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

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

(Stock Code：2899)

ANNUAL REPORT 2018

*For identification purpose only

CONTENTS

Corporate Information

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

EXECUTIVE DIRECTORS

Chen Jinghe *(Chairman)*
Lan Fusheng *(President)*
Zou Laichang
Lin Hongfu
Fang Qixue
Lin Hongying

NON-EXECUTIVE DIRECTOR

Li Jian

INDEPENDENT NON-EXECUTIVE DIRECTORS

Lu Shihua
Zhu Guang
Sit Hoi Wah, Kenneth
Cai Meifeng

AUDIT AND INTERNAL CONTROL COMMITTEE

Lu Shihua
Lan Fusheng
Li Jian
Zhu Guang
Sit Hoi Wah, Kenneth
Cai Meifeng

AUTHORISED REPRESENTATIVE

Chen Jinghe
Lan Fusheng

SUPERVISORS

Lin Shuiqing
Xu Qiang
Fan Wensheng
Liu Wenhong
Lan Liying

COMPANY SECRETARY

Fan Cheung Man

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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

LEGAL ADDRESS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

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

LEGAL CONSULTANT OF THE COMPANY (HONG KONG LAWS)

Chungs Lawyers

AUDITORS

PRC Auditors:
Ernst & Young Hua Ming LLP

HONG KONG H SHARE REGISTRAR AND TRANSFER OFFICE

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

WEBSITE

www.zjky.cn

STOCK CODE

Hong Kong Stock Exchange: 02899
Shanghai Stock Exchange: 601899

Corporate Information *(continued)*

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DEFINITION

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

A Share(s)	The domestic share(s) issued by the Company to domestic investors with a nominal value of RMB0.10 each, which are listed on the Shanghai Stock Exchange
BNL	Barrick (Niugini) Limited, a company under joint operation of the Company
Board, Board of Directors	The board of Directors of the Company
Chongli Zijin	Chongli Zijin Mining Company Limited
Company, Zijin, Zijin Mining	Zijin Mining Group Co., Ltd.*
CSRC	China Securities Regulatory Commission
Director(s)	The director(s) of the Company
DR Congo	The Democratic Republic of the Congo
H Share(s)	The overseas-listed foreign invested share(s) in the Company's share capital, with a nominal value of RMB0.10 each, which are listed on the Hong Kong Stock Exchange
Heilongjiang Zijin Copper	Heilongjiang Zijin Copper Company Limited, a wholly-owned subsidiary of the Company
Hong Kong Stock Exchange, Stock Exchange	The Stock Exchange of Hong Kong Limited
Listing Rules	The Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
Longxing Company	Russia Longxing Company Limited, a subsidiary of the Company
Minxi Xinghang	Minxi Xinghang State-owned Assets Investment Company Limited, a substantial shareholder of the Company
Musonoie	La Compagnie Minière de Musonoie Global SAS, a subsidiary of the Company
Nevsun, Nevsun Resources	Nevsun Resources Ltd., a subsidiary of the Company and delisted in March 2019
Nkwe	Nkwe Platinum Limited, a subsidiary of the Company
Norton, Norton Gold Fields	Norton Gold Fields Limited, a wholly-owned subsidiary of the Company
PRC	The People's Republic of China but for the purpose of this report, excludes Hong Kong SAR, Macau SAR and Taiwan
RTB Bor Group, Bor Copper	Rudarsko-Topioničarski Basen RTB Bor Doo, changed its name to Zijin Bor Copper Doo Bor after the acquisition, a subsidiary of the Company
Supervisor(s)	The supervisor(s) of the Company
Wulatehouqi Zijin	Wulatehouqi Zijin Mining Company Limited, a subsidiary of the Company
Xinjiang Ashele Copper, Xinjiang Ashele, Ashele	Xinjiang Habahe Ashele Copper Company Limited, a subsidiary of the Company
Xinjiang Zijin Non-ferrous	Xinjiang Zijin Non-ferrous Metals Company Limited, a wholly-owned subsidiary of the Company
ZGC	JV Zeravshan LLC, a subsidiary of the Company
Zijin Copper	Zijin Copper Company Limited, a wholly-owned subsidiary of the Company
Zijin Tongguan	Xiamen Zijin Tongguan Investment Development Company Limited, a subsidiary of the Company

Corporate Information *(continued)*

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GENERAL

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

In December 2003, the Company was listed on The Stock Exchange of Hong Kong Limited. The Company was the first Mainland gold production enterprise listed overseas. In 2004, 2005, 2006 and 2007, for 4 consecutive years the Company applied reserves to issue new shares, and in April 2008, the Company issued 1.4 billion A Shares at RMB7.13 per share and was listed on the Shanghai Stock Exchange on 25 April 2008 at a nominal value of RMB0.1 each. Pursuant to a resolution in relation to the proposal of conversion of capital reserve into share capital passed at the 2010 annual general meeting, on the basis of 5 new shares for every 10 existing shares, additional 7,270,654,550 shares were issued on the basis of total 14,541,309,100 issued shares at the end of 2010. After the conversion, the total number of shares increased to 21,811,963,650 shares. The Company implemented repurchase of H Shares from 21 August 2013 to 13 January 2016 and repurchased 271,220,000 H Shares in total. The shares repurchased mentioned above were cancelled. The total number of shares of the Company decreased by 271,220,000, and the registered capital decreased by RMB27,122,000. After the deduction, the total number of shares of the Company was 21,540,743,650, and the registered capital was RMB2,154,074,365. The Company issued 1,490,475,241 Renminbi-denominated ordinary A Shares under non-public issuance in 2017. The registered capital increased by RMB149,047,524.1. The registered capital of the Company correspondingly changed to RMB2,303,121,889.1. As at 31 December 2018, the registered capital of the Company was RMB2,303,121,889.1 comprising 5,736,940,000 H Shares, representing about 24.91% of the total issued shares, and 17,294,278,891 A Shares, representing about 75.09% of the total issued shares.

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

As at the end of 2018, the Group owned 195 exploration rights covering a total area of 2,279.90 square kilometres and 233 mining rights covering a total area of 874.45 square kilometres.

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

Financial Highlights

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

In this annual report, unless otherwise stated, monetary units are denominated in Renminbi ("RMB").

2014 TO 2018 FINANCIAL INFORMATION AS PREPARED IN ACCORDANCE WITH CHINA ACCOUNTING STANDARDS FOR BUSINESS ENTERPRISES ("CAS") AND THE RELATED LAWS AND REGULATIONS:

For the year ended 31 December

RMB

	2018	2017	2016	2015	2014
OPERATING INCOME	**105,994,246,123**	94,548,619,098	78,851,137,811	74,303,573,739	58,760,533,928
Less: Operating costs	**92,651,374,475**	81,371,973,684	69,782,246,837	68,007,729,583	50,881,767,555
Taxes and surcharges	**1,598,995,649**	1,352,340,359	907,955,846	809,662,007	838,416,174
Selling expenses	**887,451,338**	748,942,449	667,483,736	691,861,398	905,512,920
Administrative expenses	**2,964,964,865**	2,694,689,753	2,627,244,848	2,367,776,482	2,078,925,245
Research and development expenses	**274,380,222**	299,380,476	195,227,412	252,964,144	96,198,991
Financial expenses	**1,254,241,143**	2,012,950,292	581,525,541	945,668,268	767,954,016
Impairment losses on assets	**1,500,399,230**	2,220,905,893	560,842,460	470,685,123	362,952,805
Credit impairment losses	**(82,017,400)**	—	—	—	—
Add: Other income	**227,613,533**	228,882,015	—	—	—
Investment income/(losses)	**1,060,522,923**	155,670,082	(1,973,336,425)	1,312,774,399	772,566,108
Including: Share of profits/(losses) of associates and joint ventures	***373,063,390***	*(29,259,162)*	*92,415,676*	*(44,237,294)*	*21,433,814*
(Losses)/Gains on changes in fair value	**(135,783,729)**	750,200,343	756,641,718	(125,512,228)	(141,213,373)
Gains on disposal of non-current assets	**84,561,738**	44,456,123	1,053,649	—	—
OPERATING PROFIT	**6,181,371,066**	5,026,644,755	2,312,970,073	1,944,488,905	3,460,158,957
Add: Non-operating income	**365,953,586**	57,610,854	251,616,241	419,019,949	236,741,221
Less: Non-operating expenses	**417,144,870**	516,295,416	438,534,608	277,336,663	372,762,188
PROFIT BEFORE TAX	**6,130,179,782**	4,567,960,193	2,126,051,706	2,086,172,191	3,324,137,990
Less: Income tax expenses	**1,447,503,229**	1,320,410,996	438,783,804	743,484,427	688,695,999
NET PROFIT	**4,682,676,553**	3,247,549,197	1,687,267,902	1,342,687,764	2,635,441,991
Attributable to owners of the parent	**4,093,773,630**	3,507,717,627	1,839,798,820	1,655,671,617	2,345,062,669
Attributable to non-controlling interests	**588,902,923**	(260,168,430)	(152,530,918)	(312,983,853)	290,379,322
OTHER COMPREHENSIVE (LOSS)/INCOME	**(1,174,485,390)**	60,783,965	158,270,647	(411,333,512)	(7,344,471)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**3,508,191,163**	3,308,333,162	1,845,538,549	931,354,252	2,628,097,520
Attributable to:					
Owners of the parent	**2,933,737,518**	3,547,511,861	2,027,288,735	1,272,835,433	2,357,500,157
Non-controlling shareholders	**574,453,645**	(239,178,699)	(181,750,186)	(341,481,181)	270,597,363

Financial Highlights *(continued)*

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As at 31 December

	2018 RMB'000	2017 RMB'000	2016 RMB'000	2015 RMB'000	2014 RMB'000
Assets and liabilities					
Total assets	**112,879,303**	89,315,263	89,217,700	83,914,034	75,159,588
Total liabilities	**65,605,591**	51,672,418	58,101,192	51,985,779	41,490,665
Non-controlling interests	**6,818,278**	2,643,122	3,354,033	4,391,081	5,609,468
Equity attributable to owners of the parent	**40,455,434**	34,999,723	27,762,475	27,537,174	28,059,455

LIQUIDITY

	2018 RMB'000	2017 RMB'000	2016 RMB'000	2015 RMB'000	2014 RMB'000
Cash and cash equivalents	**9,932,838**	5,754,344	4,712,823	4,845,698	3,511,760
Current ratio (%)	**81.8**	99.6	71.3	69.1	83.5
Trade receivables turnover (days)	**4.00**	4.04	3.85	5.17	5.46

Chairman's Statement

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To all shareholders,

I wish to take this opportunity to express my sincere gratitude for your trust and support to Zijin Mining Group Company Limited*. I am pleased to report herewith the operating results of the Group for the year ended 31 December 2018 as follows:

CHAIRMAN'S STATEMENT

2018 marks a year full of special significances. It is the 25th anniversary of establishment of Zijin Mining, the 15th anniversary of the listing of H Shares in Hong Kong and the 10th anniversary of the listing of A Shares in the PRC.

In the previous year, the dream interweaved into the reality while opportunities arose with challenges. We dedicated to the enterprise spirit of "founding business from difficult situations with the spirit of pioneering and innovation", realising new significant results in production, operation, reform and development. The total assets and operating income of the Company both exceeded RMB100 billion while the net profit attributable to owners of the parent and the operating cash flows realised favourable increase; the production volumes of mine-produced gold, mine-produced copper and mine-produced zinc ranked among the top tier of domestic mining companies; the international development fully accelerated and major breakthroughs were achieved in terms of overseas investment and acquisition, with a substantial rise in the resources reserve volume in gold, copper and zinc; the reform on the management system of the Company which aimed at conciseness, regulation and efficiency was vigorously promoted and attained remarkable results; the fundamentals of safety, environment protection and occupational health were further strengthened and new achievements were realised in ecological green mine constructions; the nurture and introduction of international talents were speeded up, and the capability of scientific and technological innovation was continuously improved; the constructions of the Heilongjiang Duobaoshan copper mine and the hydrometallurgy plant of the Kolwezi copper and cobalt mine in the DR Congo were completed and the projects commenced production, and the key construction projects including the Kamoa copper mine stepped up to progress. The Group demonstrates a favourable developing trend, and a large-scale international and multinational metal mining corporation is gradually emerging!

Success only favours those who struck the water in venturing midstream and boldly forge ahead. China has marched into a new era, and Zijin Mining makes an entrance to a key stage of a new round of business development with the main focus on internationalisation; the new era belongs to the strivers. Zijin Mining will make consistent efforts in order to become a sizable and multinational metal mining company with global competitiveness.

In a certain period of time in the future, although complicated issues emerge in international economic situation and trade protectionism is heightening against the trend, while a number of uncertainties exist in the global and Chinese economies and the growth momentum of the emerging economies is slowing down with constant changes in the mining market, peace and development remain to be the global focus and it is expected that certain economic growth can be maintained and realised. The vigorous reforms carried out on the mining industry, environmental protection policies and supply-side create a relatively favourable environment for the mining market. Zijin Mining achieved significant breakthroughs in terms of control of crucial mineral resources. Approximately 50 million tonnes of copper resources reserve on equity basis was attained, parts of which are world class super high-grade quality resources. Also, with more than 1,700 tonnes of gold and approximately 10 million tonnes of zinc (lead), a solid resources basis is provided for the increase of gold, copper and zinc products of the Company.

At present, we will set out again based on the foundation accumulated in the past 25 years, and a great business is just initiated in a larger-scale, higher-level and more encouraging and exciting way. For the year of 2019, we continue to uphold the main work focus of "clinging to reforms, stabilising growth and boosting development":

– **Clinging to reforms as the growth driver**. We should adapt to internationalised development and reform our management ideas and patterns. Through 2 to 3 years of reform, the ideas, systems, rules and conducts focusing on domestic management shall be gradually transformed into the management system of a sizable international metal mining company; specific measures to "deepen reform and establish a concise, regulated and efficient management system" shall be further improved and enhanced, in order to tune the management, control and service functions of the Company's headquarters, exert the impact of business departments and mobilise the initiative of subsidiaries.

Chairman's Statement *(continued)*

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– **Stabilising growth as the main focus**. We should maintain growth in the operating results as the fundamental guarantee of the new round of construction and development of the Company; advanced technology and management innovation are the important ways to realise good benefits; strict cost control remains the sole option to achieve the operating results beyond expectation. Not only should we enhance the reserves volume and improve the operation and management of the existing projects in production, but we should also push forward the increase in production volume. The production and operation of Duobaoshan copper mine, Musonoie's copper (cobalt) mine, newly acquired Bor copper mine, Bisha zinc multi-metal mine and other enterprises are the crucial steps for realising expected results or results exceeding the expectation. After a continuous decrease for two consecutive years, the production volume of mine-produced gold is expected to realise an increase of 10%, and the production volumes of copper and zinc are expected to realise substantial increase.

– **Boosting development as the objective**. We should make efforts to develop and build the foundation and conditions for sustainable and healthy development. **Firstly**, mineral resources are the most important material base for mining companies. The strategy of giving priority to resources shall be upheld, and new progress shall be made in acquisition and prospecting. **Secondly**, capital market shall be well and fully used to cleverly design the capital structure for raising the funds needed for acquisition and investment; completion of the public issuance of A shares is one of the most significant tasks of the Company in 2019. **Thirdly**, we should endeavor to push forward the construction of the acquired projects with great significance, in order to convert the advantage in resources to economic benefit at the fastest pace; the high-grade Kakula copper mine project, the high-grade upper zone of the Timok copper-gold mine project, the technological upgrade project of the Bor copper mine and other projects will have decisive impact on the production volumes of copper (gold) and a very substantial growth in the Company's profits. **Fourthly**, the risk prevention and control of the corporation shall be emphasised to avoid subversive strategic or investment faults, and the risks of safety and environmental protection should be the most important risks that we should be alerted all the time. **Fifthly**, good abilities of adapting to and expanding the markets, sustainable innovation, highly efficient operation and management and outstanding corporate culture shall be formed and established. We should comprehensively enhance the level of informatisation, promote the nurture and introduction of international talents and strengthen the supervisory and anti-corruption work. The working and living conditions of the Company's staff and workers of the outsourcing companies should be continuously improved in every aspects, and the innovative idea of the Company should be integrated with the local cultures in the overseas areas where the Company operates.

"Those who surpass themselves will continue to surpass others". Being a corporation with the goal of becoming a global top-tier multinational mining company, Zijin Mining will follow the trend of the era, seize the development opportunities, uphold the strategic, capability and cultural confidence for the development of the Company, persist in the international development direction and innovational development, comprehensively complete various objectives and tasks of deepening reform and high-quality development, to embrace the new era, take new actions and realise a new leap for development!

OVERVIEW OF THE COMPANY'S OPERATION

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

1. Business scope

The Company is engaged in the exploration, mining, refining and processing of gold, copper, zinc and other metal mineral resources globally. The Company also carries out other mining and metallurgy related businesses such as research and development, construction, trade and finance, etc.

2. Operating model

Obtain mineral resources by exploration or acquisition. Adhering to the mining resource priority strategy, the Company has strong geological prospecting technologies and capacity. Resources reserve is obtained at low cost by carrying out exploration at the projects. Moreover, the Company insists in carrying out merger and acquisition of mining companies and mineral resources projects at appropriate times in order to ensure that the growth of resources reserve volume can meet the Group's needs of sustainable development.

Obtain mineral resources by development of mines. The Company always focuses on development and utilisation of mineral resources as its key business, with gold, copper and zinc being the key mineral products, and strives to develop mines in a low-cost, high-tech and efficient manner.

Chairman's Statement *(continued)*

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Enhance the industry chain of refining and processing business. The Company carries on refining and processing business of gold, copper and zinc in an optimal scale to supplement its mining business. Steps are taken to perfect the industry chain and expand business scale for forming upstream and downstream synergies to enhance industrial security and gain value-added income.

Technological research and construction business. The Company has a comprehensive research and development system with strong pertinence and practicability, which specialises in geology, mining, processing, metallurgy, and environmental protection application. Its design entities are qualified as grade A with a strong mine construction capacity.

Combine mining with finance, trade and logistics. The Company has established a finance company, Hong Kong treasury centre and capital investment company for fund management and capital operation across global business. The Company proactively explores the pathway to a successful combination among mining and finance, trade and logistics, and has built the platforms for selling, trading and marketing of gold and other metal products.

3. Position in the industry

The rankings published by the Forbes Magazine in 2018 show that the Company ranked the 947th in the list of "Global 2000: The World's Largest Public Companies", the 14th among the global non-ferrous metals corporations and the 2nd among the global gold corporations. According to Fortune in 2018, the Company ranked the 82nd in Fortune China 500.

The Company is one of the first batch of large-cap A Share companies being included in the MSCI Index. The top three renowned credit rating institutions, which are Moody's, Standard & Poor's and Fitch, published credit rating reports of the Company, which are all investment-grade with stable outlook, indicating their acknowledgement on the strategy, operating efficiency, industry status and development prospect of the Company and marking that the overall strength of the Company has earned recognition across the international capital market.

The Company is one of the Chinese companies with the largest resources reserve volumes of gold, copper and zinc, in which the Company holds 49.52 million tonnes of copper resources reserve, close to the level of top international mining companies. The production volumes of mine-produced gold, mine-produced copper and mine-produced zinc of the Company are among the top three in the PRC. The Company maintains its top-tier status in the industry in terms of profitability.

	The Group	**Total volume of mines in the PRC**	**Percentage of the Group's volume to the total volume of mines in the PRC**
Retained gold resources reserve volume (tonnes)	1,727.97	13,195.56	13.10%
Production volume of mine-produced gold (tonnes)	36.50	345.97	10.55%
Retained copper resources reserve volume (million tonnes)	49.5211	106.0775	46.68%
Production volume of mine-produced copper (million tonnes)	0.2486	1.5060	16.51%
Retained zinc resources reserve volume (million tonnes)	8.3661	184.9385	4.52%
Production volume of mine-produced zinc (million tonnes)	0.2780	2.8403	9.79%

Note: China's total resources reserve volume of gold, copper and zinc are extracted from "China Mineral Resources 2018" issued by the Ministry of Natural Resources of the PRC. China's total production volume of mine-produced gold is from the China Gold Association, and China's total production volumes of mine-produced copper and mine-produced zinc are from the China Nonferrous Metals Industry Association. The resources reserve volume of the Company is on equity basis.

Chairman's Statement *(continued)*

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

The total consolidated assets of the Company as at 31 December 2018 was RMB112.879 billion, representing a 26.38% growth compared with the end of last year. In which, overseas assets amounted to RMB42.208 billion, representing 37.39% of the total consolidated assets.

For details of the changes in the consolidated assets of the Company, please refer to "Discussion and Analysis on Operating Performance".

III. Analysis on the core competitiveness during the reporting period

The Company focuses on mining as the principal business by implementing the strategy of prioritising mineral resources. Through management and technological innovation, effective control is imposed on the aspects of investment and costs. After 25 years of development, the Company locates a pathway that suits its development well, and an innovative idea with the Company's own characteristics was formed. The Company also properly applies general scientific theories to the actual conditions, seeks for the type of innovation that best caters to corporate needs, and relentlessly challenges the achievements of itself. Innovation has become the Company's core competitiveness. The Company's principal competitive advantages include:

Advantage in system and structure. The Company operates under a separation of ownership and management. It has the benefits of a variety of advantages owing to the status of being a mixed ownership enterprise, which align the operation and management of the Company with modern corporate standards. The shareholders' general meetings authorise the Board in an optimal extent. The Board is capable of making decisions quickly in response to market conditions; execution of decisions is effective and highly efficient owing to efficacious interaction between the executives and the implementation bodies; a relatively independent supervisory system also enables effective and regulated supervision.

Advantage in strategic development. Becoming an extra-large scale international mining group with high technology and efficiency is the Company's strategic goal. The Company insists on the core business of gold, copper and zinc minerals production. It has formulated medium and long-term strategic planning objectives, which will be revised and adjusted according to the changes in the situation. The Company has clear strategic goals and objectives as well as precise positioning. Corporate strategies of the Company are executed in a persistent and firm manner.

Advantage in resources reserve. The Company has abundant high-quality resources and reserves. Its resources of gold, copper and zinc (on equity basis) reach 1,728 tonnes, 49.52 million tonnes and 8.37 million tonnes respectively. The copper reserves volume is close to the standard of top international mining companies. The Company has a number of mature mines in production and newly-acquired projects or projects under construction with high resources reserve volume and high-grade ores. Among them, the Kamoa copper mine in the DR Congo is a world-class super large high-grade copper mine, with copper metal resources reserve volume of more than 42 million tonnes. It is the largest copper mine in Africa and also the fourth largest copper mine in the world.

Advantage in technological innovation. The Company possesses core technologies and occupies a leading position in domestic metal mining industry in the aspects of geological prospecting, hydrometallurgy, energy consumption indicators, comprehensive recovery and utilisation of low-grade refractory resources, large-scale engineering development and so on. The Company owns several high-level research and development platforms and design entities for scientific research including the exclusive State Key Laboratory in gold industry, the national enterprise technology centre, workstations for academicians' scientific research, workstations for post-doctors' scientific research, research institutes of mining and metallurgy, technology companies and design companies, etc. A technological innovation system with Zijin's characteristics and a batch of independent intellectual property rights and scientific research achievements are formed. The Company, together with several of its subsidiaries, were recognised as the national "High and New Technology Enterprises".

Chairman's Statement *(continued)*

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Advantage in costs. The Company possesses outstanding technological innovation ability. Effective control on investment is achieved by optimising construction plan of projects. Resources with comparatively low costs are obtained through excellent prospecting ability. The costs of key investments and key mineral products of the Company are lower than the average of the industry, and the gross profit margins of mineral products are also comparatively high. These bring good operating cash flows and financial credibility to the Company. The Company's mineral products also have outstanding risk-resistant ability during the market downturn.

Advantage in synergies. Focusing on the development of mineral resources, the Company appropriately extends upstream and downstream industries, continuously increases resources reserve through geological prospecting, and achieves complementary advantages of upstream and downstream and enhances added value of products through metal refining compatible with the scale of self-owned mines in production. The Company mainly engages in the businesses of gold, copper and zinc metals. Gold has significant financial attributes and anti-risk ability during the economic downturn, which synergises with non-ferrous metals products including copper and zinc. The complementary advantages in prices enhance the Company's anti-risk capability and profitability.

Competitive advantage in talents. The Company has a dedicated, professional and loyal management team; most senior management members are experts in the industry; middle-level teams have strong practical capabilities, professional management capabilities and high corporate loyalty, and a relatively strong overseas operational capability has been developed. An international talent team is preliminarily formed.

Advantage in corporate culture. The Company has fostered an innovation-based corporate culture and the mindset of "founding business from difficult situations with the spirit of pioneering and innovation". High attention and focuses are laid on environmental and ecological protection, eco-development, occupational health and professional development of employees as well as charity and social responsibility, and the collaborative, harmonious and mutual development belief has earned broad recognition and support from the society.

DISCUSSION AND ANALYSIS ON OPERATING PERFORMANCE

Market overview during the reporting period

In 2018, the world's economy continued to grow moderately, but the growth momentum slowed down. The differentiations of growth trend, inflation levels and monetary policies of major economies were obvious. As the economy of the United States was recovering, the United States Federal Reserve continued to raise the interest rate and shrink the balance sheet, coupled with the rise of protectionism and unilateralism and brewing adjustments of international economic rules; some emerging economies' currencies depreciated sharply, and the real economy and financial market underwent turmoil.

In the context of the intensification of Sino-US trade frictions, China's economic development was greatly disrupted in the first half of the year. Meanwhile, crises such as domestic private enterprises' credit risk and equity pledges of listed companies followed. The central government of the PRC adopted a series of economy stabilising measures in a timely manner and maintained the stable development of the Chinese economy. The growth structure continued to be optimised, and the overall financial risk declined. The Chinese economy is transforming from a high-speed growth stage to a high-quality development stage.

Situation of the industry

In 2018, the overall performance of the global metal market was worse than expected. Prices of major commodities fluctuated and declined, while the pace of performance improvement of mining companies slowed down, and the capital market significantly reduced investment in mining assets. During the same period, investment in prospecting of mining companies accelerated, and the total consideration of merger and acquisition of mining companies reached a new peak for the past five years, indicating that the optimistic expectations on mining industry for the medium and long term have not changed. Important resource countries strengthened strategic resource management and control, raising the demand for sharing the benefits from development of mineral resources.

Chairman's Statement *(continued)*

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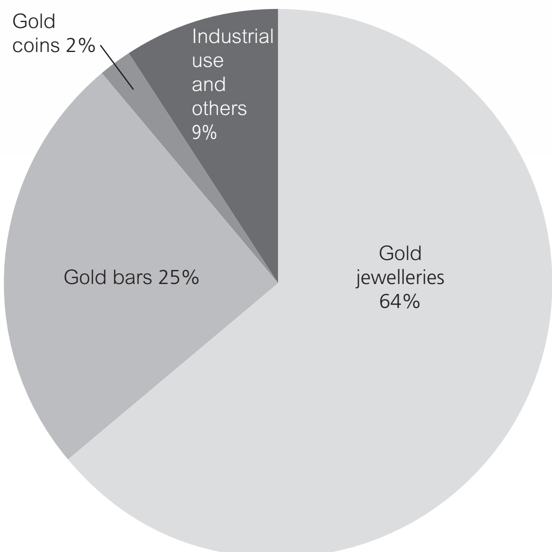
Gold

In 2018, the international gold price trend showed a wide range of fluctuation. The highest price of gold reached USD1,366/ounce, while the lowest prices hit USD1,160/ounce, and it closed at USD1,282/ounce at the end of the year. The annual average price was USD1,269/ounce, representing a 0.8% growth year-on-year. Under the influence of the U.S. Dollar Index, the domestic gold price declined first then turned to an upward trend. The highest price of gold reached RMB288/gramme, while the lowest price hit RMB263/gramme. The closing price at the end of 2018 was RMB284/gramme. The average price of the year was RMB271/gramme, representing a decrease of 1.5% compared with the same period last year.

According to the statistics of the World Gold Council, in 2018, the global gold production volume was 3,346.9 tonnes, representing a growth of 0.8% compared with the same period last year. The global demand of gold was 4,345.1 tonnes, representing a growth of 4.5% compared with the same period last year.

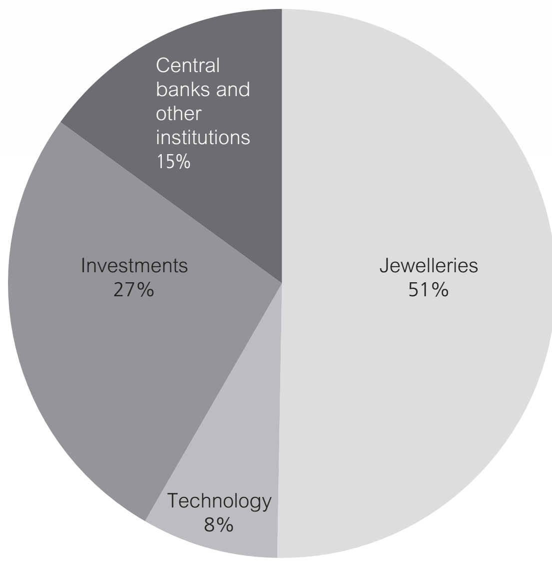
According to the statistics of the China Gold Association, in 2018, the national gold production was 401.1 tonnes, representing a decrease of 25 tonnes or 5.9% compared with the same period last year, in which, 346 tonnes were produced from gold mines and 55.2 tonnes were produced from non-ferrous raw materials.

Gold consumption structure of China



Source of data: China Gold Association

Global gold consumption structure



Source of data: World Gold Council

Copper and zinc

In 2018, the macro sentiment had a significant impact on non-ferrous metals. In the first half of the year, copper and zinc prices fluctuated at a high level. As global trade tensions escalated and the U.S. Dollar Index rebounded, the sentiment of risk aversion increased. The copper and zinc markets began to drop substantially after June.

During the reporting period, the highest price of copper in London market reached USD7,348/tonne, while the lowest price hit USD5,773/tonne, and it closed at USD5,949/tonne at the end of the year. The annual average price was USD6,527/tonne, representing a 5.7% growth year-on-year. The average spot copper price in the PRC was RMB50,689/tonne, representing a year-on-year growth of 2.9%.

During the reporting period, the highest price of zinc in London market reached USD3,596/tonne, while the lowest price hit USD2,071/tonne, and it closed at USD2,519/tonne at the end of the year. The annual average price was USD2,919/tonne, which was basically the same as the previous year's average price. The average spot zinc price in the PRC was RMB23,674/tonne, representing an 1.7% decrease year-on-year.

According to the statistics of the International Copper Study Group ("ICSG"), for 2018, the global production volume of mine-produced copper was 20.52 million tonnes, representing an increase of 2.3% compared with the same period last year; the global production volume of refined copper was 23.876 million tonnes, representing an increase of 1.5% compared with the same period last year; the global consumption volume of refined copper was 24.263 million tonnes, representing an increase of 2% compared with the same period last year.

Chairman's Statement *(continued)*

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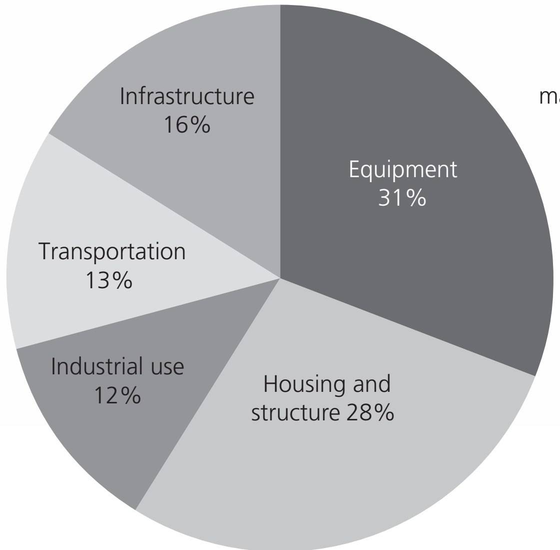
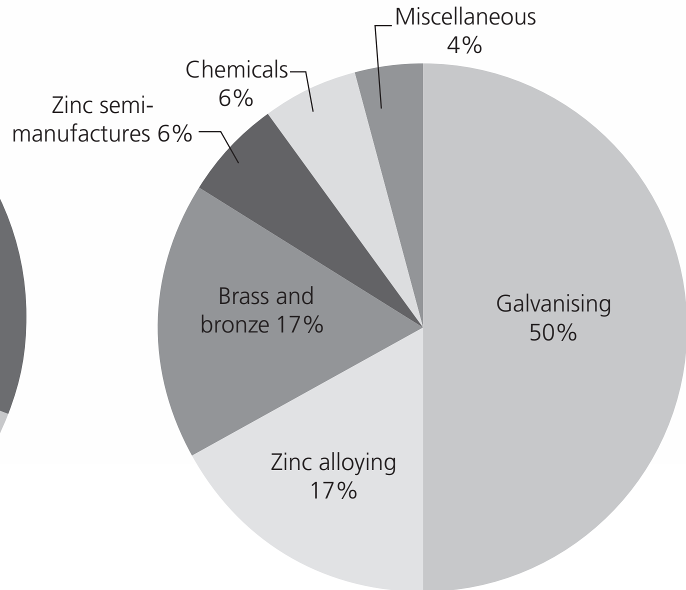
According to the statistics of the International Lead and Zinc Study Group ("ILZSG"), for 2018, the global production volume of mine-produced zinc was 12.87 million tonnes, representing an increase of 2% compared with the same period last year; the global production volume of refined zinc was 13.27 million tonnes, which was basically the same as the previous year; the global consumption of refined zinc was 13.67 million tonnes, representing a decrease of 0.3% compared with the same period last year.

Global copper consumption structure



Source of data: ICSG

Global zinc consumption structure



Source of data: ILZSG

According to the statistics of the China Nonferrous Metals Industry Association, for 2018, the national production volumes of mine-produced copper and mine-produced zinc were 1.5060 million tonnes and 2.8403 million tonnes respectively, representing an increase of 3.9% and a decrease of 4.9% compared with the same period last year respectively; the national production volumes of refined copper and refined zinc in 2018 were 9.0286 million tonnes and 5.6811 million tonnes respectively, representing an increase of 8% and a decrease of 3.2% compared with the same period last year respectively.

In 2018, the realised operating income and realised profit from principal operations of non-ferrous metal mining enterprises above designated size in China were RMB5.4289 trillion and RMB185.5 billion respectively, representing an increase of 8.8% and a decrease of 6.1% compared with the same period last year respectively, in which, the realised profit of mining and processing was RMB41.6 billion, which was basically the same as the previous year; the realised profits of refining and processing were RMB67.9 billion and RMB75.6 billion, representing a decrease of 10.2% and 5.6% compared with the same period last year respectively.

Business overview

During the reporting period, the Company echoed to the requirements of the new era and tightly grasped "clinging to reforms, stabilising growth and boosting development" as the main focus of work, continued to promote high-quality development in every aspect, and founded business from difficult situations with the spirit of pioneering and innovation, which led to a substantial progress in operating results and reform and development. The Company's major financial indicators realised favourable growth and it maintained as one of the leading companies in the industry. The production volumes of mine-produced gold, mine-produced copper and mine-produced zinc ranked the top three in China. The Company has achieved a substantial growth in the production volume of mine-produced copper. Its structural growth momentum was continuously released. The Company has solidly promoted deep reform and built a more concise, regulated and efficient management system for the Group. The Company has substantially accelerated its internationalisation process and achieved significant breakthroughs in overseas merger and acquisition. The Company's successful acquisitions of RTB Bor Group in Serbia and Nevsun (a Canadian listed company) substantially increased the Group's resources reserve volumes of gold, copper and zinc, and the production capacity was uplifted as well. They have become new profit drivers for the Group. The Company continued to strengthen the fundamentals of safety, environmental protection and occupational health, and actively built a green eco-brand, with fruitful results in scientific and technological innovation. The brand value and industry status of the Company were promoted.

Chairman's Statement *(continued)*

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During the reporting period, the Group realised an operating income of RMB105.994 billion, representing an increase of 12.11% compared with the same period last year (2017: RMB94.549 billion); net profit attributable to owners of the parent was RMB4.094 billion, representing an increase of 16.71% compared with the same period last year (2017: RMB3.508 billion). As at the end of December 2018, the Group's total assets was RMB112.879 billion, representing an increase of 26.38% compared with the beginning of the year (beginning of the year: RMB89.315 billion); net assets was RMB47.274 billion, in which the net assets attributable to owners of the parent was RMB40.455 billion, representing an increase of 15.59% compared with the beginning of the year (beginning of the year: RMB35.0 billion).

Comparison table of production volumes of the Company's major mineral products for 2016-2018

	Mine-produced gold (tonnes)	Mine-produced copper (thousand tonnes)	Mine-produced zinc (thousand tonnes)
2016	42.55	155.0	250.0
2017	37.48	208.0	270.0
2018	36.50	248.6	278.0

GOLD MINE BUSINESS

During the reporting period, the Group produced a total of 241,628kg (7,768,514 ounces) of gold, representing an increase of 13.03% compared with the same period last year (2017: 213,765kg).

Among which, 36,497kg (1,173,405 ounces) was mine-produced gold, representing a decrease of 2.63% compared with same period last year (2017: 37,483kg).

	Name	Interest held by the Group	Mine-produced gold (kg)
Major enterprises or mines	Porgera gold mine in Papua New Guinea	47.5%	6,766
	JV Zeravshan LLC in Tajikistan	70%	4,567
	Norton Gold Fields Limited in Australia	100%	4,262
	Fujian Zijinshan gold and copper mine	100%	3,241
	Altynken Limited Liability Company in Kyrgyzstan	60%	3,237
	Jilin Hunchun Shuguang gold and copper mine	100%	3,111
Total of other gold producing entities of the Group			11,313
Total			36,497

205,131kg (6,595,110 ounces) of refinery, processed and trading gold was produced, representing an increase of 16.37% compared with same period last year (2017: 176,282kg).

Sales income from the gold business represented about 50.82% (after elimination) of the total operating income during the reporting period. Gross profit of the gold business represented about 21.40% of the gross profit of the Group.

(1 troy ounce = 31.1035g)

Chairman's Statement *(continued)*

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COPPER MINE BUSINESS

During the reporting period, the Group produced a total of 683,078 tonnes of copper, representing an increase of 7.40% compared with the same period last year (2017: 636,008 tonnes).

Among which, 248,577 tonnes of mine-produced copper were produced (including 19,763 tonnes of mine-produced copper cathodes), representing an increase of 19.52% compared with the same period last year (2017: 207,987 tonnes).

	Name	Interest held by the Group	Mine-produced copper (tonne)	Note
Major enterprises or mines	Fujian Zijinshan gold and copper mine	100%	76,631	Including: 19,231 tonnes of copper cathodes
	Kolwezi copper mine in the DR Congo	72%	53,235	
	Xinjiang Ashele copper mine	51%	44,528	
	Heilongjiang Duobaoshan copper mine	100%	39,775	
	Jilin Hunchun Shuguang gold and copper mine	100%	15,182	
Total of other mines			19,226	
Total			248,577	Including: 19,763 tonnes of copper cathodes

434,501 tonnes of copper were produced from refineries, representing an increase of 1.51% compared with the same period last year (2017: 428,022 tonnes).

Sales income from the copper business represented about 19.90% (after elimination) of the total operating income during the reporting period. Gross profit of the copper business represented about 36.24% of the gross profit of the Group.

ZINC (LEAD) MINE BUSINESS

During the reporting period, the Group produced zinc of 461,169 tonnes, representing a decrease of 1.25% compared with the same period last year (2017: 466,998 tonnes). In which, the Group produced mine-produced zinc in concentrate form of 278,038 tonnes, representing an increase of 2.98% compared with the same period last year (2017: 269,989 tonnes). 183,131 tonnes of zinc bullion were produced from refineries, representing a decrease of 7.04% compared with the same period last year (2017: 197,009 tonnes).

During the reporting period, the Group produced lead in concentrate form of 35,909 tonnes, representing a decrease of 0.92% compared with the same period last year (2017: 36,243 tonnes).

	Name	Interest held by the Group	Mine-produced zinc (tonne)	Mine-produced lead (tonne)	Mine-produced zinc + mine-produced lead (tonne)
Major enterprises or mines	Longxing Company in Tuva, Russia	70%	99,918	4,152	104,070
	Xinjiang Zijin Zinc Industry	100%	93,551	12,535	106,086
	Wulatehouqi Zijin Mining Company Limited	95%	74,435	14,050	88,485
	Xinjiang Ashele Copper Company Limited	51%	9,001	—	9,001
Total of other mines			1,133	5,172	6,305
Total			278,038	35,909	313,947

Chairman's Statement *(continued)*

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Sales income from lead and zinc business represented about 6.59% (after elimination) of total operating income during the reporting period. Gross profit of the lead and zinc mine business represented approximately 21.30% of the gross profit of the Group.

SILVER, IRON MINE AND OTHER BUSINESS

During the reporting period, the Group produced silver of 604,760kg, representing a decrease of 8.53% compared with the same period last year (2017: 661,122kg). Among which, 383,884kg of silver was produced from refineries as by-product, representing a decrease of 9.25% compared with the same period last year (2017: 423,028kg); 220,877kg of mine-produced silver was produced, representing a decrease of 7.23% compared with the same period last year (2017: 238,094kg).

	Name	**Interest held by the Group**	**Mine-produced silver (kg)**
Major enterprises or mines	Fujian Wuping Zijin Mining Company Limited	77.5%	42,115
	Fujian Zijinshan gold and copper mine	100%	29,976
	Xinjiang Ashele Copper Company Limited	51%	29,545
Total of other mines			119,241
Total			220,877

During the reporting period, the Group produced iron ore of 2.97 million tonnes, representing an increase of 0.7% compared with the same period last year (2017: 2.95 million tonnes).

	Name	**Interest held by the Group**	**Iron ore (million tonne)**
Major enterprises or mines	Xinjiang Jinbao Mining Company Limited	56%	2.47
	Fujian Makeng Mining Company Limited	41.5%	0.5 (on equity basis)
Total			2.97

Sales income from iron mines, silver and other products represented about 22.69% (after elimination) of total operating income during the reporting period, the gross profit of which represented approximately 21.06% of the gross profit of the Group.

Major measures taken during the reporting period:

Continued to improve corporate governance, comprehensively deepened reform and advanced orderly

Starting with the Company's 25th anniversary, the 15th anniversary of listing of the H Shares and the 10th anniversary of listing of the A Shares, the Company formulated the "2018-2022 Company Development Plan", which set the goals for the next 5 years. The Company completed the revision of major systems by adding the Party's building and development in the Company's articles of association, and continuously regulated development of governance system adhering to the guiding policy of "deepening reform, building a concise, regulated and efficient management system". The role of the Execution and Investment Committee of the Board of Directors in the Company's major production operations and investment decision-making was clarified, which achieved stable and efficient decision-making in major investment and financing projects. The comparative independence, effectiveness and responsibility of the supervision system were further strengthened. The business department management model was deepened, and the corporate governance status of subsidiaries was enhanced. The vitality of the business sectors continued to be stimulated. The headquarters' functions of management services were strengthened, and the financial, marketing, logistics and construction platforms were standardised orderly. Diversified human resources mechanisms were effective. The governance and management systems with distinctive Zijin characteristics were further consolidated and optimised.

