

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this document, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this document.



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)

Announcement in relation to Provision for Impairment on Assets

This announcement is made pursuant to Rule 13.09(2) and 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

At the tenth meeting of the sixth term of the board of directors (the “Board”) of Zijin Mining Group Co., Ltd.* (the “Company”) convened on 26 October 2018, the Resolution in relation to Provision for Impairment on Assets was considered and approved. Details of the provision for impairment on assets are disclosed as follows:

According to the changes in external environment and the operating status of certain subsidiaries, for an objective and fair reflection of the financial status and asset value of the Company, the Company performed impairment test on the assets within the scope of consolidation pursuant to the requirements of Accounting Standard for Business Enterprises No. 8 - Impairment of Assets and based on prudence principle, and provided impairment on the assets which had indication of impairment according to the impairment test results correspondingly. Impairment loss of RMB774.13 million was provided for the period from January to September 2018, of which impairment loss of RMB455.64 million was provided for the period from July to September 2018.

I. Details of provision for impairment on assets

Item	Provision for the period from July to September 2018 (RMB million)	Provision for the period from January to September 2018 (RMB million)
Bad debt provision	27.62	82.43
Provision for decline in value of inventories	16.34	33.04

Impairment provision for fixed assets	19.67	206.75
Impairment provision for construction in progress	43.40	43.40
Impairment provision for intangible assets	348.61	366.12
Impairment provision for other non-current assets	-	42.39
Total	455.64	774.13

Major items of impairment on assets for the period from January to September 2018 are as follows:

(1) Bad debt provision

Bad debt provision of RMB82.43 million was made, which mainly included bad debt provision for trade receivables of RMB0.1 million and other receivables of RMB82.33 million made by the Company's subsidiaries based on expected credit losses or using specific identification method.

(2) Provision for decline in value of inventories

Based on the lower of net realisable value and carrying amount as stipulated in Accounting Standards for Business Enterprises, provision for decline in value of inventories of RMB39.41 million was made, while reversal of provision for decline in value of inventories due to increase in net realisable value of inventories was RMB6.37 million. The net provision during the reporting period was RMB33.04 million.

(3) Impairment provision for fixed assets, intangible assets and construction in progress

Impairment provision for fixed assets, intangible assets and construction in progress was RMB206.75 million, RMB366.12 million and RMB43.40 million respectively, totaled RMB616.27 million.

As the mining operation of Hebei Chongli Zijin Mining Company Limited, a subsidiary of the Company, entered into its final stage, there was a change in its economically recoverable reserves. Impairment of RMB181.02 million was provided for its fixed assets.

According to the exploration working report, the Company assessed that there was indication of impairment for the mining rights and exploration rights of certain subsidiaries. Impairment of RMB195.15 million, RMB153.46 million and RMB17.51 million were provided on the intangible assets of Huanmin Mining Company Limited, Liancheng Zijin Mining Company Limited and Hebei Chongli Zijin Mining Company Limited respectively.

According to the exploration working report, the Company provided impairment of RMB41.14 million for the construction in progress of Liancheng Zijin Mining Company Limited which were within the same group of assets.

In addition, the impairment provision for fixed assets and construction in progress made by other subsidiaries of the Company totaled RMB27.99 million.

(4) Impairment provision for other non-current assets

It mainly included the impairment provision of RMB42.39 million made by Barrick (Niugini) Limited for the ores not to be processed within one year based on the lower of net realisable value and carrying amount.

II. Impact on the Company from the provision for impairment on assets

The provision for impairment on assets was accounted for in impairment losses on assets and credit impairment losses. The total amount of provision for impairment on assets for the period from January to September 2018 was RMB774.13 million, which affected the net profit attributable to owners of the parent for the period from January to September 2018 by RMB495.99 million. Among which, the amount of provision for impairment on assets for the period from July to September 2018 was RMB455.64 million, which affected the net profit attributable to owners of the parent for the period from July to September 2018 by RMB257.53 million.

III. The independent directors' opinion on provision for impairment on assets

The independent directors of the Company considered that the provision for impairment on assets was in compliance with Accounting Standards for Business Enterprises and the relevant accounting policies of the Company. It was made in accordance with the Company's actual situation, with sufficient justifications and under lawful decision-making procedures. It truly and fairly reflected the asset value and financial status of the Company, and provided the investors with more accounting information. There was no prejudice to the interests of the Company and all of its shareholders. The independent directors agreed to the provision for impairment on assets.

IV. The Board's opinion on provision for impairment on assets

The Board considered that the provision for impairment on assets was in compliance with Accounting Standards for Business Enterprises. It was made in accordance with the Company's actual situation, with sufficient justifications and fairly reflected the status of the Company's assets. The Board agreed to the provision for impairment on assets.

V. The Supervisory Committee's opinion on provision for impairment on assets

The Supervisory Committee considered that the provision for impairment on assets was in compliance with the relevant provisions of Accounting Standards for Business Enterprises. It was made in accordance with the Company's actual situation and under lawful decision-making procedures. The Supervisory Committee agreed to the provision for impairment on assets.

The financial data as set out in this announcement has not been audited by an accounting firm.

This announcement is written in both Chinese and English. In the case of any discrepancies, the

Chinese version shall prevail over its English version.

Investors and shareholders are advised by the Board to exercise caution when dealing in the securities of the Company.

As at the date of this announcement, the Board of Directors of the Company comprises Messrs. Chen Jinghe (Chairman), Lan Fusheng, Zou Laichang, Lin Hongfu, Fang Qixue, and Ms. Lin Hongying as executive directors, Mister. Li Jian as non-executive director, and Messrs. Lu Shihua, Zhu Guang, Sit Hoi Wah, Kenneth, and Cai Meifeng as independent non-executive directors.

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

Fujian, the PRC, 26 October 2018

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