company
Bayannaer Zijin	Bayannaer Zijin Non-ferrous Metals Company Limited, a subsidiary of the Company
Bindi Salt	Lenghu Bindi Salt Company Limited
BNL	Barrick (Niugini) Limited, an associate of the Company
Board	The board of Directors of the Company
Chongli Zijin, Hebei Chongli	Chongli Zijin Mining Company Limited, a subsidiary of the Company
Director(s)	The director(s) of the Company
DR Congo	The Democratic Republic of the Congo
Duobaoshan Copper	Heilongjiang Duobaoshan Copper Co., Ltd., a subsidiary of the Company
Fujian Zijin Real Estate	Fujian Zijin Real Estate Company Limited, a wholly-owned subsidiary of the Company
Gold Mountains	Gold Mountains (H.K.) International Mining Company Limited, a wholly-owned subsidiary of the Company
Guizhou Zijin	Guizhou Zijin Mining Company Limited, 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
H Shareholder(s)	Holder(s) of H Share(s)
Hunchun Zijin	Hunchun Zijin Mining Company Limited, a wholly-owned subsidiary of the Company
Inner Mongolia Jinzhong	Inner Mongolia Jinzhong Mining Co., Ltd., a subsidiary of the Company
Ivanhoe	Ivanhoe Mines Ltd.
Jin Jiang	Jin Jiang Mining Limited, a wholly-owned subsidiary of the Company
Jinhao Iron	Xinjiang Aletai Jinhao Iron Company Limited, a subsidiary of the Company
Jinyu	Jinyu (H.K.) International Mining Co., Ltd., a wholly-owned subsidiary of the Company
Longnan Zijin	Longnan Zijin Mining Company Limited, a subsidiary of the Company
Luoning Huatai	Luoning Huatai Mining Development Company Limited, a subsidiary of the Company

Luoning Zijin	Luoning Zijin Gold Refinery Company Limited, a subsidiary of the Company
Luoyang Kunyu	Luoyang Kunyu Mining Co., Ltd., a subsidiary of the Company
Malipo Tungsten	Wenshan Malipo Zijin Tungsten Company Limited, a subsidiary of the Company
Minxi Xinghang	Minxi Xinghang State-owned Assets Investment Company Limited, a substantial shareholder of the Company
NKWE	NKWE Platinum Limited, a subsidiary of the Company
Norton	Norton Gold Fields Limited, a wholly-owned subsidiary of the Company
Papua New Guinea	The Independent State of Papua New Guinea
Qinghai West	Qinghai West Copper Mining Company Limited, a wholly-owned subsidiary of the Company
Russia Longxing	Russia Longxing Company Limited, a subsidiary of the Company
Ting River Hydropower	Fujian Shanghang Ting River Hydropower Co., Ltd., an associate of the Company
Wulatehouqi Zijin	Wulatehouqi Zijin Mining Company Limited, a subsidiary of the Company
Wuqia Jinwang	Wuqia County Jinwang Mining Development Company Limited, a wholly-owned subsidiary of the Company
Xiamen Zijin Zhonghang	Xiamen Zijin Zhonghang Real Estate Company Limited, an associate of the Company
Xinjiang Ashele, Ashele Copper	Xinjiang Ashele Copper Company Limited, a subsidiary of the Company
Xinjiang Jinbao	Xinjiang Jinbao Mining Company Limited, a subsidiary of the Company
Xinyi Zijin	Xinyi Zijin Mining Company Limited, a wholly-owned subsidiary of the Company
ZGC	JV Zeravshan LLC, a subsidiary of the Company
Zijin Capital Investment	Zijin Mining Group Capital Investment Co., Ltd., a wholly-owned subsidiary of the Company
Zijin Copper	Zijin Copper Company Limited, a wholly-owned subsidiary of the Company
Zijin Finance	Zijin Mining Group Finance Co., Ltd., a subsidiary of the Company
Zijin International	Zijin International Mining Co., Ltd., a wholly-owned subsidiary of the Company

As at the date of this announcement, the Board of Directors of the Company comprises Messrs. Chen Jinghe (Chairman), Wang Jianhua, Qiu Xiaohua, Lan Fusheng, Zou Laichang, Fang Qixue and Lin Hongfu as executive directors, Mister. Li Jian as non-executive director, and Messrs. Lu Shihua, Ding Shida, Qiu Guanzhou, and Sit Hoi Wah, Kenneth as independent non-executive directors.

By Order of the Board of Directors
Zijin Mining Group Co., Ltd.*
Chen Jinghe
Chairman

Fujian, PRC 25 March 2016

** The Company's English name is for identification purpose only*