Chairman's Statement *(continued)*

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Steady growth in operating performance and enhanced efficiency in high-quality development

The all-round and high-quality development was promoted and the assessment and management of major technical and economic indicators were strengthened by adhering to legal compliance operations. The Company emphasised on improving the "five-rate" indicators including ore loss rate, dilution rate, processing recovery rate, equipment operating rate and labour productivity, and the operating levels of domestic mining sector, refining and processing sector and overseas sector have been continuously optimised to promote the coordinated development of auxiliary sectors such as finance, construction, trade and logistics. Projects not relating to main business and small in size were disposed of more rapidly.

Obvious acceleration of the internationalisation process with major breakthroughs in merger and acquisition projects

The internationalisation process of the Company has been significantly accelerated, with major breakthroughs made in overseas merger and acquisition projects. The Company's influence along the "Belt and Road Initiative" is increasing. The construction of overseas projects accelerated. Phase 2 of the hydrometallurgy plant of the Kolwezi copper and cobalt mine in the DR Congo was completed and put into production in only nine months. The implementation of the Chinese standards and Zijin plan let Zijin spirit shine again in Africa. The resources reserve volume of the Kamoa copper mine in the DR Congo exceeded 42 million tonnes, making it the fourth largest copper mine in the world, the construction of which is being pushed forward orderly. The management of overseas projects continued to be standardised, and safety production and compliance control continued to improve. Environmental protection became a beautiful business card for the Company's overseas projects.

In 2018, mineral resources produced by the Company's overseas projects included mine-produced gold, mine-produced copper and mine-produced zinc of 19.07 tonnes, 60,100 tonnes and 99,900 tonnes respectively, representing 52.26%, 24.19% and 35.94% of respective total production volumes of the Group. The reserves volumes of gold, copper and lead and zinc of overseas projects (on equity basis) were 1,131.78 tonnes, 38,794,400 tonnes and 2,424,400 tonnes respectively, representing 65.50%, 78.34% and 25.29% of the respective total reserve of the Company.

With the rapid development of the Company's overseas business, it is expected that the overseas production volumes of major products will exceed those of the PRC in the next 2 to 3 years, becoming the Company's largest growth driver.

Promoted high unification between mining development and ecological and environmental conservation, actively performed social responsibility

The production safety, environmental protection and occupational health of the Company are in a good trend as a whole. Adhering to the goal of "zero death in workplace, zero environmental incident and zero occupational disease", the fundamentals of safety and environmental protection management were constantly consolidated, to promote the paramilitary management of production safety and integration of the external engineering team for unified management, implementation of safety scoring system and the campaign of "every staff is the safety officer". The production safety awareness and performance ability of the head commander have been improved by introducing advanced western safety management concepts and methods and promoting statistical analysis of the loss rate per a million working hours. The concepts of "life comes first, environmental protection in priority" and "green mountains and clean water are our invaluable assets" have more deeply rooted in people's minds. The awareness and level of safety and environmental protection of employees, and the international safety and environmental protection management system have been significantly improved. Adhering to high unification between mine development and ecological environment, the Company continued to promote the development of green mines. The impact of green eco-brands has further expanded, and the Group has achieved the goal of "zero environmental incident".

The Company continued to serve local communities and their development, poverty alleviation and charity, and donated RMB206.5 million in the year 2018. For details, please refer to Zijin Mining 2018 Environmental, Social and Regulatory Report.

Thoroughly implemented the innovation-driven development strategy, and speeded up informatisation development

The Company vigorously optimised its technology infrastructure and promoted the construction of a science and technology innovation centre. The State Key Laboratory of Comprehensive Utilisation of Low-grade Refractory Gold Ores successfully passed the first assessment organised by the Ministry of Science and Technology and received a "good" rating. The Company strengthened the position of technological innovation and promoted breakthroughs in key projects and core technologies. The corporations invested by the Company, Bayannaoer Zijin and Changsha Science Environmental Technology Co., Ltd., won the second prize of State Scientific and Technological Progress Award and the second prize of State Technological Invention Award for 2018 respectively. "A method for selective gold extraction from copper-containing oxidised gold ore with cyanide" of the Company won the China Patent Excellence Award; the super-fine grinding technology reform of the Tuva zinc and polymetallic mine in Russia and comprehensive recovery of refractory ore of the Taror mine in Kyrgyzstan obtained significant breakthroughs. In 2018, Zijin Testing Company, Wulatehouqi Zijin, Zijin Tungsten and Kuitun Tongguan Metallurgical Chemical Company Limited passed the National High and New Technology Enterprise certification. The Company comprehensively launched the informatisation development, formulated the "Five-year Development Plan for Informatisation", and actively promoted the "three-oriented"

Chairman's Statement *(continued)*

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construction.

Promoted key projects in an orderly manner, and released production capacity to ensure sustainable growth

The Company's construction projects are in smooth progress while maintaining gradual release in production capacity, providing an important guarantee for sustainable growth. Phase 2 of the hydrometallurgy plant of the Kolwezi copper and cobalt mine in the DR Congo (adding 40,000 tonnes of mine-produced copper and 3,000 tonnes of mine-produced cobalt per year) and phase 2 expansion project of the Heilongjiang Duobaoshan copper mine (adding 60,000 tonnes of copper per year) were successfully put into pilot production after completion of construction and will gradually release new capacity. Heilongjiang Zijin Copper's copper refining project, Xinjiang Zijin Non-ferrous' zinc refining project, Zijin Copper's comprehensive utilisation of resources from copper refining and harmless treatment project, and Fujian Zijin Copper's high-performance copper alloy and energy-saving reform project are currently underway in an orderly manner as planned.

Resource exploration obtained promising results, continuous progress was made in the expansion of overseas resources

During the reporting period, the Group insisted on mineral resources as the core assets and the basis for sustainable development and strengthened the inputs into mine exploration. By concentration of capital and technology on the major breakthroughs, the Group achieved fruitful results in reserves increase by exploration, providing important mineral resources for sustainable growth. In which, the Kamoa copper mine in the DR Congo increased 5.92 million tonnes of copper resources reserve; the Kolwezi copper mine in the DR Congo increased copper and cobalt resources volumes by 430,000 tonnes and 45,000 tonnes respectively; the Xinjiang Wulagen mine increased 280,000 tonnes of lead+zinc resources volumes; Shanxi Yixingzhai-Yilian project increased 28 tonnes of gold resources volumes. Moreover, Xinjiang Ashele Copper, Inner Mongolia Wulatehouqi Zijin and the Heilongjiang Duobaoshan copper mine achieved good results in discovery of resources through prospecting and exploration. During the reporting period, the Group invested RMB301 million (on equity basis) in exploration and the aggregate volume of resources reserve (grade 333 or above, on equity basis) newly added from exploration were 39 tonnes of gold, 3.03 million tonnes of copper, 520,000 tonnes of lead and zinc, 168 tonnes of silver and 32,400 tonnes of cobalt.

As at the end of 2018, the Group owned 195 exploration rights covering a total area of 2,279.90 square kilometres, and 233 mining rights covering a total area of 874.45 square kilometres.

The table below sets out the retained resources reserve volume (after review) of the Group on equity basis as at the end of 2018:

Summary of retained resources reserve volume of the Group's major mines as at the end of 2018

Type of mineral	Unit	Resources reserve volume (grade 333 or above)		
		As at the end of 2018	As at the end of 2017	Growth rate compared with same period last year (%)
Gold	t (metal)	1,355.62	1,161.22	16.74
Gold associated with other metals	t (metal)	372.35	158.85	134.40
Sub-total of gold	t (metal)	1,727.97	1,320.07	30.90
Copper	Mt (metal)	49.5211	31.4751	57.33
Silver	t (metal)	1,846.59	836.05	120.87
Molybdenum	Mt (metal)	0.6785	0.6809	-0.35
Zinc	Mt (metal)	8.3661	7.8304	6.84
Lead	Mt (metal)	1.2192	1.4403	-15.36
Tungsten	WO_3t	74,400	75,600	-1.60
Tin	Mt (metal)	0.1397	0.1397	—
Iron	Mt (ore)	198	206	-4.03
Coal	Mt	69	69	—
Platinum	t (metal)	235.80	235.80	—
Palladium	t (metal)	148.76	148.76	—

DISCUSSION AND ANALYSIS ON THE COMPANY'S FUTURE DEVELOPMENT

(I) Landscape and development trend of the industry

The global economy maintains its development momentum of increasing demands for resources, which speeded up the adjustment of global economic benefits distribution. The growing frictions among relevant countries as a result of securing resources and market shares and resolving ecological and environmental issues imposed more pressures to China's future development and opening up as well as higher requirements on China's ongoing involvement in the international competition. In the aspect of gold industry, the two material mergers including the merger of Barrick Gold with Randgold and the merger of Newmont with Goldcorp of Canada since 2018 demonstrate the increasingly intense competition for securing market shares and resources in the gold industry, which brought about large challenges for the future development of the gold industry.

As late entrants in the global mining industry, the gold and non-ferrous metal enterprises in the PRC have yet developed with important internationalised influence with regards to resources control, production volume of mineral products or profit from overseas projects. With the development and expansion of Chinese economy and mining enterprises, Chinese mining enterprises have gradually become important driving forces for the global mining industry, but they will still have a long way to go in respect of internationalisation.

On the other hand, there have been more constraints from mineral resources and environmental protection policies in the PRC, which makes it difficult for Chinese mining enterprises to explore a promising future unless they venture abroad. Therefore, enhancing overseas mergers and acquisitions and development of overseas projects will be important choices of as well as the most severe challenges for Chinese mining enterprises in the new era.

(II) Development strategies of the Company

The Company is in the process of a new round of business featuring "internationalisation, project upsizing and asset securitisation". It strives to achieve the general strategic objective of becoming an "extra-large scale international mining group with high technology and efficiency" by 2030. The Board of the Company approved the Thirteenth Five-Year Plan and the Outline of Long-Term Plan for 2030 in 2016, and considered and approved the Resolution on Strategic Plan for 2018-2022 in 2018, raising the long-term, medium-term and short-term plans and objectives for the Company. The Board also passed the Development Plan for Green Mines of Zijin Mining at the strategic level as the Company attaches great importance to ecological and environmental protection and insists on the development strategy for green mines.

The Company maintains the continuity of its strategies and makes appropriate amendments and adjustments thereto based on the changes in situations. For strategies, the Company emphasises and insists on highlighting the direction of internationalisation, and advantages in gold and copper mineral products, and endeavours to record a significant increase in terms of major economic indicators on the basis of those in 2017, thereby becoming a globally important producer of gold, copper and zinc mineral products, ranking the top worldwide in respect of resources reserve volume and production volume of mineral products, and developing the ability to compete globally in terms of technology and efficiency.

(III) Business plans

Business environment

In 2019, the global economy will face many new uncertainties. However, it is expected that a certain growth will still be on target as peace and development will remain the mainstream in the world.

Domestically, as affected by the external economic operating environment and unsettled economic and trade negotiations between the PRC and the United States, China's economy will be under pressures. However, as China has become the world's second largest economy, has the largest population of middle-income group in the world as well as a strong and effective leadership and management, China will still maintain its high-level growth speed as supported by its resiliency and continuity benefiting from the superiority of combining China's socialist system with market economy. As the central government of the PRC put forward the 6.0-6.4% growth target, "six stabilities" policy measures and decreased taxes and charges to a greater extent in 2019, it is expected that China's economy will operate at a steady pace within a reasonable range.

Chairman's Statement *(continued)*

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It is expected that the global mining market will still maintain a tight balance in 2019, but it will fluctuate significantly due to the macroscopic risks, and increasing uncertainties and heightening market volatility. The development of the global economy and the PRC economy will continue to support the mining industry, in particular, the development of non-ferrous metal market.

The decelerating U.S. dollar interest rate increase leads to a weaker suppressing impact on gold price. Trade frictions, geopolitics and other uncertainties as well as the increasing gold reserves by the central banks worldwide will give support to the subsequent rise of gold price.

The current copper price has partially showed pessimistic expectation, and the future tendency will depend on the material recovery of the macroscopic expectation. The tight balance of supply and demand will remain unchanged for the medium to long run. Copper price may improve in general.

The release of global zinc production capacity will continue to speed up, while the slower macroeconomic development will lower the consumption expectation of zinc in the long run. It is expected that zinc price will continue to move under pressures in 2019.

Business plans

The planned production volumes of major mineral products of the Company for the year 2019 are: mine-produced gold of 40 tonnes, representing an increase of 9.6% compared with last year; mine-produced copper of 350,000 tonnes, representing an increase of 41.1% compared with last year; mine-produced zinc of 380,000 tonnes, representing an increase of 36.7% compared with last year; mine-produced silver of 275 tonnes, representing an increase of 24.6% compared with last year; and iron ore of 2.5 million tonnes, which is basically the same with last year. The newly constructed and acquired projects are the main factors of the increase in production volumes of major mineral products.

The above plan was made in light of the current economic condition, market situation and the present 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 2019

Under the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, and insisting on the scientific conclusions of "development as the top priority, talent as the first resource and innovation as the primary driving force", the Company will unswervingly execute its development strategies and further implement the spirit of the strategic working conference held in Gutian. With the main work focus on "clinging to reforms, stabilising growth and boosting development", the core of speeding up the pace of internationalisation and improving the quality of internationalised operation, and the objective of improving corporate benefits and development quality, the Company will stick to the path of innovation-driven development to comprehensively achieve various targets of deepening reform, production and operation and high-quality development.

1. **Continue to deepen reforms and lead on the high-quality corporate development**

   Sustained efforts should be made to improve corporate governance and reinforce the hierarchical authorisation and supervisory system development. Internationalisation development should be accelerated for the purpose of building an international management system and operation model with Zijin's characteristics. The business departments shall continue to play an important role in the production and operation, and the service awareness and service quality of the headquarters and consulting agencies will be reinforced. The Company will comprehensively fulfill the major responsibility of enterprises with production and operation, consolidate the corporate governance structure of subsidiaries, and realise balance of rights and responsibilities. The Company will enhance the comparative independence, effectiveness and accountability of supervision.

Chairman's Statement *(continued)*

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2. **Enhance management of production and operation to ensure steady growth in operating results**

   Synergy among various business segments will be achieved to optimise key production indicators, reinforce and refine management, maintain strict costs control, and leverage on the favorable conditions for the growth of mineral products market and production volumes of major mineral products, and fully realise the production and operation objectives and tasks set for 2019. We will strive to improve the "five-rate" indicators of the domestic mining segment and the international segment, focus on strengthening research on mining technology and method, explore the establishment of self-operated mining model, and continue to consolidate the legal and compliant operations. The Company will take forward the management of "green metallurgy" target of the refining and processing segment, improve the quality and efficiency of production and operation, strictly manage metallurgical balance, strengthen the scientific management of inventories, and enhance market risk management and control. We will strengthen the reform of logistics, procurement and sales systems, and establish a business management system in line with internationalisation.

3. **Adhere to the internationalised development and fully implement the operation of projects with new growth potential**

   The Company will stick to the internationalised development, accelerate the construction and commencement of production of major acquired overseas mining projects, and improve the profitability of overseas projects. Particularly, we will accelerate the construction of the Kamoa copper mine in the DR Congo and the Upper Zone of the Timok copper mine in Serbia, and actively promote the technological upgrade and expansion in the Kolwezi copper mine in the DR Congo and the Bor copper mine in Serbia, and the integrated operation of the Bisha zinc and polymetallic mine in Eritrea. We are committed to innovating our management models and improving the operation, management and construction of overseas projects by upholding the innovation spirit and philosophy of Zijin, learning from the operation and management experience of international first-class mining companies in conjunction with actual situations of overseas projects. We will persistently maintain legal and compliant operation, and reinforce the control over overseas capital, policy risk and community risk. The Company will diversify and improve the means of mergers and acquisitions, continue to keep track of overseas investment and acquisition opportunities and focus on gold projects under production recording benign cash flows with a certain scale.

4. **Fully promote the public issuance of A Shares and optimise the Company's asset and liability structure**

   The Company announced the proposal of public issuance in the A Shares market to raise proceeds of RMB8 billion in early 2019, which is an important measure to improve the Company's asset structure and one of the most important tasks in 2019 as well. The Company will fully promote the public issuance of A Shares, in order to provide financial support for the Company's international development, optimise the equity and financial structure, and enhance the Company's long-term core competitiveness. The Company will focus on the development of the principal business, and by adhering to the principle of "investment in large projects and give up the small ones", increase efforts to dispose of the small-sized and non-mining projects. We will consolidate fundamental financial management, introduce new technical means to strengthen budgeting and risk management and control, and refine overseas financial systems development. Attention will be paid to risk control, in order to effectively use all types of capital, and control the Company's debt-asset ratio and cash flows.

5. **Step up the training and introduction of internationalised talents and nurture a team of high-level technical workers**

   Measures will be taken to innovate the introduction and nurturing of international high-quality talents, and break the bottleneck of high-quality international talents through practical actions. A competitive talent remuneration system will be established with reference to the pattern of large multinational companies, while the echelon building of an internationalised talent team will also be reinforced, by focusing on the training and nurturing of high-quality reserve talents, outstanding young talents and university graduates under the age of 30. We will step up the development and nurturing of high-level technical worker team and stimulate the vitality of the workforce. We also pay attention to employees' longing and pursuit for a better life, and persistently improve humanistic care for them and their happiness.

Chairman's Statement *(continued)*

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

6. **Build up the safety foundation and actively promote environmentally friendly eco-brands**

   By solidly sticking to the red line awareness and bottom-line mindset in respect of safety, environmental protection and ecological development, and upholding the goal of "zero death in workplace, zero environmental incident and zero occupational disease", the Group continues to improve the safety, environmental protection and ecological development. We will further implement the spirit of the on-site meeting in Ashele regarding production safety, increase efforts on the implementation of various measures, so as to truly integrate the cooperative units into the unified safety management system, and to promote the fundamental improvement of the production safety. We strive to establish an internationally responsible corporate image, combine environmental protection under "Chinese standards" with the actual practice of the places where overseas projects are located in, and create the Zijin's international brand in environmental protection and ecological development. We will implement the policy of "giving priority to prevention, combining precaution with control" to improve the occupational health management.

7. **Persist in innovation-driven development and comprehensively enhance informatisation development**

   The Company will step up measures to overcome major technical problems, encourage original innovation, persistently make concrete and solid efforts, stress practical results, with a view to forming innovative advantages in prospecting, mining, selection, metallurgy and material processing. We will increase efforts to establish a team of scientific and technological research talents, particularly, by creating an independent and eased scientific and technological innovation atmosphere and stimulating the potential of scientific and technological research personnel. We will comprehensively improve the informatisation development, implement the "five-year development plan for informationisation", step up to introduce and nurture talent teams for informationisation development, and build up our own information development capability. By benchmarking against the world's leading mining companies, the Company will continue to promote automation and intelligence development.

8. **Adhere to the resource priority strategy and accelerate the project construction to continuously release new capacity**

   The Company will increase efforts in exploration, accelerate the construction and resource evaluation of exploration of key projects, attach importance to the theoretical research of prospecting and mineralisation and the application of new technologies and equipment, and enhance the quality of exploration results. A variety of key projects will be accelerated, including the construction of the new tailing pool of the Zijinshan gold and copper mine, the phase 2 expansion project of the Duobaoshan copper mine, the copper refining project of Heilongjiang Zijin Copper, the zinc refining project of Xinjiang Zijin Non-ferrous, and Zijin Copper's phase 2 project for tapping into potentials and enhancing efficiency. We will endeavor to strengthen the building, construction and safety management of the projects, uphold the innovative idea of Zijin, optimise the feasibility study and design of projects, and enhance the project licence, formalities and contract management according to laws and regulations. We will also continue to refine the bidding system, and strengthen management during the construction process and budgeting and accounting management of projects.

9. **Enhance corporate culture development and fulfill corporate social responsibility**

   The Company will uphold the core socialist values, accelerate the normalised development of civilisation, explore the excellent corporate culture with Zijin's characteristics, and carry on cultural inheritance. We endeavour to exploit the mutual integration of Zijin culture and the culture of the countries where our projects are located in the course of international development, forming an advanced corporate culture for overseas entities featuring Zijin's characteristics and combining Chinese and foreign cultures. We insist on strict corporate governance, step up anti-corruption efforts and ensure the sustainable and healthy development of the Company. By upholding the values of coordinated development of enterprise, employees and the society, the Company actively takes part in social welfare, education, charity and other public welfare undertakings, and fulfills the corporate social responsibility as a "corporate citizen".

Chairman's Statement *(continued)*

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

(IV) Possible risks

1. **Metal price risks.** Metal products such as gold, copper and zinc are the major sources of the Company's income and profits. The price fluctuations of the aforesaid products will impose substantial impacts on the Company's operating results. Decline in product prices may cause greater pressure on the Company's production and operation. To ensure a stable operation, the Company will fully leverage on its technological and managerial strengths to raise efficiency and control costs strictly. Moreover, the Company will observe the market more closely and make corresponding judgement. Where appropriate, and based on the necessity for risk control, it will make reasonable use of financial derivatives to hedge price fluctuation risks.

2. **Financial market risks.** The Company has a certain amount of financial assets and assets denominated in foreign currencies. As a result, movements in interest rates, exchange rates and stock prices in the market could cause risks in the value of the Company's assets or operating results. The Company will strengthen management over its financial assets, optimise the Company's asset and liability structure in foreign currencies, thoroughly study the relevant measures for controlling the risks of financial assets, establish and perfect the management and risk control polices on financial assets, and make early judgement and rapid response to mitigate any impact of market volatility.

3. **Safety and environmental protection risks.** Mining companies are exposed to relatively higher safety and environmental protection risks. The Company always adheres to the principle of "safety first, emphasis on precaution and comprehensive management" by strengthening the implementation of production safety responsibilities and continuously improving the safety standardisation operating system. By comprehensively using system, management, and economic measures, the Company ensures the continuity and stability of production safety of the Company. The Company attaches great importance to and continues to improve environmental protection. It adheres to the environmental protection concept of "green mountains and clear water are our invaluable assets". The Company earnestly puts environmental protection and ecological restoration into practice, emphatically promotes the development of green mines, and remains highly committed to moving forward the eco-development trend.

4. **Country and community risks.** Internationalisation is the main direction of the Company's future development. Certain overseas projects of the Company are located in countries amid political instability, inadequate legal policies, or discordant local communities. These factors lead to a certain level of country and community risks. The Company will proactively study laws and policies of the countries where the projects are situated in, proactively seek solutions to problems and difficulties which hinder the enterprise in its "going-out" development through diplomatic means at the state level and closer communication with local governments and communities, and a promotion of harmonious co-development concepts, namely "negotiation, cooperation, sharing and win-win".

PLAN FOR CAPITAL EXPENDITURES

According to the Company's preliminary plan, for the year 2019, the planned amount of investment in project construction (including technological upgrade) is RMB6 billion, the amount required for investment, merger and acquisition is RMB5 billion, and the amount to be spent on geological exploration is RMB400 million. The funds for the abovementioned capital expenditures will be mainly raised by the self-owned funds, bank borrowings, issuance of bonds and notes and other feasible means of financing.

By order of the Board of Directors
Chen Jinghe
Chairman

Shanghang, Fujian, the PRC
22 March 2019

Management Discussion and Analysis

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

The management of the Group hereby reports the discussion and analysis on 2018 operating results.

STATUS OF MAIN BUSINESSES DURING THE REPORTING PERIOD

During the reporting period, the Group recorded operating income of RMB105.994 billion, representing an increase of 12.11% compared with the same period last year (2017: RMB94.549 billion).

Analysis of main businesses

1. Operating results

The table below sets out the sales by product during January to December 2018 and 2017:

Item	2018 (Jan – Dec)					2017 (Jan – Dec)					
Product name	Unit price (Tax excluded)		Sales volume		Amount (RMB'000)	Unit price (Tax excluded)		Sales volume		Amount (RMB'000)	Increase/ decrease in unit price
Mine-produced gold	252.06	RMB/g	36,133	kg	9,107,740	249.36	RMB/g	37,377	kg	9,320,290	1.08%
Refinery and processed gold	270.59	RMB/g	205,478	kg	55,599,900	274.97	RMB/g	176,152	kg	48,436,900	-1.59%
Mine-produced silver	2.29	RMB/g	220,801	kg	505,160	2.56	RMB/g	235,961	kg	603,240	-10.55%
Mine-produced copper	35,353	RMB/t	249,475	t	8,819,650	34,406	RMB/t	208,183	t	7,162,800	2.75%
Refinery copper	43,499	RMB/t	435,964	t	18,964,200	41,885	RMB/t	431,191	t	18,060,510	3.85%
Mine-produced zinc	14,186	RMB/t	282,805	t	4,011,760	14,547	RMB/t	279,562	t	4,066,710	-2.48%
Refinery zinc	20,205	RMB/t	182,591	t	3,689,190	19,997	RMB/t	198,470	t	3,968,760	1.04%
Iron ore (excluding non-subsidiaries of the Company)	588	RMB/t	2.4677	Mt	1,451,370	460	RMB/t	2.4250	Mt	1,116,620	27.83%
Trading income					17,118,880					14,198,930	
Others (Note 1)					13,718,480					9,016,620	
Less: Internal elimination					-26,992,080					-21,402,760	
Total					105,994,250					94,548,620	

Note 1: During the reporting period, other sales income mainly included: RMB1.610 billion from properties, RMB1.201 billion from refinery and processed silver, RMB943 million from gold manufacturing products, RMB840 million from copper pipe, RMB869 million from copperplate, RMB471 million from lead concentrates, RMB290 million from tungsten concentrates, etc., and RMB7.494 billion from other products, intermediate services and other services.

In 2018, except for the drop in the prices of mine-produced zinc and mine-produced silver, the prices of the Group's other mineral products elevated. Except that the sales volume of mine-produced gold, mine-produced silver and refinery zinc decreased compared with the same period last year, sales and production volumes of other minerals all reported increase compared with the same period last year. The unit prices of mine-produced copper and refinery copper increased compared with the same period last year.

2. Analysis on cost and gross profit margin

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

Management Discussion and Analysis *(continued)*

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

The table below sets out the details of the unit cost of sales and gross profit margin by product during January to December 2018 and 2017 (Note 1):

Item	**Unit cost of sales**				**Gross profit margin (%)**	
Product name	**2018**	2017	Unit	Compared with same period last year (%)	**2018**	2017
Mine-produced gold	**172.99**	164.70	RMB/g	5.03	**31.37**	33.95
Refinery and processed gold	**269.90**	273.45	RMB/g	-1.30	**0.25**	0.55
Mine-produced silver	**1.73**	1.56	RMB/g	11.27	**24.31**	39.12
Mine-produced copper	**17,694**	16,992	RMB/t	4.13	**49.95**	50.61
Refinery copper	**41,958**	39,547	RMB/t	6.10	**3.54**	5.58
Mine-produced zinc	**4,917**	4,838	RMB/t	1.63	**65.34**	66.74
Refinery zinc	**19,559**	18,198	RMB/t	7.48	**3.20**	8.99
Iron ore	**170**	156	RMB/t	9.21	**71.04**	66.13
Overall gross profit margin (Note 2)					**12.59**	13.94
Overall gross profit margin (excluding refining and processing enterprises)					**46.31**	47.24

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

Note 2: The Group's overall gross profit margin was 12.59%, representing a decrease of 1.35 percentage points compared with the same period last year. The overall gross profit margin of mineral products (excluding processed and refined products) was 46.31%, representing a decrease of 0.93 percentage point compared with the same period last year, which was mainly owing to the rise in the costs of mineral products.

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

Currency: RMB

Item	**Amount for the current period**	**Amount for the same period last year**	**Changes (%)**
Operating income	105,994,246,123	94,548,619,098	12.11
Operating costs	92,651,374,475	81,371,973,684	13.86
Taxes and surcharges	1,598,995,649	1,352,340,359	18.24
Selling expenses	887,451,338	748,942,449	18.49
Administrative expenses	2,964,964,865	2,694,689,753	10.03
Research and development expenses	274,380,222	299,380,476	-8.35
Financial expenses	1,254,241,143	2,012,950,292	-37.69
Impairment losses on assets	1,500,399,230	2,220,905,893	-32.44
Credit impairment losses	-82,017,400	—	Not applicable
(Losses)/Gains on changes in fair value	-135,783,729	750,200,343	Not applicable
Investment income	1,060,522,923	155,670,082	581.26
Share of profits/(losses) of associates and joint ventures	373,063,390	-29,259,162	Not applicable
Gains on disposal of non-current assets	84,561,738	44,456,123	90.21
Non-operating income	365,953,586	57,610,854	535.22
Net profits/(losses) attributable to non-controlling interests	588,902,923	-260,168,430	Not applicable
Changes in fair value of available-for-sale investments	0	-109,669,097	Not applicable
Hedging costs - forward elements	61,666,120	—	Not applicable
Exchange differences arising from translation of financial statements denominated in foreign currencies	-62,020,181	-18,760,719	Not applicable
Net cash flows from operating activities	10,233,009,701	9,764,355,514	4.80
Net cash flows used in investing activities	-13,640,210,446	-5,947,602,813	Not applicable
Net cash flows from/(used in) financing activities	7,655,168,438	-2,674,287,343	Not applicable

Management Discussion and Analysis *(continued)*

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Explanations:

(1) Operating income/operating costs: Please refer to the previous analysis;

(2) Taxes and surcharges: Due to the increase in resource tax;

(3) Selling expenses: Please refer to the analysis in "Expenses";

(4) Administrative expenses: Please refer to the analysis in "Expenses";

(5) Research and development expenses: Please refer to the analysis in "Expenses";

(6) Financial expenses: Please refer to the analysis in "Expenses";

(7) Impairment losses on assets: Mainly due to decrease in impairment provision for non-current assets including fixed assets, intangible assets, construction in progress, etc., which had indication of impairment compared with last year;

(8) Credit impairment losses: Due to the implementation of the new accounting standards for financial instruments (the "New ASBEs on New Financial Instruments"), it is not comparable;

(9) (Losses)/Gains on changes in fair value: From 1 January 2018, the Group implements the New ASBEs on Financial Instruments, which reclassified certain stock investments originally classified as "financial assets at fair value through profit or loss" into "financial assets at fair value through other comprehensive income". The unrealised profit or loss generated therefrom did not have impact on the profit or loss for the current period.

(10) Investment income: Please refer to the analysis in "Expenses";

(11) Share of profit/(losses) of associates and joint ventures: Mainly due to an increase in profitability of associates and joint ventures under equity method in 2018 compared with the same period last year;

(12) Gains on disposal of non-current assets: Mainly due to an increase in gains on sale of assets in 2018 compared with the same period last year;

(13) Non-operating income: Mainly due to the earthquake insurance indemnity received by BNL, a company under joint operation of the Group in 2018;

(14) Net profits/(losses) attributable to non-controlling interests: Mainly due to increase in profitability of certain non-wholly owned subsidiaries;

(15) Changes in fair value of available-for-sale investments: Due to the implementation of the New ASBEs on Financial Instruments and the amount was reclassified to changes in fair value of other equity instrument investments;

(16) Hedging costs - forward elements: Due to the implementation of the New ASBEs on Financial Instruments, it is not comparable;

(17) Exchange differences arising from translation of financial statements denominated in foreign currencies: Due to the fluctuation of exchange rate of Renminbi to foreign currencies;

(18) Net cash flows from operating activities: Please refer to the analysis in "Cash Flows";

(19) Net cash flows used in investing activities: Please refer to the analysis in "Cash Flows";

(20) Net cash flows from/(used in) in financing activities: Please refer to the analysis in "Cash Flows".

4. Analysis on sales and costs

The Company mainly engages in the production of mineral products or refining products of gold, copper, lead and zinc and other metals, and earns profits from selling these products.

(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 (percentage point)
Mine-produced gold	9,107,740	6,250,580	31.37	-2.28	1.54	Decreased by 2.58 percentage points
Refinery, processed and trading gold	55,599,900	55,459,310	0.25	14.79	15.13	Decreased by 0.30 percentage point
Mine-produced silver	505,160	382,350	24.31	-16.26	4.12	Decreased by 14.81 percentage points
Mine-produced copper	8,819,650	4,414,270	49.95	23.13	24.78	Decreased by 0.66 percentage point
Refinery copper	18,964,200	18,292,260	3.54	5	7.27	Decreased by 2.04 percentage points
Mine-produced zinc	4,011,760	1,390,520	65.34	-1.35	2.81	Decreased by 1.40 percentage points
Refinery zinc	3,689,190	3,571,280	3.2	-7.04	-1.12	Increased by 5.79 percentage points
Iron ore	1,451,370	420,290	71.04	29.98	11.13	Increased by 4.91 percentage points
Others	30,837,360	28,795,180	6.62	32.83	33.77	Decreased by 0.66 percentage point
Less: Internal elimination	-26,992,080	-26,324,670				
Total	105,994,250	92,651,370	12.59	12.11	13.86	Decreased by 1.35 percentage points

Management Discussion and Analysis *(continued)*

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

Unit: RMB'000

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 (percentage point)
	Status of main businesses by region					
Mainland China	124,492,020	114,358,460	8.14	14.79	16.78	Decreased by 1.57 percentage points
Outside Mainland China	8,494,310	4,617,580	45.64	13.30	9.36	Increased by 1.96 percentage points
Less: Internal elimination	-26,992,080	-26,324,670				
Total	105,994,250	92,651,370	12.59	12.11	13.86	Decreased by 1.35 percentage points

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

Approximately 91% of the Company's operating income was originated from customers in Mainland China, in which 44.50% was from the Shanghai Gold Exchange. Therefore, the Company was unable to sort customers in Mainland China by region.

(2) Table of analysis on production and sales volume

Major product	Production volume	Sales volume	Inventory volume	Changes in production volume compared with last year (%)	Changes in sales volume compared with last year (%)	Changes in inventory volume compared with last year (%)
Mine-produced gold (kg)	36,497	36,133	2,139	-2.63	-3.33	-0.97
Refinery, processed and trading gold (kg)	205,131	205,478	22	16.37	16.65	-94.00
Mine-produced silver (kg)	220,877	220,801	5,910	-7.23	-6.42	1.29
Mine-produced copper (tonne)	248,577	249,475	4,142	19.52	19.83	-16.36
Refinery copper (tonne)	434,501	435,964	1,394	1.51	1.11	-51.21
Mine-produced zinc (tonne)	278,038	282,805	1,312	2.98	1.16	-78.42
Refinery zinc (tonne)	183,131	182,591	551	-7.04	-8.00	5,101.76
Iron ore (million tonnes) (excluding non-subsidiaries of the Company)	2.47	2.47	0.22	1.68	1.76	-4.28

Explanations on the status of production and sales volume

Except mine-produced gold, mine-produced silver and refinery zinc, the production and sales volumes of other products all increased by various extents compared with the same period last year, owing to the Company's measures of unleashing potentials and expanding capacity to increase volume and efficiency during the reporting period.

Management Discussion and Analysis *(continued)*

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

(3) Table of cost analysis

The table below sets out the breakdown of direct costs for the two years ended 31 December 2017 and 2018

Unit: RMB million

Product	Cost structure	Amount for the current period	Proportion to total cost during the current period (%)	Amount for the same period last year	Proportion to total cost during the same period last year (%)	Changes in amount for the current period compared with the same period last year (%)
Mine-produced gold	Raw materials	2,651.79	42.42	2,622.42	42.60	1.12
	Salary	738.13	11.81	842.76	13.69	-12.42
	Depreciation	1,270.70	20.33	1,178.11	19.14	7.86
	Energy consumption	682.65	10.92	562.19	9.13	21.43
	Others	907.31	14.52	950.48	15.44	-4.54
Mine-produced silver	Raw materials	196.99	51.52	181.57	49.44	8.49
	Salary	38.42	10.05	43.06	11.73	-10.78
	Depreciation	69.39	18.15	70.24	19.13	-1.21
	Energy consumption	39.47	10.32	38.33	10.44	2.97
	Others	38.08	9.96	34.03	9.26	11.90
Mine-produced copper	Raw materials	1,808.23	40.96	1,693.57	47.87	6.77
	Salary	332.38	7.53	263.72	7.45	26.04
	Depreciation	785.45	17.79	639.60	18.08	22.80
	Energy consumption	538.21	12.19	454.21	12.84	18.49
	Others	950.00	21.53	486.41	13.76	95.31
Mine-produced zinc	Raw materials	584.04	42.00	506.90	37.48	15.22
	Salary	113.14	8.14	97.56	7.21	15.97
	Depreciation	444.01	31.93	498.17	36.83	-10.87
	Energy consumption	139.04	10.00	136.30	10.08	2.01
	Others	110.29	7.93	113.59	8.40	-2.91
Iron ore	Raw materials	235.81	56.11	234.72	62.06	0.46
	Salary	32.59	7.75	26.27	6.95	24.06
	Depreciation	47.00	11.18	50.52	13.36	-6.97
	Energy consumption	30.07	7.15	28.34	7.49	6.10
	Others	74.82	17.81	38.35	10.14	95.10
Refinery copper	Raw materials	17,605.10	96.24	16,226.69	95.16	8.49
	Salary	120.58	0.66	106.96	0.63	12.73
	Depreciation	244.56	1.34	268.09	1.57	-8.78
	Energy consumption	100.13	0.55	246.57	1.45	-59.39
	Others	221.89	1.21	204.07	1.19	8.73
Refinery zinc	Raw materials	3,018.83	84.53	3,053.09	84.53	-1.12
	Salary	111.41	3.12	83.50	2.31	33.43
	Depreciation	99.49	2.79	102.57	2.84	-3.00
	Energy consumption	310.56	8.70	346.02	9.58	-10.25
	Others	30.99	0.86	26.67	0.74	16.20

Other explanations on the analysis of costs

1. In the cost structure, raw materials included the costs of purchasing raw and auxiliary materials and outsourcing, and the major energy consumption mainly included coal, electricity and petroleum.

2. Most mining corporations of the Group adopted outsourcing of works. Such outsourcing cost was included in raw materials.

Management Discussion and Analysis *(continued)*

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(4) Information on major customers and suppliers

The sales income from the top five customers amounted to RMB60.952 billion, representing 57.51% of the total sales income of the year, in which the sales amount from connected persons among the top five customers was RMB0, representing 0% of the total sales income of the year. The sales income from the largest customer represented 24.13% of the total sales income of the year.

The procurement amount from the top five suppliers amounted to RMB29.284 billion, representing 31.61% of the total procurement amount of the year, in which the procurement amount from connected persons among the top five suppliers was RMB0, representing 0% of the total procurement amount of the year. The procurement amount of the largest supplier represented 44.50% of the total procurement amount of the year.

Other information

The Group's major customers included Shanghai Gold Exchange, Guangzhou Lianhua Industrial Company Limited, Fujian Shanghang Taiyang Copper Company Limited, Tianjin Ling North Metal Materials Trading Co., Ltd., the Australian Mint, Trafigura Investment (China) Co., Ltd., etc.; the major suppliers included Shanghai Gold Exchange, Werco Trade AG, Zisen Xiamen Supply Chain, Louis Dreyfus Commodities Metals Trading Co., Ltd., etc.

5. Expenses

Selling expenses

During the reporting period, the Group's selling expenses was RMB887.45 million, representing an increase of 18.49% compared with the same period last year (2017: RMB748.94 million). The increase in selling expenses was mainly due to the increase in transportation expenses.

Administrative expenses (research and development expenses included)

During the reporting period, the Group's administrative expenses amounted to RMB3.23935 billion, representing an increase of 8.19% compared with the same period last year (2017: RMB2.99407 billion). It was mainly because of the increase in exploration costs in expenditure nature and consulting fees for mergers and acquisitions.

Financial expenses

During the reporting period, the Group's financial expenses was RMB1.25424 billion, representing a decrease of 37.69% compared with the same period last year (2017: RMB2.01295 billion). It was mainly because exchange gains was recorded in 2018 while there was exchange losses in 2017.

Impairment losses on assets/Credit impairment losses

During the reporting period, the Group's impairment losses on assets/credit impairment losses was RMB1.41838 billion, representing a decrease of 36.13% compared with the same period last year (2017: RMB2.22090 billion). The details of the provision for impairment on assets in 2018 are as follows: credit impairment losses of -RMB82.02 million, provision for decline in value of inventories of -RMB8.04 million, impairment provision for fixed assets of RMB260.31 million, impairment provision for construction in progress of RMB111.46 million, impairment provision for intangible assets of RMB719.97 million, impairment provision for goodwill of RMB157.78 million, impairment provision for other non-current assets of RMB175.52 million, impairment provision for investment properties of RMB79.94 million and impairment provision for long-term equity investments of RMB3.46 million.

Investment income

During the reporting period, the investment income of the Group was RMB1.06052 billion, representing an increase of RMB904.85 million compared with the same period last year (2017: RMB155.67 million). It was mainly due to increase in investment income from long-term equity investments under equity method, gains on disposal of financial assets and liabilities at fair value through profit or loss and investment income from revaluation of long-term equity investments during 2018 compared with the same period last year.

(Losses)/Gains on changes in fair value

As at 31 December 2018, the Group's unrealised losses from stocks, funds, futures contracts, gold leasing spots and gold leasing hedging contracts was RMB135.78 million (2017: unrealised gains of RMB750.20 million).

6. Research and development expenditure

Table of research and development expenditure

Unit: RMB

Expensed research and development expenditure for the year	274,380,222
Capitalised research and development expenditure for the year	150,297,749
Total research and development expenditure	424,677,971
Percentage of total research and development expenditure to operating income (%)	0.40
Number of research and development staff of the Company	339
Number of research and development staff to total number of staff of the Company (%)	1.76
Percentage of capitalised research and development expenditure (%)	35.39

7. Cash flows

As at 31 December 2018, the Group's cash and cash equivalents was RMB9.933 billion, representing an increase of RMB4.178 billion or 72.61% as compared with the same period last year.

During the reporting period, the total net cash inflows generated from the Group's operating activities was RMB10.233 billion, representing an increase of RMB469 million compared with the same period last year, in which, the cash inflows generated from operating activities was RMB111.280 billion, representing an increase of RMB10.348 billion as compared with the same period last year; cash outflows used in operating activities was RMB101.047 billion, representing an increase of RMB9.879 billion compared with the same period last year. The increase in net cash flows from the Group's operating activities was mainly owing to significant increase in sales income caused by increase in sales price and expanded production capacity compared with the same period last year.

During the reporting period, net cash outflows used in the Group's investing activities was RMB13.640 billion, representing an increase of RMB7.693 billion as compared with the same period last year. The main investing expenditures in 2018 included: (1) cash payment of RMB7.809 billion for purchase and construction of fixed assets, intangible assets and other long-term assets; (2) net cash outflows of RMB7.854 billion for acquisition of subsidiaries and other operating units.

During the reporting period, net cash outflows used in the Group's financing activities was RMB7.655 billion, while the net cash outflows during the same period last year was RMB2.674 billion. It was mainly due to significant increase in the amount of new financing compared with the same period last year.

As at 31 December 2018, the Group's total borrowings amounted to RMB47.148 billion (31 December 2017: RMB37.019 billion). Among which, the amount repayable within one year was approximately RMB25.351 billion, the amount repayable within one to two years was approximately RMB5.985 billion, the amount repayable within two to five years was approximately RMB14.280 billion, and the amount repayable in more than five years was approximately RMB1.532 billion. The interest rates of all the abovementioned borrowings ranged from 1.2% to 6.87% per annum.

The Group's daily capital requirements and capital expenditures in maintenance nature can be financed from its operating cash flows. The Group also has loan facilities with no usage restriction of approximately RMB151.265 billion provided by banks.

