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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)**

## **Announcement in relation to Provision for Impairment on Assets for the Year 2018**

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 eleventh meeting of the sixth term of the board of directors (the “Board”) of Zijin Mining Group Co., Ltd.\* (the “Company”) convened on 22 March 2019, the Resolution in relation to Provision for Impairment on Assets for the Year 2018 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 current operating status of relevant subsidiaries, for an objective and fair reflection of the financial position and asset value of the Company, the Company performed impairment tests on the assets within the scope of consolidation pursuant to the provisions 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 RMB1.41838 billion was provided by the Company for the year 2018, representing a decrease of 36.14% compared with the same period last year (2017: RMB2.22091 billion).

### **I. Details of provision for impairment on assets**

Item	Provision for the year 2018 (RMB million)
Impairment provision for intangible assets	719.97
Impairment provision for fixed assets	260.31
Impairment provision for other non-current assets	175.52
Impairment provision for goodwill	157.78

Impairment provision for construction in progress	111.46
Impairment provision for investment properties	79.94
Impairment provision for long-term equity investments	3.46
Credit impairment losses	-82.02
Provision for decline in value of inventories	-8.04
Total	1,418.38

**Major items of impairment on assets for the year 2018 are as follows:**

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

Impairment provision for intangible assets, fixed assets and construction in progress was 719.97 million, RMB260.31 million and RMB111.46 million respectively, totalled RMB1.09174 billion.

According to the exploration working reports, the Company assessed that there were indications of impairment for the mining rights and exploration rights of certain subsidiaries. Impairment of RMB195.15 million, RMB239.75 million and RMB231.81 million were provided on the intangible assets of Huanmin Mining Company Limited, Liancheng Zijin Mining Company Limited and Sanming Hongguo Mining Development Company Limited respectively.

As the mining operation of Hebei Chongli Zijin Mining Company Limited, a subsidiary of the Company, entered into its final stage and the Company planned to sell the project, impairment of RMB181.02 million was provided for its fixed assets according to the results of asset valuation reports prepared by independent valuer.

According to the testing results of expected cash flows model, the Company provided impairment of RMB64.28 million for the construction in progress of Liancheng Zijin Mining Company Limited, and provided impairment of RMB32.34 million and RMB29.10 million for the construction in progress and fixed assets of Xinjiang Aletai Jinhao Iron Company Limited respectively.

(2) Impairment provision for other non-current assets

Impairment provision for other non-current assets was RMB175.22 million. It mainly included provision of RMB117.42 million for prepaid investment and RMB42.39 million for the ores not to be processed within one year made by Barrick (Niugini) Limited, a company under joint arrangement, based on the lower of net realisable value and carrying amount.

(3) Impairment provision for goodwill

Impairment provision for goodwill based on the results of impairment tests on goodwill was RMB157.78 million.

(4) Impairment provision for investment properties and long-term equity investments

Impairment provision for investment properties and long-term equity investments was RMB79.94 million and RMB3.46 million respectively.

(5) Credit impairment losses

Credit impairment losses of RMB82.02 million was reversed, which mainly included: provision for bad debt of RMB59.54 million and reversal of provision for bad debt of RMB141.56 million based on expected credit losses or specific identification method. Among which, Xinjiang Zijin Zinc Industry Company Limited, a subsidiary of the Company, provided impairment of RMB45 million for other receivables while the Company reversed provision for other receivables amounted RMB140.99 million on the group level.

(6) Provision for decline in value of inventories

Based on the lower of net realisable value and carrying amount, provision for decline in value of inventories of RMB8.04 million was reversed.

**II. Impact on the Company's profit or loss 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 year 2018 was RMB1.41838 billion, which affected the net profit attributable to owners of the parent for the year 2018 by approximately RMB979 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 position of the Company, and provided the investors with more reliable accounting information. There was no prejudice to the interests of the Company and 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.

**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, 22 March 2019

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