As at 31 December 2018, the Group's monetary assets in foreign currencies were equivalent to RMB10.831 billion in total, representing an increase of RMB5.070 billion compared with the previous year. The total amount of monetary liabilities in foreign currencies was equivalent to RMB22.390 billion, representing an increase of RMB12.037 billion compared with the previous year. Please refer to Note V.65 Foreign currency monetary items for details.

Gearing Ratio

Gearing ratio is defined as the ratio of consolidated total liabilities to consolidated total equity. As at 31 December 2018, the Group's consolidated total liabilities was RMB65,605,591,140 (RMB51,672,418,332 as at 31 December 2017), and the Group's consolidated total equity was RMB47,273,712,702 (RMB37,642,845,218 as at 31 December 2017). As at 31 December 2018, the Group's gearing ratio was 1.388 (1.373 as at 31 December 2017).

Management Discussion and Analysis *(continued)*

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

Key quarterly financial data for the year 2018

Unit: RMB

	First quarter (Jan-Mar)	Second quarter (Apr-Jun)	Third quarter (Jul-Sep)	Fourth quarter (Oct-Dec)
Operating income	22,863,594,836	26,950,295,999	26,358,888,293	29,821,466,995
Net profit attributable to owners of the parent	1,085,362,589	1,441,060,510	825,945,966	741,404,565
Net profit attributable to owners of the parent after non-recurring profit or loss	1,051,044,330	1,325,424,725	850,286,683	-165,505,213
Net cash flows from operating activities	1,326,940,832	3,653,744,458	1,638,895,623	3,613,428,788

Non-recurring profit or loss items and their amounts

Unit: RMB

Non-recurring profit or loss items	Amount for 2018	Note (If applicable)	Amount for 2017
Losses on disposal of non-current assets	-53,907,034		-234,350,050
Government grants recognised in the statement of profit or loss for the current period, except for government grants which are closely related to the Company's normal business operations, and in line with the country's policies, calculated according to certain standards or continuously granted in fixed amount	227,613,533		230,882,015
Capital utilisation fee received from non-financial enterprises recognised in profit or loss for the current period	341,735,525		164,403,514
Gains on bargain purchase as the consideration for acquiring a subsidiary, joint venture or associate was less than the shared fair values of the identifiable net assets of the investee	44,990,444		
Gains or losses on changes in fair value arising from held for trading financial assets and financial liabilities, investment gains or losses on disposal of held for trading financial assets and financial liabilities and available-for-sale investments except for the effective portion of normal transactions qualified for hedge accounting and gold leasing	79,791,238	Including the gains on changes in fair values of trading stocks, funds and currency swaps amounting to RMB54,489,584 and gains on disposal of stocks, funds, currency swaps and wealth management products amounting to RMB25,301,654.	598,484,635
Reversal of impairment provision for receivables individually subject to impairment test	140,992,416		
Non-operating income and expenses other than the aforesaid items	42,287,044		-181,878,389
Other profit or loss items which meet the definition of non-recurring profit or loss	455,628,328		268,462,403
Impact on the non-controlling interests	-26,515,531		-59,137,799
Impact on income tax	-220,092,858		23,942,795
Total	1,032,523,105		810,809,124

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

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
Held for trading financial assets (excluding derivative financial assets)	2,537,224,490	679,594,526	-1,857,629,964	-89,750,592
Derivative financial assets	16,703,231	107,539,834	90,836,603	31,006,362
Held for trading financial liabilities (excluding derivative financial liabilities)	-2,231,963,403	-74,841,064	2,157,122,339	22,163,318
Derivative financial liabilities	-82,281,534	-167,641,518	-85,359,984	132,628,387
Total	239,682,784	544,651,778	304,968,994	96,047,475

Management Discussion and Analysis *(continued)*

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ANALYSIS OF ASSETS AND LIABILITIES

Status of assets and liabilities

Unit: RMB

Item	Amount at the end of 2018	Proportion to total assets as at the end of 2018 (%)	Amount at the end of 2017	Proportion to total assets as at the end of 2017 (%)	Percentage change in the amount at the end of 2018 compared with the amount at the end of 2017 (%)	Reasons for the change
Cash and cash equivalents	10,089,890,808	8.94	5,936,066,673	6.65	69.98	Mainly due to funds reserved for mergers and acquisitions
Bills receivable and trade receivables	1,009,871,109	0.89	2,812,240,046	3.15	-64.09	Mainly due to reclassification of bills receivable into other current assets
Other receivables	1,415,512,562	1.25	1,153,002,957	1.29	22.77	Mainly due to increase in the number of enterprises included in the scope of consolidation
Held for sale assets	246,189,223	0.22	—	—	Not applicable	As Chongli Zijin would be sold within a short period, the Group presented assets of Chongli Zijin as held for sale assets
Available-for-sale investments	—		778,201,186	0.87	Not applicable	Reclassification into other equity instrument investments pursuant to the New ASBEs on Financial Instruments
Investment properties	608,221,789	0.54	350,540,469	0.39	73.51	Mainly due to increase in the number of properties held by real estate company
Construction in progress	5,355,805,804	4.74	3,296,568,444	3.69	62.47	Mainly due to increase in the number of enterprises included in the scope of consolidation
Intangible assets	22,510,280,215	19.94	9,903,526,027	11.09	127.30	Mainly due to increase in the number of enterprises included in the scope of consolidation
Goodwill	314,149,588	0.28	463,597,655	0.52	-32.24	Mainly due to full impairment provision for Norton's goodwill
Short-term borrowings	15,616,680,236	13.83	9,855,873,011	11.03	58.45	Mainly due to increase in borrowings for mergers and acquisitions of projects
Advances from customers	—		2,143,111,140	2.4	Not applicable	Mainly due to implementation of reclassification under new standards and settlement of real estate company's properties projects sold
Contract liabilities	277,125,058	0.25	—	—	Not applicable	Mainly due to implementation of reclassification under the New ASBEs on Financial Instruments

Management Discussion and Analysis *(continued)*

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

Item	Amount at the end of 2018	Proportion to total assets as at the end of 2018 (%)	Amount at the end of 2017	Proportion to total assets as at the end of 2017 (%)	Percentage change in the amount at the end of 2018 compared with the amount at the end of 2017 (%)	Reasons for the change
Held for sale liabilities	68,739,751	0.06	—	—	Not applicable	As Chongli Zijin would be sold within a short period, the Group presented liabilities of Chongli Zijin as held for sale liabilities
Current portion of non-current liabilities	9,707,089,022	8.60	4,600,343,261	5.15	111.01	Mainly due to reclassification of certain corporate bonds due within one year
Long-term borrowings	12,917,915,706	11.44	6,599,046,795	7.39	95.75	Mainly due to increase in financing scale of long-term borrowings
Bonds payable	8,879,453,693	7.87	13,779,116,465	15.43	-35.56	Mainly due to reclassification of certain corporate bonds due within one year
Long-term payables	733,077,872	0.65	563,703,645	0.63	30.05	Mainly due to increase in the number of enterprises included in the scope of consolidation
Provision	2,686,090,453	2.38	861,014,312	0.96	211.97	Mainly due to increase in the number of enterprises included in the scope of consolidation
Deferred tax liabilities	2,743,172,789	2.43	624,524,725	0.7	339.24	Mainly due to increase in issuance of the number of enterprises included in the scope of consolidation
Other equity instruments	4,985,500,000	4.42	498,550,000	0.56	900.00	Mainly due to increase in issuance of perpetual bonds in 2018
Other comprehensive income	-1,575,973,065	-1.40	-602,893,526	-0.68	Not applicable	Mainly due to unrealised losses arising on certain stock investments designated as "financial assets at fair value through other comprehensive income" held by the Group

Due to implementation of the New ASBEs on Financial Instruments, the amounts of "financial assets at fair value through profit or loss", "held for trading financial assets", "financial liabilities at fair value through profit or loss", and "held for trading financial liabilities" are not comparable with those of the last reporting period.

Management Discussion and Analysis *(continued)*

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ANALYSIS ON THE OPERATING INFORMATION OF THE INDUSTRY

1. Material changes in industrial policies during the reporting period

(1) Since 1 July 2018, the Administrative Regulations for Resource Tax Collection has been implemented, which clarifies the methods for determining the taxable prices for self-exploited and self-used raw ores or concentrates as well as the scope and basis for deduction of transportation and miscellaneous expenses and externally-purchased ores, standardises the implementation of the policy for reduction or exemption of resource tax and withholding and remitting of resource tax, and enhances inter-department coordination and risk prevention and control measures. The abovementioned measures achieve a fairer tax burden among different mineral products and avoid double taxation.

(2) Since 1 October 2018, Gold industry green mine construction specification (DZ/T 0314-2018) and Non-ferrous metal industry green mine construction specifications (DZ/T 0320-2018) have been implemented. With the formulation of such specifications, enterprises operating in mining industry are more self-disciplined and actively assume their corporate responsibilities for intensive using and saving of resources, facilitating energy conservation and emission reduction, environmental restoration, land rehabilitation, and promotion of local economic and social development, as well as increasing investments in ecological and environmental protection and governance in mining industry.

2. Material changes in tax policies during the reporting period

(1) Since 1 May 2018, the Notice of the State Administration of Taxation on Adjusting the Value-Added Tax Rate (Cai Shui [2018] No. 32) has been implemented, which provides that "for taxpayers engaged in VAT taxable sales activities or import of goods, the original applicable tax rates, being 17% and 11%, have been adjusted to 16% and 10%, respectively."

The above tax rate adjustment has relieved, to a certain extent, enterprises' burden of value-added tax and surcharges. To ensure the legitimate corporate operation, the Group has immediately made corresponding amendments to the purchase and sales contracts with suppliers and clients in order to reflect the applicable tax rates.

(2) Since 1 January 2018, the Environmental Protection Tax Law of the PRC and the Implementation Rules for Environmental Protection Tax Law of the PRC have been implemented, which change the previous pollutant discharge fees to environmental protection tax as collected by the taxation authority with minimum tax impact. It aims to strengthen corporate responsibility of pollution control and emission reduction, and strictly regulate and limit the pollutants discharged by mining enterprises.

3. Payment of resource tax and environmental protection tax

In 2018, environmental protection tax payable by the Company amounted to RMB13,032,582, and RMB10,933,608.66 was paid; resource tax payable amounted to RMB980,256,575, and RMB931,707,210.57 was paid.

4. Resource tax rate and tax incentives

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

Xinjiang Ashele Copper Company Limited, Xinjiang Zijin Zinc Industry Co., Ltd., Xinjiang Jinbao Mining Company Limited, Hunchun Zijin Mining Company Limited, Wulatehouqi Zijin Mining Company Limited and Qinghai West Copper Company Limited were entitled to a tax concession of Western Development at a preferential corporate income tax rate of 15% in 2018.

The Company, the Nanwenhe tungsten mine of Malipo Zijin Tungsten, Shanxi Zijin Mining Company Limited and Xiamen Zijin Mining and Metallurgy Technology Company Limited were entitled to a tax concession of High and New Technology Enterprises at a preferential corporate income tax rate of 15% in 2018.

ANALYSIS ON OPERATING INFORMATION OF NON-FERROUS METALS INDUSTRY

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

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

Basic information of self-owned mines

		Total retained resources volume (including basic reserves volume)		Basic reserves volume		Extractable reserves volume (111)						
Name of mine	Major type	Metal volume	Grade	Metal volume	Grade	Metal volume	Grade	Remaining resources mining year	Effective period of permit/mining licence	Standard for calculation of resources reserve volume	Risk warning	Explanation on extractable reserves volume (111)
Porgera gold mine	Gold	349,413	4.57	137,499	4.93	137,499	4.93	10	Mining licence (17 August 2019) Application for extension has been accepted for consideration	For cutoff grade, the reserve volume is based on gold price of USD1,200/ounce, resource volume is based on gold price of USD1,500/ounce, calculated by software	N/A	Proved + probable reserves volume
Paddington	Gold	336,350	1.27	31,339	1.55	31,339	1.55	5	174 exploration and mining rights (all within effective period)	Cutoff grade of open-pit mine: 0.5-0.8 g/t, cutoff grade of underground mine: 1.5-3.0g/t, calculated by software	Proportion of reserves volume is comparatively low	Proved + probable reserves volume
Zuoan gold mine	Gold	68,652	5.85	36,640	5.21	0	—	15	2 mining licences (5 January 2026)	Cutoff grade of 0.5g/t, industrial grade of 2g/t, calculated by software	Grade C1: 36,639.8kg	
Jilau, Taror gold mines	Gold	97,543	2.65	64,105	4	9,896	7.88	7 (Jilau) 16 (Taror)	2 mining licences (27 January 2021) 2 mining licences (25 February 2023)	Cutoff grade and industrial grade of Jilau: 0.5g/t and 0.8g/t respectively; cutoff grade and industrial grade of Taror: 1.5g/t and 2g/t respectively, calculated by software	N/A	Grade B reserves volume
Shuguang gold and copper mine	Gold Copper	26,628 116,788	0.44 0.19	12,864 54,728	0.5 0.21	151 581	0.89 0.34	8	Mining licence (August 2025) Mining licence (May 2023)	Cutoff grade of gold equivalent of 0.45g/t, industrial grade of gold equivalent of 0.6g/t, calculated by software	N/A	Grade 111b x designated percentage extraction
Zijinshan gold and copper mine	Gold Copper	8,473 1,693,465	0.34 0.51	357 501,440	0.32 0.68	271 146,023	0.32 0.73	23	Mining licence (13 June 2043)	Cutoff grade and industrial grade of gold of 0.2g/t and 0.5 g/t respectively, cutoff grade and industrial grade of copper of 0.25% and 0.40% respectively, calculated by software	Proportion of basic reserves volume of gold mine is comparatively low	

Management Discussion and Analysis *(continued)*

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

Name of mine	Major type	Total retained resources volume (including basic reserves volume)		Basic reserves volume		Extractable reserves volume (111)		Remaining resources mining year	Effective period of permit/mining licence	Standard for calculation of resources reserve volume	Risk warning	Explanation on extractable reserves volume (111)
		Metal volume	Grade	Metal volume	Grade	Metal volume	Grade					
Ashele copper mine	Copper	412,128	2.11	161,181	3.17	137,092	4.33	7.5	Mining licence (2 February 2031)	Cutoff grade of 0.3%, industrial grade of 0.5%, calculated by horizontal parallel cross-section method	N/A	Grade 111b x designated percentage extraction
Duobaoshan copper mine	Copper	2,582,031	0.4	549,778	0.5	0	—	27	Mining licence (10 April 2026)	Cutoff grade of 0.2%, industrial grade of 0.4%, calculated by vertical parallel cross-section method	Grade 122b basic resources volume: 549,778 tonnes	
Kolwezi copper mine	Copper	1,472,728	4.3	639,643	4.8	0	—	16	2 mining licences (4 March 2024)	Cutoff grade of 0.5%, industrial grade of 1.0%, calculated by software	Grade 122 probable extractable volume: 607,600 tonnes	
Bor copper mine	Copper	10,235,994	0.4	4,684,465	0.38	1,742,080	0.38	15(JM) 15(VK) 42(NC) 23(MS)	5 mining licences (permanent)	Cutoff grade of 0.1%, calculated by traditional ore block method	N/A	Extractable reserves volume of the mine reported to the State Reserve Bureau
Kamoa copper mine	Copper	42,150,000	2.48	6,691,200	2.73	6,691,200	2.73	25	Mining licence (19 August 2042) Exploration permit (10 May 2020)	Cutoff grade of 1%, calculated by software	N/A	Proved+ probable reserves volume
Upper Zone of the Timok copper-gold mine project	Copper Gold	1,280,000 81,491	3 1.91	890,000 55,986	3.28 2.07	890,000 55,986	3.28 2.07	11	Exploration permit (19 April 2022)	Cutoff grade by NSR, resources volume: USD35/tonne and reserves volume of USD35/tonne	N/A	Proved+ probable reserves volume
Lower Zone of the Timok copper-gold mine project	Copper Gold	14,300,000 298,593	0.86 0.18	0 0	— —	0 0	— —	Feasibility study not carried out yet	Exploration permit (19 April 2022)	Cutoff grade by NSR, resources volume: USD25/tonne	All are inferred resources volume	
Bisha copper-zinc mine	Zinc Copper	3,128,000 655,000	4.66 0.97	530,000 85,000	6.25 1	530,000 85,000	6.25 1	9	Mining licence (25 May 2028) Mining licence (4 July 2022) Exploration permit (24 July 2021) Exploration permit (24 July 2026)	Cutoff grade by NSR, resources volume: zinc of USD1.05/pound, copper of USD3.35/pound, gold of USD1,350/ounce, silver of USD23/ounce; reserves volume: zinc of USD1.00/pound, copper of USD2.70/pound, gold of USD1,200/ounce, silver of USD18/ounce	N/A	Proved+ probable reserves volume

Name of mine	Major type	Total retained resources volume (including basic reserves volume)		Basic reserves volume		Extractable reserves volume (111)		Remaining resources mining year	Effective period of permit/mining licence	Standard for calculation of resources reserve volume	Risk warning	Explanation on extractable reserves volume (111)
		Metal volume	Grade	Metal volume	Grade	Metal volume	Grade					
Kyzyl-Tash Turk zinc polymetallic mine	Zinc	913,877	9.66	732,877	9.82	26,185	9.35	14	Mining licence (1 January 2025)	Industrial grade of DZn>5% (DZN=Zn+Pb+0.6Cu), calculated by traditional cross section method	Grade B reserves volume is comparatively low	Grade B reserves volume
Miaogou-Sanguikou lead and zinc mine	Zinc	1,933,977	2.35	1,469,829	2.39	0	—	23	Mining licence (6 June 2042) Exploration permit (7 December 2019)	Cutoff grade of 0.5%, industrial grade of 1.6%, calculated by geological ore block method	Grade 121b basic reserves volume: 371,475 tonnes	
Wulagen lead and zinc mine	Zinc	4,084,740	2.19	47,834	3.1	400	2.77	21	Mining licence (3 July 2022) Mining licence (27 February 2023) Exploration permit (8 October 2020) Exploration permit (20 July 2018) pending for issuance of permit Exploration permit (31 December 2018) pending for issuance of permit	Oxidised ore: cutoff grade of 2%, industrial grade of 6%; sulphide ore: cutoff grade of 1%, industrial grade of 2%, calculated by SURPAC software	Basic reserves volume is comparatively low	Grade 111b x designated percentage extraction

Explanation:

1. Unit of gold metal volume: kg; unit of copper and zinc metal volume: tonne; unit of grade of gold: g/t; unit of grade of copper and zinc: %.
2. Data of resources reserve volume of the Porgera gold mine, Paddington, Kamoa copper mine, Upper Zone of the Timok copper-gold mine, Lower Zone of the Timok copper-gold mine and Bisha copper-zinc mine is extracted from NI43-101 report, and proved + probable reserves volumes are reported as the extractable reserves volume (Grade 111).
3. Former Soviet Union standards are used for the Zuoan gold mine, Jilau and Taror gold mines, Bor copper mine and Kyzyl-Tash Turk zinc polymetallic mine; grade B reserves volume is reported as extractable reserves volume (Grade 111), and Grade B + Grade C1 are reported as basic reserves volume.
4. The Shuguang gold mine, Ashele copper mine, Wulagen lead and zinc mine have not adopted extractable reserves volume (Grade 111) as the management data for resources reserve volume, therefore Grade 111b x designated percentage extraction is reported as the extractable reserves volume (Grade 111).
5. According to Classification for resources/reserves of solid fuels and mineral commodities (GB/T 17766-1999), basic reserves volume is a component of identified mineral resources, which is classified into measured (feasibility) economic basic reserves volume (Grade 111b), measured (pre-feasibility) economic basic reserves volume (Grade 121b) and indicated economic basic reserves volume (Grade 122b). Reserves volume is the economically extractable part of the basic reserves volume, which can be classified into measured extractable reserves volume (Grade 111) and pre-extractable reserves volume (Grade 121, Grade 122) based on different levels of geographical reliability and stages of feasibility estimations.

Profitability of different regions during the reporting period

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

Brief Biography of Directors, Supervisors and Senior Management

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EXECUTIVE DIRECTORS

Mr. Chen Jinghe, aged 62, graduated from Fuzhou University with a bachelor's degree in geology and obtained an EMBA degree from Xiamen University. He is a professor grade senior engineer, a specialist who enjoys special allowance from the State Council, a delegate to the tenth, eleventh, and twelfth National People's Congress of Fujian Province, the vice-president of the China Gold Association and the chairman of chairmen group of China Mining Association. He has been serving as the chairman of the Board since 2000. From August 2006 to November 2009, he also served as the president of the Company. He also serves as the head of the Company's State Key Gold Laboratory. He was the discoverer and main exploration organiser of Zijinshan gold and copper mine, and is the founder and core leader of the Company.

Mr. Lan Fusheng, aged 55, graduated from Fuzhou University with a bachelor's degree in geology and obtained an MBA degree. He joined the Company in 1994. From August 2000 to August 2006, he was appointed as a director and standing deputy general manager of the Company. He served as a vice-chairman of the Company from August 2006 to December 2016. He currently serves as the vice-chairman and president of the Company.

Mr. Zou Laichang, aged 51, graduated from Fujian Agriculture and Forestry University Forestry College with a bachelor's degree of engineering in chemistry for forestry and obtained an MBA degree. He is a senior engineer. He joined the Company in March 1996, served as a director and senior vice-president from August 2006 to November 2009 and served as a director and standing vice-president from November 2009 to October 2013. He has been serving as a director and vice-president of the Company since October 2013.

Mr. Lin Hongfu, aged 45, graduated from Chongqing Steel College majoring in steel and iron alloy smelting, and obtained an EMBA degree from Tsinghua University. In August 1997, he joined the Company and has held the positions of plant manager of gold refinery plant, deputy chief of Zijinshan gold mine, general manager and chairman of the board of directors of Bayannaoer Zijin Non-ferrous Metals Company Limited, etc. He served as a vice-president of the Company from August 2006 to October 2013. He has been serving as a director and vice-president of the Company since October 2013.

Mr. George Fang Qixue, aged 57, graduated from Wuhan University of Science and Technology with a bachelor's degree in mineral processing engineering profession and obtained a Ph.D. from the Central South University. He is a professor grade senior metallurgist, and a license holder authorised by the Securities and Futures Commission of Hong Kong. He has been with Beijing General Research Institute of Mining and Metallurgy (the "BGRIMM") and served as a professor grade senior metallurgist, director of the Ore Processing Research Office; deputy general manager of China United Copper Co., Ltd., director and general manager of Minmetals JCCL Mining Investment Co., Ltd., chief technology officer of China Minmetals Non-ferrous Metals Co., Ltd. and general manager of its investment department. Mr. Fang has been serving at the Standard Bank (its Headquarters are located at Johannesburg, South Africa) as head of Mining and Metals/Investment Banking/China; vice chairman, head of Mining and Metals Coverage Asia of Standard Bank Plc, Hong Kong Branch; the vice chairman and head of Mining and Metals Coverage Asia of Standard Advisory Asia Limited. He has been serving as a director and vice-president of the Company since May 2015. In 2018, Mr. Fang Qixue served as the chairman of a listed company in Australia, Nkwe Platinum Limited (stock code: NKP, which is a subsidiary of the Company and delisted in 2019).

Ms. Lin Hongying, aged 51, tertiary educated, is a senior accountant. She joined the Company in 1993 and held the positions of chief accountant, deputy manager and manager of finance department and assistant financial controller, etc. She served as the financial controller of the Company from November 2009 to December 2016. She has been serving as a director, vice-president and concurrently, the financial controller of the Company since December 2016.

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

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

NON-EXECUTIVE DIRECTOR

Mr. Li Jian, aged 43, graduated from Yang-En University majoring in international finance. He has served as manager, marketing director, deputy general manager of Longyan operation branch and general manager of Shanghang operation branch of Industrial Securities Co., Ltd. He has been appointed as general manager of Minxi Xinghang State-owned Assets Investment Company Limited since January 2013. He has been serving as a non-executive director of the Company since October 2013.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Lu Shihua, aged 68, graduated from Central Communist Party School majoring in economic management specialisation by correspondence, is a non-practising registered accountant. He has held the positions of president of the Fujian Budget and Accounting Research Society, inspector (deputy departmental head grade) of the Fujian Finance Department. He retired in May 2011. He has been serving as an independent non-executive director of the Company since October 2013.

Mr. Zhu Guang, aged 62, graduated from the University of International Business and Economics and obtained a master degree in International Economy; he was also granted a Doctoral degree in Economics by the Central University of Finance and Economics. He currently serves as the vice-chairman of HOPU Jinghua (Beijing) Investment Consultancy Co., Ltd. ("HOPU Investment"). At the same time, he is a visiting professor of the Central South University and the Central University of Finance and Economics. He was previously the general manager of Minmetals Trading Co., Ltd., the general manager of Minmetals International Non-ferrous Metals Co., Ltd., and the senior vice-president and Party Member of China Minmetals Corporation. From 2009 to the present, he has been with HOPU Investment and has been serving as the president of Longming iron mine on behalf of HOPU Investment. Mr. Zhu has also held a number of other positions namely the vice-chairman of Xiamen Tungsten Co., Ltd., vice-president of China Tungsten Industry Association, chairman of International Tungsten Industry Association, and the chairman of Jiangxi Tungsten Industry Group Co., Ltd., China United Copper Co., Ltd., Minmetals Aluminium Company Limited and Sherwin Alumina L.P. of the United States, respectively, and vice-chairman of Guangxi Huayin Aluminium Co., Ltd., etc. He has been serving as an independent non-executive director of the Company since June 2016.

Mr. Sit Hoi Wah, **Kenneth**, aged 60, graduated from the University of Hong Kong, is a practising solicitor in Hong Kong. He was admitted as a solicitor in Hong Kong, a solicitor in England and Wales, a solicitor and barrister in Australia, a solicitor in Singapore, a notary public, a member of the Chartered Institute of Arbitrators and a fellow member of the Hong Kong Institute of Arbitrators. He is a partner of Messrs. Kenneth Sit, Solicitors of Hong Kong. He has been serving as an independent non-executive director of the Company since October 2013.

Mr. Cai Meifeng, aged 76, graduated from Shanghai Jiao Tong University, and obtained his PhD in Mine Geotechnical Engineering from the University of New South Wales. Mr. Cai is a member of Chinese Academy of Engineering, as well as a specialist in geotechnical engineering and mining engineering. Being one of the pioneers in crustal stress measurement of domestic mines, he was the first person to develop the measurement technique of crustal stress, which owns an independent intellectual property right in the PRC, and he has also introduced a system of techniques for optimisation of mining design based upon crustal stress theory, safe mining techniques of high efficiency, and techniques for forecast, prevention and control of mine dynamic disasters. At present, he is a professor of the University of Science and Technology Beijing, and the convener of the assessment division for mining engineering discipline of the State Council Academic Degrees Committee. He was the former director of the School of Civil and Environmental Engineering of the University of Science and Technology Beijing, and chairman of Commission on Education of International Society for Rock Mechanics. He obtained 4 State Scientific and Technological Progress Second Class Awards, 1 Third Class Award, 1 State Technological Invention Third Class Award, and has published 4 treatises and more than 150 academic theses. More than 20 post-doctors, more than 90 PhDs and more than 50 M.A.s have been instructed by him. He was the editor-in-chief for one of the "Tenth Five-year Plan" state-planned teaching materials, and obtained 1 National Teaching Achievement Second Class Award. Mr. Cai is concurrently serving as an independent director of Sichuan Yahua Industrial Group Co., Ltd. (stock code at Shenzhen Stock Exchange: 002497). He has been serving as an independent non-executive director of the Company since December 2016.

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

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SUPERVISORS OF SUPERVISORY COMMITTEE

Mr. Lin Shuiqing, aged 55, was tertiary educated. He has been a deputy secretary, head of town and secretary of Zhongdu Town of Shanghang County Communist Party Committee, a director of Shanghang County Communist Party Committee Office, a standing member of the Shanghang County Communist Party Committee, director of Shanghang County Tongzhanbu and secretary of Shanghang County Non State-owned Economic Working Committee. He has been serving as the chairman of the supervisory committee of the Company since November 2009.

Mr. Xu Qiang, aged 67, was tertiary educated. He is a senior accountant, registered CPA, and registered valuer. He has been the deputy director of Fujian Huaxing Certified Public Accountants and the director of Fujian Asset Valuation Centre. He has been appointed as a supervisor of the Company since August 2000. He has been serving as the vice-chairman of the supervisory committee of the Company since August 2006.

Mr. Fan Wensheng, aged 51, was tertiary educated. He has held positions including secretary to and vice-director of the Agricultural and Economic Commission of Standing Committee of Shanghang County People's Congress, vice-director, chief staff, committee member and party member of office of the Standing Committee of the Shanghang County People's Congress, vice-secretary of Gutian Communist Party Committee and town chief of Gutian town, Communist Party Committee secretary of Taibaxiang, Shanghang County, township cadre of Economic and Trading Bureau and the director of the Shanghang Copper Bureau. He has been serving as a supervisor of the Company since October 2013.

Mr. Liu Wenhong, aged 49, obtained an EMBA degree from Xiamen University, is an engineer. Mr. Liu joined the Company in 1989, and he held several positions including the office director, assistant to general manager, assistant to president, standing deputy chief of Zijinshan gold and copper mine, chairman of Zijin Mining Group (Xiamen) Investment Co., Ltd., and general manager of key project and social responsibility department of the Company, etc. He is currently serving as the chairman of the labour union and the supervisor representing workers and staff of the Company. He has been serving as a supervisor of the Company since October 2013.

Ms. Lan Liying, aged 53, tertiary educated, is an accountant and registered non-practising CPA. She joined the Company since December 1994, having served as the deputy manager of finance department, officer of the supervisory and audit office, general manager of marketing and operation department and production and operation department. She has been serving as the supervisor representing workers and staff of the Company since December 2016.

SENIOR MANAGEMENT

Mr. Xie Xionghui, aged 45, graduated from Huainan Industrial Institute majoring in geology and mineral resources exploration. He is a lawyer and geological engineer. He joined the Company in 2001 and served as geological technician, secretary to the chairman, deputy director of the board of director's office and concurrently the legal advisor of the Company; deputy general manager of Hunchun Zijin Mining Co., Ltd.; general manager (concurrent) of Inner Mongolia Bulongtu Phosphorite Mining Co., Ltd.; general manager of Chongli Zijin Mining Co., Ltd.; standing deputy general manager of Heilongjiang Zijin Longxing Mining Co., Ltd.; chairman (concurrent) of Russia Longxing Co., Ltd.; general manager of Zijin Mining Group Northwest Company Limited; chairman of Zijin Mining Group Southern Co., Ltd.; general manager of mine administrative department of the Company. He currently serves as a vice-president of the Company.

Ms. Liu Qiang, aged 54, graduated from Beijing Second Foreign Language Institute majoring in English literature, obtained a Master's degree in Literature and is a deputy senior translator. She is the representative of the fifteenth People's Congress in Haidian District of Beijing, and is a member of the National Economy, Social Development and Planning, Finance and Budgeting Audit Committee of the fifteenth People's Congress of Haidian District. She has studied finance at the University of International Business and Economics in Beijing and got a post-graduate diploma. She has received trainings on finance and financial management in Hong Kong, served in the finance department of Oriental Metals (Holdings) Company Limited in Hong Kong and served as the manager of the finance department of an Australian subsidiary of China National Nonferrous Metals Import and Export Corporation, manager of the aluminum department of China National Nonferrous Metals Import and Export Corporation; a senior analyst for the aluminum industry and market in China National Nonferrous Metals Trading Group and China National Metals and Minerals Import and Export Corporation as well as the deputy manager of the Import and Export Division of China Aluminum International Trading Corporation Limited. She served as the secretary to the board of directors and company secretary of Aluminum Corporation of China Ltd. from October 2003 to May 2013. She has been serving as the secretary to the board of directors of the Company since October 2013.

Mr. Guo Xianjian, aged 60, is a Canadian citizen. He graduated and obtained his PhD from Kunming University of Science and Technology, and did post-doctoral study in the Mackay School of Mine of the University of Nevada, USA. He is a registered engineer in Canada. Mr. Guo has held a number of positions, namely the deputy director of the Metallurgical Department of Beijing General Research Institute for Nonferrous Metals (GRINM); the researcher in the Metallurgical Department of McGill University, Canada; Senior Scientist in Noranda Technology Center in Canada; Nonferrous Director-China and Technical Director-Nonferrous in Hatch Ltd. in Canada; vice president in Ramu NiCo Management Ltd; technical advisor (CEO Technical Representative) of CGNPC Husab uranium project in Namibia; the senior consultant of several companies, and the visiting professor in University Science and Technology Beijing. He has been serving as the chief engineer of the Company since 18 August 2017.

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

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Mr. Fan Cheung Man, aged 58, obtained a Master's degree in business administration from the University of New England, Australia. He is an associate member of The Hong Kong Institute of Certified Public Accountants, and a fellow member of The Association of Chartered Certified Accountants, UK. He has been a deputy general manager of Hungtai Electronic Factory and financial controller of Vigers HK Limited. Mr. Fan has been serving as the company secretary (HK) for the Company since December 2004.

POSITION HELD BY CURRENT DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

(1) Position held in shareholder's company

Name	Name of shareholder's company	Position	Date of appointment	Date of end term
Li Jian	Minxi Xinghang State-owned Assets Investment Co., Ltd.	Chairman and General manager	September 2017	September 2020
Fan Wensheng	Minxi Xinghang State-owned Assets Investment Co., Ltd.	Supervisor	October 2016	February 2018

(2) Position held in other companies

Name	Name of company	Position	Date of appointment	Date of end term
Fang Qixue	BNL	Director	September 2015	
Fang Qixue	Gold Eagle Mining Investment Limited	Director		
Zhu Guang	HOPU Jinghua (Beijing) Investment Consultancy Co., Ltd.	Vice-chairman		
Sit Hoi Wah, Kenneth	Messrs. Kenneth Sit, Solicitors of Hong Kong	Partner	October 2004	
Sit Hoi Wah, Kenneth	Pokfulam Development Company Limited	Independent non-executive director	October 2005	December 2020
Sit Hoi Wah, Kenneth	Tree Holdings Limited	Independent non-executive director	January 2018	January 2021
Cai Meifeng	Sichuan Yahua Industrial Group Co., Ltd.	Independent director	June 2018	June 2021
Xu Qiang	Newland Digital Technology Co., Ltd. (formerly known as Fujian Newland Computer Co. Ltd.)	Independent director	May 2015	March 2021

Report of the Directors

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

The Directors of the Company hereby submit the Report of the Directors and the audited financial statements of the Group for the year ended 31 December 2018.

PRINCIPAL BUSINESS

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

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

OPERATING RESULTS

The operating results of the Group for the year ended 31 December 2018 are set out in the financial statements on pages 114 to 328.

Analysis on Investment Status

Overall analysis on external equity investment

The Group continued to carry out the development strategy of "internationalisation, project upsizing, asset securitisation", with main focus on gold and copper projects. The Company continued to pay attention to and keep track of a batch of high-quality resources projects around the globe to seize the market opportunities and stress the investments in enterprises or projects with relatively large resources reserve, current production and profits. For the year 2018, the Company realised substantial progress relating to overseas project acquisitions and consecutively completed the acquisitions of two significant projects, namely RTB Bor Group, a Serbian state-owned copper company, and Nevsun, a Canadian listed company. A further increase in the resources reserve of gold, copper, zinc and other metals is achieved for the Company, which enhances the core competitiveness and long-term profitability of the Company.

Key equity investments

1) The Company entered into the Agreement on Strategic Partnership with the Republic of Serbia on 17 September 2018. The Company, being the strategic partner, proposed to invest a total amount of USD350,000,000 in cash (approximately equivalent to RMB2.398 billion) for the capital increase of RTB Bor Group, in order to obtain 63% of the equity interest of RTB Bor Group. The abovementioned acquisition was completed on 18 December 2018 (Serbian local time). The Company deposited a total amount of USD350,000,000 in the bank account of RTB Bor Group for its capital increase on the closing date and obtained 63% of the equity interest of RTB Bor Group.

   RTB Bor Group is a state-owned copper company in Serbia. It owns the only copper mines and smelter plant in production in Serbia. In 2018, RTB Bor Group realised production volumes of 42,500 tonnes of mine-produced copper and 67,000 tonnes of smelter-produced copper cathodes. According to the business development plan submitted by the Company in the bidding, the Company proposed that RTB Bor Group will invest a total of USD1,260,000,000 (including the abovementioned USD350,000,000 of capital increase) within six years after the closing date for technological upgrade, expansion or construction of its four mines and one smelter plant. It is expected that after completion of phase one, the mines can produce copper concentrates containing 82,000 tonnes of copper per annum, and the smelter plant can produce 80,000 tonnes of copper cathodes per annum. It is expected that after completion of phase two (including phase one), the mines can produce copper concentrates containing 120,000 tonnes of copper per annum, and the smelter plant can produce approximately 150,000 tonnes of copper cathodes per annum.

2) The Company entered into the Pre-Acquisition Agreement with Nevsun on 5 September 2018. The Company proposed to make an all cash takeover to acquire all of the Nevsun's issued common shares ("Nevsun Shares") and any other common shares issued after the date of the offer (including any but prior to the expiry time) at a consideration of CAD6 per common share. The total consideration of the transaction would be approximately CAD1.858 billion (approximately equivalent to RMB9.363 billion). As at the closing time of market on 12 March 2019 (Toronto time), the Company acquired all the remaining Nevsun Shares pursuant to compulsory acquisition and holds 100% shares of Nevsun; the de-listing the Nevsun Shares from the Toronto Stock Exchange and the New York Stock Exchange has been completed.

Report of the Directors *(continued)*

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Nevsun owns two core assets including the Timok copper-gold mine in Serbia (Nevsun owns 100% interest of the Upper Zone and 60.4% interest of the Lower Zone (which may be diluted to 46% eventually according to the joint agreements)) and 60% interest in the Bisha copper-zinc mine in Eritrea. The Timok copper-gold mine is yet to be developed, while the Bisha copper-zinc mine is currently in production, with annual production volumes of approximately 125,000 tonnes of zinc and 17,000 tonnes of copper in 2018.

3) The Execution and Investment Committee of the Board of the Company considered and approved the Proposal on Capital Increase of Zijin Tongguan and the Proposal on Receipt of Transfer of 6% Shareholding Interest of Zijin Tongguan from the Joint Shareholder in 2018. It was approved that the Company, Tongling Nonferrous Metals Group Holdings Co., Ltd ("Tongling Nonferrous") and Xiamen C&D Inc. ("Xiamen C&D") conduct the capital increase of RMB0.366 billion in Xiamen Zijin Tongguan Investment Development Company Limited ("Zijin Tongguan") in proportion to the respective shareholding of 45%, 35% and 20%, so as to increase the registered capital of Zijin Tongguan from RMB1.35 billion to RMB1.716 billion, in which the Company will carry out the capital increase of RMB0.1647 billion in cash; in the meantime, the meeting also approved that the Company received the transfer of 6% of shareholding interest of Zijin Tongguan from Xiamen C&D at the consideration of RMB0.20131 billion. After the completion of transfer of shares, the Company, Tongling Nonferrous and Xiamen C&D hold 51%, 35% and 14% of the shareholding interests in Zijin Tongguan respectively. Zijin Tongguan owns 100% interest in the Rio Blanco copper-molybdenum mine project in Peru. The abovementioned capital increase and receipt of transfer of shares were completed on 26 December 2018.

4) The Execution and Investment Committee of the Board of the Company considered and approved the Proposal on the Forward Work Plan of the Acquisition of Nkwe Platinum Limited in 2018. It was approved that the Company acquired 354,385,240 outstanding shares of Nkwe through a wholly-owned subsidiary at a consideration of AUD0.1 per share, totalled approximately AUD35.44 million (approximately equivalent to RMB167.6 million), which were not owned by the Company or the wholly-owned subsidiary. The consideration was recommended by the independent directors of Nkwe and the transaction was considered and approved at the shareholder's general meeting of Nkwe. As at the date of the report, the abovementioned acquisition has been completed. The shareholding interest of the Company in Nkwe increased from 60.47% to 100%. Nkwe will be de-listed from the Australia Stock Exchange. The core asset of Nkwe is the 74% shareholding interest in the mining right of the Garatau platinum project in Limpopo Province, South Africa.

5) Pursuant to the anti-dilution agreement entered into between the Company and Ivanhoe Mines Ltd. ("Ivanhoe"), the Company exercised the anti-dilution right on 23 June 2018 and subscribed for 21,227,538 ordinary shares of Ivanhoe at a consideration of CAD3.68 per share. The total consideration was approximately CAD78.12 million (approximately equivalent to RMB409.54 million). The Company currently owns 9.9% of shareholding interest in Ivanhoe.

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
Construction of Duobaoshan copper mine phase 2	2.477	The construction was completed and pilot production was achieved at the end of 2018, and the remaining construction was in progress.	0.634	1.423	After completion of phase 2 construction, together with phase 1, the annual production capacity of copper is expected to increase to 80,000 tonnes.
Xinjiang Zijin Non-ferrous zinc refining project	1.337	Basic formalities before the construction of the project were completed.	0.056	0.056	After completion of the project, the designated production capacity will be 100,000 tonnes of zinc bullion per annum.

Report of the Directors *(continued)*

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Financial assets measured at fair value

Stock code	Name of stock	Initial investment cost (RMB)	Number of shares held	Book value as at the end of the reporting period (RMB)	Changes in owner's equity during the reporting period (RMB)
IVN	Ivanhoe Mines	944,178,003	99,706,058	1,194,102,034	-911,247,583
AKG	Asanko Gold	175,580,890	26,829,097	117,542,499	-25,356,875
PVG	Pretium Resources	83,290,503	2,696,131	157,159,679	-41,228,792

Analysis of major subsidiaries and associates

Unit: RMB'000

Gold segment							
Company name	Mine	Interest held by the Group	Annual processing capacity	Total assets	Net assets	Operating income	Net profit
Barrick (Niugini) Limited (Note 1)	Porgera gold mine	50%	5.8 million tonnes	3,396,430	1,368,990	1,803,600	242,010
Norton Gold Fields Limited	Paddington	100%	3.73 million tonnes	2,036,970	940,910	1,157,610	14,510
Altynken Limited Liability Company	Zuoan gold mine	60%	630 thousand tonnes	2,291,490	77,960	903,260	157,630
JV Zeravshan LLC	Jilau, Taror gold mines	70%	2.77 million tonnes	2,570,570	-252,630	1,129,850	95,400
Hunchun Zijin Mining Company Limited	Shuguang gold mine	100%	8.94 million tonnes	1,720,630	1,415,250	1,292,020	502,260
Zijin Mining Group Company Limited* (Note 2)	Zijinshan gold mine	100%	10.34 million tonnes	—	—	—	—

Copper segment							
Company name	Mine	Interest held by the Group	Annual processing capacity	Total assets	Net assets	Operating income	Net profit
Zijin Mining Group Company Limited* (Note 2)	Zijinshan copper mine	100%	20.79 million tonnes	—	—	—	—
Xinjiang Ashele Copper Company Limited	Ashele copper mine	51%	2.25 million tonnes	3,015,630	1,919,410	1,947,680	844,510
Heilongjiang Duobaoshan Copper Company Limited	Duobaoshan copper mine	100%	10.04 million tonnes	5,455,750	2,720,800	1,613,260	331,700
La Compagnie Minière de Musonoie Global SAS	Kolwezi copper mine	72%	1.68 million tonnes	3,153,480	700,200	1,826,830	503,760
Hunchun Zijin Mining Company Limited	Shuguang copper mine	100%	8.94 million tonnes	1,720,630	1,415,250	1,292,020	502,260

Zinc segment							
Company name	Mine	Interest held by the Group	Annual processing capacity	Total assets	Net assets	Operating income	Net profit
Russia Longxing Company Limited	Kyzyl-Tash Turk zinc and polymetallic mine	70%	1.20 million tonnes	3,451,180	1,289,090	1,677,660	792,380
Wulatehouqi Zijin Mining Company Limited	Miaogou-Sanguikou lead and zinc mine	95%	3.84 million tonnes	2,186,560	1,536,660	1,364,140	395,930
Xinjiang Zijin Zinc Industry Company Limited	Wulagen lead and zinc mine	100%	4.02 million tonnes	1,534,670	1,264,250	1,518,580	679,710

Report of the Directors *(continued)*

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Company name	Major product	Interest held by the Group	Annual processing capacity	Total assets	Net assets	Operating income	Net profit
Refining segment							
Zijin Copper Company Limited	Refinery copper	100%	300 thousand tonnes of copper cathode	7,924,460	3,979,660	18,938,700	418,550
Bayannaoer Zijin Non-ferrous Metals Company Limited	Zinc bullion	87.2%	200 thousand tonnes of zinc bullion	2,708,930	1,036,820	3,877,040	129,040

Company name	Major product	Interest held by the Group	Annual processing capacity	Total assets	Net assets	Operating income	Net profit
Other segments							
Xinjiang Jinbao Mining Company Limited	Iron ore	56%	5.50 million tonnes	1,421,000	1,028,600	1,453,910	632,410
Fujian Makeng Mining Company Limited	Iron ore	41.5%	2.90 million tonnes	4,676,620	1,314,000	569,690	27,960

Note:

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

Use of proceeds previously raised

Pursuant to the Approval for Non-public Issuance of A Shares of Zijin Mining Group Co., Ltd.* (Zhengjian Xuke [2017] No. 289) issued by the CSRC, the Company non-publicly issued 1,490,475,241 Renminbi-denominated ordinary shares (A shares) at the issuance price of RMB3.11 per share in May 2017. The total amount of proceeds raised was RMB4,635,377,999.51. After deduction of issuance expenses of RMB38,458,040.59, the actual net amount of proceeds raised was RMB4,596,919,958.92. The abovementioned proceeds raised were deposited in the account on 23 May 2017. Ernst & Young Hua Ming LLP verified the deposit of the proceeds raised and issued Capital Verification Report of Zijin Mining Group Co., Ltd.* (Ernst & Young Hua Ming (2017) Yanzi No. 60468092_H02).

Report of the Directors *(continued)*

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Comparison Table of the Use of the Proceeds Previously Raised

Unit: RMB million

Total amount of the proceeds raised:	4,597.3150	Accumulated total amount of proceeds raised used:	3,563.8432
		Total amount of proceeds raised used for the year:	3,563.8432
Total amount of change of the use of the proceeds raised:	787.9000	2017:	2,261.8368
Percentage of the total amount of change in the use of the proceeds raised:	17.14%	2018:	1,302.0064

	Project to be invested		Total amount of investment with the proceeds raised			Accumulative amount of investment with the proceeds raised as at 31 December 2018 (the "Cut-off Date")				
Number	Committed investment project	Project actually invested	Amount of the committed investment before fund-raising	Amount of the committed investment after fund-raising	Amount of the actual investment	Amount of the committed investment before fund-raising	Amount of the committed investment after fund-raising	Amount of the actual investment	Difference between amount of the actual investment and amount of the committed investment after fund-raising	Date of the project for reaching the designated use (or progress of construction of the project as at the Cut-off Date)
1	The Kolwezi copper mine construction project in the DR Congo	The Kolwezi copper mine construction project in the DR Congo	3,231.1821	2,443.2821	2,443.2821	3,231.1821	2,443.2821	1,817.1555	-626.1266	30 June 2019
2	Zijin Copper Company Limited's capacity expansion project for comprehensive recovery of end materials in production	Zijin Copper Company Limited's capacity expansion project for comprehensive recovery of end materials in production	105.1022	105.1022	105.1022	105.1022	105.1022	66.6752	-38.4270	30 June 2018
3	Supplementing working capital	Supplementing working capital	1,261.0307	1,261.0307	1,261.0307	1,261.0307	1,261.0307	1,261.9343	0.9036	N/A
4	Heilongjiang Zijin Copper Company Limited copper refining project	Heilongjiang Zijin Copper Company Limited copper refining project	—	787.9000	787.9000	—	787.9000	418.0782	-369.8218	30 June 2019

Note: The total initial amount of the specific accounts for the proceeds raised, RMB4,597,315,000, differed by RMB395,000 from the original net amount of the proceeds raised, i.e. RMB4,596,920,000, which was due to the issuance expenses of RMB395,000 paid to intermediaries by using funds not from the proceeds raised before the receipt of the proceeds raised from non-public issuance. A portion of the issuance expenses was deducted from the initial net amount of the proceeds raised but not from specific accounts for the proceeds raised.

SIGNIFICANT MATTERS

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

Formulation, execution or adjustment of cash dividend distribution policy

According to the "Notice in relation to Further Implementing Cash Dividend Distribution of Listed Companies" (Zheng Jian Fa [2012] No. 37) and "Regulatory Guidelines of Listed Companies No. 3 - Cash Dividends of Listed Companies" (Zheng Jian Fa [2013] No. 43) issued by the CSRC and the requirements of other laws, regulations and regulatory documents and the articles of association of the Company, in order to improve the decision making of the Company's profit distribution and supervisory mechanism, while taking into consideration of the Company's production, operation and sustainable development and maintaining a reasonable return to investors of the Company, the Company formulated the "Profit Distribution and Return Plan for the Next Three Years (Year 2015-2017)" (the "Profit Distribution and Return Plan 2015-2017") in the first extraordinary general meeting in 2015 convened on 18 August 2015. As the Profit Distribution and Return Plan 2015-2017 expired, the Proposal on Formulation of the Profit Distribution and Return Plan for the Next Three Years (Year 2018-2020) of the Company (the "Profit Distribution and Return Plan 2018-2020") was considered and approved at the fifteenth extraordinary meeting of the sixth term of the Board held on 29 December 2018, which is still subject to the approval at the first extraordinary general meeting in 2019 of the Company.

The Profit Distribution and Return Plan 2015-2017 clearly defines that 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 latest 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). Based on the Profit Distribution and Return Plan 2015-2017, the profit distribution plan for the year 2017 was considered and approved at the annual general meeting for the year 2017. On the basis of 23,031,218,891 total issued shares before the profit distribution, a dividend of RMB0.9 per 10 shares (tax included) (a total of RMB2,072,809,700.19 in cash) was distributed. The above profit distribution was completed on 29 June 2018.

The Profit Distribution and Return Plan 2018-2020 clearly defines that 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 75% of the average annual distributable profits realised for the latest three years. In principle, the Company's annual distribution of cash dividends shall not be less than 25% of the realised distributable profits for the year (excluding the accumulated undistributed profits of last year).

As audited by Ernst & Young Hua Ming LLP, the Group's net profit attributable to owners of the parent for the year ended 31 December 2018 prepared in accordance with CAS was RMB4,093,773,630. The Board proposed the profit distribution plan for the year ended 31 December 2018 to be: on the basis of 23,031,218,891 shares as at 31 December 2018, to pay the qualified shareholders of the Company the final cash dividend of RMB1 per 10 shares (tax included). The total distribution of cash dividend amounts to RMB2,303,121,889.1. The remaining balance of undistributed profit will be reserved for future financial years.

Independent Directors of the Company considered that the profit distribution for 2018 is in line with the relevant provisions of the articles of association of the Company and fully protects the legitimate rights and interests of minority investors. They agreed with the profit distribution plan.

Report of the Directors *(continued)*

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

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

Unit: RMB

Year of profit distribution	Bonus shares for every 10 shares (share)	Dividend for every 10 shares (RMB) (tax included)	Capital conversion for every 10 shares (share)	Amount of cash dividend (tax included)	Net profit attributable to ordinary shareholders of listed company in consolidated financial statements for the dividend distribution year	Percentage of dividends to net profit attributable to ordinary shareholders of the listed company accounted for in the consolidated financial statements (%)
2018	0	1.0	0	2,303,121,889	4,093,773,630	56.26
2017	0	0.9	0	2,072,809,700	3,507,717,627	59.09
2016	0	0.6	0	1,381,873,133	1,839,798,820	75.11

Performance of undertakings

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

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

Report of the Directors *(continued)*

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

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

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

Summary of the event	Index for details
The registration of the shares subscribed by phase 1 of employee stock ownership scheme of Zijin Mining Group Co., Ltd.* under non-public issuance of A Shares was completed at China Securities Depository and Clearing Corporation Limited (Shanghai Branch) on 7 June 2017. 129,163,987 A Shares were subscribed for, the subscription amount was RMB401.7 million, the subscription price was RMB3.11 per share and the lock-up period was 36 months.	For details, please refer to the Resolutions of the First Holders' Meeting of Phase 1 Employee Stock Ownership Scheme of Zijin Mining Group Co., Ltd.* and Announcement in relation to the Issuance Results of Non-public Issuance of A Shares and Changes in Share Capital of Zijin Mining Group Co., Ltd.* disclosed on HKEXnews website (http://www.hkexnews.hk) dated 8 June 2017.

Connected transactions related to daily business operation

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

Summary of event	Index for details
The Company's subsidiary, Xinjiang Ashele Copper Co., Ltd. ("Xinjiang Ashele"), entered into a copper concentrates supply contract with Xinjiang Wuxin Copper Co., Ltd., a subsidiary of Xinjiang Ashele's substantial shareholder, Xinjiang Nonferrous Metals Industry (Group) Company Limited, on 23 January 2018. One of Xinjiang Ashele's ordinary businesses is selling copper concentrates and the contract was entered into under normal commercial terms, which reflects the principles of fairness and reasonableness. During the reporting period, the total amount of the transaction was RMB990 million (tax excluded).	For details, please refer to the Company's announcement disclosed on HKEXnews website (http://www.hkexnews.hk) dated 23 January 2018.

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

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

Accordingly, it is confirmed by the Directors that:

(a) The connected parties in the above connected transactions have undertaken to the Company and the Stock Exchange to provide adequate access for auditor's inspection of the relevant books and records, to review the above connected transactions and prepare the relevant reports.

(b) The Company has undertaken to the Stock Exchange that if it is aware or has reasons to believe that the independent non-executive Directors and/or auditor are unable to confirm that the relevant transactions comply with the Listing Rules and the restrictions under the waiver conditions, the Company must immediately notify the Stock Exchange. The Company may have to comply with the relevant requirements of the Listing Rules to disclose and obtain independent shareholders' approval, or make corrections based on the instructions of the Listing Division of the Stock Exchange.

Report of the Directors *(continued)*

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(c) Independent non-executive Directors of the Company have reviewed and confirmed that all the connected transactions of the Company or its subsidiaries involved in the year 2018 were:

1. entered into in the ordinary and normal course of business of the Company or its subsidiaries;
2. entered into on normal commercial terms; or where no comparisons are available, then under terms which are fair and reasonable to the shareholders of the Company;
3. entered into under the terms of the agreement governing such transactions; or where no such agreement is available, under terms not inferior to those available from or to independent third parties.

(d) The Group's auditor has reviewed the transactions (details of which are set out in Note X to the financial statements), and confirmed to the Board that:

1. the transactions have been approved by the Board;
2. terms of the agreement of the relevant transactions are attached to the connected transactions;
3. the aggregated amounts of the transactions have not exceeded the respective announced annual caps.

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

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

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

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

STAFF OF THE COMPANY AND ITS MAJOR SUBSIDIARIES

Staff

The number of current staff of the Company	2,495
The number of current staff of the major subsidiaries	16,731
Total number of current staff (including staff of domestic enterprises and Chinese staff of overseas enterprises)	19,226
The number of retired staff at the Company and major subsidiaries' expense	232

Profession structure

Classification	**Number of staff**
Production	8,613
Sales	268
Technical	5,645
Finance	509
Administration	4,191
Total	19,226

Report of the Directors *(continued)*

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

Education Classification	**Number of staff**
Doctoral degree	30
Master degree	456
Bachelor degree	3,282
Other tertiary education	3,721
Secondary school or below	11,737
Total	19,226

Remuneration policy

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

Training programmes

The Company formulated annual training plan scientifically, and organised and implemented various training activities according to the plan. The Company further strengthened the promotion of "going out and bringing in", comprehensively raising the level of training. In the aspect of nurture of reserve talents, the Company cooperated with renowned domestic higher education institutions including Peking University and Xiamen University to organise training courses; in the aspect of new employees, quarterly training programmes were held in the headquarters for the newly recruited employees of subsidiaries and the two-month "orientation training for outstanding graduates 2018" were innovatively launched; in the aspect of internationalised talents, a pre-departure training system for expatriate staff to overseas subsidiaries was established with impressive results; English speaking classes were held in Xiamen and Shanghang to elevate the English proficiency of local employees. In the meantime, business sectors and functional departments proactively hosted intensive training of business systems, such as human resources, finance, construction, logistics, supervision, legal affairs, etc. On the group level, employee office skills trainings were conducted regularly; In order to continuously building the brand of "Zijin Lectures", celebrities and masters were invited to give presentations and classes in 2018 and a variety of training activities were carried out for the purpose of broadening horizon and learning new knowledge, technologies and methodologies. The concepts of front management, scientific and technology innovation and international development were promoted, popularised and implemented, to develop an organisation that dedicates to learning, further hoist the comprehensive quality of staff and help the Company's internationalised development move forward.

Outsourcing Status

Total working hours of outsourcing services	**Measured by quantity in outsourced mining and stripping production**
Total outsourcing payment	RMB3,403,050,777

Report of the Directors *(continued)*

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

Others

Core technical team or key technical staff of the Company

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

Scientific research projects and scientific and technological achievements of the Company

During the year, the Company conducted one new state scientific research project, "Microorganic Enhanced Leaching in Copper Sulphide Heap Leaching Field – In Situ Barrier Collaborated with Source Control Technology and Demonstration", and one new provincial scientific research project, "Construction and Industrialisation of Intelligent Mine based on the Internet of Things and Virtual Reality". In addition, 31 scientific research projects were launched in the Group, including "Research on the Techniques and Technology in Combining Processing with Refining of Micron-sized Refractory Copper Sulphide Particles", "Research and Industrial Application of Super-Fine Grinding Technology of Complex Zinc and Polymetallic Ore", etc.

During the year, the Company applied for a total of 21 patents, of which 13 are patents of invention. 13 authorised patents of invention and 2 scientific technology awards at provincial level or above were obtained. 10 scientific and technological transformation achievements in aggregate were conducted this year, which contributed more than RMB50 million to the production benefits. The technological innovation capability of the Company is steadily improving, significantly promoting the sustainable development of the Company.

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

As at 31 December 2018, the interests and short positions of the Directors, Supervisors and chief executive of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which the Directors, Supervisors and chief executive are taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to Section 352 of the SFO to be entered into the register referred to therein; or (c) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code"), to be notified to the Company and the Stock Exchange are as follows:

Shareholdings of the Directors, Supervisors and chief executive of the Company as at 31 December 2018 are as follows:

Director	Class of shares	Number of shares held	Nature of interest	Long/Short positions	Approximate percentage of shareholding in the same class of securities	Approximate percentage of shareholding in the registered capital
Chen Jinghe	Domestic shares	102,000,000	Personal	Long position	0.59%	0.44%
	H Shares	8,000,000	Personal	Long position	0.14%	0.03%
	Total	110,000,000	Personal	Long position		0.48%
Lan Fusheng	Domestic shares	7,530,510	Personal	Long position	0.04%	0.03%
Zou Laichang	Domestic shares	1,430,000	Personal	Long position	0.01%	0.01%
Lin Hongfu	Domestic shares	862,500	Personal	Long position	0.01%	0.01%
Fang Qixue	Domestic shares	301,000	Personal	Long position	0.01%	0.01%
Lin Hongying	Domestic shares	200,000	Personal	Long position	0.01%	0.01%

Report of the Directors *(continued)*

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Supervisor	Class of shares	Number of shares held	Nature of interest	Long/Short positions	Approximate percentage of shareholding in the same class of securities	Approximate percentage of shareholding in the registered capital
Lin Shuiqing	Domestic shares	300,000	Personal	Long position	0.01%	0.01%
Liu Wenhong	Domestic shares	24,450	Personal	Long position	0.01%	0.01%
	H Shares	10,000	Personal	Long position	0.01%	0.01%
	Total	34,450	Personal	Long position		0.01%

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

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

SHARE CAPITAL AND SHAREHOLDERS

Details of the Company's issued ordinary shares (with par value of RMB0.1 each) as at 31 December 2018 are set out in Note V.39 to the financial statements.

SHAREHOLDING STRUCTURE OF SUBSTANTIAL SHAREHOLDERS

As at 31 December 2018, the Company has a total of 721,545 shareholders, of which 881 are H Shareholders and 720,664 are holders of domestic shares. By approximate percentage of shareholding in the share capital, the shareholdings of the Company's top ten shareholders are as follows:

	Name of shareholders	Class of shares	Number of shares held	Approximate percentage of shareholding in the share capital
1.	Minxi Xinghang State-owned Assets Investment Co., Ltd. (Note 1)	Domestic shares	5,960,742,247	25.88%
2.	HKSCC Nominees Limited (Note 2)	H Shares	5,711,416,190	24.80%
3.	China Securities Finance Corporation Limited	Domestic shares	691,190,823	3.00%
4.	National Social Security Fund 108	Domestic shares	395,564,666	1.72%
5.	China-Africa Development Fund Co., Ltd.	Domestic shares	321,543,408	1.40%
6.	Xinhuadu-Guosen Securities -17 Xinhuadu EB Guarantee and Trust Assets Special Account	Domestic shares	287,000,380	1.25%
7.	Central Huijin Asset Management Ltd.	Domestic shares	191,694,700	0.83%
8.	National Social Security Fund 113	Domestic shares	165,219,737	0.72%
9.	Huarong Ruitong Equity Investment Management Co., Ltd.	Domestic shares	160,771,704	0.70%
10.	Hong Kong Securities Clearing Company Limited (Note 3)	Domestic shares	149,099,138	0.65%

Notes:

1. 208,484,145 domestic shares of the Company held by Minxi Xinghang State-owned Assets Investment Co., Ltd. have to be transferred to National Council for Social Security Fund, the PRC, that part of the stock is frozen.

2. HKSCC Nominees Limited held 5,711,416,190 H Shares in the Company as a nominee, representing approximately 24.80% in aggregate of the Company's issued shares. HKSCC Nominees Limited is a member of the Central Clearing and Settlement System, which carries out securities registration and custodian business for customers.

3. Hong Kong Securities Clearing Company Limited held 149,099,138 domestic shares in the Company as a nominee, representing approximately 0.65% in aggregate of the Company's issued shares. Hong Kong Securities Clearing Company Limited is a member of the Central Clearing and Settlement System, which carries out securities registration and custodian business for customers.

Report of the Directors *(continued)*

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SUBSTANTIAL SHAREHOLDERS

So far as the Directors, Supervisors and chief executive of the Company are aware, as at 31 December 2018, the interests and long/short positions of shareholders (except the Directors, Supervisors and chief executive of the Company) in the shares or underlying shares of the Company which will be required, pursuant to Section 336 of the SFO, to be entered into the register referred to therein, or required to be notified to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO are as follows:

Name of shareholders	Class of shares	Number of shares held	Approximate percentage in the total number of issued shares	Approximate percentage of shareholding in the total number of issued domestic shares	Approximate percentage of shareholding in the total number of issued H Shares	Long/Short positions
Minxi Xinghang State-owned Assets Investment Co., Ltd.	Domestic shares	5,960,742,247	25.88%	34.47%	—	Long
The Bank of New York Mellon Corporation	H Shares	460,138,674 (Note 1)	2.00%	—	8.02%	Long
The Bank of New York Mellon Corporation	H Shares	450,770,744 (Note 1)	1.96%	—	7.86%	Lending pool
Van Eck Associates Corporation	H Shares	408,250,761 (Note 2)	1.77%	—	7.12%	Long
BlackRock, Inc.	H Shares	405,152,800 (Note 3)	1.76%	—	7.06%	Long
BlackRock, Inc.	H Shares	2,068,000 (Note 3)	0.01%	—	0.04%	Short
VanEck Vectors ETF – VanEck Vectors Gold Miners ETF	H Shares	402,580,000 (Note 4)	1.75%	—	7.02%	Long

Notes:

(1) The Bank of New York Mellon Corporation held 460,138,674 H Shares (long position) of the Company (representing approximately 8.02% of the total issued H Shares of the Company) and 450,770,744 H Shares (lending pool) of the Company (representing approximately 7.86% of the total issued H Shares of the Company).

According to the disclosure form filed by The Bank of New York Mellon Corporation on 25 December 2018, the following interests were held by The Bank of New York Mellon Corporation in the following capacity:

Report of the Directors *(continued)*

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Capacity		Number of shares
Interest of corporation controlled by The Bank of New York Mellon Corporation	Long position	460,138,674

Further information in relation to interests of corporations controlled by The Bank of New York Mellon Corporation:

Name of controlled corporation	Address and place of incorporation	Name of controlling person	% control	Direct interest (Y/N)		Number of shares
The Bank of New York Mellon	240 Greenwich Street, New York, NY10286	The Bank of New York Mellon Corporation	100.00	Y	Long position	460,138,674

(2) VanEck Vectors ETF - VanEck Vectors Gold Miners ETF is managed by Van Eck Associates Corporation. Van Eck Associates Corporation is deemed to be interested in 408,250,761 H Shares (long position) of the Company (representing approximately 7.12% of the total issued H Shares of the Company).

(3) BlackRock, Inc. held 405,152,800 H Shares (long position) of the Company (representing approximately 7.06% of the total issued H Shares of the Company) and 2,068,000 H Shares (short position) of the Company (representing approximately 0.04% of the total issued H Shares of the Company).

According to the disclosure form filed by BlackRock, Inc. on 3 January 2019, the following interests were held by BlackRock, Inc. in the following capacity:

Capacity		Number of shares
Interest of corporation controlled by BlackRock, Inc.	Long position	405,152,800
	Short position	2,068,000

Report of the Directors *(continued)*

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

Name of controlled corporation	Address and place of incorporation	Name of controlling person	% control	Direct interest (Y/N)		Number of shares
Trident Merger, LLC	1209 Orange Street, Wilmington DE 19801, United States (Delaware, USA)	BlackRock, Inc.	100.00	N	Long position	5,158,250
BlackRock Investment Management, LLC	1209 Orange Street, Wilmington, New Castle County, Delaware 19801, United States (Delaware, USA)	Trident Merger, LLC	100.00	Y	Long position	5,158,250
BlackRock Holdco 2, Inc.	1209 Orange Street, Wilmington DE 19801, United States (Delaware, USA)	BlackRock, Inc.	100.00	N	Long position Short position	399,994,550 2,068,000
BlackRock Financial Management, Inc.	1209 Orange Street, Wilmington, New Castle County, Delaware 19801, United States (Delaware, USA)	BlackRock Holdco 2, Inc.	100.00	N	Long position Short position	370,683,550 2,068,000
BlackRock Financial Management, Inc.	1209 Orange Street, Wilmington, New Castle County, Delaware 19801, United States (Delaware, USA)	BlackRock Holdco 2, Inc.	100.00	Y	Long position	29,311,000
BlackRock Holdco 4, LLC	1209 Orange Street, Wilmington DE 19801, United States (Delaware, USA)	BlackRock Financial Management, Inc.	100.00	N	Long position Short position	231,439,337 2,068,000
BlackRock Holdco 6, LLC	1209 Orange Street, Wilmington DE 19801, United States (Delaware, USA)	BlackRock Holdco 4, LLC	90.00	N	Long position Short position	231,439,337 2,068,000
BlackRock Delaware Holdings Inc.	1209 Orange Street, Wilmington, New Castle County, Delaware 19801, United States (Delaware, USA)	BlackRock Holdco 6, LLC	100.00	N	Long position Short position	231,439,337 2,068,000
BlackRock Institutional Trust Company, National Association	1225 17th Street, Suite 300, Denver, CO 80202 (Colorado, USA)	BlackRock Delaware Holdings Inc.	100.00	Y	Long position Short position	110,312,337 2,068,000
BlackRock Fund Advisors	400 Howard Street San Francisco, CA 94105, United States (California, USA)	BlackRock Delaware Holdings Inc.	100.00	Y	Long position	121,127,000
BlackRock Capital Holdings, Inc.	1209 Orange Street, Wilmington, New Castle County, Delaware 19801, United States (Delaware, USA)	BlackRock Financial Management, Inc.	100.00	N	Long position	3,406,000
BlackRock Advisors, LLC	1209 Orange Street, Wilmington, New Castle County, Delaware 19801, United States (Delaware, USA)	BlackRock Capital Holdings, Inc.	100.00	Y	Long position	3,406,000

Report of the Directors *(continued)*

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

Name of controlled corporation	Address and place of incorporation	Name of controlling person	% control	Direct interest (Y/N)		Number of shares
BlackRock International Holdings, Inc.	1209 Orange Street, Wilmington, New Castle County, Delaware 19801, United States (Delaware, USA)	BlackRock Financial Management, Inc.	100.00	N	Long position	135,838,213
BR Jersey International Holdings L.P.	13 Castle Street, St. Helier, Jersey, Channel Islands JE4 5UT (Jersey)	BlackRock International Holdings, Inc.	86.00	N	Long position	135,838,213
BlackRock Lux Finco S.à r.l.	1st Floor, 35a Avenue J.F. Kennedy, L-1855 Luxembourg	BlackRock HK Holdco Limited	100.00	N	Long position	3,321,190
BlackRock Trident Holding Company Limited	Taney Hall, Eglington Terrace, Dundrum, Dublin 14, Ireland (Ireland)	BlackRock Lux Finco S.à r.l.	100.00	N	Long position	3,309,190
BlackRock Japan Holdings GK	Marunouchi Trust Tower Main, 1-8-3 Marunouchi, Chiyoda-ku, Tokyo 100-8217 (Japan)	BlackRock Trident Holding Company Limited	100.00	N	Long position	3,309,190
BlackRock Japan Co., Ltd.	Marunouchi Trust Tower Main, 1-8-3 Marunouchi, Chiyoda-ku, Tokyo 100-8217 (Japan)	BlackRock Japan Holdings GK	100.00	Y	Long position	3,309,190
BlackRock Holdco 3, LLC	1209 Orange Street, Wilmington DE 19801, United States (Delaware, USA)	BR Jersey International Holdings L.P.	100.00	N	Long position	120,779,051
BlackRock Canada Holdings LP	161 Bay Street, Suite 2500, Toronto, Ontario M5J 2S1, Canada (Ontario, Canada)	BlackRock Holdco 3, LLC	99.90	N	Long position	864,000
BlackRock Canada Holdings ULC	161 Bay Street, Suite 2500, Toronto, Ontario M5J 2S1, Canada (Ontario, Canada)	BlackRock Canada Holdings LP	100.00	N	Long position	864,000
BlackRock Asset Management Canada Limited	161 Bay Street, Suite 2500, Toronto, Ontario M5J 2S1, Canada (Ontario, Canada)	BlackRock Canada Holdings ULC	100.00	Y	Long position	864,000
BlackRock Australia Holdco Pty. Ltd.	Level 26, 101 Collins Street Melbourne VIC 3000 Australia (Victoria, Australia)	BR Jersey International Holdings L.P.	100.00	N	Long position	5,740,000
BlackRock Investment Management (Australia) Limited	Level 26, 101 Collins Street Melbourne VIC 3000 Australia (Victoria, Australia)	BlackRock Australia Holdco Pty. Ltd.	100.00	Y	Long position	5,740,000
BlackRock (Singapore) Holdco Pte. Ltd.	20 Anson Road #18-01 079912 Singapore (Singapore)	BR Jersey International Holdings L.P.	100.00	N	Long position	9,319,162
BlackRock HK Holdco Limited	13th Floor, One Pacific Place, 88 Queensway, Hong Kong (Hong Kong)	BlackRock (Singapore) Holdco Pte. Ltd.	100.00	N	Long position	7,559,162
BlackRock Asset Management North Asia Limited	15/F, 16/F, 17/F Champion Tower & 17/F ICBC Tower, 3 Garden Road, Central, Hong Kong	BlackRock HK Holdco Limited	100.00	Y	Long position	4,237,972
BlackRock Cayman 1 LP	c/o Interturst Corporate Services (Cayman) Limited, 190 Elgin Avenue, George Town, Grand Cayman, KY1-9005, Cayman Islands	BlackRock Holdco 3, LLC	100.00	N	Long position	119,915,051

Report of the Directors *(continued)*

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

Name of controlled corporation	Address and place of incorporation	Name of controlling person	% control	Direct interest (Y/N)		Number of shares
BlackRock Cayman West Bay Finco Limited	c/o Interturst Corporate Services (Cayman) Limited, 190 Elgin Avenue, George Town, Grand Cayman, KY1-9005, Cayman Islands	BlackRock Cayman 1 LP	100.00	N	Long position	119,915,051
BlackRock Cayman West Bay IV Limitied	c/o Interturst Corporate Services (Cayman) Limited, 190 Elgin Avenue, George Town, Grand Cayman, KY1-9005, Cayman Islands	BlackRock Cayman West Bay Finco Limited	100.00	N	Long position	119,915,051
BlackRock Group Limited	12 Throgmorton Avenue. London, EC2N 2DL, United Kingdom (England & Wales, United Kingdom)	BlackRock Cayman West Bay IV Limited	90.00	N	Long position	119,915,051
BlackRock Finance Europe Limited	12 Throgmorton Avenue. London, EC2N 2DL, United Kingdom (England & Wales, United Kingdom)	BlackRock Group Limited	100.00	N	Long position	47,076,694
BlackRock (Netherlands) B.V.	Rembrandt Tower, 17th floor, Amstelplein, Amsterdam Netherlands (Amsterdam, Netherlands)	BlackRock Finance Europe Limited	100.00	Y	Long position	914,000
BlackRock Advisors (UK) Limited	12 Throgmorton Avenue. London, EC2N 2DL, United Kingdom (England & Wales, United Kingdom)	BlackRock Finance Europe Limited	100.00	Y	Long position	398,000
BlackRock International Limited	Exchange Place One, 1 Semple Street, Edinburgh, EH3 8BL, United Kingdom (Scotland, United Kingdom)	BlackRock Group Limited	100.00	N	Long position	7,318,016
BlackRock International Limited	Exchange Place One, 1 Semple Street, Edinburgh, EH3 8BL, United Kingdom (Scotland, United Kingdom)	BlackRock Group Limited	100.00	Y	Long position	706,000
BlackRock Group Limited-Luxembourg Branch	35 A, avenue J.F. Kennedy L-1855 Luxembourg	BlackRock Group Limited	100.00	N	Long position	64,814,341
BlackRock Luxembourg Holdco S.à r.l.	35 A, avenue J.F. Kennedy L-1855 Luxembourg	BlackRock Group Limited-Luxembourg Branch	100.00	N	Long position	64,814,341
BlackRock Investment Management Ireland Holdings Limited	JP Morgan House, International Financial Services Centre, Dublin 1, Ireland (Ireland)	BlackRock Luxembourg Holdco S.à r.l.	100.00	N	Long position	63,302,341
BlackRock Asset Management Ireland Limited	JP Morgan House, International Financial Services Centre, Dublin 1, Ireland (Ireland)	BlackRock Investment Management Ireland Holdings Limited	100.00	Y	Long position	63,302,341
BLACKROCK (Luxembourg) S.A.	35 A, avenue J.F. Kennedy L-1855 Luxembourg	BlackRock Luxembourg Holdco S.à r.l.	100.00	Y	Long position	1,454,000
BlackRock Investment Management (UK) Limited	12 Throgmorton Avenue. London, EC2N 2DL, United Kingdom (England & Wales, United Kingdom)	BlackRock Finance Europe Limited	100.00	N	Long position	13,838,047
BlackRock Investment Management (UK) Limited	12 Throgmorton Avenue. London, EC2N 2DL, United Kingdom (England & Wales, United Kingdom)	BlackRock Finance Europe Limited	100.00	Y	Long position	31,926,647
BlackRock Fund Managers Limited	12 Throgmorton Avenue. London, EC2N 2DL, United Kingdom (England & Wales, United Kingdom)	BlackRock Investment Management (UK) Limited	100.00	Y	Long position	13,838,047

Report of the Directors *(continued)*

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

Name of controlled corporation	Address and place of incorporation	Name of controlling person	% control	Direct interest (Y/N)	Number of shares	
BlackRock Life Limited	12 Throgmorton Avenue. London, EC2N 2DL, United Kingdom (England & Wales, United Kingdom)	BlackRock International Limited	100.00	Y	Long position	7,318,016
BlackRock (Singapore) Limited	20 Anson Road #18-01 079912 Singapore (Singapore)	BlackRock (Singapore) Holdco Pte. Ltd.	100.00	Y	Long position	1,760,000
BlackRock UK Holdco Limited	12 Throgmorton Avenue. London, EC2N 2DL, United Kingdom (England & Wales, United Kingdom)	BlackRock Luxembourg Holdco S.à r.l.	100.00	N	Long position	58,000
BlackRock Asset Management (Schweiz) AG	Bahnhofstrasse 39 8001 Zurich, Switzerland (Switzerland)	BlackRock UK Holdco Limited	100.00	Y	Long position	58,000
BlackRock Investment Management (Taiwan) Limited	28F, 95 Tun Hwa South Road, Section 2, Taipei, Taiwan (Taiwan)	BlackRock Lux Finco S.à r.l.	100.00	Y	Long position	12,000

Further information in respect of derivative interests:

		Number of shares
Unlisted derivatives - Cash settled	Long position	838,000
	Short position	2,068,000

(4) VanEck Vectors ETF - VanEck Vectors Gold Miners ETF held 402,580,000 H Shares (long position) of the Company (representing approximately 7.02% of the total issued H Shares of the Company).

Save as disclosed above and so far as the Directors are aware, as at 31 December 2018, no other person (other than the Directors, Supervisors or chief executive of the Company) had an interest or short position in the Company's shares, underlying shares or debentures (as the case may be) which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO and as recorded in the register required to be kept under Section 336 of the SFO, or was otherwise a substantial shareholder (as such term is defined in the Listing Rules) of the Company.

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

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Save as disclosed in this report, the Board confirmed that neither the Company nor any of its subsidiaries purchased, sold, redeemed or wrote off any of the Company's listed securities for the year ended 31 December 2018.

INDEPENDENT NON-EXECUTIVE DIRECTORS

In compliance with rules 3.10(1) and 3.10(2) of the Listing Rules, which provide that the Company should appoint a sufficient number of independent non-executive directors and that at least one of them must have appropriate professional qualifications or accounting or related financial management expertise, the Company appointed four independent non-executive Directors and one of them possesses accounting and related financial management expertise. Brief biographies of the independent non-executive Directors have been provided in the Company's 2018 annual report.

AUDIT AND INTERNAL CONTROL COMMITTEE

The audit and internal control committee of the Board has reviewed the Group's financial report for the year ended 31 December 2018 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 2018 was in compliance with the applicable accounting standards and relevant laws and regulations and has made sufficient disclosure.

Report of the Directors *(continued)*

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APPOINTMENT AND DISMISSAL OF AUDITOR

Unit: RMB million

	Currently appointed
Auditor in Mainland China	Ernst & Young Hua Ming LLP
Remuneration for auditor in Mainland China this year	10.45
Appointment term of the auditor in Mainland China	Renew once a year

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

ISSUANCE AND LISTING OF SECURITIES

Issuance of securities during the reporting period

Currency: RMB

Type of shares and their derivatives	Date of issuance	Issuance price (or interest rate)	Number issued/total amount	Date of listing	Number/amount approved to be listed for trading
Convertible corporate bonds, bonds with detachable warrants and corporate bonds					
2018 Renewable Corporate Bonds (the First Tranche) of Zijin Mining Group Co., Ltd.* (publicly issued)	16 October 2018	5.17%	RMB4.5 billion	31 October 2018	RMB4.5 billion
US Dollar Notes of Zijin International Capital Company Limited	18 October 2018	5.282%	USD350 million	19 October 2018	USD350 million

INFORMATION OF CORPORATE BONDS

Overview of corporate bonds

Unit: RMB billion

Name of bond	Abbreviation	Code	Date of issuance	Date of maturity	Outstanding balance	Interest rate	Payment of principal and interest	Listing place
2016 Corporate Bonds (the First Tranche) (Type One) of Zijin Mining Group Co., Ltd.*	16 Zijin 01	136304	18 March 2016	18 March 2021	3	2.99%	Interest to be paid annually, principal to be repaid in full at maturity.	Shanghai Stock Exchange
2016 Corporate Bonds (the First Tranche) (Type Two) of Zijin Mining Group Co., Ltd.*	16 Zijin 02	136305	18 March 2016	18 March 2021	2	3.37%	Interest to be paid annually, principal to be repaid in full at maturity.	Shanghai Stock Exchange
2016 Corporate Bonds (the Second Tranche) (Type One) of Zijin Mining Group Co., Ltd.*	16 Zijin 03	136549	15 July 2016	15 July 2021	1.8	3.05%	Interest to be paid annually, principal to be repaid in full at maturity.	Shanghai Stock Exchange
2016 Corporate Bonds (the Second Tranche) (Type Two) of Zijin Mining Group Co., Ltd.*	16 Zijin 04	136550	15 July 2016	15 July 2021	1.2	3.45%	Interest to be paid annually, principal to be repaid in full at maturity.	Shanghai Stock Exchange
2017 Renewable Corporate Bonds (the First Tranche) of Zijin Mining Group Co., Ltd.* (publicly issued)	17 Zijin Y1	143917	12 September 2017	The base period is 3 years. At the end of the base period and the end of each renewal period, the Company has an option to renew the bonds for one more period (i.e., 3 years). The renewable corporate bonds will mature when the Company does not exercise the renewal option and redeems the bonds in full amount.	0.5	5.17%	When the Company does not exercise the option to delay interest payment, the interest shall be paid annually.	Shanghai Stock Exchange
2018 Renewable Corporate Bonds (the First Tranche) of Zijin Mining Group Co., Ltd.* (publicly issued)	18 Zijin Y1	136951	16 October 2018	The base period is 3 years. At the end of the base period and the end of each renewal period, the Company has an option to renew the bonds for one more period (i.e., 3 years) The renewable corporate bonds will mature when the Company does not exercise the renewal option and redeems the bonds in full amount.	4.5	5.17%	When the Company does not exercise the option to delay interest payment, the interest shall be paid annually.	Shanghai Stock Exchange

Report of the Directors *(continued)*

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

Settlement of interests and principals of the corporate bonds

Dates of the first and second payments of interest of 2016 Corporate Bonds (the First Tranche) of Zijin Mining Group Co., Ltd.* were 18 March 2017 (if it is a public holiday or non-working day, the day will extend to the next business day, same hereafter) and 18 March 2018 respectively, and the payments were settled on schedule. Dates of payment of the first and second interests of 2016 Corporate Bonds (the Second Tranche) of Zijin Mining Group Co., Ltd.* were 15 July 2017 and 15 July 2018 respectively, and the payments were settled on schedule.

Date of payment of the initial interest of 2017 Renewable Corporate Bonds (the First Tranche) of Zijin Mining Group Co., Ltd.* (publicly issued) was 12 September 2018, and the payment was settled on schedule. Date of payment of the initial interest of 2018 Renewable Corporate Bonds (the First Tranche) of Zijin Mining Group Co., Ltd.* (publicly issued) was 17 October 2019. No interest payment was made during the reporting period.

Use of proceeds raised from corporate bonds

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

Settlement of interests of other bonds and debt financing instruments of the Company

As at 31 December 2018, the Company has issued medium-term notes of RMB5.8 billion, and all the interest payments were settled on schedule.

SHARE OPTION SCHEME

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

MAJOR SUPPLIERS AND CUSTOMERS

Approximately 91% of the Company's operating income was originated from customers in Mainland China, and 44.50% was from the Shanghai Gold Exchange. Therefore, the Company was unable to sort customers in Mainland China by region.

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

As far as the Directors are aware, none of the Directors, Supervisors, shareholders holding more than 5% equity interest of the Company or their respective associates (as defined in the Listing Rules) had any interest in the above top five suppliers and customers in the year of 2018.

PRE-EMPTIVE RIGHTS

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

BUSINESS REVIEW

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

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

Key relationships with employees, customers and suppliers

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

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

The Group maintains a good relationship with its suppliers. The Group never stops perfecting its procurement process and mechanism. Not only does the Group reinforce its supplier management, but it also insists on the business principles of integrity and trustworthiness to enhance communications with suppliers by all available means, with the goal of seeking mutual benefit and prosperity for all.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The 2018 environmental, social and governance report of the Company will be issued within three months after the publication of this annual report.

SERVICE CONTRACTS OF THE DIRECTORS AND SUPERVISORS

Each of the Directors and Supervisors has entered into a service contract with the Company respectively. All these contracts have become effective from the date of appointment and will terminate on 29 December 2019. Pursuant to article 111 of the articles of association of the Company, the terms for the Directors are three years (commencing from the date of appointment or re-election), subject to re-election and re-appointment. Under the Company Law of the PRC, the term of appointment for the Supervisors is also three years, and subject to re-election and re-appointment. Remuneration of the Directors and Supervisors of the Company can be amended at shareholders' general meetings.

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

Report of the Directors *(continued)*

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

DIRECTORS AND SUPERVISORS AND THEIR TERMS

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

	TERMS
EXECUTIVE DIRECTORS:	
Chen Jinghe	From 30 December 2016 to 29 December 2019
Lan Fusheng	From 30 December 2016 to 29 December 2019
Zou Laichang	From 30 December 2016 to 29 December 2019
Lin Hongfu	From 30 December 2016 to 29 December 2019
Fang Qixue	From 30 December 2016 to 29 December 2019
Lin Hongying	From 30 December 2016 to 29 December 2019
NON-EXECUTIVE DIRECTOR:	
Li Jian	From 30 December 2016 to 29 December 2019
INDEPENDENT NON-EXECUTIVE DIRECTORS:	
Lu Shihua	From 30 December 2016 to 29 December 2019
Zhu Guang	From 30 December 2016 to 29 December 2019
Sit Hoi Wah, Kenneth	From 30 December 2016 to 29 December 2019
Cai Meifeng	From 30 December 2016 to 29 December 2019
SUPERVISORS:	
Lin Shuiqing	From 30 December 2016 to 29 December 2019
Xu Qiang	From 30 December 2016 to 29 December 2019
Fan Wensheng	From 30 December 2016 to 29 December 2019
Liu Wenhong	From 28 December 2016 to 29 December 2019
Lan Liying	From 28 December 2016 to 29 December 2019

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

BRIEF BIOGRAPHY OF THE DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

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

MANAGEMENT CONTRACTS

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

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

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

COMPETING BUSINESS

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

FINANCIAL ASSISTANCE AND GUARANTEES TO AFFILIATED COMPANIES

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

EQUITY-LINKED AGREEMENTS

Save as disclosed in this report, the Company has not entered into any equity-linked agreement in this financial year.

DEBENTURES

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

ACQUISITIONS, DISPOSALS AND MERGERS

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

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

During the year, certain articles in the articles of association of the Company were amended. For details, please refer to the Company's notice issued on 29 March 2018.

RETAINED EARNINGS

As at 31 December 2018, details of the Company's retained earnings are set out in Note V.45 to the financial statements.

ASSETS PLEDGED OR CHARGED

As at 31 December 2018, details of the Group's pledged or charged assets are set out in Note V.64 to the financial statements.

CURRENCY AND INTEREST HEDGING POLICY

Details of the Group's currency and interest hedging policy for the year ended 31 December 2018 are set out in Note VIII.3 to the financial statements. In the year of 2018, the Group used cross currency swaps to manage currency risk. Details of the transactions are set out in Notes V.25 and VIII.3 to the financial statements.

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

FIXED ASSETS

Details of movements of the fixed assets of the Group for the year ended 31 December 2018 are set out in Note V.16 to the financial statements.

Report of the Directors *(continued)*

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

DISTRIBUTABLE RESERVES

As at 31 December 2018, pursuant to the relevant laws and regulations, the Company's distributable reserves amounted to RMB24,664,493,547 (31 December 2017: RMB24,645,430,231).

BANK AND OTHER BORROWINGS

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

CONTINGENT LIABILITIES

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

DONATIONS

During the reporting period, the Group made charitable and other donations amounted to approximately RMB207 million (2017: RMB154 million).

TAXATION

The PRC's corporate income tax rate is 25%, details of the Group's taxation are set out in Notes IV and V.60 to the financial statements.

TAX RELIEF AND EXEMPTION INFORMATION FOR SHAREHOLDERS

A Shareholders

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

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

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

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

Report of the Directors *(continued)*

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

H Shareholders

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

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

PUBLIC FLOAT

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

IMPORTANT EVENTS AFTER THE REPORTING PERIOD

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

By order of the Board of Directors
Chen Jinghe
Chairman

Shanghang, Fujian, the PRC
22 March 2019

Report of the Independent Directors

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

Zijin Mining Group Co., Ltd.*
Report of the Independent Directors for 2018

To all Shareholders,

As the independent Directors of Zijin Mining Group Co., Ltd.*, we exerted our professional expertise. We strictly complied with the "Company Law of the PRC", "Securities Law of the PRC", "Code of Corporate Governance for Listed Companies", "Guidance regarding the Establishment of Independent Director System in Listed Companies" and other relevant laws, regulations and policies, seriously discharged the duties stipulated by the articles of association of the Company and the responsibilities as independent Directors, and worked with integrity and diligence. We arranged time to carry out studies and researches for subsidiaries of the Group at the base level, grasped better knowledge of corporate situation and concerned about the status of corporate development, especially in the aspects of environmental protection, safety and information disclosure. We attended the Board meetings, shareholders' general meeting, annual working conference and the Company's internal business trainings on time, and objectively and impartially expressed independent opinion on the Company's significant events, including connected transactions, use of proceeds raised, external investment, etc., practically protected the interests of the Company's shareholders as a whole, especially the interests of minority shareholders. Details of the discharge of our duties as independent Directors in 2018 are as follows:

I. ATTENDANCE OF BOARD MEETINGS AND SHAREHOLDERS' GENERAL MEETING

The Company convened 19 Board meetings and 1 shareholder's general meeting in 2018, and our attendance is as follows:

Meeting / Name	Board meeting					Shareholders' general meeting		
	Number of meeting for the year	Actual number of meeting attended			Absent	Number of meeting for the year	Actual number of meeting attended	Absent
		On-site	By telecommunication	By proxy				
Lu Shihua	19	8	11	0	0	1	1	0
Zhu Guang	19	8	11	0	0	1	1	0
Sit Hoi Wah, Kenneth	19	8	11	0	0	1	1	0
Cai Meifeng	19	1	11	7	1	1	1	0

Most of the independent Directors attended all the Board meetings and shareholders' general meeting in person in 2018. Before the Board meetings were held, independent Directors actively studied the materials for decision-making and communicated with relevant staff. We listened to and considered every proposal conscientiously during the meetings, actively joined the discussions and expressed our opinion, exercised the voting rights in a rigorous manner, fully served the role as independent Directors, played an encouraging role for the Board to make scientific decisions and protected the interests of the Company and the minority shareholders as a whole.

II. PARTICIPATION IN PROFESSIONAL COMMITTEES UNDER THE BOARD

(1) Strategic committee of the Board

During the reporting period, based on the analysis of domestic and international economy, trends in mining industry, development status of the Company and the opportunities and challenges ahead, in response to the actual situation of the Company's development, Resolution in relation to the 2018-2022 Strategic Plan was formulated, considered and approved by the strategic committee of the Board. The overall planned objectives, strategic measures and focuses for implementation in the next five years (to 2022, which is the 30th anniversary of the establishment of the Company) were identified, providing strong driving forces to realise a new round of development of the Company.

(2) Audit and internal control committee of the Board

During the reporting period, according to the "Company Law of the PRC", "Securities Law of the PRC", and the relevant requirements of the China Securities Regulatory Commission and the stock exchanges where the Company's shares are listed in, during our term of service as members of the audit and internal control committee, we strictly followed the "Implementation Policy for the Audit and Internal Control Committee of the Board of Directors" to deploy the work with diligence, and helped the Board of the Company to earnestly discharge its duties. Following "Working Rules on Annual Report of Independent Directors" and "Working Rules on the Audit and Internal Control Committee of the Board of Directors", etc., we earnestly reviewed the periodic reports of the Company during the reporting period, completed various tasks of the audit and internal control committee well during the year, including the thorough review of the two quarterly reports, an interim report and an annual report prepared by the Company, and actively communicated with external auditor according to the audit arrangement for the annual report.

The audit and internal control committee thoroughly reviewed the annual financial statements and notes prepared by the Company after listening to the report of the Company's management on the production, operation and significant events during the year. The audit and internal control committee considered that the contents and format of the financial statements prepared by the Company were in accordance with the relevant provisions of the China Securities Regulatory Commission and the stock exchanges where the Company's shares are listed in, and agreed to submit the financial statements and other relevant materials prepared by the Company to the Board for consideration.

The audit and internal control committee communicated with the external auditor for three times during the normal annual audit process. The first communication was carried out before the external auditor started the field work. The audit and internal control committee communicated with the external auditor to confirm the working plan for the annual audit, including the timetable, work arrangement, accounting policies, key audit matters, etc. The audit and internal control committee required the external auditors to comply with the principles of independency, objectivity, fairness and prudence of accounting to ensure the accuracy of the financial information. The second communication was carried out during the audit process. The audit and internal control committee listened to the external auditor's report of problems found during the audit process, with mutual communication and exchange to ensure the quality of the audit work. The third communication was carried out when the first draft of the audit report was prepared, and the audit and internal control committee reviewed the draft and provided advices for amendments, supplements and improvements.

(3) Nomination and remuneration committee of the Board

During the reporting period, the Directors, Supervisors and senior management team of the Company remained stable. Independent Directors issued independent opinion on the remuneration matters of the Directors and senior management. We considered that the assessment and realisation of the remunerations for the year 2017 received by the Company's Directors and senior management were carried out in strict compliance with the remuneration policy approved at the shareholders' general meeting and the Board meeting and the Company's relevant policies.

During the reporting period, the nomination and remuneration committee also organised and implemented the performance assessment for the year 2017 according to the requirements of the Board.

III. INDEPENDENT OPINION ON CONNECTED TRANSACTIONS, PROVISION OF GUARANTEES, ETC.

(1) Status of connected transactions

Being the independent Directors of the Company, we strictly followed the regulatory requirements of "Code of Corporate Governance for Listed Companies", "Rules Governing the Listing of Stocks on Shanghai Stock Exchange" and the articles of association of the Company, etc., to perform examinations on the connected transactions which occurred in the Company's daily production and operating activities. Evaluations were made to verify if the connected transactions were objective, the pricings were reasonable, the interests of the Company would be prejudiced (especially those of the minority shareholders) and other aspects. Independent judgements were made and independent opinion was issued.

In 2018, the independent Directors issued independent opinion on the following connected transactions: on 23 January 2018, the extraordinary meeting of the sixth term of the Board passed the "Resolution in relation to the Continuing Connected Transactions of Sales of Copper Concentrates from Xinjiang Ashele Copper Company Limited to Xinjiang Wuxin Copper Company Limited". The independent Directors considered that during the consideration of the aforesaid connected transaction, the voting procedures were legitimate and effective; the aforesaid connected transaction was conducted under normal commercial terms, the price of which was determined in accordance with market principles when compared with supply contracts of major and other customers, and the terms of the transaction were fair and reasonable, reflecting the principles of fairness and equity, did not prejudice the interests of the Company and shareholders and was beneficial to both parties of the transaction and the shareholders of the Company as a whole.

Report of the Independent Directors *(continued)*

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

(2) Status on funds occupation by connected parties and provision of guarantees

According to the stipulations of the "Notice in relation to Regulating External Guarantee by the Listed Companies", "Notice of Several Issues in relation to Funds between Listed Companies and Connected Parties and External Guarantee by the Listed Companies" and the articles of association of the Company, study and verification were carried out on the funds occupied by connected parties and the accumulated and current provision of guarantees by the Company in 2017. There was no circumstance that the Company's controlling shareholder and its related parties occupied funds of the Company. It was also considered that related procedures had been performed on the guarantees, and the risks were strictly controlled.

(3) Other independent opinion

In addition, based on independent Directors' position of independent judgment, independent opinion was issued on the Company's changes of accounting policies, profit distribution plan for 2017, provision for impairment on assets for the year 2017, specific reports on the deposit and actual use of proceeds in 2017 and first half of 2018, change of use of a portion of proceeds raised, appointment of auditor for the year 2018, cash management of a portion of the temporarily idle proceeds raised from the non-public issuance of A Shares in 2016 of the Company, provision for impairment on assets, etc.; "The 2017 Social Responsibilities Report of the Company" and "The 2017 Internal Control Evaluation Report of the Company" were considered and independent opinion was expressed. The Company appointed Ernst & Young Hua Ming LLP to perform audit on the effectiveness of the internal control related to the financial report and a standard audit report with unqualified opinion was issued.

4. OTHER TASKS OF INDEPENDENT DIRECTORS

(1) In-depth investigation and research on the subsidiaries of the Group

During the reporting period, the independent Directors visited and carried out field study in certain major subsidiaries of the Company, received on-site presentations from the companies and project-in-charges, went into the mines and mining wells to perform site visits, discussed and communicated with the local government officers and understood the situation of and the problems of development faced by the subsidiaries in those areas. In particular, the independent Directors were highly concerned about aspects such as operations in compliance with laws and regulations, production safety, environmental protection and the efficiency of processing enterprises, etc., and objectively and fairly examined the investment decisions and operation management of the Company with a strict and scientific attitude and acute risk-awareness from the point of view of independent Directors. The independent Directors provided constructive opinion and suggestions in the research reports submitted to the Board, and obtained first-hand information for the formulation of development strategies of the Company.

(2) During the discharge of their duties, the independent Directors often carried out active, continuous supervision and monitoring on corporate governance structure and daily operation management of the Company

The independent Directors kept close contact with the Company's management through telephone and correspondence, communication with the relevant staff, reading working summaries of the Board and other means; understood the development and implementation status of the Company's internal control policy, operation updates and financial status, progress of significant events including the Company's non-public issuance of A Shares, the execution and implementation status of the resolutions of the shareholders' general meetings and Board meetings; monitored the impacts on the Company arising from the changes in external environment and the market and the relevant reports published by the media, and provided timely suggestions to the Company.

5. STRENGTHEN LEARNING AND FURTHER IMPROVE THE QUALITY OF THE PARTICIPATION IN DECISION MAKING

In 2018, the independent Directors made reasonable arrangement of their time to earnestly study the laws, regulations and policies relating to listed companies, particularly strengthened the studies on the "Company Law of the PRC", "Securities Law of the PRC", "Code of Corporate Governance for Listed Companies" and "Enterprise Internal Control", etc., deepened their knowledge and understanding on the way to improve corporate governance structure of listed companies, as well as the way to enhance regulated operation. At the same time, the standard on scientific decision-making and the idea of self-awareness of protecting the interests of the investors were enhanced.

In 2018, the independent Directors, based on the principles of truth-seeking, pragmatism, prudence and diligence, fulfilled the responsibilities of independent Directors independently, objectively and impartially. The independent Directors made use of their own professional knowledge and experience to provide constructive suggestions for the Company's development, provided opinion for reference of the Board and practically protected the legitimate interests of the Company and all the investors, especially those of the minority shareholders. We would like to express our gratitude to all the shareholders, the Board, the supervisory committee and the management of the Company for their effective collaboration and supports during our discharge of duties as independent Directors. It is our honour to be the independent Directors of the Company, and we hereby wish the Company a better future!

Independent Directors:
Lu Shihua, Zhu Guang,
Sit Hoi Wah, Kenneth, Cai Meifeng

22 March 2019

Report of the Supervisory Committee

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

Zijin Mining Group Co., Ltd.*
Report of the Supervisory Committee for 2018

To all shareholders,

In 2018, with the active support and cooperation of the Board of Directors and the management of the Company, the supervisory committee of the Company (the "Supervisory Committee") continuously optimised the corporate governance and discharged their supervisory duties earnestly in strict compliance with the provisions of the relevant laws and regulations including the "Company Law of the People's Republic of China" (the "Company Law"), the articles of association of the Company and the Meeting Procedures of the Supervisory Committee, so as to enhance the supervisory management, actively promote the Company's sustainable and healthy development and protect the legitimate rights and interests of the Company and its shareholders. As a result, the Supervisory Committee completed various works well.

I. WORK REPORT OF THE SUPERVISORY COMMITTEE

1. **Meetings convened by the Supervisory Committee.** The Supervisory Committee convened 6 meetings to consider the Company's periodic financial reports and other important issues during the reporting period. The Supervisory Committee meetings were convened strictly in accordance with the procedures stipulated in the articles of association of the Company, Meeting Procedures of the Supervisory Committee, etc. Timely disclosures of the relevant conclusions of the meetings were made in accordance with the requirements the China Securities Regulatory Commission and the Shanghai Stock Exchange.

Number	Session of the Supervisory Committee meeting	Date	Venue	Matters discussed and resolutions passed
1	The sixth meeting of the sixth term of the Supervisory Committee	23 January 2018	Conference room, 42/F., the Company's Xiamen branch	"Proposal in relation to changes in accounting policies" was considered and approved.
2	The seventh meeting of the sixth term of the Supervisory Committee	23 March 2018	Conference room, 42/F., the Company's Xiamen Branch	"2017 report of the Supervisory Committee of the Company", "Proposal in relation to provision for impairment on assets for the year 2017", "Proposal on recognition of certain assets counting loss and obsolescence loss of the Company", "The Company's 2017 annual report and its summary report","The Company's financial report for the year ended 31 December 2017","The Company's profit distribution plan for the year of 2017", "2017 internal control evaluation report of the Company", "2017 social responsibility report of the Company", "Specific Report on the Deposit and Actual Use of Proceeds in 2017 "and "Proposal in relation to change in the use of a portion of the proceeds raised in the non-public issuance of A Shares in 2016" were considered and approved.

Report of the Supervisory Committee *(continued)*

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

Number	Session of the supervisory committee meeting	Date	Venue	Matters discussed and resolutions passed
3	The eighth meeting of the sixth term of the Supervisory Committee	24 April 2018	Conference room, 21/F., the Company's headquarters in Shanghang	"First quarterly report 2018 of the Company" was considered and approved.
4	The ninth meeting of the sixth term of the Supervisory Committee	24 August 2018	Conference room, 21/F., the Company's headquarters in Shanghang	"2018 interim report of the Company", "Proposal in relation to cash management of the temporarily idle proceeds raised of the Company", "Specific report on the deposits and actual use of proceeds raised in the first half of 2018" and "Proposal in relation to provision for impairment on assets" were considered and approved.
5	The tenth meeting of the sixth term of the Supervisory Committee	25 October 2018	Conference room, 41/F., the Company's Xiamen Branch	"Third quarterly report 2018 of the Company" and "Proposal in relation to provision for impairment on assets" were considered and approved.
6	The first extraordinary meeting in 2018 of the the Supervisory Committee	29 December 2018	Conference room, 41/F., the Company's Xiamen Branch	"Proposal in relation to the satisfaction of the conditions for the public issuance of A Shares of the Company", "Proposal on public issuance of A Shares of the Company for the year 2018", "Proposal in relation to the plan for the public issuance of A Shares of the Company for the year 2018", "Proposal in relation to the feasibility report on the use of proceeds raised in the public issuance of A Shares of the Company" and "Proposal on the profit distribution and return plan for the next three years (Year 2018-2020) of the Company" were considered and approved.

Report of the Supervisory Committee *(continued)*

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2. **Participated in relevant meetings.** The Supervisors of the Company attended the Board meetings, execution and investment committee meetings, audit and internal control committee meetings and work meetings of the president office, etc., to study the status of the Company's operation and management through listening to or reviewing relevant information of the Company and its subsidiaries including the periodic financial reports, reports on production and operation, reports on internal supervision and inspection, etc., and accordingly contributed their opinion to major decisions and personnel changes during discussion. Through such measures, the Supervisors could fully understand the process of making important decisions, stayed informed about the Company's operation and management status, and discharged their supervisory and inspection functions proactively based upon their sufficient knowledge about the Company's affairs.

3. **Earnestly fulfilled the responsibilities of supervision as Supervisors.** Pursuant to the stipulations of the relevant laws and regulations including the Company Law and the articles of association of the Company, the Supervisors supervised on major issues including the Company's operation in accordance to laws, financial position, acquisitions and disposals of assets, connected transactions, etc. In this way, it could be ensured that the Company operated in compliance with laws and regulations, and information disclosure was carried out in a timely, accurate and complete manner.

4. **Carried out in-depth study and research on subsidiaries at the base level.** Through visiting and researching on the subsidiaries of the Company, the Supervisors of the Company stayed informed and kept track of the important operational and management activities of the corporations. Concerned about the sustainable development and potential risks of the corporations, the Supervisors summarised the difficulties faced by subsidiaries during their development and provided reasonable suggestions and risk warnings to the decision-makers and management of the Company, based on the findings of their study and research in a timely manner. This promoted the Company's sustainable and healthy development.

5. **Enhanced the leadership over the supervisory and audit office of the Company.** The Supervisory Committee of the Company continuously strengthened the coordination, planning and leadership of the Company's supervisory system. Taking full advantage of a supervisory system where the sub-level supervisory departments were under the direct supervision of upper level supervisory departments, and with emphasis on problem solving, the Supervisory Committee aimed to create value, provide value-added services and conduct effective supervision. Through focusing on key sensitive areas, enhancing the synergies and collaboration of supervisory systems, paying attention to discovery and prevention of fraud, the supervisory work obtained remarkable outcomes.

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

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

2. **Inspection on financial reports of the Company.** During the reporting period, the Company's financial system was sound and the financial operating status was satisfactory. The Company strictly followed the accounting policies, accounting standards and requirements of other relevant financial regulations to operate. The periodic financial reports and the related information of the Company reflected the financial positions and operating results of the Company in a truthful, fair and complete manner. The information stated in the reports did not contain any false record, misleading statement or material omission. The Company's 2018 annual financial report was audited by Ernst & Young Hua Ming LLP, who issued an auditor's report with a standard unqualified opinion.

3. **Acquisitions and disposals of assets of the Company.** During the reporting period, the Supervisory Committee continuously monitored the legitimacy, compliance and effectiveness of asset acquisitions and disposals, and supervised the procedures of the relevant activities on an on-going basis. According to the review results, the acquisitions and disposals of the Company's assets followed market principles, and the procedures of decision-making were in accordance with laws and regulations. No insider dealing or behaviour which could prejudice the interests of the shareholders of the Company and lead to a loss of the Company's assets was found.

4. **Connected transactions of the Company.** During the reporting period, the Company strictly followed the relevant regulatory rules and terms of agreements to execute connected transactions. The decisions for the connected transactions were made carefully, the procedures were lawful and regulated, the transaction processes were equal and just, the outcomes of the transactions were fair, and no insider dealing or circumstance which would prejudice the interests of the shareholders and the Company was found.

5. **Review on internal control evaluation report.** The Supervisory Committee prudently reviewed the "2018 internal control evaluation report" of the Company and considered that the report followed "the Basic Norms of Corporate Internal Control", "Guidance for the Evaluation of Corporate Internal Control" and other relevant provisions. Through establishing effective rules on internal control and strengthening establishment of internal control, the internal control system of the Company was further improved. The establishment of the Company's internal control system was effective in helping the Company mitigate and control risks in production, operation and management, ensure that various business activities of the Company proceeded in an orderly and effective manner, and safeguard the interests of the Company and the shareholders. The report was able to objectively, accurately and completely reflect the actual situation of the Company's internal control, and no false record, misleading statement or material omission was found. The "2018 internal control evaluation report" of the Company was approved by the Supervisory Committee.

Report of the Supervisory Committee *(continued)*

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

III. THE PROPOSED ROADMAP FOR THE WORK IN 2019

In 2019, the Supervisory Committee will comprehensively implement the spirit of the 19th National Congress of the Communist Party in reinforcing and optimising its supervisory work. With enhanced capability of discharging duties, the Supervisory Committee will adhere to the overall development and reform plan of the Company and discharge its supervisory duties diligently. All these will provide support to the implementation of the core task of "clinging to reforms, stabilising growth and boosting development". The following aspects will be the main focuses of work:

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

2. **Highlight the focus of supervisory work.** The Supervisory Committee will review every periodic financial report of the Company carefully, track and analyse the operational status of the Company, strengthen the supervision and inspection on important matters including the operation in compliance with laws, high-risk businesses, connected transactions, material reforms and overseas investments and acquisitions, etc. The Supervisory Committee will conduct better study and research beforehand to ensure the decision-making procedures of the Company are legitimate and compliant so as to avoid the occurrence of any action which could prejudice the interests of the Company's shareholders and cause loss of the Company's assets. The Supervisory Committee will continue to focus on important areas and key positions in engineering, logistics, finance, etc., strictly supervise the business, and seriously manage investigation and accountability for the problems. It will also reinforce the supervision of basic management, supervise the reform of the Group's various systems to be effectively converted and implemented in the enterprises, promote the implementation of various reform measures, and reinforce the supervision of overseas projects, strengthen the important risk prevention and control of overseas projects, as well as strengthen the development of internal control systems for overseas projects.

3. **Conduct in-depth research and investigation at base level.** The Company's Supervisors will reach out to the base levels of the subsidiaries and associates of the Company by field study and research, to follow up the operational and management activities of the enterprises, and to obtain a thorough understanding on the operational and management condition of the enterprises by listening to or reviewing relevant information including the periodic financial reports, reports on production and operation, reports on internal supervision and inspection, etc., of the Company, its subsidiaries and associates. The Supervisory Committee will subsequently make reasonable suggestions and risk warnings to the executives and the management based on the problems found or matters warranting attention to help avoid operational risks.

4. **Strengthen organisation and leadership.** The Supervisory Committee will continue to optimise and modify the 5-in-1 internal supervisory network comprising "supervisory committee, disciplinary inspection committee, supervision, audit, internal control" functions, continue to enhance the leadership over the supervisory system of the Company, and further strengthen the relative independence of the supervision work, the effectiveness of supervision and the implementation of supervisory responsibilities. The Supervisory Committee will also continue to deepen reforms in the supervisory mechanism, strengthen the development of the supervisory team continuously, reinforce the accountability for supervision of dereliction of duty and failure, and keep improving the quality and execution competence of supervisory personnel.

Report of the Supervisory Committee *(continued)*

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5. **Increase the effort in anti-corruption and advocation for integrity.** The Supervisory Committee will fully implement strict governance of the Party and the enterprise, as well as the new requirements for supervision and control of management personnel of state-owned enterprises under the reformed national supervisory system. The Supervisory Committee will strengthen the honesty and self-discipline, and enhance the work ethics of integrity and anti-corruption, honesty and loyalty and compliant operation of all cadres and other staff. It will also continue to focus on sensitive areas and key positions, implement "zero tolerance" on corruption issues, impose a high-pressure situation against corruption and create a clean and righteous environment for Zijin.

Zijin Mining Group Co., Ltd.*
Supervisory Committee

22 March 2019

The Work in the Active Fulfillment of Social Responsibilities

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

(I) POVERTY ALLEVIATION WORK OF THE COMPANY

1. Precise poverty alleviation plan

Fundamental strategy

2018 marked the starting year of comprehensive implementation of the spirit of the 19th National Congress of the Communist Party of China. The Company conscientiously studied and implemented General Secretary Mr. Xi Jinping's significant strategic thought on poverty alleviation and development and "Opinion on Serving the National Poverty Alleviation Strategy by Making Use of the Capital Market" issued by the CSRC. The Company insisted on combining measures of providing assistance with fostering self-reliance, in accordance with the requirements for poverty alleviation work, namely "precision as the core and implementation as the crux to ensure sustainability". Since the mining subsidiaries are located in remote mountain areas and are familiar with the situation of the community, the Company gave full play to these advantages and carried out precise poverty alleviation activities at the areas around the mining sites. The poverty alleviation responsibilities, policies and tasks of the Company were focused on and put into practice vigorously.

General objectives

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

Key work

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

Safeguarding measures

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

2. Overview of precise poverty alleviation work for the year

The Company actively responded to the state's strategy of precise poverty alleviation, gave full play to the location advantages of mining subsidiaries in remote mountain areas by deploying personnel, material and capital to assist the poor villages around mining sites, and worked together with local governments' poverty alleviation institutions, Zijin Mining Charity Foundation and other charity organisations, to involve deeply in the poor villages in the surroundings of mines and provide assistance in Fujian Province Minxi Old Revolutionary Base Area, Aletai Region of Xinjiang Autonomous Region, Jilin Province, Henan Province, Inner Mongolia Autonomous Region, Shanxi Province, Heilongjiang Province, Yunnan Province, Jiangxi Province, Guizhou Province, Gansu Province, etc., by way of infrastructure construction, industrial development, environmental protection, and improving education facilities. Total investments on poverty alleviation amounted to over RMB101 million in 2018. The poverty alleviation activities effectively improved the infrastructure for living and production and education facilities in the poor villages around the mining sites, enhancing the living standards of impoverished population.

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

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3. Results of precise poverty alleviation

Unit: RMB'000

Indicator	**Amount and progress**
I. General	
Including: 1. Subsidy	101,449
2. Number of persons no longer registered under the category of population in poverty as a result of obtaining assistance from the Company	773
II. Subsidy by category	
1. Industrial development for poverty alleviation	
Including: 1.1 Industrial development projects for poverty alleviation by category	√ Agriculture and forestry √ Tourism ☐ E-commerce √ Asset return ☐ Technology ☐ Others
1.2 Number of projects	23
1.3 Amount of subsidy for industrial development projects	7,260
1.4 Number of persons no longer registered under the category of population in poverty as a result of obtaining assistance from the Company	200
2. Employment transfer for poverty alleviation	
Including: 2.1 Amount of subsidy for vocational skill training	800
2.2 Number of person provided with vocational skill training	126
2.3 Number of person no longer registered under the category of population in poverty as a result of obtaining assistance for employment from the Company	104
3. Relocation for poverty alleviation	
Including: 3.1 Number of relocated person whom the Company helped for employment	77
4. Education for poverty alleviation	
Including: 4.1 Amount of subsidy for impoverished students	2,627
4.2 Number of impoverished students supported (person)	386
4.3 Amount of subsidy for improving educational resources in poor areas	5,213
5. Poverty alleviation by improving healthcare	
Including: 5.1 Amount of subsidy for medical and healthcare services	10,000

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

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Indicator	Amount and progress
6. Poverty alleviation by ecological protection	
Including: 6.1 Name of project	√ Carry out ecological conservation and maintenance ☐ Establish compensation methods for ecological conservation ☐ Set up specialised position for handling ecological and public charity related affairs ☐ Others
6.2 Amount of subsidy	28,133.7
7. Community poverty alleviation	
Including: 7.1 Amount of subsidy for East-West Partnerships for Poverty Alleviation	—
7.2 Amount of subsidy for poverty alleviation in targeted areas	3,190
7.3 Charitable foundation for poverty alleviation	427
8. Other projects	
Including: 8.1 Number of project	83
8.2 Amount of subsidy	43,798.3
8.3 Number of person no longer registered under the category of population in poverty as a result of obtaining assistance from the Company	72
8.4 Other details of the projects	Poverty alleviation by assisting the poor areas in developing livelihood project and improving infrastructure upgrades by way of donations.

4. Plan for future precise poverty alleviation work

2019 renders a significant period to secure a decisive victory in building a moderately prosperous society. The Company will fully implement the Guiding Opinion on the Three-Year Action to Win the Battle against Poverty issued by the Central Committee of the Party, and help our country win the battle against poverty. Together with governmental authorities responsible for poverty alleviation and Zijin Mining Charity Foundation, the Company will integrate the characteristics of the industry, and involve deeply in the impoverished villages in Fujian Province Minxi Old Revolutionary Base Area, Aletai Region in Xinjiang Autonomous Region, Hunchun City of Jilin Province, Luoning County of Henan Province, Guoluo Prefecture of Qinghai Province and Wulatehouqi of Inner Mongolia Autonomous Region to carry out precise poverty alleviation work. At the same time, the Company will continue to provide precise poverty alleviation assistance to senior citizens and orphans, enhance ecological protection and assist students and local schools in Shanghang headquarters area, and raise the public awareness, in order to encourage the public to participate in the poverty alleviation work, earnestly fulfill social responsibilities and promote the economic development of the impoverished areas.

Principal safeguarding measures

(1) **Strengthen organisation and leadership.** A team comprising the responsible personnel of the social responsibility department, Zijin Mining Charity Foundation, and Party branches of the locality at which the Company's operations are located in, is tasked with the on-site implementation of poverty alleviation work. The team is also responsible for coordinating the collaboration among various departments for carrying out the poverty alleviation projects.

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

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

(2) Strengthen project implementation and management to ensure the actual needs of the assisted groups are met. In the course of carrying out the projects, the Company ensures the groups with genuine need of assistance could be accurately identified, actively carries out study and investigations, pays visits to the impoverished households, and obtains a better understanding of their actual needs. Key focus of the Company's work will be improving the infrastructure of the poor areas. The bottlenecks constraining the development of such areas, namely a lack of road, and deficient supply of water, electricity and accommodation, are identified as the crucial areas of poverty alleviation. Efforts are made to improve the infrastructure of the poverty-plagued communities to achieve the goal of precise poverty alleviation. Adhering to the principles of openness, equality and fairness, the Company also strengthens the direct management and supervision of projects, enhances on-site inspection, strictly forbids malpractices, and implements effective supervision and evaluation of projects.

(3) Strictly regulate allocation and payment of funds. The allocation and payment of funds for assistance projects shall strictly comply with the provisions in project cooperation agreements or project proposals, and follow approval authority and process. Relevant application procedures will only be proceeded when no improprieties are identified.

(4) Joint forces for poverty alleviation. The Company engages in poverty alleviation projects by way of cooperation with its subsidiaries, local governments of the impoverished areas, and local social organisations. The Company's charity foundation plays an important role in connecting enterprises and citizens' assistance with the impoverished households.

(5) Improve archive management. The collection, updating, improvement, archiving and statistical analysis of the raw data and basic information obtained in the implementation process of the projects, as well as retention of the data from evaluation and supervision of poverty alleviation work, shall be carried out properly.

(6) Strengthen learning and improve effectiveness. The Company takes the initiatives to consult with the Ministry of Civil Affairs, the State Poverty Alleviation Office and other relevant authorities, and actively learn from advanced poverty alleviation institutions and groups, in order to optimise its poverty alleviation measures and achieve practical work results.

(II) SOCIAL RESPONSIBILITY WORK

Please refer to the 2018 Environmental, Social and Regulatory Report of the Company on the website of Shanghai Stock Exchange, www.sse.com.cn.

(III) ENVIRONMENTAL INFORMATION

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

(1) Information on pollutant discharge

During the reporting period, the Company strictly complied with the national laws, regulations, standards and other requirements on environmental protection, persisted in the basic national policy of resource conservation and environmental protection, as well as firmly upholding the environmental protection idea of "green mountains and clear water are our invaluable assets", in order to proactively implement the decisions and deployment of the Party and the state to accelerate the development of ecological civilisation, implement the most rigorous responsibility for ecological and environmental protection, and solidly promote ecological and environmental protection.

In 2018, 20 entities of the Company were identified as the key pollutant discharging units by environmental protection authorities. All key pollutant discharging units of the Company strictly complied with the national and regional pollutant discharging standards and requirements. The wastewater, air pollutants and noise at plant boundary received standardised management, and their emission was stable and in compliance with regulatory standards. Details are as follows:

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

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Number	Name of entity	Type of pollutant	Major and special pollutant	Concentration of discharge (t)	Annual total discharge (t)	Approved annual discharge limit (t/a)	Way of discharge	Number of discharge outlet	Distribution of discharge outlets	Whether discharge limit was exceeded	Regulatory basis for pollutant discharge
Key pollutant discharging units											
1	Zijinshan gold and copper mine	Wastewater	COD	0-26mg/L	73.82	203	Organsied discharge after meeting regulatory standards	6	Xinwuxia, Yutiankeng, Huyangkeng, Yakeng, Ermiaogou, Sanqingting	No	The standards in Schedule 2 of the Emission standard of pollutants for copper, nickel, cobalt industry (GB25467- 2010)
			Total arsenic	<0.0002mg/L	0.005486	0.057					
			Total lead	<0.01mg/L	0.008954	0.38933					
			Total cadmium	<0.001mg/L	0.002628	0.04216					
			Total zinc	<0.05mg/L	0.03828	3.66					
			Total copper	0-0.2mg/L	0.072746	2.365					
			Total cyanide	<0.004mg/L	0.00631	0.108					
		Air pollutant	Sulfur dioxide	7.125mg/m³	0.28045116	71.37	Organsied discharge after meeting regulatory standards	1	Boiler for hydrometallurgical plant of copper mine	No	Emission standard of air pollutants for boiler (GB13271-2014)
			Nitrogen oxides	55.75mg/m³	4.18687137	5.54					
			Dust	4.6325mg/m³	0.2919891348	11.5					
			Particulates	1.7-8.35mg/m³	13.54	—	Organsied discharge after meeting regulatory standards	11	The discharge outlets of dust removers installed at the crushing and screening systems of processing plant	No	The standards in Schedule 5 of the Emission standard of pollutants for copper, nickel, cobalt industry (GB25467- 2010)
		Noise	Noise at boundary met the standards of Category III of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)								
2	Wuping Zijin Mining Company Limited	Wastewater	COD	11.67	3.165	6.9	Organsied discharge after meeting regulatory standards	1	Downstream of tailings pool	No	Class 1 standards in Schedules 1 and 4 of the Integrated wastewater discharge standard (GB8978-1996)
			Total arsenic	0.006mg/L	0.001661	/					
			Total lead	0.017mg/L	0.00443	0.042					
			Total cadmium	0.009mg/L	0.002353	/					
			Total zinc	0.389mg/L	0.103007	0.115					
			Total copper	0.05mg/L	0.014927	0.05					
			Total silver	0.052mg/L	0.012823	/					
		Air pollutant	Particulates	4.275mg/m³	6.771	8	Organsied discharge after meeting regulatory standards	4	Crushing and screening sections of processing plant	No	The standards in Schedule 2 of the Integrated emission standard of air pollutants (GB16297-1996)
		Noise	Noise at boundary met the standards of Category II of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)								
3	Hunchun Zijin Mining Company Limited	Wastewater		—	—	—	Not discharged and internally reused	0	N/A	No	—
		Air pollutant	Sulfur dioxide	112.86mg/m³	9.55	—	Organsied discharge after meeting regulatory standards	1	2 sets of 10 t/h fire coal's discharge outlet of chimney heating boilers	No	Emission standard of air pollutants for boiler (GB13271-2014)
			Nitrogen oxides	105mg/m³	8.95	—	Organsied discharge after meeting regulatory standards			No	
			Dust	38.29mg/m³	3.26	—	Organsied discharge after meeting regulatory standards			No	
			Particulates	25.14mg/m³	67.92	—	Organsied discharge after meeting regulatory standards	10	The discharge outlets of dust removers of raw crushing, medium to fine crushing and oscillating screening systems of three series of processing plants	No	Emission standard of pollutants for copper, nickel, cobalt industry (GB25467-2010)
		Noise	Noise at boundary met the standards of Category III of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)								
4	Inner Mongolia Jinzhong Mining Company Limited	Wastewater		—	—	—	Not discharged and internally reused	0	N/A	No	—
		Air pollutant	Sulfur dioxide	387mg/m³	5.71	—	Organsied discharge after meeting regulatory standards	1	The 40m high chimney positioned downwind from the plant	No	Emission standard of air pollutants for boiler (GB13271-2014)
			Nitrogen oxides	223mg/m³	12.01	—				No	
			Dust	6.2mg/m³	14.38	—				No	
		Noise	Noise at boundary met the standards of Category II of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)								

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Number	Name of entity	Type of pollutant	Major and special pollutant	Concentration of discharge	Annual total discharge (t)	Approved annual discharge limit (t/a)	Way of discharge	Number of discharge outlet	Distribution of discharge outlets	Whether discharge limit was exceeded	Regulatory basis for discharge of pollutant
Key pollutant discharging units											
5	Wulatehouqi Zijin Mining Company Limited	Wastewater	COD	52.686mg/L	90.3115		Organsied discharge after meeting regulatory standards	1	Water discharge outlet of mining shaft	No	The standards in Schedule 2 of the Emission standard of pollutants for lead and zinc industry (GB25466-2010)
			Ammonia nitrogen	1.49mg/L	2.5547						
			Total arsenic	0.0003mg/L	0.0005						
			Total lead	0.1501mg/L	0.2573	—					
			Total cadmium	0.0327mg/L	0.056099	—					
			Total mercury	0.0009mg/L	0.001554	—					
			Total zinc	0.3554mg/L	0.609152						
			Total nickel	0.0973mg/L	0.166768	—					
			Suspended matter	35.3942mg/L	60.670422	—					
			Fluoride	1.1535mg/L	1.977318	—					
		Air pollutant	Sulfur dioxide	199mg/m^3	3.142	—	Organsied discharge after meeting regulatory standards	1	Chimney of boiler	No	Emission standard of air pollutants for boiler (GB13271-2014)
			Nitrogen oxides	157mg/m^3	2.507000	—					
			Dust	56.6mg/m^3	0.846000	—					
			Particulates	40.7mg/m^3	25.746000	—	Organsied discharge after meeting regulatory standards	7	The discharge outlets of dust removers installed at the crushing and screening systems	No	The standards in Schedule 2 of the Emission standard of pollutants for lead and zinc industry (GB25466-2010)
		Noise	Noise at boundary met the standards of Category II of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)								
6	Shanxi Zijin Mining Company Limited	Wastewater		—	—	—	Not discharged and internally reused	0	N/A	No	—
		Air pollutant	Sulfur dioxide	124.3mg/m^3	2.16	13.62	Organsied discharge after meeting regulatory standards	1	30m chimney of boiler	No	Emission standard of air pollutants for boiler (GB13271-2014)
			Nitrogen oxides	212.1mg/m^3	3.71	41.05					
			Dust	34.1mg/m^3	0.58	5.6					
			Particulates	17mg/m^3	7.18	7.28	Organsied discharge after meeting regulatory standards	3	The discharge outlets of dust removers installed at the crushing systems	No	Class 2 standards in Schedule 2 of the Integrated emission standard of air pollutants (GB16297-1996)
		Noise	Noise at boundary met the standards of Category II of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)								
7	Luoning Huatai Mining Development Company Limited	Wastewater		—	—	—	Not discharged and internally reused	0	N/A	No	—
		Air pollutant	Particulates	30mg/m^3	4	—	Organsied discharge after meeting regulatory standards	5	3 dust remover buckers installed at crushing section of production line 1, 2 discharge outlets installed at crushing section of production line 2	No	Class 2 standards in Schedule 2 of the Integrated emission standard of air pollutants (GB16297-1996)
		Noise	Noise at boundary met the standards of Category II of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)								
8	Luoyang Kunyu Mining Company Limited	Wastewater		—	—	—	Not discharged and internally reused	0	N/A	No	—
		Air pollutant	Particulates	13.6mg/m^3	9.8208	—	Organsied discharge after meeting regulatory standards	5	Crushing section of production lines at Shanggong, crushing section of production lines at Wulong, screening section of production lines at Wulong, dust removers installed at the crushing and screening sections of production lines at Qiliping	No	Class 2 standards in Schedule 2 of the Integrated emission standard of air pollutants (GB16297-1996)
		Noise	Noise at boundary met the standards of Category II of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)								

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Number	Name of entity	Type of pollutant	Major and special pollutant	Concentration of discharge	Annual total discharge (t)	Approved annual discharge limit (t/a)	Way of discharge	Number of discharge outlet	Distribution of discharge outlets	Whether discharge limit was exceeded	Regulatory basis for discharge of pollutant
Key pollutant discharging units											
9	Qinghai West Copper Company Limited	Wastewater		—	—	—	Not discharged and internally reused	0	N/A	No	—
		Air pollutant	Sulfur dioxide	155mg/m³	24.241	84.1	Organsied discharge after meeting regulatory standards	2	MCT-6 Venturi highly-efficient desulfurisation and dust removers for hot water boiler house, CS-III granite desulfurisation and dust removers for steam boiler room	No	The standards in Schedule 1 of the Emission standard of air pollutants for boiler (GB13271-2014)
			Nitrogen oxides	129mg/m³	11.622	21.8					
			Dust	44.69mg/m³	7.015	38.6					
			Particulates	35.016mg/m³	3.726	26.5	Organsied discharge after meeting regulatory standards	3	The discharge outlets of dust removers of raw crushing, medium to fine crushing and screening sections of production lines		Emission standard of pollutants for copper, nickel, cobalt industry (GB25467- 2010)
		Noise	Noise at boundary met the standards of Category III of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)								
10	Guizhou Zijin Mining Company Limited	Wastewater	COD	5.28mg/L	3.7764	109.5	Organsied discharge after meeting regulatory standards	1	Discharge outlet for wastewater	No	Class 1 standards of the Integrated wastewater discharge standard (GB8978-1996)
			Ammonia nitrogen	0.9087mg/L	0.65	27.375					
			Total arsenic	0.00664mg/L	0.00475	0.09125					
			Total lead	0.1038mg/L	0.0743	1.825					
			Total cadmium	0.004mg/L	0.00286	0.165					
			Total mercury	0.00005mg/L	0.00004	0.0825					
			Suspended matter	4.24mg/L	3.035	127.75					
		Noise	Noise at boundary met the standards of Category II of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)								
11	Wenshan Malipo Zijin Tungsten Group Company Limited	Wastewater	COD	24mg/L	6.66	14.355	Organsied discharge after meeting regulatory standards	1	Master discharge outlet of tailings pool	No	Class 1 standards of the Integrated wastewater discharge standard (GB8978-1996)
			Ammonia nitrogen	0.552mg/L	0.55	—					
			Total arsenic	0.0172mg/L	0.048	0.0335					
			Total lead	0.2mg/L	0.028	0.0144					
			Total cadmium	0.0035mg/L	0.0026	0.0009					
			Total zinc	0.046mg/L	0.045	—					
			Total copper	0.0057mg/L	0.0044	0.0048					
			Suspended matter	28.43mg/L	40.1	—					
12	Yuanyang County Huaxi Gold Company Limited	Wastewater		—	—	—	Not discharged and internally reused	0	N/A	No	—
		Noise	Noise at boundary met the standards of Category II of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)								
13	Zijin Copper Company Limited	Wastewater	COD	7.713mg/L	11.247	—	Organsied discharge after meeting regulatory standards	1	Discharge outlet for wastewater	No	Emission standard of pollutants for copper, nickel, cobalt industry (GB25467-2010), Integrated wastewater discharge standard (GB8978-1996)
			Ammonia nitrogen	0.857mg/L	1.25	—					
			Total arsenic	0.011mg/L	0.016						
			Total lead	0.006mg/L	0.0093						
			Total cadmium	0.0000247mg/L	0.0023						
			Total mercury	0.00007mg/L	0.0001						
			Total chromium	0.0000027mg/L	0.00025						
			Total cyanide	0.0000118mg/L	0.0011	—					
		Air pollutant	Sulfur dioxide	68mg/m³	265.25	679.98	Organsied discharge after meeting regulatory standards	13	Within the plant	No	Emission standard of pollutants for copper, nickel, cobalt industry (GB25467-2010), Integrated emission standard of air pollutants (GB16297-1996)
			Nitrogen oxides	15.39mg/m³	65.178	242.742					
			Particulates	15.91mg/m³	71	—					
			Sulfur acid mist	0.45mg/m³	5.24	—					
		Noise	Noise at boundary met the standards of Category II of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)								

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Number	Name of entity	Type of pollutant	Major and special pollutant	Concentration of discharge	Annual total discharge (t)	Approved annual discharge limit (t/a)	Way of discharge	Number of discharge outlet	Distribution of discharge outlets	Whether discharge limit was exceeded	Regulatory basis for discharge of pollutant
Key pollutant discharging units											
14	Zijin Mining Group Gold Refinery Company Limited	Wastewater	pH	7.86	/	/	Organsied discharge after meeting regulatory standards	1	Discharge outlet HAO11800	No	Class 3 standards in Schedules 1 and 4 of the Integrated wastewater discharge standard (GB8978-1996)
			COD	23.647mg/L	0.0452	1.18					
			Ammonia nitrogen	6.667mg/L	0.0138	0.177					
			Total arsenic	0.132mg/L	0.0002641	0.00543					
			Total lead	0.2mg/L	0.0004014	0.0118					
			Total cadmium	0.05mg/L	0.0001004	0.00118					
			Total cyanide	0.1795mg/L	0.0004	0.0023					
		Air pollutant	Nitrogen oxides	2.3874mg/m³	0.089	0.96	Organsied discharge after meeting regulatory standards	3	Chimneys for emission of air pollutant within the plant	No	Class 2 standards in Schedule 2 of the Integrated emission standard of air pollutants (GB16297-1996), standards in Schedule 2 of the Emission standard for odor pollutants (GB14554-93)
			Hydrogen chloride	1.26mg/m³	0.042	0.5247					
		Noise	Noise at boundary met the standards of Category III of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)								
15	Jilin Zijin Copper Company Limited	Wastewater	COD	16-78mg/L	8.799500	12	Organsied discharge after meeting regulatory standards	1	Master discharge outlet of wastewater	No	Schedules 2 of Emission standard of pollutants for copper, nickel, cobalt industry (GB25467- 2010) and the Standards and Requirements on Water Intake of Water Treatment Plants of Hunchun City
			Ammonia nitrogen	2.15-9.26mg/L	0.582700	1.6					
			Total arsenic	0-0.371mg/L	0.008200	0.1					
			Total lead	0-0.011mg/L	0.000400	0.1					
			Total cadmium	0-0.007mg/L	0.000300	0.02					
			Total mercury	0mg/L	0.000000	0.01					
		Air pollutant	Sulfur dioxide	112.05mg/m³	398.63	570	Organsied discharge after meeting regulatory standards	1	Major discharge outlet of 120m chimney	No	Emission standard of pollutants for copper, nickel, cobalt industry (GB25467-2010)
			Nitrogen oxides	6.79mg/m³	24.15	107					
			Dust	6.14mg/m³	21.85	82.5					
			Mercury and its compounds	0.0005-0.0061 mg/m³	0.01	0.0198					
			Lead and its compounds	0.0587-0.326 mg/m³	0.5772	1.155					
			Arsenic and its compounds	0.01-0.166mg/m³	0.0709	0.66					
		Noise	Noise at boundary met the standards of Category III of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)								
16	Bayannaoer Zijin Non-ferrous Metals Company Limited	Wastewater	pH	6-9	—	—	Organsied discharge after meeting regulatory standards	1	The master pipe within the plant	No	Emission standard of pollutants for lead and zinc industry (GB25466-2010)
			COD	15.53mg/L	4.18	96					
			Total arsenic	0.00126mg/L	0.002658	0.12					
			Total lead	0.021mg/L	0.004293	0.2					
			Total cadmium	0.006mg/L	0.001243	0.02					
			Total mercury	0.00095mg/L	0.0001975	0.012					
		Air pollutant	Sulfur dioxide	47.91mg/m³	189.4	992	Organsied discharge after meeting regulatory standards	3	Discharge outlets for air pollutants post treatment and discharge outlets for the tailing gas of acid production facility	No	Emission standard of pollutants for lead and zinc industry (GB25466-2010), Emission standard of air pollutants for thermal power plants (GB13223-2011)
			Nitrogen oxides	48mg/m³	155	515					
			Particulates	16.37mg/m³	64.7	258					
			Sulfuric acid mist	16.55mg/m³	12.81	—					
		Noise	Noise at boundary met the standards of Category II of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)								
17	Luoning Zijin Gold Refinery Company Limited	Wastewater	—	—	—	—	Not discharged and internally reused	0	N/A	No	—
		Air pollutant	Sulfur dioxide	54mg/m³	15.82	36.8	Organsied discharge after meeting regulatory standards	1	60m chimney at the exit of the boiling roasting furnace	No	Henan Province regional emission standard of air pollutants for industrial furnaces (Document no. DB41/1066-2015)
			Nitrogen oxides	116mg/m³	30.26	33.5					
			Particulates	10mg/m³	2.61	—					
		Noise	Noise at boundary met the standards of Category II of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)								

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Number	Name of entity	Type of pollutant	Major and special pollutant	Concentration of discharge	Annual total discharge (t)	Approved annual discharge limit (t/a)	Way of discharge	Number of discharge outlet	Distribution of discharge outlets	Whether discharge limit was exceeded	Regulatory basis for discharge of pollutant
Key pollutant discharging units											
18	Xinjiang Habahe Ashele Copper Company Limited	Wastewater	—	—	—	—	Not discharged and internally reused	0	No	No	—
		Air pollutant	Sulfur dioxide	178.5mg/m³	49.55	—	Organsied discharge after meeting regulatory standards	1	Boiler house through 60m chimney	No	Emission standard of air pollutants for boiler (GB13271-2014)
			Nitrogen oxides	87.75mg/m³	24.41	—					
			Dust	48mg/m³	12.74	—					
		Noise	Noise at boundary met the standards of Category III of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)								
19	Kuitun Tongguan Metallurgical Company Limited	Wastewater	COD	46.73mg/L	2.46	20	Organsied discharge after meeting regulatory standards	1	Master discharge outlet at the northeast end of the plant	No	Integrated wastewater discharge standard (GB8978-1996)
			Ammonia nitrogen	5.51mg/L	0.29	1.51					
			Total arsenic	0.06mg/L	0.003	—					
			Total copper	0.076mg/L	0.004	—					
		Air pollutant	Sulfur dioxide	74.5mg/m³	32.65	285.4	Organsied discharge after meeting regulatory standards	1	The 90m chimney behind the tailing gas desulphurisation tower	No	Action Plan for Joint Prevention and Control of Regional Air Pollution of Kuiduwu Area
		Noise	Noise at boundary met the standards of Category III of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)								
20	Xinjiang Jinbao Mining Company Limited	Wastewater	—	—	—	—	Not discharged and internally reused	0	No	No	—
		Noise	Noise at boundary met the standards of Category III of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)								

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

The branch companies (subsidiaries) of the Company strictly followed the requirements of environmental impact assessment and the approvals for the construction projects to construct treatment facilities for wastewater, air pollutants, noise and solid wastes, and ensure their normal, stable and continuous operation. In addition, the Company proactively cooperated with independent environmental protection management corporations and science and research institutes, increased the investment into environmental protection facilities construction, and optimised and improved environmental protection treatment systems. Quality of pollutant treatment was further enhanced.

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

The branch companies (subsidiaries) of the Company strictly carried out environmental impact assessment and acceptance check of construction projects pursuant to the regulations in relation to environmental impact assessment. In 2018, for the construction projects of the Company's key pollutant discharge units, 14 constructions or projects passed the environmental impact assessment and 7 projects passed the environmental protection self-acceptance check.

Implementation status of environmental impact assessment and "three simultaneous" regulation of branch companies (subsidiaries) of the Company in 2018 (key pollutant discharging units)

Number	Name of enterprise	Name of construction project	Approval status of environmental impact assessment report (table)			Status of completion and environmental protection acceptance check
			Time of approval	Approval authority	Approval document number	
1	Zijinshan gold and copper mine	Filter press system for neutralised slag comprehensive utilisation project	3 April 2018	Shanghang County Environmental Protection Bureau	Hang Huan Ping [2018] No. 15	Self-acceptance check completed in 2018
		Filter press system for carbon-leaching slag project	3 April 2018	Shanghang County Environmental Protection Bureau	Hang Huan Ping [2018] No. 16	Self-acceptance check completed in 2018
		30,000 cubic metres/day acidic copper-containing water environmental protection treatment system	19 June 2018	Longyan City Environmental Protection Bureau	Long Huan Shen [2018] No. 68	Under construction

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Number	Name of enterprise	Name of construction project	Approval status of environmental impact assessment report (table)			Status of completion and environmental protection acceptance check
			Time of approval	Approval authority	Approval document number	
2	Zijin Copper Company Limited	Expansion of comprehensive recovery of production–end materials project	5 August 2016	Shanghang County Environmental Protection Bureau	Hang Huan Ping [2016] No. 73	Self-acceptance check completed in 2018
		50kt/a cement retarder production from neutral slag and gypsum slag project	24 January 2017	Shanghang County Environmental Protection Bureau	Shang Huan Ping [2017] No. 5	Self-acceptance check completed in 2018
		Approval for environmental assessment of comprehensive resources utilisation and harmless treatment construction of copper refinery	24 April 2018	Longyan City Environmental Protection Bureau	Long Huan Shen [2018] No. 22	Under construction
3	Wulatehouqi Zijin Mining Company Limited	Ecological environment management and river outlet management project of the Dongshengmiao mining area of Wulatehouqi Zijin Mining Company Limited	13 June 2018	Bayannaoer City Environmental Protection Bureau	Ba Huan Shen Fa [2018] No. 22	Under construction
4	Bayannaoer Zijin Non-ferrous Metals Company Limited	Industrial wastewater intensive treatment and comprehensive utilisation project of Bayannaoer Zijin Non-ferrous Metals Company Limited	19 January 2018	Bayannaoer City Environmental Protection Bureau	Ba Huan Shen Biao [2018] No. 1	Under construction
		Comprehensive resources utilisation and harmless treatment technical engineering project for slag from leaching of marmatite in hydrometallurgy of Bayannaoer Zijin Non-ferrous Metals Company Limited	9 August 2018	Bayannaoer City Environmental Protection Bureau	Ba Huan Shen Fa [2018] No. 29	Under construction
5	Jilin Zijin Copper Company Limited	Production expansion and transformation project of Jilin Zijin Copper Company Limited	25 December 2018	Department of Ecology and Environment of Jilin Province	Ji Huan Shen Zi [2018] No. 76	Under construction
6	Luoning Zijin Gold Refining Company Limited	Harmless treatment of cyanide tailings project of Luoning Zijin Gold Refining Company Limited	11 October 2018	Luoyang City Environmental Protection Bureau	Luo Huan Shen [2018] No. 016	Under construction
7	Luoyang Kunyu Mining Company Limited	300,000 tonnes/year mining project of the Shanggong gold mine area of Luoyang Kunyu Mining Company Limited	31 January 2018	Department of Environmental Protection of Henan Province	Yu Huan Shen [2018] No. 20	Under construction
8	Guizhou Zijin Mining Company Limited	10 tonnes/year gold bullion refining project of the gold refinery of Guizhou Zijin Mining Company Limited	8 January 2018	Department of Environmental Protection of Guizhou Province	Qian Huan Han [2018] No. 17	Self-acceptance check completed in 2018
		Exploration project of two gold mines in Bojitian, Zhenfeng County	13 June 2018	Qianxinan Environmental Protection Bureau	Zhou Huan He [2018] No. 05	Under construction
		A gold mine project (the Changtian gold mine) in Bojitian, Zhenfeng County of Guizhou Zijin Mining Company Limited	20 August 2018	Department of Ecology and Environment of Guizhou Province	Qian Huan Han [2018] No. 98	Under construction
		Shuiyindong gold mine transformation project of Guizhou Zijin Mining Company Limited	19 December 2018	Department of Ecology and Environment of Guizhou Province	Qian Huan Han [2018] No. 158	Under construction
9	Xinjiang Habahe Ashele Copper Company Limited	10,000 t/d ancillary filling project for mining of the Ashele copper mine	3 December 2014	Aletai Region Environmental Protection Bureau	A Di Huan Han [2014] No. 279	Self-acceptance check completed in 2018
		New tailings pool project of the Ashele copper mine	26 March 2013	Department of Environment Protection of Xinjiang Uygur Autonomous Region	Xin Huan Ping Jia Han [2013] No. 210	Self-acceptance check completed in 2018

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

The Company continuously improved the development of environmental emergency management system. Environmental emergency management units were in place both at the Group and subsidiary levels. Emergency plans for environmental incidents and other special emergency plans pursuant to the requirements of National Environmental Emergency Response Plan and based on individual operations' production techniques, pollution-intensive production stages and environmental risks were developed, and were reported and filed to the local environmental administrative authorities. In addition, in order to enhance prevention of emergency incidents and emergency response in real situation and improve the practical capabilities, the subsidiaries regularly organised different environmental emergency drills, and made timely amendments to the emergency plans in accordance with the problems and inadequacies identified during the emergency drills.

(5) Environmental self-monitoring programme

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

(6) Other information for environmental protection

The Company's ecological and environmental protection management system, highly regulated and specialised, comprises the headquarters of the Company, branch companies (subsidiaries), production lines (factories) and work teams. The headquarters of the Company has established the Safety, Environmental Protection, Security and Fire Protection Committee (the "Safety Committee"), of which the president of the Company serves as the president and the vice-president in charge serves as the vice-president of the Safety Committee. The Safety and Environmental Protection Director is responsible for the Company's daily safety and environmental protection management. At the headquarters of the Company, the Environmental Protection and Ecological Affairs Department is established, which has a number of subordinate offices, namely the Environmental Monitoring Office, Water Conservation and Ecology Office and General Office, to handle the ordinary affairs relating to environmental and ecological protection and ecological management, and provide guidance for, inspect and supervise the environmental and ecological protection management of the branch companies (subsidiaries). Each of the branch companies (subsidiaries) has their own dedicated administrative department to manage the specific affairs relating to environmental protection. Below these branch companies (subsidiaries), there are responsible personnel or administrators to oversee the environmental and ecological protection management of production lines (factories). Monitoring, inspection and assessment systems have been established in each branch company (subsidiary). They are also required to entrust assessment institutions with CMA qualification to monitor the discharge of major and special pollutants regularly according to monitoring plans. The Company actively applies for ISO14001 certification for its environmental management systems. In 2018, the environmental and ecological protection work was strengthened according to the Company's spirit of "deepening reform". Three old environmental and ecological protection systems were superseded while six systems were amended, namely "Responsibility System on Environmental Protection", "Management System on Environmental and Ecological Protection Assessment", "Management Regulations on Environmental and Ecological Protection Inspection", "Emergency Plans for Environmental Incidents", "Guidance on Greening" and "Technical Standards for Management Measures of Greening, Land Restoration and Water Conservation (Tentative)". "Environmental and Ecological Protection Plan 2018-2020 of Zijin Mining" was formulated for supervising and guiding the environmental and ecological protection work of all units according to the plan.

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

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

From 1 January 2018, the Environmental Protection Tax Law of the PRC is enacted, replacing the pollution discharge fee which was enacted for more than one decade. The environmental protection tax achieved "replacement of fee with tax" of pollution discharge fee. Environmental protection tax is the first type of comprehensive tax of "Green Tax" of the PRC. Pursuant to article 13 of the Environmental Protection Tax Law, "where the concentration value of taxable air pollutants or water pollutants discharged by a taxpayer is 30% or 50% lower than the national and local pollutant discharge standards, environmental protection tax shall be levied at the reduced rate of 75% or 50%". Under the tax incentive, the enterprises of the Group can carry out technological innovation, transformation and upgrade in a better and more active manner, in order to enjoy more tax concession by further reducing the amount of pollutants discharged. In the future, the Company will adopt more active measures to supervise and guide the enterprises to further raise the level of pollutant treatment to reduce the amount of pollutants discharged.

In 2018, RMB663 million was invested by the Company on environmental and ecological protection. 399.4 hectares of vegetation were restored, and 602 thousand flowers and trees were planted. Among which, the Company's Zijinshan gold and copper mine invested RMB43.2915 million in planting 60 thousand flowers and trees and restored 1.0436 million m^2 of vegetation, including: 160.5 thousand m^2 of greening were completed at the high slope of the southeastern side of the open-pit mine, hanging panels/eco-spray greening were adopted and initial results were obtained, outperforming the target for the early year; quality soil from other areas was used to backfill section B platform of the open-pit mine, step-by-step planting by using vines for a single season as the pioneer plant for greening, perennial climbing plants, spot-seeding for grass, re-foresting with tall trees were adopted. 7,840 vegetables, fruit trees and vines of various types were planted, greening approximately 20 thousand m^2 of the platform.

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

(1) Information of pollutant discharge

Apart from the abovementioned 20 enterprises, environmental information of the Company's 6 entities with pollutants discharged which are not key pollutant discharging units is as follow:

No.	Name of entity	Type of pollutant	Major and special pollutant	Concentration of discharge	Annual total discharge (t)	Approved annual discharge limit (t/a)	Way of discharge	Number of discharge outlet	Distribution of discharge outlets	Whether discharge limit was exceeded	Regulatory basis for pollutant discharge
1	Heilongjiang Duobaoshan Copper Company Limited	Wastewater		—	—	—	Not discharged and internally reused	0	N/A	No	—
		Air pollutant	Sulfur dioxide	125.68mg/m³	46.32	370	Organsied discharge after meeting regulatory standards	1	Discharged via a 60m chimney after desulfurisation and denitrification	No	Emission standard of air pollutants for boiler (GB13271-2014)
			Nitrogen oxides	123.68mg/m³	45.56	62.91					
			Dust	28.41mg/m³	10.46	55					
			Particulates	51.4mg/m³	246.63		Organsied discharge after meeting regulatory standards	18	Crushing and screening systems		
		Noise	Noise at boundary met the standards of Category II of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)								
2	Longnan Zijin Mining Company Limited	Wastewater		—	—	—	Not discharge and internally reused	0	N/A	No	—
		Noise	Noise at boundary met the standards of Category II of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)								
3	Xinjiang Zijin Zinc Industry Company Limited	Wastewater		—	—	—	Not discharge and internally reused	0	N/A	No	—
		Air pollutant	Sulfur dioxide	89mg/m³	5.85	—	Organsied discharge after meeting regulatory standards	1	Chimney of steam boilers	No	Emission standard of air pollutants for boiler (GB13271-2014)
			Nitrogen oxides	57mg/m³	4.33	—					
			Dust	7.55mg/m³	0.76	—					
			Particulates	7.46mg/m³	3.85	—	Organsied discharge after meeting regulatory standards	4	The discharge outlets of dust removers installed at the crushing and screening systems	No	Emission standard of pollutants for lead and zinc industry (GB25466-2010)
		Noise	Noise at boundary met the standards of Category III of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)								

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

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No.	Name of entity	Type of pollutant	Major and special pollutant	Concentration of discharge	Annual total discharge (t)	Approved annual discharge limit (t/a)	Way of discharge	Number of discharge outlet	Distribution of discharge outlets	Whether discharge limit was exceeded	Regulatory basis for discharge of pollutants
4	Fujian Zijin Copper Company Limited	Wastewater	COD	27.25mg/L	1.8165	7.121	Organsied discharge after meeting regulatory standards	1	Sewage discharge outlet within the plant	No	Integrated wastewater discharge standard (GB8978-1996)
			Ammonia nitrogen	12.9mg/L	0.8599269	1.068					
			Total zinc	<0.05mg/L	0.00333305	0.0504					
			Total copper	0.024mg/L	0.001599864	0.0252					
			Total nickel	<0.05mg/L	0.00121	0.126					
		Air pollutant	Particulates	13mg/m³	4.13236	6.43	Organsied discharge after meeting regulatory standards	2	The 15m chimney within the plant	No	Class 2 standards of the Emission standard of air pollutants for industrial kiln and furnace (GB9078-1996)
		Noise	Noise at boundary met the standards of Category III of the Emission stand ard for industrial enterprises noise at boundary (GB12348-2008)								
5	Fujian Zijin Processing Chemicals Company Limited	Wastewater	COD	53mg/L	0.56	0.66	Organsied discharge after meeting regulatory standards	1	Within the plant	No	Class 3 standards in Schedule 4 of the Integrated wastewater discharge standard (GB8978-1996)
		Noise	Noise at boundary met the standards of Category III of the Emission stand and for industrial enterprises noise at boundary (GB12348-2008)								
6	Luoyang Zijin Yinhui Gold Refining Company Limited	Wastewater		—	—	—	Not discharged and internally reused	0	N/A	No	—
		Nitrogen oxides	74-88mg/m³	14	0.378	1.9125	Organsied discharge after meeting regulatory standards	2	Discharge outlet of purification and discharge outlet of melting	No	Schedule 2 of the Integrated emission standard for air pollutants (GB16297-1996)
		Noise	Noise at boundary met the standards of Category III of the Emission stand and for industrial enterprises noise at boundary (GB12348-2008)								

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

Please refer to the corresponding section under key pollutant discharging units.

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

The branch companies (subsidiaries) of the Company strictly complied with the policies on environmental impact assessment and the "three simultaneous" policy to carry out pollution prevention and controlling work for construction projects. In 2018, for the construction projects of the Company's enterprises which are not key pollutant discharging units, 6 constructions or projects passed the environmental impact assessment and 2 projects passed the environmental protection self-acceptance check. Please refer to the annual environmental reports issued by the Company in previous years for the historical data of environmental impact assessment approvals and inspection approvals at project conclusion of the Company's branch companies (subsidiaries).

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

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Implementation status of environmental impact assessment and "three simultaneous" regulation of branch companies (subsidiaries) of the Company in 2018 (non-key pollutant discharging units)

Number	Name of enterprise	Name of construction project	Approval status of environmental impact assessment report (table)			Status of completion and environmental protection acceptance check
			Time of approval	Approval authority	Approval document number	
1	Heilongjiang Duobaoshan Copper Mine Company Limited	Change of Phase 2 of the Duobaoshan copper (molybdenum) mine expansion project	19 November 2018	Heilongjiang Ecology and Environment Department	Hei Huan Shen [2018] No. 38	Under construction
2	Xinjiang Zijin Zinc Industry Company Limited	Xinjiang Zijin Zinc Industry Company Limited rehabilitation and greening of mine area project	27 September 2018	Wuqia County Environmental Protection Bureau	Qia Huan Ping Han [2018] No. 16	Under construction
		Xinjiang Zijin Zinc Industry safety and environmental protection tailings conveyor bridge project	13 June 2018	Kizilsu Kyrgyz Autonomous Prefecture Environmental Protection Bureau	Ke Huan Ping Han [2018] No. 45	Under construction
		(Newly constructed) fuel station of Xinjiang Zijin Zinc Industry Company Limited	25 November 2018	Kizilsu Kyrgyz Autonomous Prefecture Environmental Protection Bureau	Ke Huan Ping Han [2018] No. 87	Under construction
3	Fujian Zijin Processing Chemicals Company Limited	Phase 1 of Fujian Zijin Processing Chemicals Company Limited moving and expansion project	23 October 2018	Longyan City Environmental Protection Bureau	Long Huan Shen [2018] No. 238	Under construction
4	Longnan Zijin Mining Company Limited	Change of mining method of 450 tonnes/day gold ore project of Gansu Yate Mining Company Limited	23 March 2012	Longnan City Environmental Protection Bureau	Long Huan Fa [2012] No. 41	Self-acceptance check completed in 2018
5	Luoyang Zijin Yinhui Gold Refining Company Limited	100 tonnes/year gold processing and purifying project of Luoyang Zijin Yinhui Gold Refining Company Limited	6 March 2017	Luoning County Environmental Protection Bureau	Ning Huan Jian [2017] No. 7	Self-acceptance check completed in 2018
6	Xinjiang Zijin Non-ferrous Metals Company Limited	Environmental impact assessment of the new 100,000 tonnes/year zinc refining project	13 December 2018	Department of Ecology and Environment of Xinjiang Uygur Autonomous Region	Xin Huan Han [2018] No. 102	Under construction

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

Please refer to the corresponding section under key pollutant discharging units.

(5) Environmental self-monitoring programme

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

Corporate Governance Report

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

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

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

As required by provision A.1.8 of the CG Code, an issuer should arrange appropriate insurance cover in respect of potential legal action against its directors. The Board currently considers that the Company and the Board have adopted sufficient measures to prevent the Directors from committing errors and minimise the risk in claims against the Directors. Therefore, the Company has not made any relevant insurance arrangement at this stage. However, the Board will review this policy of insurance from time to time and may arrange insurance later. As required by provision F.1.3 of the CG Code, an issuer's company secretary should report to the board chairman and/or the chief executive. The Board considers that the company secretary in Hong Kong reporting to the secretary to the Board is more suitable to meet the management needs of the Group and it enables a unified management of all listing related matters in Hong Kong and Mainland China. The provision A.5.6 of the CG Code (in effect during the year 2018) stipulated 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 proper. The Board was in the course of preparing a board diversity policy during the year 2018 and such policy has been in force as at the date of this report.

Save as disclosed above, for the year ended 31 December 2018, the Board confirmed that the Group has adopted and complied with the provisions of the CG Code and has followed most of its recommended best practices with no deviation.

SECURITIES TRANSACTIONS BY DIRECTORS AND SUPERVISORS

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules as the model code for the trading of securities by the Directors of the Company. The effective date was 23 December 2003. Having made specific enquiries with all Directors and Supervisors of the Company, the Company confirmed that all Directors and Supervisors have complied with the provisions of the Model Code for the year ended 31 December 2018.

BOARD COMPOSITION AND PRACTICE

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

The Board comprises eleven Directors, including six executive Directors, one non-executive Director and four independent non-executive Directors. The executive Directors are Chen Jinghe, Lan Fusheng, Zou Laichang, Lin Hongfu, Fang Qixue and Lin Hongying; the non-executive Director is Li Jian, and the independent non-executive Directors are Lu Shihua, Zhu Guang, Sit Hoi Wah, Kenneth and Cai Meifeng. The biographical details of each Director are set out in the section headed "Brief Biography of Directors, Supervisors and Senior Management". There is no finance, business, family or other material/relevant relationship(s) among the members of the Board.

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

For the year ended 31 December 2018, all the non-executive Directors of the Company were appointed for a three-year term from 30 December 2016 to 29 December 2019. Details are set out in the Report of the Directors.

Corporate Governance Report *(continued)*

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

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

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

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

BOARD DIVERSITY POLICY

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

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

EXPLANATION ON THE RELEVANT MATTERS OF CORPORATE GOVERNANCE

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

SHAREHOLDERS AND SHAREHOLDERS' GENERAL MEETING

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

RELATIONS WITH THE CONTROLLING SHAREHOLDER

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

Corporate Governance Report *(continued)*

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DIRECTORS AND THE BOARD

The Board consists of 11 Directors, in which there are 4 independent non-executive Directors. The number and the composition of the Board comply with the provisions of the relevant laws and regulations. The composition of professions of the members of the Board is reasonable. The members of the Board possess the necessary knowledge, skills and competence to discharge their duties. The Directors timely attended the shareholders' general meeting and Board meetings, discharged their duties conscientiously, faithfully and diligently, and proactively participated in the business trainings. They are familiar with the relevant laws and regulations and have clear sense of the rights, obligations and responsibilities as a Director. There are four specialised committees under the Board including the strategic committee, execution and investment committee, audit and internal control committee and nomination and remuneration committee to further enhance the decision-making mechanism of the Board of the Company.

SUPERVISORS AND THE SUPERVISORY COMMITTEE

The supervisory committee of the Company consists of 5 members, including 2 Supervisors representing workers and staff. The number and composition of the members of the supervisory committee comply with the relevant laws and regulations. Most of the Supervisors have professional knowledge and working experience relating to accounting, auditing and so on. According to the authority and responsibility conferred by the articles of association of the Company, the supervisory committee regularly convened supervisory committee meetings, conscientiously discharged their duties so as to be responsible to shareholders, supervised and inspected the performance of the Directors and senior management personnel and the legality and compliance of the Company's financial issues to fully safeguard the legitimate rights and interests of the Company and shareholders. Under the supervisory committee, there is a supervisory and audit office which is responsible for supervising the legal compliance in the Company's daily business and the regulated financial operations, etc.

AMENDMENT AND PERFECTION OF POLICIES

During the reporting period, in accordance with the Company Law of the PRC, the Securities Law of the PRC, Guidelines for the Articles of Association of Listed Companies, Constitution of the Communist Party of China and other laws, regulations and regulatory documents, and in line with the Company's needs of self-development, amendments were made to the corresponding provisions of the articles of association of the Company. The amendments included the addition of the provisions of the Party development, and the addition of a special chapter of the Company's Party Committee between the chapters of shareholders' general meeting and the Board, to raise the relative status of the Party organisations in state-owned enterprises; amendments were also made to the Articles of Operation for Execution and Investment Committee of the Board, to establish the important position of the Execution and Investment Committee of the Board in production and operation and the decision-making in investment, and significantly raise the level of modernisation of corporate governance systems and governance capabilities the Company.

PERFORMANCE EVALUATION AND INCENTIVE AND RESTRICTION MECHANISM OF THE COMPANY

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

INFORMATION DISCLOSURE

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

REGISTRATION AND MANAGEMENT OF INSIDERS

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

STAKEHOLDERS OF THE COMPANY

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

DETAILS OF THE SHAREHOLDERS' GENERAL MEETING

Session of meeting	Convening date	Index of the designated website publishing the resolutions	Date of publishing the resolutions
2017 annual general meeting of the Company	17 May 2018	www.hkexnews.hk	17 May 2018

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

The Board convened 19 plenary Board meetings and 1 shareholders' general meeting for the year ended 31 December 2018. The attendance of the Directors at the meetings was as follows:

		Board meetings						Shareholders' general meeting
Name of Director	Independent Director	Number of board meetings ought to be attended this year	Attended in person	Attended via telecommunication	Attended by proxy	Absent	Not attending in person for 2 consecutive meetings	Number of meeting attended
Chen Jinghe	No	19	19	11	0	0	No	1
Lan Fusheng	No	19	19	11	0	0	No	1
Zou Laichang	No	19	19	12	0	0	No	1
Lin Hongfu	No	19	19	11	0	0	No	1
Fang Qixue	No	19	19	11	0	0	No	1
Lin Hongying	No	19	19	12	0	0	No	1
Li Jian	No	19	18	11	0	0	No	1
Lu Shihua	Yes	19	19	11	0	0	No	1
Zhu Guang	Yes	19	19	11	0	0	No	1
Sit Hoi Wah, Kenneth	Yes	19	19	12	0	0	No	1
Cai Meifeng	Yes	19	11	10	7	1	No	1

Number of Board meetings held this year	19
In which: Number of physical meetings	7
Number of meetings via telecommunication	11
Number of physical meetings with telecommunications	1

Corporate Governance Report *(continued)*

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

CORPORATE GOVERNANCE FUNCTIONS

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

(i) To formulate and review the Group's policies and practices on corporate governance and make recommendations;

(ii) To review and monitor the training and continuous professional development of the Directors and senior management;

(iii) To review and monitor the Group's policies and practices on the compliance with all legal and regulatory requirements (where applicable);

(iv) To formulate, review and monitor the code of conduct and compliance manual (if any) applicable to the employees of the Group and the Directors; and

(v) To review the Group's compliance with the CG Code and disclosure requirements in the corporate governance report.

CONTINUOUS PROFESSIONAL DEVELOPMENT

The Directors have been informed of the requirement under provision A.6.5 of the CG Code regarding continuous professional development. In the year ended 31 December 2018, all the Directors studied the training materials in relation to the Listing Rules provided by the Company to develop and refresh the Directors' knowledge and skills as directors of companies listed on the Stock Exchange.

NOMINATION AND REMUNERATION OF THE DIRECTORS

The Board established the nomination and remuneration committee. It comprises independent non-executive Directors, Mr. Lu Shihua, Mr. Zhu Guang, Mr. Sit Hoi Wah, Kenneth, Mr. Cai Meifeng, non-executive Director, Mr. Li Jian, and the chairman of the Board, Mr. Chen Jinghe. Mr. Zhu Guang was appointed as the chief officer and Mr. Lu Shihua was appointed as the deputy officer of the nomination and remuneration committee. The nomination and remuneration committee also comprises various working group members. Detailed regulations for the nomination and remuneration committee are amended pursuant to the CG Code. The detailed regulations and the terms of reference of the nomination and remuneration committee are published on the website of the Company.

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

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

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

PROCEDURE AND BASIS FOR DETERMINATION OF REMUNERATION

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

Corporate Governance Report *(continued)*

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

During the reporting period, the nomination and remuneration committee of the Board has, in accordance with the appraisal working requirements of the Board relating to the Company's Directors, Supervisors and senior management personnel, organised and successfully completed the 2017 annual performance assessment of the Directors, Supervisors and senior management personnel.

In the second half of 2018, the nomination and remuneration committee has taken the lead for the 2018 annual performance assessment of the Directors, Supervisors and senior management personnel of the Company.

During 2018, 1 meeting of the nomination and remuneration committee was held.

THE ATTENDANCE OF NOMINATION AND REMUNERATION COMMITTEE MEETING

Name	Number of committee meetings	Attended	Absent
Zhu Guang *(Chief Officer)*	1	1	0
Lu Shihua *(Deputy Officer)*	1	1	0
Sit Hoi Wah, Kenneth	1	0	1
Cai Meifeng	1	1	0
Chen Jinghe *(Chairman)*	1	1	0
Li Jian	1	1	0

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

ANNUAL REMUNERATION OF THE DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

In the year 2018, the headcount of the remuneration payable to members of senior management by band is as follow:

RMB1,000,001 - RMB2,000,000	1
RMB2,000,001 - RMB3,000,000	2
RMB3,000,001 - RMB4,000,000	1

Details of the remuneration of the Directors and Supervisors of the Company are set out in Notes XIII.3 to the financial statements.

AUDITOR'S REMUNERATION

For the year ended 31 December 2018, the audit fees charged by the auditor of the Company was RMB10,450,000. RMB200,000 was also charged by the auditor of the Company for providing services for the Company's issuance of notes of USD350,000,000. In addition, the details and fees of the consulting services provided by the auditor network members of the Company are as follows: the consulting fee for the hedge accounting model was RMB400,000, the consulting fee for the financial asset impairment model was RMB150,000, and corporate tax filing service fee for the Hong Kong subsidiary of the Group was HKD164,700, and the merger and acquisition due diligence service fee was RMB2.6 million.

Corporate Governance Report *(continued)*

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

AUDIT AND INTERNAL CONTROL COMMITTEE

The audit and internal control committee comprises independent non-executive Directors, Mr. Lu Shihua, Mr. Zhu Guang, Mr. Sit Hoi Wah, Kenneth, Mr. Cai Meifeng, non-executive Director, Mr. Li Jian, and executive Director and president, Mr. Lan Fusheng. The Chief Officer of the committee is Mr. Lu Shihua. During 2018, 6 meetings of the audit and internal control committee were held.

THE ATTENDANCE OF AUDIT AND INTERNAL CONTROL COMMITTEE MEETINGS

Name	Number of committee meetings	Attended	Absent
Lu Shihua *(Chief Officer)*	6	6	0
Zhu Guang	6	6	0
Sit Hoi Wah, Kenneth	6	6	0
Cai Meifeng	6	6	0
Li Jian	6	6	0
Lan Fusheng	6	6	0

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

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

The major responsibilities of the audit and internal control committee are:

- To propose hiring or changing of the external audit institution;
- To oversee the Company’s internal audit system and its implementation;
- To audit the Company’s financial information and its disclosure (including the annual report, the interim report, quarterly reports and any feasible financial review);
- To review the risk management and internal control systems, the effectiveness of the Company’s internal audit function, and its other duties under the CG Code;
- To audit and review the Company’s financial reporting, risk management and internal control systems and to audit material connected transactions.

The audit and internal control committee has held meetings on a regular basis since its establishment and convened 6 meetings during the reporting period.

In the meetings held in March 2018, the committee reviewed the work report prepared by the supervisory and audit office and reviewed the auditor’s report and connected transactions of the Group for the year 2017, and also submitted its concluding opinion on relevant connected transactions and the audit to the Board.

In the meeting held in April 2018, the committee reviewed the first quarterly report of the Group for the year 2018 and submitted its concluding opinion on the audit to the Board.

In the meeting held in August 2018, the committee reviewed the interim report and connected transactions of the Group for the year 2018, and reviewed the effectiveness of the Group’s risk management and internal control systems and submitted its concluding opinion on the audit to the Board.

In the meeting held in October 2018, the committee reviewed the third quarterly report of the Group for the year 2018 and submitted its concluding opinion on the audit to the Board.

The audit and internal control committee has communicated with the auditors for the key focusing issues before they started the audit field work for the year 2018, during the audit process and after the first draft of audit report was issued respectively. The audit and internal control committee convened a meeting on 21 March 2019, in which it considered and approved the 2018 annual report of the Company and considered that: there is no major omission in the 2018 annual financial report issued by Ernst & Young Hua Ming LLP, it fairly presented the financial position of the Company in all material aspects as of 31 December 2018 and the production and operating results of 2018, and agreed to submit the aforementioned documents to the Board for consideration.

THE ATTENDANCE OF STRATEGIC COMMITTEE MEETINGS

Name	Number of committee meetings	Attended	Absent
Chen Jinghe *(Chairman) (Chief Officer)*	2	2	0
Lan Fusheng	2	2	0
Fang Qixue	2	2	0
Li Jian	2	2	0
Lu Shihua	2	2	0
Zhu Guang	2	2	0
Cai Meifeng	2	1	1

THE ATTENDANCE OF EXECUTION AND INVESTMENT COMMITTEE MEETINGS

Name	Number of committee meetings	Attended	Absent
Chen Jinghe *(Chairman) (Chief Officer)*	19	19	0
Lan Fusheng *(Deputy Officer)*	19	19	0
Zou Laichang	19	18	1
Lin Hongfu	19	19	0
Fang Qixue	19	19	0
Lin Hongying	19	19	0

DIRECTORS' RESPONSIBILITIES IN RESPECT OF FINANCIAL REPORTS

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

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

COMPANY SECRETARY

Mr. Fan Cheung Man is the company secretary. Details of the biography of the company secretary are set out in the section headed "Brief Biography of Directors, Supervisors and Senior Management" of this annual report. The company secretary took no less than 15 hours of relevant professional training for the year ended 31 December 2018 as required by the Listing Rules.

SHAREHOLDING INTERESTS OF SENIOR MANAGEMENT

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

Corporate Governance Report *(continued)*

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

CHANGE IN CONSTITUTIONAL DOCUMENTS

At the shareholders' general meetings held on 17 May 2018, the shareholders approved the amendments to certain articles in the articles of association of the Company. An updated version of the articles of association of the Company is available on the websites of the Company and the Stock Exchange.

SHAREHOLDERS' RIGHTS

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

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

The Company shall issue a written notice 45 days before the holding of a shareholders' general meeting and inform all registered shareholders about the matters to be considered in the meeting and the date and venue of the meeting. Shareholders who intend to attend the shareholders' general meeting shall return the written reply for attending the meeting to the Company 20 days before the convention of meeting.

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

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

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

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

INQUIRY TO THE BOARD

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

OBJECTIONS RAISED BY INDEPENDENT DIRECTORS FOR MATTERS RELATED TO THE COMPANY

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

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

During the reporting period, based on the analysis of domestic and international economy, trends in mining industry, current development status of the Company and the opportunities and challenges ahead, in response to the actual situation of the Company's development, Resolution in relation to the 2018-2022 Strategic Plan was formulated, considered and approved by the strategic committee of the Board of Directors. The overall planned objectives, strategic measures and focuses for implementation in the next five years (to 2022, i.e. the 30th anniversary of the Company) were identified, providing strong driving forces to realise a new round of development of the Company.

During the reporting period, the sixth term of audit and internal control committee of the Board of Directors received reports from the Company's management regarding the Company's production and operating status, investment and financing activities and other significant events in the year, and reviewed the Company's annual report 2017, first quarterly report 2018, interim report 2018 and third quarterly report 2018 according to the terms of reference and fully discharged their duties. The sixth term of audit and internal control committee communicated with the auditors before the commencement of the field-works of the 2018 annual audit, during the audit process, and after issuance of the first draft of audit report, and exchanged their opinion on key issues with the auditor. The sixth term of audit and internal control committee of the Board of Directors convened a meeting on 21 March 2019 and approved the Company's annual report 2018, and considered that there was no material omission in the 2018 financial report issued by Ernst & Young Hua Ming LLP, it presented the financial position of the Company fairly in all material aspects as at 31 December 2018 and the production and operating results of 2018. The audit and internal control committee agreed to submit the above documents to the Company's Board of Directors for consideration.

During the reporting period, the sixth term of nomination and remuneration committee of the Board of Directors carried out review on the remuneration of the Company's executive Directors, chairman of supervisory committee and senior management based on the 2018 operating results, and submitted the proposal to the Board of Directors and shareholders' general meeting for approval.

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

RISKS IN THE COMPANY DISCOVERED BY THE SUPERVISORY COMMITTEE

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

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

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

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

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

INVESTOR RELATIONS

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

The Group held press conferences and/or briefings of investment analysts immediately following the announcements of its annual and interim results. The chairman of the Board and senior management such as the financial controller of the Group were present to analyse the performance of the Group during the relevant period, expound the business development of the Group and answered queries raised by investors. Along with the issuance of A Shares, the Group issued results announcements on 24 April 2018 for the first quarter of year 2018 and on 26 October 2018 for the third quarter of year 2018 respectively.

Results announcements of the Group have also been published timely on the website of the Group.

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

During the year, the Company convened the 2017 annual general meeting on 17 May 2018. Details are set out in this report.

Corporate Governance Report *(continued)*

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

As at 22 March 2019, the registered capital of the Company is RMB2,303,121,889.1, comprising 5,736,940,000 of floating H Shares listed on the Hong Kong Stock Exchange, representing about 24.91% of the total issued shares; 16,875,725,837 of floating A Shares listed on the Shanghai Stock Exchange, representing about 73.27% of the total issued shares; and 418,553,054 A Shares subject to trading moratorium, representing about 1.82% of the total issued shares. The total floating shares in these two stock exchanges represented 98.18% of the total issued shares of the Company.

INTERNAL AUDIT FUNCTION

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

INTERNAL CONTROL

Responsibility statement of internal control and establishment of internal control system

It is the responsibility of the Board of Directors of the Company to establish a sound and effective internal control system following the regulations of the internal control of the corporation, evaluate its effectiveness and truthfully disclose the internal control evaluation report. The supervisory committee carries out supervision on the establishment and implementation of internal control of the Board of Directors. The management is responsible for organising and leading the daily operation of the corporation's internal control. The Board of Directors, supervisory committee and the Directors, Supervisors and senior management guarantee that there is no false record, misleading statement or material omission in the 2018 internal control and evaluation report, and they will bear joint and individual responsibilities for the truthfulness, accuracy and completeness of the contents herein.

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

Conclusions on the internal control evaluation on financial reporting

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

WORK ON INTERNAL CONTROL EVALUATION

Scope of internal control evaluation

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

Major business units included in the scope of evaluation were:

Headquarters of the Group and 44 subsidiaries including the Zijinshan gold and copper mine, Zijin Gold Refinery Company Limited, Zijin Copper, Ashele Copper, Xinjiang Jinbao, Wulatehouqi Zijin, Bayanaoer Zijin, Hunchun Zijin, Musonoie, ZGC, Altynken, Capital Investment, etc. During the year 2018, the headquarters and 15 subsidiaries were covered by the internal assessment conducted by the supervisory and audit office at the headquarters; the supervisory and audit office oversaw and guided 36 of the Company's key subsidiaries to conduct self-assessment on internal control.

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

By business segment the followings were included: overseas projects, mining segment, refining and processing segment, construction segment, logistics segment, financial segment, etc.; by process the followings were included: organisation and structure, development strategy, human resources, social responsibility, safety and environmental protection, corporate culture and other company-level internal control functions, as well as capital activities (including investment, financing and management of working capital), procurement business, engineering projects, outsourcing, asset management, sales business, comprehensive budgeting, internal communication, research and development, guarantee business, financial reporting, contract management, tax management, calculation and aggregation of production costs, expenses, information system and other main operational processes. This year, the Company also put emphasis on conducting daily internal control supervision, special internal control testing or internal control research on project constructions, procurement of materials, inventories (including the physical safety of precious metals), supply chain financing business, credit sale business, outsourcing, financing, prevention and control of risks from futures and hedging business and foreign exchange risk, compliance, etc. Control of business risks of finance and overseas mines was conducted, and a risk list was concluded, in order to combine with the reform and amendments in systems and policies in the Group and push forward the optimisation of the procedures and improvement of efficiency.

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

High-risk areas which were given special attention mainly include external investment, infrastructure, business outsourcing and subcontract of construction services, procurement, credit sales business, financing, prevention and control of risks from futures and hedging business and foreign exchange risk, trade financing, operations complying with laws and regulations, safety and environmental protection, etc.

Auditor's Report

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Ernst & Young Hua Ming (2019) Shen Zi No. 60468092_H01
Zijin Mining Group Company Limited

To the shareholders of Zijin Mining Group Company Limited

I. AUDIT OPINION

We have audited the financial statements of Zijin Mining Group Company Limited (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated and company statements of financial position as at 31 December 2018, and the consolidated and company statements of profit or loss, the consolidated and company statements of changes in equity and the consolidated and company statements of cash flows for the year then ended, and notes to the financial statements.

In our opinion, the financial statements give a true and fair view of, in all material respects, the consolidated and company's financial position as at 31 December 2018, and the consolidated and company's financial performance and cash flows for the year then ended in accordance with Accounting Standards for Business Enterprises.

II. BASIS FOR OPINION

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

III. KEY AUDIT MATTERS

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

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

III. KEY AUDIT MATTERS *(continued)*

Key audit matters:

Impairment of non-current assets - fixed assets, construction in progress, intangible assets and goodwill

As at 31 December 2018, the fixed assets, construction in progress, intangible assets and goodwill of the Group amounted to RMB34,144,464,854, RMB5,355,805,804, RMB22,510,280,215 and RMB314,149,588, respectively. The management is required to make judgements, estimates and assumptions on the useful lives of mines, production plans, sales prices, operating costs, depreciation expenses, taxes, capital expenditures and discount rates when conducting the impairment test for these assets by calculating the present values of the assets' or asset groups' estimated future cash flows or engaging a professional appraisal firm for the valuation. Therefore, we considered this as a key audit matter. Refer to Notes III.16, 17, 19 and 20 and Notes V.16, 17, 18, 19 and 52 to the financial statements for the disclosure of the impairment provision for the above-mentioned assets.

How the matters were addressed in our audit:

We performed the following procedures in our audit for the assessment of impairment of such non-current assets:

1. We discussed with management and reviewed the fixed assets, construction in progress, intangible assets, and goodwill of the Group to assess whether there is any indication of impairment;
2. For these assets or related asset groups with an indication of impairment as well as asset and asset groups with goodwill allocated, we reviewed the discounted cash flow projection models prepared by management or valuation reports issued by the professional appraisal firm. The main audit procedures included the followings:
   1) We reviewed the discounted cash flow projection models and methodologies, whether it is applicable to the corresponding business category;
   2) We reviewed the valuation reports and the reasonableness of the key assumptions used in the discounted cash flow projection models (mainly including the useful lives of mines, designated production period of smelters, annual yield, sales prices, operating costs, depreciation expenses, taxes, capital expenditures and discount rates, etc.) by communicating with management, obtaining relevant technical reports for reference and the comparing key hypothesis data with public data from third parties;
   3) We reviewed the relevance of the key assumptions with the historical data used;
   4) We invited our internal valuation experts to review the valuation method and logics of the discounted cash flow projection models, as well as the discount rates used by management and the appraisal firm. They selected a number of comparable peer companies for reference and performed data projection to determine the reasonable range of discount rates; for other critical assumptions, such as sales prices, we made assessment of the reasonableness by inquiring the professional websites; for other indicators, we made references to historical data, feasibility study reports and data from companies in the same industry and region;
   5) We reviewed the qualification, and professional competence of the appraisal firm;
   6) We evaluated the adequacy and completeness of the disclosures in the notes to the financial statements.

Auditor's Report *(continued)*

Ernst & Young Hua Ming (2019) Shen Zi No. 60468092_H01
Zijin Mining Group Company Limited

III. KEY AUDIT MATTERS *(continued)*

Key audit matters:

Business combinations not involving enterprises under common control

1) On 17 September 2018, the Group entered into the "Agreement on Strategic Partnership" with the Republic of Serbia ("Serbia"). The Group increased the capital of Rudarsko-Topioničarski Basen RTB Bor Doo (the Group changed its name to "Zijin Bor Copper Doo Bor" after the capital increase, hereinafter referred to as "Bor Copper") in cash. After the capital increase, the Group held 63% equity interest in Bor Copper. On 18 December 2018, the closing conditions as stipulated in the Agreement on Strategic Partnership were either satisfied or waived, and the Company deposited a total amount of USD350,000,000 (equivalent to approximately RMB2,409,890,000) in the bank account of Bor Copper on that day. Since then, the transaction was completed and the Company obtained a 63% equity interest in Bor Copper.

2) On 5 September 2018, the Company entered into the "Pre-Acquisition Agreement" with Nevsun Resources Ltd. of Canada (hereinafter referred to as "Nevsun Resources") and the Lock-up Agreement with Nevsun Resources' directors and executive officers. The Group made an all cash takeover through an overseas subsidiary, to acquire all of the issued common shares of Nevsun Resources (which were approximately 309,749,905 shares) and any other common shares issued prior to the expiration of the offer at a consideration of CAD6 per common share. As at 28 December 2018, the number of shares of Nevsun Resources tendered to offer was 276,820,575, representing 89.37% of the total issued common shares of Nevsun Resources. Since then, all PRC and Canadian regulatory approvals, filings and registrations were completed, and all of the conditions to the offer were satisfied. On 31 December 2018, the Company deposited the consideration of the offer of CAD1,660,923,450 (equivalent to approximately RMB8,367,898,912) to the Canadian Depository for Securities. The transaction was completed on 31 December 2018.

How the matters were addressed in our audit:

We performed the following work on these matters during the audit:

1. We obtained and reviewed the equity transfer agreements, the resolutions of the shareholders' meetings and the board of directors' meetings related to the equity acquisitions, the payment documents for the acquisition considerations, the transfer documents of property rights, etc., checked whether the relevant legal procedures were completed, and discussed with management on the determination of the acquisition dates;

2. For the equities of the companies acquired held before the acquisition dates, we checked whether the fair values of the equities on the acquisition date were reasonable, whether the differences between the fair values and the book values were correctly included in the investment income of the current year, and whether the acquisition costs were correctly measured;

3. We obtained and reviewed the financial statements of the companies acquired on the acquisition date and their asset valuation reports, and conducted audit procedures on the financial statements of the companies acquired on the acquisition date, checked the reasonableness of the allocation of acquisition costs among the identifiable assets and liabilities, and reviewed the consolidation accounting treatment on the acquisition date;

4. We reviewed the qualifications, professional competence and independence of the asset appraisers;

5. We invited our internal valuation experts to review the important assumptions and basis in the asset valuation reports, the valuation values of the equities and the fair values of the identifiable net assets. Our internal valuation experts selected a series of comparable companies in the same industry for reference and data calculus;

6. We assessed the adequacy of the relevant acquisition disclosures in the financial statements.

III. KEY AUDIT MATTERS *(continued)*

Key audit matters:	**How the matters were addressed in our audit:**
Business combinations not involving enterprises under common control *(continued)* 3) The Group originally held a 45% equity interest in Xiamen Zijin Tongguan Investment Development Co., Ltd. ("Zijin Tongguan"). Through the bidding transaction at Xiamen Property Rights Exchange Center, the Group acquired a 6% equity interest in Zijin Tongguan at a consideration of RMB201,310,000 on 17 December 2018. The 6% equity interest was previously held by Xiamen C&D Inc. ("Xiamen C&D"). On 26 December 2018, Zijin Tongguan completed the registration of industrial and commercial changes. According to the property rights transaction agreement, the transaction was completed on the same day. After the transaction, the Group held 51% equity interest in Zijin Tongguan and obtained control. The above-mentioned equity acquisition transactions involved business combinations not involving enterprises under common control and business combinations not involving enterprises under common control achieved in stages. The Group needed to determine the acquisition date of the business combinations, the fair values of the equities of the companies acquired, the allocation of acquisition costs among each identifiable asset and liability, etc. The Group hired independent asset appraisers to perform valuation of the identifiable assets and liabilities, including cash flow forecasting and discount rate assumptions and estimates. Therefore, we considered this as a key audit matter. The disclosures of the above acquisitions are included in Note VI.1 Business combinations not involving enterprises under common control to the financial statements.	

Auditor's Report *(continued)*

Ernst & Young Hua Ming (2019) Shen Zi No. 60468092_H01
Zijin Mining Group Company Limited

III. KEY AUDIT MATTERS *(continued)*

Key audit matters:	How the matters were addressed in our audit:
Impairment assessment of trade receivables and other receivables	
The sales of gold bullion are mainly through cash sales or receipts in advance. The sales of gold bullion through cash sales are settled on the transaction dates. The sales of copper cathode, zinc bullion and ore concentrates adopt receipts in advance, letters of credit or credit sales. Other downstream products such as copper products (copper pipes, copper plates) accept credit sales. The credit period is usually 1 to 6 months. On 31 December 2018, the Group's net trade receivables amounted to RMB1,009,871,109, representing approximately 0.9% of the Group's total consolidated assets. Other receivables mainly included deposits, amounts due from associates and joint ventures, due from third parties, receivables of disposal of assets and insurance claim receivables. The net amount was RMB1,415,512,562, representing 1.3% of the Group's total consolidated assets. According to "Accounting Standard for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments", the Group adopted the expected credit loss model to measure the impairment of financial assets. Relevant accounting policies are disclosed in Note III to the financial statements. The expected credit loss model adopted was based on the Group's historical default rate and other specific factors, including customer type, ageing of the closing balance, historical collection and write-off conditions, and the migration rate. At the same time, management also considered forward-looking information, including whether there is a dispute or the expected macroeconomic environment, etc. As significant management accounting estimates was involved in assessing expected credit losses, we considered this as a key audit matter. For related information disclosure, please refer to Notes III.9 and 11, and Notes V.4, 6 and 53 to the financial statements.	The procedures we performed were as follows: 1. We evaluated the Group's monitoring of credit risk of trade receivables and other receivables, the design, implementation and operation of internal control of management assessment related to expected credit losses, and assessed whether management updated the accounting policy for financial instruments in accordance with "Accounting Standard for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments"; 2. We evaluated management's judgement on changes in credit risk and reviewed the rationality of different stages of other receivables; 3. We compared the ageing report of trade receivables with related sales, and performed a sampling test on the accuracy of the aging report of trade receivables; 4. We checked historical collection and bad debt data, assessed the accuracy of the historical loss rate, combined current economic conditions and other forward-looking data to assess the rationality of management's use of expected credit loss model to make bad debt provision for trade receivables and other receivables; 5. We reviewed the accounting treatment during the year of the implementation of the new financial instruments standards by management; 6. We performed a sampling test and inspected the collection of trade receivables and other receivables after 31 December 2018 and related supporting documents; 7. We reviewed the adequacy and completeness of the disclosure of the changes of accounting policies in the notes to the financial statements.

Auditor's Report *(continued)*

Ernst & Young Hua Ming (2019) Shen Zi No. 60468092_H01
Zijin Mining Group Company Limited

IV. OTHER INFORMATION

Management is responsible for the other information. The other information comprises the information included in the 2018 Annual Report of A Shares and H Shares, other than the financial statements and our auditor's report thereon. We have obtained the 2018 Annual Report of A Shares prior to the reporting date and the 2018 Annual Report of H Shares is expected to be provided to us after the reporting date.

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

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

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

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

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

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

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

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

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

Auditor's Report *(continued)*

Ernst & Young Hua Ming (2019) Shen Zi No. 60468092_H01
Zijin Mining Group Company Limited

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

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

1) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.

3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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

Ernst & Young Hua Ming LLP

Chinese Certified Public Accountant: Xie Feng
(Engagement Partner)

Beijing, the People's Republic of China

Chinese Certified Public Accountant: Xiang Zhao

22 March 2019

Consolidated Statement of Financial Position

As at 31 December 2018

RMB

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

ASSETS	Note V	**31 December 2018**	31 December 2017
CURRENT ASSETS			
Cash and cash equivalents	1	**10,089,890,808**	5,936,066,673
Held for trading financial assets	2	**787,134,360**	—
Financial assets at fair value through profit or loss	3	**—**	2,553,927,721
Bills receivable and trade receivables	4	**1,009,871,109**	2,812,240,046
Prepayments	5	**1,419,162,525**	1,344,141,153
Other receivables	6	**1,415,512,562**	1,153,002,957
Inventories	7	**12,669,674,863**	11,089,834,955
Held for sale assets	8	**246,189,223**	—
Current portion of non-current assets	9	**307,233,993**	257,775,683
Other current assets	10	**2,504,018,792**	3,528,021,403
Total current assets		**30,448,688,235**	28,675,010,591
NON-CURRENT ASSETS			
Available-for-sale investments	11	**—**	778,201,186
Long-term equity investments	12	**7,041,753,269**	6,797,348,216
Other equity instrument investments	13	**1,983,796,793**	—
Other non-current financial assets	14	**401,513,674**	—
Investment properties	15	**608,221,789**	350,540,469
Fixed assets	16	**34,144,464,854**	30,136,199,603
Construction in progress	17	**5,355,805,804**	3,296,568,444
Intangible assets	18	**22,510,280,215**	9,903,526,027
Goodwill	19	**314,149,588**	463,597,655
Long-term deferred assets	20	**987,315,471**	1,114,758,644
Deferred tax assets	21	**884,776,204**	840,108,626
Other non-current assets	22	**8,198,537,946**	6,959,404,089
Total non-current assets		**82,430,615,607**	60,640,252,959
TOTAL ASSETS		**112,879,303,842**	89,315,263,550
LIABILITIES AND OWNERS' EQUITY			
CURRENT LIABILITIES			
Short-term borrowings	24	**15,616,680,236**	9,855,873,011
Held for trading financial liabilities	25	**242,482,582**	—
Financial liabilities at fair value through profit or loss	26	**—**	2,314,244,937
Bills payable and trade payables	27	**4,700,981,856**	4,396,254,031
Advances from customers	28	**—**	2,143,111,140
Contract liabilities	29	**277,125,058**	—
Employee benefits payable	30	**726,630,090**	661,764,830
Taxes payable	31	**903,782,106**	1,175,693,479
Other payables	32	**4,979,586,829**	3,646,308,326
Held for sale liabilities	8	**68,739,751**	—
Current portion of non-current liabilities	33	**9,707,089,022**	4,600,343,261
Total current liabilities		**37,223,097,530**	28,793,593,015

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

Consolidated Statement of Financial Position *(continued)*

As at 31 December 2018

RMB

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

LIABILITIES AND OWNERS' EQUITY *(continued)*	Note V	**31 December 2018**	31 December 2017
NON-CURRENT LIABILITIES			
Long-term borrowings	34	**12,917,915,706**	6,599,046,795
Bonds payable	35	**8,879,453,693**	13,779,116,465
Long-term payables	36	**733,077,872**	563,703,645
Provision	37	**2,686,090,453**	861,014,312
Deferred income	38	**422,783,097**	451,419,375
Deferred tax liabilities	21	**2,743,172,789**	624,524,725
Total non-current liabilities		**28,382,493,610**	22,878,825,317
TOTAL LIABILITIES		**65,605,591,140**	51,672,418,332
EQUITY			
Share capital	39	**2,303,121,889**	2,303,121,889
Other equity instruments	40	**4,985,500,000**	498,550,000
Including: Renewable corporate bonds		***4,985,500,000***	*498,550,000*
Capital reserve	41	**11,094,766,390**	11,109,919,061
Other comprehensive income	42	**(1,575,973,065)**	(602,893,526)
Special reserve	43	**147,393,497**	176,862,772
Surplus reserve	44	**1,319,401,104**	1,319,401,104
Retained earnings	45	**22,181,224,459**	20,194,761,855
Equity attributable to owners of the parent		**40,455,434,274**	34,999,723,155
Non-controlling interests		**6,818,278,428**	2,643,122,063
TOTAL EQUITY		**47,273,712,702**	37,642,845,218
TOTAL LIABILITIES AND OWNERS' EQUITY		**112,879,303,842**	89,315,263,550

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

The financial statements were signed by the followings:

Legal representative:	Principal in charge of accounting:	Head of accounting department:
Chen Jinghe	**Lin Hongying**	**Wu Honghui**

Consolidated Statement of Profit or Loss

For the year ended 31 December 2018

RMB

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

	Note V	2018	2017
OPERATING INCOME	46	**105,994,246,123**	94,548,619,098
Less: Operating costs	46	**92,651,374,475**	81,371,973,684
Taxes and surcharges	47	**1,598,995,649**	1,352,340,359
Selling expenses	48	**887,451,338**	748,942,449
Administrative expenses	49	**2,964,964,865**	2,694,689,753
Research and development expenses	50	**274,380,222**	299,380,476
Financial expenses	51	**1,254,241,143**	2,012,950,292
Including: Interest expenses		***1,576,224,662***	*1,589,043,304*
Interest income		***351,234,358***	*321,154,652*
Impairment losses on assets	52	**1,500,399,230**	2,220,905,893
Credit impairment losses	53	**(82,017,400)**	—
Add: Other income	54	**227,613,533**	228,882,015
Investment income	55	**1,060,522,923**	155,670,082
Including: Share of profits/(losses) of associates and joint ventures		***373,063,390***	*(29,259,162)*
(Losses)/gains on changes in fair value	56	**(135,783,729)**	750,200,343
Gains on disposal of non-current assets	57	**84,561,738**	44,456,123
OPERATING PROFIT		**6,181,371,066**	5,026,644,755
Add: Non-operating income	58	**365,953,586**	57,610,854
Less: Non-operating expenses	59	**417,144,870**	516,295,416
PROFIT BEFORE TAX		**6,130,179,782**	4,567,960,193
Less: Income tax expenses	60	**1,447,503,229**	1,320,410,996
NET PROFIT		**4,682,676,553**	3,247,549,197
Classification according to the continuity of operation			
Net profit from continuing operations		**4,682,676,553**	3,247,549,197
Attributable to:			
Owners of the parent		**4,093,773,630**	3,507,717,627
Non-controlling interests		**588,902,923**	(260,168,430)

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

Consolidated Statement of Profit or Loss *(continued)*

For the year ended 31 December 2018

RMB

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

	Note V	**2018**	2017
NET OTHER COMPREHENSIVE (LOSS)/INCOME AFTER TAX			
Other comprehensive loss not to be reclassified to profit or loss in subsequent periods			
Changes in fair value of other equity instrument investments		**(1,159,682,051)**	—
Other comprehensive (loss)/income to be reclassified to profit or loss in subsequent periods			
Changes in fair value of available-for-sale investments		**—**	(109,669,097)
Effective part of cash flow hedging instruments		**—**	168,224,050
Hedging costs — forward elements		**61,666,120**	—
Exchange differences arising from translation of financial statements denominated in foreign currencies		**(62,020,181)**	(18,760,719)
Other comprehensive (loss)/income attributable to owners of the parent		**(1,160,036,112)**	39,794,234
Other comprehensive (loss)/income attributable to non-controlling interests		**(14,449,278)**	20,989,731
Sub-total of net other comprehensive (loss)/income after tax		**(1,174,485,390)**	60,783,965
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**3,508,191,163**	3,308,333,162
Attributable to:			
Owners of the parent		***2,933,737,518***	*3,547,511,861*
Non-controlling shareholders		***574,453,645***	*(239,178,699)*
Earnings per share	61		
Basic earnings per share		**0.18**	0.16

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

Consolidated Statement of Changes in Equity

For the year ended 31 December 2018

RMB

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

For the year ended 31 December 2018

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

For the year ended 31 December 2017

	Attributable to owners of the parent									
	Share capital	Capital reserve	Other equity instruments	Other comprehensive income	Special reserve	Surplus reserve	Retained earnings	Subtotal	Non-controlling interests	Total equity
I. Closing balance of the preceding year and opening balance of the current year	2,154,074,365	6,703,357,022	—	(642,687,760)	159,412,702	1,319,401,104	18,068,917,361	27,762,474,794	3,354,033,392	31,116,508,186
II. Changes for the year										
(I) Total comprehensive income	—	—	—	39,794,234	—	—	3,507,717,627	3,547,511,861	(239,178,699)	3,308,333,162
(II) Owners' contributions and reductions in capital										
1. Capital contributed by owners	149,047,524	4,447,872,435	—	—	—	—	—	4,596,919,959	23,760,000	4,620,679,959
2. Others	—	(41,310,396)	498,550,000	—	—	—	—	457,239,604	(271,476,223)	185,763,381
(III) Profit distributions										
1. Distributions to owners	—	—	—	—	—	—	(1,381,873,133)	(1,381,873,133)	(226,683,558)	(1,608,556,691)
(IV) Transferred within owners' equity										
1. Transferred to special reserve in the current year	—	—	—	—	615,979,126	—	—	615,979,126	45,919,459	661,898,585
2. Amount utilised in the current year	—	—	—	—	(598,529,056)	—	—	(598,529,056)	(43,252,308)	(641,781,364)
III. Closing balance of the current year	2,303,121,889	11,109,919,061	498,550,000	(602,893,526)	176,862,772	1,319,401,104	20,194,761,855	34,999,723,155	2,643,122,063	37,642,845,218

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

Consolidated Statement of Cash Flows

For the year ended 31 December 2018

RMB

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

		Note V	**2018**	2017
I.	**CASH FLOWS FROM OPERATING ACTIVITIES:**			
	Cash receipts from sale of goods and rendering of services		**110,239,590,856**	99,931,682,747
	Other cash receipts relating to operating activities	62	**1,040,735,937**	1,001,042,952
	Sub-total of cash inflows from operating activities		**111,280,326,793**	100,932,725,699
	Cash payments for goods purchased and services received		**(91,365,517,820)**	(81,347,857,731)
	Cash payments to and on behalf of employees		**(3,072,305,591)**	(2,923,049,026)
	Payments of various types of taxes		**(4,533,769,385)**	(4,384,587,083)
	Other cash payments relating to operating activities	62	**(2,075,724,296)**	(2,512,876,345)
	Sub-total of cash outflows used in operating activities		**(101,047,317,092)**	(91,168,370,185)
	Net cash flows from operating activities		**10,233,009,701**	9,764,355,514
II.	**CASH FLOWS FROM INVESTING ACTIVITIES:**			
	Cash receipts from disposals and recovery of investments		**850,079,833**	736,481,303
	Cash receipts from investment income		**679,307,171**	605,314,269
	Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets		**363,398,711**	95,865,471
	Net cash receipts from acquisitions of subsidiaries and other business units	63	**—**	35,306,085
	Net cash receipts from disposals of subsidiaries and other business units	63	**—**	227,412,775
	Other cash receipts relating to investing activities	62	**2,324,310,263**	130,000,003
	Sub-total of cash inflows from investing activities		**4,217,095,978**	1,830,379,906
	Cash payments for acquisitions or constructions of fixed assets, intangible assets and other long-term assets		**(7,808,861,922)**	(5,037,484,759)
	Cash payments for acquisitions of investments		**(1,384,653,295)**	(990,949,510)
	Net cash payments for acquisitions of subsidiaries and other business units	63	**(7,853,617,667)**	—
	Other cash payments relating to investing activities	62	**(810,173,540)**	(1,749,548,450)
	Sub-total of cash outflows used in investing activities		**(17,857,306,424)**	(7,777,982,719)
	Net cash flows used in investing activities		**(13,640,210,446)**	(5,947,602,813)
III.	**CASH FLOWS FROM FINANCING ACTIVITIES:**			
	Cash receipts from capital contributions		**78,000,000**	4,620,679,959
	Including: Cash receipts from capital contributions from non-controlling shareholders of subsidiaries		***78,000,000***	*23,760,000*
	Cash receipts from issuance of renewable bonds		**4,486,950,000**	498,550,000
	Cash receipts from borrowings		**25,744,349,427**	3,748,020,500
	Cash receipts from gold leasing business		**7,453,452,046**	9,132,661,654
	Cash receipts from issuance of bonds and ultra short-term financing bonds		**2,402,120,455**	—
	Other cash receipts relating to financing activities	62	**40,120,269**	197,170,598
	Sub-total of cash inflows from financing activities		**40,204,992,197**	18,197,082,711

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

Consolidated Statement of Cash Flows *(continued)*

For the year ended 31 December 2018

RMB

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

		Note V	**2018**	2017
III.	**CASH FLOWS FROM FINANCING ACTIVITIES:** *(continued)*			
	Cash repayments of borrowings		**(14,423,736,524)**	(4,955,020,405)
	Cash repayments of gold leasing business		**(9,277,529,360)**	(7,338,834,168)
	Cash repayments of bonds and ultra short-term financing bonds		**(2,500,000,000)**	(5,000,000,000)
	Cash payments for distribution of dividends or profits or settlement of interest expenses		**(4,594,953,627)**	(3,188,451,228)
	Including: Payments for distribution of dividends or profits to non-controlling shareholders of subsidiaries		***(849,673,586)***	*(226,683,558)*
	Other cash payments relating to financing activities	62	**(1,753,604,248)**	(389,064,253)
	Sub-total of cash outflows used in financing activities		**(32,549,823,759)**	(20,871,370,054)
	Net cash flows from/(used in) in financing activities		**7,655,168,438**	(2,674,287,343)
IV.	**EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS**		**(69,473,497)**	(100,944,745)
V.	**NET INCREASE IN CASH AND CASH EQUIVALENTS**	63	**4,178,494,196**	1,041,520,613
	Add: Opening balance of cash and cash equivalents		**5,754,343,955**	4,712,823,342
VI.	**CLOSING BALANCE OF CASH AND CASH EQUIVALENTS**	63	**9,932,838,151**	5,754,343,955

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

Company Statement of Financial Position

As at 31 December 2018

RMB

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

ASSETS	Note XIV	31 December 2018	31 December 2017
CURRENT ASSETS			
Cash and cash equivalents		**3,405,752,073**	3,609,294,859
Held for trading financial assets		**149,869,381**	—
Financial assets at fair value through profit or loss		**—**	175,870,145
Bills receivable and trade receivables	1	**944,410,158**	1,153,107,622
Prepayments		**54,761,022**	100,765,817
Other receivables	2	**13,369,134,726**	10,674,817,824
Inventories		**181,835,201**	218,436,302
Held for sale assets		**142,501,896**	—
Other current assets		**294,869,619**	2,256,160,618
Total current assets		**18,543,134,076**	18,188,453,187
NON-CURRENT ASSETS			
Available-for-sale investments	3	**—**	460,422,337
Long-term equity investments	4	**29,273,825,050**	24,493,001,347
Other equity instrument investments		**299,890,204**	—
Fixed assets	5	**3,423,396,138**	3,581,268,191
Construction in progress	6	**162,970,313**	207,966,784
Intangible assets	7	**280,495,251**	288,820,973
Long-term deferred assets	8	**202,140,313**	176,180,098
Deferred tax assets		**203,515,795**	255,037,344
Other non-current assets	9	**9,830,231,598**	11,617,840,714
Total non-current assets		**43,676,464,662**	41,080,537,788
TOTAL ASSETS		**62,219,598,738**	59,268,990,975
LIABILITIES AND OWNERS' EQUITY			
CURRENT LIABILITIES			
Short-term borrowings		**6,439,941,129**	4,643,139,800
Financial liabilities at fair value through profit or loss		**—**	2,163,798,120
Bills payable and trade payables	11	**643,993,331**	606,247,061
Advances from customers		**—**	8,133,245
Contract liabilities		**9,110,298**	—
Employee benefits payable		**131,945,173**	131,832,706
Taxes payable		**39,111,115**	79,123,696
Other payables		**976,050,313**	1,042,641,567
Current portion of non-current liabilities		**9,219,712,010**	3,162,651,847
Other current liabilities		**295,798,605**	64,079,723
Total current liabilities		**17,755,661,974**	11,901,647,765

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

Company Statement of Financial Position *(continued)*

As at 31 December 2018

RMB

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

LIABILITIES AND OWNERS' EQUITY *(continued)*	Note XIV	**31 December 2018**	31 December 2017
NON-CURRENT LIABILITIES			
Long-term borrowings		**4,752,185,360**	5,681,201,760
Bonds payable	12	**6,493,057,030**	13,779,116,465
Long-term payables	13	**274,768,834**	232,927,534
Deferred income		**188,631,381**	222,595,881
Other non-current liabilities		**802,178,723**	4,399,450
Total non-current liabilities		**12,510,821,328**	19,920,241,090
TOTAL LIABILITIES		**30,266,483,302**	31,821,888,855
EQUITY			
Share capital		**2,303,121,889**	2,303,121,889
Other equity instruments		**4,985,500,000**	498,550,000
Including: Renewable corporate bonds		***4,985,500,000***	*498,550,000*
Capital reserve		**13,057,926,951**	13,226,407,493
Other comprehensive income		**(79,283,749)**	—
Surplus reserve		**1,151,560,944**	1,090,812,600
Retained earnings		**10,534,289,401**	10,328,210,138
TOTAL EQUITY		**31,953,115,436**	27,447,102,120
TOTAL LIABILITIES AND OWNERS' EQUITY		**62,219,598,738**	59,268,990,975

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

Company Statement of Profit or Loss

For the year ended 31 December 2018

RMB

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

	Note XIV	**2018**	2017
OPERATING INCOME	14	**4,085,832,610**	3,786,088,988
Less: Operating costs	14	**2,508,626,347**	2,241,847,147
Taxes and surcharges		**264,944,671**	245,695,914
Selling expenses		**21,687,249**	18,574,788
Administrative expenses		**573,830,314**	517,991,386
Research and development expenses		**168,145,513**	270,583,905
Financial expenses	15	**188,566,687**	280,457,765
Including: Interest expenses		***1,206,285,681***	*1,187,819,033*
Interest income		***960,508,815***	*984,241,991*
Impairment losses on assets	16	**3,575,729**	154,572,757
Credit impairment losses		**(140,022,078)**	—
Add: Other income		**53,750,800**	62,627,659
Investment income	17	**1,939,227,308**	1,450,301,281
Including: Share of losses of associates and joint ventures		***(92,829,106)***	*(88,124,377)*
(Losses)/Gains on changes in fair value		**(14,512,179)**	66,289,913
Gains on disposal of non-current assets		**22,394,838**	15,455,106
OPERATING PROFIT		**2,497,338,945**	1,651,039,285
Add: Non-operating income		**27,651,054**	19,878,058
Less: Non-operating expenses		**78,848,961**	118,645,966
PROFIT BEFORE TAX		**2,446,141,038**	1,552,271,377
Less: Income tax expenses		**72,393,688**	87,933,755
NET PROFIT		**2,373,747,350**	1,464,337,622
Including: Net profit from continuing operations		**2,373,747,350**	1,464,337,622
NET OTHER COMPREHENSIVE (LOSS)/INCOME AFTER TAX			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods			
Changes in fair value of other equity instrument investments		**(174,225,295)**	—
Other comprehensive income to be reclassified to profit or loss in subsequent periods			
Effective part of cash flow hedging instruments		**—**	88,866,653
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**2,199,522,055**	1,553,204,275

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

Company Statement of Changes in Equity

For the year ended 31 December 2018

RMB

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

For the year ended 31 December 2018

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

For the year ended 31 December 2017

				Share capital	Capital reserve	Other equity instruments	Other comprehensive income	Special reserve	Surplus reserve	Retained earnings	Total equity
I.	Closing balance of the preceding year and opening balance of the current year			2,154,074,365	8,576,035,058	—	(88,866,653)	—	1,090,812,600	10,245,745,649	21,977,801,019
II.	Changes for the year										
	(I)	Total comprehensive income		—	—	—	88,866,653	—	—	1,464,337,622	1,553,204,275
	(II)	Owners' contributions and reductions in capital									
		1.	Capital contributed by owners	149,047,524	4,447,872,435	—	—	—	—	—	4,596,919,959
		2.	Others	—	—	498,550,000	—	—	—	—	498,550,000
	(III)	Profit distributions									
		1.	Distributions to owners	—	—	—	—	—	—	(1,381,873,133)	(1,381,873,133)
	(IV)	Special reserve									
		1.	Transferred to special reserve in the current year	—	—	—	—	286,719,499	—	—	286,719,499
		2.	Amount utilised in the current year	—	—	—	—	(286,719,499)	—	—	(286,719,499)
	(V)	Others		—	202,500,000	—	—	—	—	—	202,500,000
III.	Closing balance of the current year			2,303,121,889	13,226,407,493	498,550,000	—	—	1,090,812,600	10,328,210,138	27,447,102,120

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

Company Statement of Cash Flows

For the year ended 31 December 2018

RMB

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

		Note XIV	2018	2017
I.	**CASH FLOWS FROM OPERATING ACTIVITIES:**			
	Cash receipts from sale of goods and rendering of services		**4,852,104,833**	4,669,981,355
	Other cash receipts relating to operating activities		**129,466,037**	153,341,167
	Sub-total of cash inflows from operating activities		**4,981,570,870**	4,823,322,522
	Cash payments for goods purchased and services received		**(1,702,531,642)**	(1,809,061,219)
	Cash payments to and on behalf of employees		**(548,407,225)**	(593,608,211)
	Payments of various types of taxes		**(674,968,309)**	(493,472,793)
	Other cash payments relating to operating activities		**(305,020,781)**	(628,728,906)
	Sub-total of cash outflows used in operating activities		**(3,230,927,957)**	(3,524,871,129)
	Net cash flows from operating activities	18	**1,750,642,913**	1,298,451,393
II.	**CASH FLOWS FROM INVESTING ACTIVITIES:**			
	Cash receipts from disposals and recovery of investments		**3,622,104,484**	2,735,932,843
	Cash receipts from investment income		**2,766,905,737**	2,092,101,118
	Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets		**30,741,786**	21,932,835
	Other cash receipts relating to investing activities		**1,913,450,104**	806,493,396
	Sub-total of cash inflows from investing activities		**8,333,202,111**	5,656,460,192
	Cash payments for acquisitions or constructions of fixed assets, intangible assets and other long-term assets		**(1,092,878,647)**	(534,388,296)
	Cash payments for acquisitions of investments		**(7,448,064,868)**	(2,466,372,699)
	Other cash payments relating to investing activities		**(232,970,894)**	(3,715,262,962)
	Sub-total of cash outflows used in investing activities		**(8,773,914,409)**	(6,716,023,957)
	Net cash flows used in investing activities		**(440,712,298)**	(1,059,563,765)
III.	**CASH FLOWS FROM FINANCING ACTIVITIES:**			
	Cash receipts from capital contributions		**—**	4,596,919,959
	Cash receipts from issuance of renewable bonds		**4,486,950,000**	498,550,000
	Cash receipts from borrowings		**2,628,951,300**	4,780,883,250
	Cash receipts from gold leasing business		**5,651,491,129**	6,827,221,812
	Other cash receipts relating to financing activities		**—**	3,170,885
	Sub-total of cash inflows from financing activities		**12,767,392,429**	16,706,745,906
	Cash repayments of borrowings		**(1,658,406,440)**	(3,368,652,316)
	Cash repayments of gold leasing business		**(6,934,413,092)**	(5,058,604,805)
	Cash repayments of bonds and ultra short-term financing bonds		**(2,500,000,000)**	(5,000,000,000)
	Cash payments for distribution of dividends or profits or settlement of interest expenses		**(3,244,655,164)**	(2,492,430,334)
	Other cash payments relating to financing activities		**(25,663,978)**	(23,848,300)
	Sub-total of cash outflows used in financing activities		**(14,363,138,674)**	(15,943,535,755)
	Net cash flows (used in)/from financing activities		**(1,595,746,245)**	763,210,151

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

Company Statement of Cash Flows *(continued)*

For the year ended 31 December 2018

RMB

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

	Note XIV	**2018**	2017
IV. EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		**16,110,640**	(117,793,019)
V. NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	18	**(269,704,990)**	884,304,760
Add: Opening balance of cash and cash equivalents		**3,396,040,173**	2,511,735,413
VI. CLOSING BALANCE OF CASH AND CASH EQUIVALENTS	18	**3,126,335,183**	3,396,040,173

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

Notes to Financial Statements

For the year ended 31 December 2018

RMB

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

I. CORPORATE INFORMATION

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

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

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

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

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

Notes to Financial Statements *(continued)*

For the year ended 31 December 2018

RMB

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

I. CORPORATE INFORMATION *(continued)*

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

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

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

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

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

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

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

The financial statements were approved by the Company's board of directors on 22 March 2019. In compliance with the articles of association of the Company, the financial statements will be proposed for approval at the forthcoming shareholders' general meeting.

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

II. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

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

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

As at 31 December 2018, the Group recorded current assets of RMB30,448,688,235 and current liabilities of RMB37,223,097,530. The balance of the current assets was less than that of the current liabilities. In view of this circumstance, the management of the Company has given consideration to the future liquidity of the Group and its available financial sources in assessing whether the Group will have sufficient financial resources to continue as a going concern, mainly including that the Group has sufficient bank line of credit.

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

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

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

1. Statement of compliance with CAS

The financial statements have been prepared in accordance with CAS, and presented truthfully and completely the Company's and Group's financial position as at 31 December 2018, and the Company's and Group's financial performance and cash flows for the year then ended.

2. Accounting period

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

3. Functional currency

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

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

4. Business combination

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

Notes to Financial Statements *(continued)*

For the year ended 31 December 2018

RMB

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

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

4. Business combination *(continued)*

Business combinations involving enterprises under common control

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

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

Business combinations not involving enterprises under common control

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

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

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

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

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

5. Consolidation of financial statements

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

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

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

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

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

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

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

6. Classification of joint arrangement and joint operation

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

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

7. Cash and cash equivalents

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

Notes to Financial Statements *(continued)*

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

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

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

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

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

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

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

9. Financial instruments (applicable from 1 January 2018)

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

Recognition and derecognition of financial instruments

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

The Group derecognises a financial asset, part of a financial asset or part of a group of similar financial assets, i.e., offset from the accounts and statement of financial position, if either of the following conditions is satisfied:

(1) The contractual rights to the cash flows from the financial asset expire; or

(2) The contractual rights to the cash flows from the financial asset are transferred out, or obligated to transfer out all generated cash flows on receipt; and (a) substantially all the risks and rewards of ownership of the financial asset are transferred to the transferee; or (b) the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset, but has not retained control of the financial asset.

Notes to Financial Statements *(continued)*

For the year ended 31 December 2018

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

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

9. Financial instruments (applicable from 1 January 2018) *(continued)*

Recognition and derecognition of financial instruments *(continued)*

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

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

Classification and measurement of financial assets

At initial recognition, the Group classifies its financial assets into: financial assets at fair value through profit or loss, financial assets at amortised cost, or financial assets at fair value through other comprehensive income, according to the Group's business model for managing financial assets and the contractual cash flows characteristics of the financial assets. Financial assets are measured at fair value at initial recognition, provided that trade receivables or bills receivable arising from the sale of goods or rendering of services not containing significant financing components or for which financing components of not more than 1 year are not taken into consideration and shall be measured at their transaction prices at initial recognition.

For financial assets at fair value through profit or loss, transaction costs are immediately recognised in profit or loss for the current period. For other financial assets, transaction costs are included in their initial recognised amounts.

Subsequent measurement of financial assets is determined by its classification:

Financial assets at amortised cost (debt instrument investments)

The Group measures financial assets at amortised cost if both of the following conditions are met: the financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income of this kind of financial assets is recognised using the effective interest method. Gains and losses are recognised in the statement of profit or loss when the asset is derecognised, modified or impaired. These financial assets mainly include cash and cash equivalents, bills receivable and trade receivables, other receivables, debt investments and long-term receivables. Debt investments and long-term receivables due within one year from the date of statement of financial position are reported by the Group as current portion of non-current assets, and debt investments due within one year from the original maturity date are reported as other current assets.

Financial assets at fair value through other comprehensive income (debt instrument investments)

The Group measures financial assets at fair value through other comprehensive income if both of the following conditions are met: the financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income of such financial assets is recognised based on effective interest method. Changes in fair values are recognised in other comprehensive income except that interest income, impairment losses and exchange differences are recognised in current profit or loss. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is transferred to the profit or loss. Such financial assets are reported as other debt investments. Other debt investments due within one year from the date of statement of financial position are reported as current portion of non-current assets and other debt investments due within one year from the original maturity date are reported as other current assets.

Notes to Financial Statements *(continued)*

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

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

9. Financial instruments (applicable from 1 January 2018) *(continued)*

Classification and measurement of financial assets *(continued)*

Financial assets at fair value through other comprehensive income (equity instrument investments)

The Group irrevocably chooses to designate some instrument investments of non-trading nature as financial assets at fair value through other comprehensive income. Only relevant dividend income (excluding dividend income explicitly recovered as part of investment cost) is recognised in profit or loss, and subsequent changes in fair value are included in other comprehensive income without provision for impairment. When financial assets are derecognised, the accumulated gains or losses previously recognised in other comprehensive gains are transferred from other comprehensive income and recognised in retained earnings. Such financial assets are reported as other equity investments.

If one of the following conditions is met, it is a held for trading financial asset: the acquisition of the relevant financial asset is intended primarily for sale or repurchase in the near future; it is a part of the portfolio of identifiable financial instruments under centralised management, and there is objective evidence that the short-term profit model is adopted in the near future; it is a derivative, except for a derivative that is designated as an effective hedging instrument, other than a derivative that constitutes a financial guarantee contract.

Financial assets at fair value through profit or loss

Financial assets other than the abovementioned financial assets at amortised cost and financial assets at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. For such financial assets, fair value is used for subsequent measurement, and all changes in fair value are recognised in profit or loss. Such financial assets are presented as held for trading financial assets and are presented as other non-current financial assets if they expire after more than one year from the date of statement of financial position or expected to be held more than one year from the date of statement of financial position.

When an enterprise initially designates a financial asset as a financial asset at fair value through profit or loss, it cannot be reclassified to other financial assets; other financial assets cannot be re-designated after initial recognition as financial assets at fair value through profit or loss.

In accordance with the above conditions, the Group's designated financial assets mainly consist of equity instrument investments of non-trading nature which are irrevocably designated as financial assets at fair value through other comprehensive income.

When and only when the Group changes its business model of managing financial assets, it reclassifies all relevant financial assets affected.

Classification and measurement of financial liabilities

On initial recognition, financial liabilities of the Group are classified as financial liabilities at fair value through profit or loss, other financial liabilities and derivatives designated as effective hedging instruments. For financial liabilities at fair value through profit or loss, the relevant transaction costs are directly recognised in profit or loss for the current period, and the related transaction costs of other financial liabilities are recognised in their initial amount.

Subsequent measurement of financial liabilities is determined by its classification:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss consist of held for trading financial liabilities (including derivatives belonging to financial liabilities) and financial liabilities designated on initial recognition as financial liabilities at fair value through profit or loss.

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

9. Financial instruments (applicable from 1 January 2018) *(continued)*

Classification and measurement of financial liabilities *(continued)*

Financial liabilities at fair value through profit or loss (continued)

Financial liabilities are classified as held for trading financial liabilities if one of the following conditions are met: the purpose of assuming related financial liabilities is mainly to sell or repurchase in the near future; they are part of a centrally managed identifiable portfolio of financial instruments, and there is objective evidence that enterprises have adopted short-term profitability model in the near future; they are derivatives, excluding derivatives that are designated as effective hedging instruments and derivatives that meet the financial guarantee contract. Held for trading financial liabilities (including derivatives belonging to financial liabilities) are subsequently measured at fair value. Except for hedging accounting, all changes in fair value are recognised in profit or loss for the current period.

Only if one of the following conditions is met can financial liabilities be designated as financial liabilities at fair value through profit or loss on initial recognition:

(1) It can eliminate or significantly reduce accounting mismatch.

(2) The formal written document of risk management or investment strategy has stated that the portfolio of financial instruments is managed, evaluated and reported to key managers on the basis of fair value.

(3) A hybrid instrument that contains one or more embedded derivatives, unless the embedded derivatives have no significant change in the cash flow of the hybrid instrument, or the embedded derivatives should obviously not be separated from the related hybrid instruments.

(4) Hybrid instruments containing embedded derivatives that need to be split but cannot be measured separately at the time of acquisition or on subsequent dates of statement of financial position.

For such financial liabilities, subsequent measurements are made at fair value. Changes in fair value caused by changes in the Group's own credit risk are recognised in other comprehensive income, while other changes in fair value are recognised in profit or loss for the current period. Unless changes in fair value caused by changes in the Group's own credit risk recognised in other comprehensive income may result in or expand accounting mismatches in profit or loss, the Group shall recognise all changes in fair value (including the amount of impact of changes in its own credit risk) in profit or loss.

When an enterprise designates a financial liability as a financial liability at fair value through profit or loss on initial recognition, it cannot be reclassified as other financial liabilities; nor can other financial liabilities be re-designated as financial liabilities at fair value through profit or loss after initial recognition.

Other financial liabilities

For such financial liabilities, subsequent measurement is made at amortised cost using effective interest method.

Impairment of financial assets

Based on expected credit losses, the Group undertakes impairment treatment and confirms loss provisions of financial assets at amortised cost, debt instrument investments at fair value through other comprehensive income and financial guarantee contracts.

Credit loss refers to the difference between the cash flow of all contracts discounted at the original effective interest rate and the expected cash flow of all contracts receivable, i.e. the present value of all cash shortages. Among them, the financial assets purchased by or originated from the Group to which credit impairment has occurred shall be discounted at the effective interest rate adjusted by the credit of the financial assets.

For trade receivables and contract assets that do not contain significant financing components, the Group uses a simplified measurement approach to measure loss provisions in accordance with the amount of expected credit losses equivalent to the entire lifetime.

For trade receivables and contract assets with significant financing components, the Group chooses to use a simplified measurement approach to measure loss provisions in accordance with the amount of expected credit losses equivalent to the lifetime expected credit losses.

Notes to Financial Statements *(continued)*

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

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

9. Financial instruments (applicable from 1 January 2018) *(continued)*

Impairment of financial assets *(continued)*

For financial assets and financial guarantee contracts other than those measured with simplified approach, the Group evaluates at each date of statement of financial position whether its credit risk has significantly increased since initial recognition. The period during which credit risk has not significantly increased since initial recognition is considered the first stage, at which the Group shall measure loss provision based on the amount of expected credit losses for the next 12 months and shall compute interest income according to the book value and effective interest rate; the period during which credit risk has significantly increased since initial recognition although no credit impairment has occurred is considered the second stage, at which the Group shall measure loss provision based on the amount of expected credit losses for the entire valid period and shall compute interest income according to the book value and effective interest rate; the period during which credit impairment has occurred after initial recognition is considered the third stage, at which the Group shall measure loss provision based on the amount of expected credit losses for the entire period and shall compute interest income according to the amortised cost and effective interest rate. For financial instruments with relatively low credit risk at the date of statement of financial position, the Group assumes its credit risk has not significantly increase since initial recognition.

The Group evaluates the expected credit losses of financial instruments on a single and combined basis. Taking into account the credit risk characteristics of different customers, the Group evaluates the expected credit losses of trade receivables based on the ageing portfolio.

In assessing expected credit losses, the Group takes into account reasonable and valid information on past events, current conditions and future economic forecasts.

Please refer to Note VIII.3 for the disclosure of the Group's criteria for judging the significant increase in credit risk, the definition of credit-impaired financial assets, and the assumption of measuring expected credit losses, etc.

When the Group no longer reasonably expects to be able to recover all or part of the contractual cash flows of the financial assets, the Group will write off the book value of the financial assets directly.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is recognised in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the financial assets and settle the financial liabilities simultaneously.

Financial guarantee contracts

A financial guarantee contract is a contract by which the guarantor and the lender agree that the guarantor would settle the debts or bear obligations in accordance with terms of the contract in case the borrower fails to settle the debts. Financial guarantee contracts are measured at fair value on initial recognition. Subsequent to initial recognition, financial guarantee contracts that are not designated as financial liabilities at fair value through profit and loss are measured at the higher of: the expected credit loss amount recognised on the date of statement of financial position and the balance of the initial recognition amount after deducting the accumulated amortisation amount recognised according to the revenue recognition principle.

Derivatives

The Group uses derivative financial instruments, such as forward exchange contracts for mitigating foreign exchange rate fluctuation risk, forward commodity contracts for hedging price fluctuation risk, and interest rate swap contracts for mitigating interest rate risk, respectively. Derivatives are initially measured at fair value at the date when the derivative contracts are entered into and are subsequently measured at fair value. Derivatives are recognised as assets when the fair value is positive and as liabilities when the fair value is negative.

Other than hedging accounting, gains or losses arising from changes in the fair value of derivatives are directly recognised in profit or loss for the current period.

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

9. Financial instruments (applicable from 1 January 2018) *(continued)*

Modification of financial assets

Where the Group modifies or renegotiates the contract with its counterparty which does not result in the derecognition of financial assets, but results in a change in the cash flow of the contract, the Group recalculates the book value of the financial asset on the basis of the renegotiated or modified contractual cash flow at the discounted value of the original effective interest rate (or credit-adjusted effective rate of interest) of the financial asset, and the related gains or losses are recognised in profit or loss. The revised cost or expense of the financial assets adjust the book value of the financial assets and are amortised within the remaining period of the modified financial assets.

Transfer of financial assets

The Group derecognises a financial asset when it has transferred substantially all the risks and rewards of ownership of the financial asset to the transferee; the Group does not derecognise those financial assets when it retains substantially all the risks and rewards of the ownership.

If the Group neither transfers nor retains substantially all the risks and rewards of ownership of financial assets, the related accounting treatments of such financial assets are as follows: the Group derecognises financial assets when it retains no control on them, and associated assets and liabilities are recognised at the same time. If the Group retains control of the financial asset, it recognises the financial asset to the extent of its continuing involvement in the transferred financial asset and recognises an associated liability.

Continuing involvement that takes the form of a financial guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the financial guarantee. The amount of the financial guarantee is the maximum amount of consideration that the Group could be required to repay.

10. Financial instruments (applicable in 2017)

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

Recognition and derecognition of financial instruments

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

The Group derecognises a financial asset, part of a financial asset or part of a group of similar financial assets, i.e., offset from the accounts and statement of financial position, if either of the following conditions is satisfied:

(1) The contractual rights to the cash flows from the financial asset expire; or

(2) The contractual rights to the cash flows from the financial asset are transferred out, or obligated to transfer out all generated cash flows on receipt; and (a) substantially all the risks and rewards of ownership of the financial asset are transferred to the transferee; or (b) the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset, but has not retained control of the financial asset.

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

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

Notes to Financial Statements *(continued)*

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

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

10. Financial instruments (applicable in 2017) *(continued)*

Classification and measurement of financial assets

On initial recognition, the Group's financial assets are classified into one of the categories including: financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables, available-for-sale investments, and derivatives designated as effective hedging instruments. Financial assets are initially measured at fair value. For financial assets at fair value through profit or loss, transaction costs are immediately recognised in profit or loss for the current period. For other financial assets, transaction costs are included in their initial recognised amounts.

Subsequent measurement of financial assets is determined by its classification:

Financial assets at fair value through profit or loss ("FVTPL")

The Group's financial assets at FVTPL include held for trading financial assets and financial assets designated upon initial recognition as at FVTPL. A financial asset is classified as held for trading if one of the following conditions is satisfied: (1) it has been acquired principally for the purpose of selling in the near term; or (2) it is part of a portfolio of identified financial instruments that the Group manages together and there is objective evidence that the Group has a recent actual pattern of short-term profit-taking; or (3) it is a derivative that is not designated as an effective hedging instrument, or a financial guarantee contract, or a derivative that is linked to and must be settled by delivery of an unquoted equity instrument (without a quoted price in an active market) whose fair value cannot be reliably measured. The above financial instruments are subsequently measured at fair value, realised and unrealised profit or loss is recognised in profit or loss for the current period. Related dividend or interest income from financial assets at FVTPL is recognised in profit or loss for the current period.

An entity shall not reclassify any financial asset out of the FVTPL category if upon initial recognition it was designated by the entity as at FVTPL; and an entity shall not reclassify any financial asset into the FVTPL category after initial recognition.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity dates that the Group's management has the positive intention and ability to hold to maturity. Held-to-maturity investments are subsequently measured at amortised cost using the effective interest method. Gains or losses arising from derecognition, impairment or amortisation are recognised in profit or loss for the current period.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are subsequently measured at amortised cost using the effective interest method. Gains or losses arising from impairment or amortisation are recognised in profit or loss for the current period.

Available-for-sale investments

Available-for-sale investments include non-derivative financial assets that are designated on initial recognition as available for sale, and financial assets that are not classified as financial assets at FVTPL, loans and receivables or held-to-maturity investments. Available-for-sale investments are subsequently measured at fair value. The discounted or premium amount of available-for-sale investments is amortised using the effective interest method and the amortisation is recognised as an interest income or expense. Except for impairment losses and exchange differences arising from foreign currency monetary financial assets which are recognised as profit or loss for the current period, available-for-sale investments are subsequently measured at fair value, and gains or losses arising from changes in the fair value are recognised as other comprehensive income. Accumulated gains or losses arising from changes in the fair value are classified as profit or loss on derecognition or when impairment arises. Dividends and interest earned from available-for-sale investments are recognised in profit or loss for the current period.

An equity investment instrument without a quoted price in an active market, whose fair value cannot be reliably measured, is recognised and subsequently measured at cost.

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

10. Financial instruments (applicable in 2017) *(continued)*

Classification and measurement of financial liabilities

On initial recognition, financial liabilities of the Group are classified into financial liabilities at FVTPL and other financial liabilities. For financial liabilities at FVTPL, transaction costs are immediately recognised in profit or loss. For other financial liabilities, transaction costs are included at their initial recognised amounts.

Subsequent measurement of financial liabilities is determined by the classification:

Financial liabilities at FVTPL

The Group's financial liabilities at FVTPL include held for trading financial liabilities and financial liabilities designated upon initial recognition as at FVTPL.

A financial liability is classified as held for trading if one of the following conditions is satisfied: it has been acquired principally for the purpose of repurchasing in the near term; or on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and there is objective evidence that the Group has a recent actual pattern of short-term profit-taking; or it is a derivative, except for a derivative that is a designated as effective hedging instrument, or a financial guarantee contract, or a derivative that is linked to and must be settled by delivery of an unquoted equity instrument (without a quoted price in an active market) whose fair value cannot be reliably measured. Financial liabilities at FVTPL are subsequently measured at fair value. Any realised and unrealised gains or losses to the financial liabilities are recognised in profit or loss for the current period.

An entity shall not reclassify any financial liabilities out of the FVTPL category if upon initial recognition they were designated by the entity as at FVTPL; and an entity shall not reclassify any financial liabilities into the FVTPL category after initial recognition.

Other financial liabilities

Other financial liabilities are subsequently measured at amortised cost using the effective interest method.

Impairment of financial assets

The Group assesses the carrying amount of financial assets at each date of statement of financial position. If there is objective evidence that a financial asset is impaired, the Group determines the amount of any impairment loss. Objective evidence that a financial asset is impaired is an evidence that, arising from one or more events that occurred after the initial recognition of the asset, the estimated future cash flows of the financial asset, which can be reliably measured, have been affected. Objective evidence of impairment may include indications that an issuer, a debtor or a group of debtors is experiencing significant financial difficulty, a debtor or debtors breach(es) contracts (i.e. default or delinquency in interest or principal payments, etc.), that it is very probable that they will enter bankruptcy or other financial reorganisation and observable data indicates that there is a measurable decrease in the estimated future cash flows.

Financial assets measured at amortised cost

If a financial asset measured at amortised cost is impaired, the carrying amount of the financial asset is reduced through the use of an allowance account to the present value of estimated future cash flows (excluding future credit losses that have not been incurred). The reduced amount is recognised in profit or loss for the current period. The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate (the effective interest rate upon initial recognition), and the value of the relevant guarantee should also be taken into account. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans and receivables together with any associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group.

Notes to Financial Statements *(continued)*

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

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

10. Financial instruments (applicable in 2017) *(continued)*

Impairment of financial assets *(continued)*

Financial assets measured at amortised cost (continued)

For a financial asset that is individually significant, the Group assesses the asset individually for impairment. If any objective evidence indicates that it has been impaired, the impairment losses are recognised in profit or loss for the current period. For a financial asset that is not individually significant, the Group assesses the asset individually for impairment or includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset (whether significant or not), it includes the asset in a group of financial assets with similar credit risk characteristics and collectively reassesses them for impairment. Assets for which an impairment loss is individually recognised are not included in a collective assessment of impairment.

If, subsequent to the recognition of an impairment loss on financial assets carried at amortised cost, there is objective evidence of a recovery in value of the financial assets which can be related objectively to an event occurring after the impairment is recognised, the previously recognised impairment loss is reversed and recognised in profit or loss for the current period. However, the reversal is made to the extent that the carrying amount of the financial asset at the date the impairment reversed does not exceed what the amortised cost would have been if the impairment had not been recognised.

Available-for-sale investments

If there is objective evidence that an available-for-sale investment is impaired, the cumulative loss arising from decline in fair value previously recognised directly in other comprehensive income is reclassified from other comprehensive income to profit or loss. The amount of the cumulative loss that is reclassified from other comprehensive income to profit or loss is the difference between the acquisition cost (net of any principal repayment and amortisation) and the current fair value, less any impairment losses on that financial asset previously recognised in profit or loss.

Objective evidence that an available-for-sale equity instrument investment is impaired includes the significant or prolonged decline in the fair value below its cost. "Significant" is evaluated against the original cost of the investment and "prolonged" against the length of period in which the fair value has been below its original cost. Where there is evidence of impairment, the cumulative loss measured is the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in the statement of profit or loss. Impairment losses on equity instruments classified as available-for-sale are not reversed through the statement of profit or loss. Increases in their fair value after impairment are recognised directly in other comprehensive income.

The determination of what is "significant" or "prolonged" requires judgement. In making this judgement, the Group evaluates, among other factors, the duration or extent to which the fair value of an investment is less than its cost.

In the case of debt instruments classified as available-for-sale, impairment is assessed based on the same criteria as financial assets measured at amortised cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortised cost and the current fair value, less any impairment loss on that investment previously recognised in the statement of profit or loss. Future interest income continues to be accrued based on the reduced carrying amount of the asset and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

If, subsequent to the recognition of an impairment loss on an available-for-sale debt instrument, there is objective evidence of a recovery in the fair value of the financial asset which can be related objectively to an event occurred after the impairment is recognised, the previously recognised impairment loss is reversed and recognised in profit or loss for the current period.

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

10. Financial instruments (applicable in 2017) *(continued)*

Impairment of financial assets *(continued)*

Financial assets measured at cost

If there is objective evidence that an impairment loss has been incurred on a financial asset measured at cost, the carrying amount of the financial asset is reduced to the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. The amount of reduction is recognised as an impairment loss in profit or loss for the current period. The impairment losses on such financial assets are not reversed once they are recognised.

Transfer of financial assets

The Group derecognises a financial asset when it has transferred substantially all the risks and rewards of ownership of the financial asset to the transferee; the Group does not derecognise those financial assets when it retains substantially all the risks and rewards of the ownership.

If the Group neither transfers nor retains substantially all the risks and rewards of ownership of financial assets, the related accounting treatments of such financial assets are as follows: the Group derecognises financial assets when it retains no control on them, and associated assets and liabilities are recognised at the same time. If the Group retains control of the financial asset, it recognises the financial asset to the extent of its continuing involvement in the transferred financial asset and recognises an associated liability.

Continuing involvement that takes the form of a financial guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the financial guarantee. The amount of the financial guarantee is the maximum amount of consideration that the Group could be required to repay.

11. Receivables

The recognition criteria and accrual methods of bad debt provision for the Group's receivables in 2017 are as follows:

Receivables that are not individually significant but for which bad debt has been provided individually

For a receivable that exceeds RMB10,000,000 and if there is objective evidence that an impairment loss has been incurred on the receivable, the carrying amount of the receivable is reduced to the present value of estimated future cash flows. The amount of reduction is recognised as an impairment loss in profit or loss for the current period. Objective evidence that a receivable is impaired is that, the estimated future cash flows of the receivable arising from one or more events that occurred subsequent to the initial recognition of the asset, which can be reliably measured, have been affected.

For receivables that are individually not significant, if there is objective evidence that an impairment loss has been incurred, the carrying amount of the receivable is reduced to the present value of estimated future cash flows. The amount of reduction is recognised as an impairment loss in profit or loss for the current period.

For the recognition criteria and method of the Group's bad debt provision for trade receivables from 1 January 2018, please refer to Note III.9.

Notes to Financial Statements *(continued)*

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

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

12. Inventories

The Group's inventories include raw materials, work in progress, finished goods, development costs of properties and consumable materials.

Inventories are initially measured at cost. Cost of inventories comprises all costs of purchase, costs of processing, cost of land, cost of construction and other expenditures. The actual cost of inventories upon delivery is calculated using the weighted average method. Consumable materials included low value consumption and packing materials, etc., which are recorded at cost in full upon delivery. Some spare parts and materials directly related to production are amortised periodically (for example, steel ball are amortised using the units-of-production method, and for some spare parts with a great value such as anode plates and lining boards, they are amortised over their actual useful lives). For property development business, all relevant costs of development will be allocated by apportionment of saleable areas at the completion stage. Cost for unsold area is apportioned into development properties.

The perpetual inventory system is maintained for the stock system.

At the date of statement of financial position, inventories are measured at the lower of cost and net realisable value. If the net realisable value is below the cost of inventories, a provision for decline in value of inventories is made and recorded in profit or loss for the current period. After the provision for decline in value of inventories is made, if the circumstances that previously caused inventories to be written down below cost no longer exist so that the net realisable value of inventories is higher than their cost, the original provision for decline in value is reversed and the reversal is included in profit or loss for the current period.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion, the estimated costs necessary to make the sale and relevant taxes. For raw materials, provision for decline in value is made based on the categories of inventories. For finished goods, provision for decline in value is made on an item-by-item basis.

13. Held for sale non-current assets or disposal groups

A non-current asset or disposal group is classified as held for sale when its carrying amount will be recovered principally through a sale transaction rather than through continuous use. The following conditions need to be simultaneously met to be classified as held for sale: according to the practice of selling such assets or disposal groups in similar transactions, they can be sold immediately under current conditions; the sale is highly likely, that is, the Company has already made a sale plan, a resolution is made and a certain purchase commitment is obtained. It is expected that the sale will be completed within one year (approval has been obtained where the relevant regulations require the relevant authorities of the enterprise or the supervisory authorities to approve the sale). If the control of the subsidiary is lost due to the sale of the subsidiary, etc., whether part of the equity investment is retained after the sale or not, and the conditions for holding for sale are satisfied, the investment in the subsidiary will be presented to held for sale in the individual financial statements and all assets and liabilities of the subsidiary are to be classified into held for sale in the consolidated financial statements.

For non-current assets or disposal groups held for sale (other than financial assets and deferred tax assets), if book value is higher than the fair value less the sale expenses, the book value is reduced to the fair value less costs to sell. The amount of the write-down is recognised as a loss, which is recognised in profit or loss, and the provision for impairment of held for sale assets is made. Held for sale non-current assets or non-current assets in disposal groups are not depreciated or amortised.

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

14. Long-term equity investments

Long-term equity investments include equity investments in subsidiaries, joint arrangements and associates.

A long-term equity investment is initially measured at its cost. For a long-term equity investment acquired through business combination involving enterprises under common control, the initial investment cost of the long-term equity investment is the attributable share of the carrying amount of the owners' equity of the acquiree in the ultimate controlling party's consolidated financial statements at the date of combination. The difference between initial investment cost and the carrying amount of the consideration is adjusted against capital reserve. If the capital reserve is not sufficient to absorb the difference, any excess shall be adjusted against retained earnings. For the other comprehensive income which is already held before the acquisition date, on the disposal the same accounting treatment of which the investee directly disposes of the related assets and liabilities should be used, changes in owners' equity of the investee other than net profit or loss, other comprehensive income and profits distribution are recognised in profit or loss for the current period when the investments are disposed of. Among which, those remain as long-term equity investments will be charged into the statement of profit or loss proportionately, those transferred as financial instruments will be fully charged to the statement of profit or loss. For a long-term equity investment acquired through business combination not involving enterprises under common control, the initial investment cost of a long-term equity investment is the cost of acquisition. For a long-term equity investment acquired through business combination not involving enterprises under common control and achieved in stages, the initial investment cost of the long-term equity investment is the aggregate of the carrying amount of the equity interest held in the acquiree prior to the acquisition date and the cost of the additional investment at the acquisition date. The investment cost is the aggregate of the fair values, at the acquisition date, of the assets given, liabilities incurred or assumed, and equity securities issued by the acquirer in exchange for control of the acquiree. For the other comprehensive income under the equity method which is already held before the acquisition date, on the disposal of the investment, the same accounting treatment of which the investee directly disposes of the related assets and liabilities should be used, changes in owners' equity of the investee other than net profit or loss, other comprehensive income and profits distribution are recognised in profit or loss when the investments are disposed of. Among which, those remain as long-term equity investments will be charged into the statement of profit or loss proportionately, those transferred as financial instruments will be fully charged to the statement of profit or loss. All accumulated fair value changes charged into other comprehensive income of equity investments held before acquisition date classified as other equity instrument investments are transferred to retained earnings when cost method is adopted. The initial costs of the investments acquired other than business combination are recognised as follows: if acquired by cash, the investment is initially recognised at the actual consideration paid plus the expenses, taxes and other required expenditures directly attributable to the acquisition; if acquired through issuing equity securities, the investment is initially recognised at the fair value of issuing equity instruments.

The long-term equity investments over which the Company has control are accounted for using the cost method in the Company's separate financial statements. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Under the cost method, a long-term equity investment is measured at initial investment cost. If there are additional investments or disinvestments, the cost of the long-term equity investment shall be adjusted. Investment income is recognised in the period in accordance with the attributable share of cash dividends or profits distribution declared by the investee.

For long-term equity investments over which the Group has joint control or significant influence, the Group accounts for such long-term equity investments using the equity method. Joint control is the contractually agreed sharing of control over an arrangement, which exists only when the decision making about the relevant activities requires the unanimous consent of the parties sharing control. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

Notes to Financial Statements *(continued)*

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

14. Long-term equity investments *(continued)*

Under the equity method, where the initial investment cost of a long-term equity investment exceeds the Group's share of the fair value of the investee's identifiable net assets at the time of acquisition, no adjustment is made to the initial investment cost. Where the initial investment cost is less than the Group's share of the fair value of the investee's identifiable net assets at the time of acquisition, the difference is recognised in profit or loss for the period, and the cost of the long-term equity investment is adjusted accordingly.

Under the equity method, after a long-term equity investment is acquired, the Group recognises its share of the net profit or loss and other comprehensive income of the investee for the period as investment income or loss and other comprehensive income for the period, respectively, and adjusts the carrying amount of the long-term equity investment. The Group recognises its share of the investee's net profit or loss based on the fair value of the investee's identifiable assets and others at the acquisition date after making appropriate adjustments to conform with the Group's accounting policies and accounting period. Unrealised profits or losses resulting from the Group's transactions with its associates and joint ventures are recognised as investment income or loss to the extent that those attributable to the Group's equity interest are eliminated (except for those transactions relating to impairment loss of assets which shall be recognised fully). However, unrealised losses resulting from the Group's transactions with its associates and joint ventures which represent impairment losses on the transferred assets are not eliminated. The Group shall reduce the carrying amount of the long-term equity investments for shares of profits or cash dividends declared of the investee. However, the share of net loss is only recognised to the extent that the carrying value of the investment is reduced to zero, except to the extent that the Group has incurred obligations to assume additional losses. Changes in owners' equity of the investee other than net profit or loss, other comprehensive income and profits distribution are correspondingly adjusted to the carrying amount of the long-term equity investments, and recognised in the owners' equity.

On disposal of a long-term equity investment, the difference between the proceeds actually received and the carrying amount is recognised in profit or loss for the current period. For the other comprehensive income generated from a long-term equity investment under the equity method, if the equity method is not applied any more due to disposal, the same accounting treatment which the investee directly disposes of the related assets and liabilities should be used, and changes in owners' equity of the investee other than net profit or loss, of other comprehensive income and profits distribution are recognised in profit or loss for the current period. If the equity method is still applied, the same accounting treatment for which the investee directly disposes of the related assets and liabilities should be used and recognised in profit or loss for the period in proportion, changes in owners' equity of the investee other than net profit or loss, other comprehensive income and profits distribution are recognised in profit or loss for the current period in proportion.

15. Investment properties

An investment property is a property held to earn rentals or for capital appreciation or both. It includes a land use right that is leased out, a land use right held for transfer upon capital appreciation or a leased-out building.

An investment property is measured initially at cost. Subsequent expenditures incurred for such investment properties are included in the cost of the investment properties when it is probable that economic benefits associated with an investment property will flow to the Group and the subsequent expenditures can be measured reliably. Other subsequent expenditures are recognised in profit or loss in the period in which they are incurred.

The Group uses the cost model for subsequent measurement of investment properties, and adopts a depreciation policy for the investment properties which is consistent with that for buildings.

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

16. Fixed assets

A fixed asset is recognised only when it is probable that economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. Subsequent expenditures incurred for the fixed asset are included in the cost of the fixed asset if it is probable that economic benefits associated with the asset will flow to the Group and the subsequent expenditures can be measured reliably. At the same time, the carrying amount of the replaced part is derecognised. Other subsequent expenditures are recognised in profit or loss in the period in which they are incurred.

Fixed assets are initially measured at cost and the effect of any expected costs of abandoning the asset at the end of its use is considered. The cost of a fixed asset is the aggregate cost of purchase price, related taxes and any directly attributable expenditure for bringing the asset to its working condition for its intended use.

A mining asset (included in Note V.16 Fixed assets) is depreciated over its useful life using the straight-line method, or depreciated over its designated estimated production using the units-of-production method; an asset formed by work safety fund and production maintenance fund is depreciated one time. Other fixed assets are depreciated over their useful lives using the straight-line method, except the fixed assets of the joint operation, Barrick (Niugini) Limited ("BNL") are depreciated by using the units-of-production method. The depreciation period, estimated net residual value rate and annual depreciation rate of each category of fixed assets are as follows:

	Depreciation period	Estimated net residual value rate	Annual depreciation rate
Buildings	8-50 years	0%-5%	1.90%-12.50%
Mining assets	5-40 years	0%-5%	2.38%-19.00%
Power generation and transmission equipment	8-30 years	0%-5%	3.17%-12.50%
Plant, machinery and equipment	5-15 years	0%-5%	6.33%-20.00%
Motor vehicles	4-10 years	0%-5%	9.50%-25.00%
Furniture and fixtures and others	3-10 years	0%-5%	9.50%-33.33%

Fixed assets held under finance leases are depreciated under the same depreciation method as other fixed assets. The assets are depreciated over their estimated useful lives where ownership of the assets can be reasonably estimated to be gained when lease periods end; otherwise, the leased assets are depreciated over the shorter of the lease terms and the estimated useful lives of the assets.

The Group reviews the useful life, estimated net residual value of a fixed asset and the depreciation method applied at least once at each financial year-end, and adjusts for any change when necessary.

17. Construction in progress

Construction in progress is measured at its actual cost. The actual cost includes various necessary construction expenditures during the construction period, borrowing costs capitalised before it is ready for intended use and other relevant costs.

Construction in progress is transferred to a fixed asset when it is ready for its intended use.

18. Borrowing costs

Borrowing costs refer to interest and other related costs incurred by the Group in connection with the borrowing of funds. Borrowing costs include interest, amortisation of discounts or premiums, ancillary expenses and exchange differences arising from foreign currency borrowings.

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised when expenditures for such assets fulfill the conditions of capitalisation, whereas other borrowing costs are recorded in profit or loss for the current period. Qualifying assets are assets (fixed assets, investment properties and inventories, etc.) that necessarily take a substantial period of time for acquisition, construction or production to get ready for their intended use or sale.

Notes to Financial Statements *(continued)*

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

18. Borrowing costs *(continued)*

The capitalisation of borrowing costs can commence only when all of the following conditions are satisfied:

(1) Expenditures for the asset have been incurred;

(2) Borrowing costs have been incurred; and

(3) Activities relating to the acquisition, construction or production of the asset that are necessary to bring the asset for its intended use or sale have commenced.

Capitalisation of borrowing costs ceases when the qualifying asset being acquired, constructed or produced becomes ready for its intended use or sale. The actual amounts of any borrowing costs subsequently incurred shall be recognised in profit or loss in the period in which they are incurred.

During the capitalisation period, the amount of interest to be capitalised for each accounting period shall be determined as follows:

(1) Where funds are borrowed under a specific-purpose borrowing, the amount of interest to be capitalised shall be the actual interest expense less any bank interest earned from depositing the borrowed funds or any investment income on the temporary investment of these funds;

(2) Where funds are borrowed under general-purpose borrowings, the Group shall determine the amount of interest to be capitalised on such borrowings by applying a capitalisation rate to the weighted average of the excess amounts of cumulative expenditures on the asset over and above the amounts of specific-purpose borrowings.

Capitalisation of borrowing costs shall be suspended during periods in which the acquisition, construction or production of qualifying assets is interrupted abnormally for a continuous period of more than three months except when the assets have become ready for their intended use or sale. The borrowing costs incurred during these periods shall be recognised in profit or loss for the current period until the acquisition, construction or production is resumed.

19. Intangible assets

Intangible assets are recognised and measured on initial recognition at cost only if the related economic benefits will probably flow into the Group and their costs can be measured reliably. However, the intangible assets acquired through business combination not involving enterprises under common control should be measured at fair value separately as intangible assets when their fair values can be reliably measured.

The useful life of the intangible assets shall be assessed according to the estimated beneficial period expected to generate economic benefits for the Group. An intangible asset shall be regarded as having an indefinite useful life when there is no foreseeable limit to the period over which the asset is expected to generate economic benefits for the Group.

A mining right (included in Note V.18 Intangible assets) is amortised using the units-of-production method. An exploration right will not be amortised until it is transferred to mining right which is amortised using the units-of-production method. Other intangible assets are amortised over their useful lives using the straight-line method. The estimated useful lives of each category of intangible assets are as follows:

	Useful life
Land use rights	30-50 years
Membership of Shanghai Gold Exchange	10 years

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

19. Intangible assets *(continued)*

Land use rights obtained by the Group are usually accounted for as intangible assets. As for the construction of plants, factories and other buildings of the Group, the related land use rights and other buildings were accounted for as intangible assets and fixed assets, respectively. Purchase costs of land use rights and buildings were allocated to intangible assets and fixed assets separately. Purchase costs were recognised as cost of fixed assets, only if the separation was impracticable.

Intangible assets with a finite useful life are amortised over their estimated useful lives using the straight-line method or other reasonable systematic methods. For an intangible asset with a finite useful life, the Group reviews the useful life and amortisation method at least once at each financial year-end, and makes adjustments when necessary.

Intangible assets with indefinite useful lives are tested for impairment annually, irrespective of whether there is any indication that the assets may be impaired. Intangible assets with indefinite useful lives may not be amortised. The Group reviews the service life of intangible assets with indefinite useful lives annually. Where there is evidence that the intangible assets have a finite service life, the intangible assets can be amortised according to the accounting standards for intangible assets with a finite useful life.

Exploration expenditure is recognised at cost less impairment. Exploration expenditure includes costs of geological prospecting for technical consultancy and costs of feasibility study for commercial development which incurred in the surroundings, outer ring and deep areas of the existing or externally acquired mineral properties, and costs of drilling, trench sampling and other associated activities. Such expenditures may be capitalised when the mineral properties are reasonably proved to be commercially available and recognised as intangible assets after obtaining mining rights or permits, which will be amortised under the units-of-production method. If any construction was abandoned in the development phase or belongs to the productive exploration, all costs shall be written off and recognised in profit or loss for the current period.

20. Impairment of assets

Impairment of assets other than inventories, deferred tax assets, financial assets and held for sale assets is recognised based on the following methods:

The Group assesses at each date of statement of financial position whether there is any indication that the assets may be impaired. If there is any indication that such assets may be impaired, recoverable amounts are estimated for such assets and impairment tests are performed. Goodwill arising in a business combination and an intangible asset with an indefinite useful life shall be assessed for impairment at least at each year end, irrespective of whether there is any indication occurring. Impairment tests of intangible assets should be performed annually, even if they are not ready for use.

The recoverable amount of an asset is the higher of fair value less costs to sell and the present value of the future cash flows expected to be derived from the asset. The recoverable amount is estimated on an individual basis. If it is not practical to estimate the recoverable amount of an individual asset, the recoverable amount of the asset group to which the asset belongs will be estimated. Identification of an asset group shall be based on whether there are major cash inflows which are independent from other assets or asset groups.

If the recoverable amount of an asset or asset group is less than its carrying amount, the carrying amount shall be reduced to its recoverable amount. The reduction is recognised as an impairment loss and charged to profit or loss for the current period. A provision for impairment losses of the asset is recognised accordingly.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated on a reasonable basis to each of the Group's cash-generating units or to relevant groups of cash-generating units if it is difficult to do so. Each unit or group of units to which the goodwill is so allocated represents those which are expected to benefit from the synergies of the combination and is not larger than a reported segment of the Group.

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

20. Impairment of assets *(continued)*

In testing an asset group or a set of asset groups to which goodwill has been allocated for impairment, if there is evidence of impairment in relation to goodwill, the Group shall first test the asset group or the set of asset groups excluding the amount of goodwill allocated for impairment. It shall determine and compare the recoverable amount with the related carrying amount and recognise any impairment loss. After that, the Group shall test the asset group or set of asset groups including the goodwill for impairment. The carrying amount is compared to its recoverable amount. If the recoverable amount of the asset group or set of asset groups is lower than its carrying amount, an impairment loss on goodwill shall be recognised. Firstly, the impairment loss shall be allocated to reduce the carrying amount of any goodwill allocated to the asset group or set of asset groups. Then, the impairment loss shall be allocated to the other assets of the asset group or set of asset groups (excluding goodwill) on the basis of the proportion of the carrying amount of each asset in the asset group or set of asset groups.

Once an impairment loss of the abovementioned asset is recognised, it shall not be reversed in any subsequent period.

21. Long-term deferred assets

Long-term deferred assets represent expenses already incurred that should be amortised over a period longer than one year. Long-term deferred assets mainly include land compensation cost and others. Land compensation costs are amortised evenly over the estimated beneficial useful lives of 5 to 50 years, whereas other long-term deferred assets are amortised over their estimated useful lives.

22. Employee benefits

Employee benefits are all types of benefits except share-based payments given by the Group in exchange for the services rendered by employees and termination of employment. Employee benefits include short-term employee benefits, post-employment benefits, termination benefits and other long-term benefits that are provided to the employees, their spouses, children, dependents and late employees' family members and other beneficiaries.

Short-term employee benefits

During an accounting period when employees render service to the entity, the amount of short-term employee benefits actually incurred should be recognised as a liability, and be recognised in profit or loss for the current period or in cost of related assets.

Post-employment benefits (defined contribution plans)

The employees in the Group participate in social insurance and unemployment insurance schemes administrated by the local governments, to which the Company and its subsidiaries in the PRC are required to contribute a certain percentage of the basic salaries of its employees as stipulated by rules and regulations in the PRC, and the related expenditures are recorded in cost of related assets or profit or loss in the period when they incurred.

Termination benefits

The Group recognises a liability for termination benefits and charges to profit or loss at the earlier of the following dates: a) when the Group can no longer withdraw from the termination plan or the redundancy offer; and b) when the Group recognises costs or expense for a restructuring plan which involves the payment of termination benefits.

23. Contingent liabilities

Except for contingent consideration and contingent liabilities arising from business combinations not involving enterprises under common control, contingent liabilities are recognised when the Group has an obligation related to a contingency, which meets all of the following conditions:

(1) It is a present obligation related to a contingency;

(2) it is probable that an outflow of economic benefits will be required to settle the obligation; and

(3) the amount of the obligation can be measured reliably.

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

23. Contingent liabilities *(continued)*

The amount initially recognised as a contingent liability is the best estimate of the consideration required to settle the present obligation, taking into account factors pertaining to a contingency such as the risks, uncertainties and time value of money. The carrying amount of a contingent liability is reviewed at the date of statement of financial position. Where there is objective evidence that the carrying amount does not reflect the best estimation of the contingency, the contingent liability would be adjusted according to the best estimated amount.

The contingent liabilities of the acquiree acquired in the business combination not involving enterprises under common control are measured at fair value at initial recognition. After initial recognition, contingent liabilities are subsequently measured by the higher of: the amount that would be recognised based on provisions and the balance of the amount initially recognised less the cumulative amortisation determined by the income recognition principle.

24. Other equity instruments

The Group has the right to extend for an unlimited number of times the renewable corporate bonds issued by the Group after maturity, and the Group has the right to defer payment for the interest at the nominal interest rate of the renewable corporate bonds. The Group has no contractual obligation to pay cash or other financial assets. Hence the renewable corporate bonds are classified as equity instruments.

25. Revenue (applicable from 1 January 2018)

The Group recognises revenue when it has fulfilled its obligations under the contract, i, e. when the customer acquires control of relevant goods or services. Acquiring control over the goods or services refers to the ability to dominate the use of the goods or the provision of services and to derive almost all the economic benefits therefrom.

Contacts for sale of goods

The contracts for the sale of goods between the Group and its customers usually only contain the performance obligations for the transfer of goods. The Group generally recognises revenue at the point of transfer of the control of goods on the basis of a combination of the following factors: the current right to collect the goods, the transfer of major risks and benefits in the ownership of the goods, the transfer of the legal ownership of the goods, the transfer of physical assets of the goods and that the customers have accepted the goods.

Service contracts

The service contracts between the Group and its customers usually consist of performance obligations such as engineering construction management, engineering design consulting and so on. As the Group's performance of contracts is at the same time when the customer obtains and consumes the economic benefits of the performance of the Group, and the Group has the right to collect receivables from the performance of contacts that has been completed to date, the Group regards it as a contact obligation over a period of time, except that the progress of performance cannot be reasonably determined. The Group determines the progress of the performance of contracts in accordance with the input method. If the progress of performance of contracts cannot be reasonably determined and the costs incurred by the Group are expected to be compensated, the revenue is recognised at the amount of the incurred costs until the progress of performance of contacts can be reasonably measured.

Interest income

Interest income is recognised on a time proportion basis taking into account the principal outstanding and the effective interest rate applicable.

Rental income

Revenue from operating leases is recognised on the straight-line basis over the lease terms. Contingent rents are credited to profit or loss in the period in which they are actually incurred.

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

26. Revenue (applicable in 2017)

Revenue is recognised when it is probable that the economic benefits will flow into the Group, the amount can be measured reliably and all of the following conditions are satisfied.

Revenue from sale of goods

Sales of goods are recognised when the significant risks and rewards of ownership have been transferred to the buyer, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold and the relevant amounts of costs incurred or to be incurred can be measured reliably. The amount of sale of goods is determined by the contract or agreed price received or receivable from the buyer, except that the received or receivable contract or agreed price is unfair. For transaction based on contracted deferred payment, with a contract of financing embedded, the revenue should be measured by the fair value of the contracted price.

Revenue from the rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably at the date of statement of financial position, revenue associated with the transaction shall be recognised using the proportion of completion method. Otherwise, revenue shall be recognised to the extent of costs incurred that are expected to be recoverable. The outcome of a transaction involving the rendering of services can be estimated reliably when all of the following conditions are satisfied: the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the Company; the stage of completion of the transaction can be measured reliably and the costs incurred and to be incurred for the transaction can be measured reliably. The Group determines the stage of completion of a transaction by the proportion of services rendered to date to the total services to be rendered. The amount of service income is determined by the contracted or agreed consideration received or receivable, except that the received or receivable contract or agreed price is unfair.

When the Group enters into a contract which contains sale of goods and rendering of services, if the portions of revenue in relation to the sale of goods and rendering of services can be measured separately and individually, the revenue from the sale of goods and rendering of services should be accounted for separately. Otherwise, the entire revenue should be accounted for as sales of goods.

Interest income

Interest income is recognised on a time proportion basis taking into account the principal outstanding and the effective interest rate applicable.

Rental income

Revenue from operating leases is recognised on the straight-line basis over the lease terms. Contingent rents are credited to profit or loss in the period in which they are actually incurred.

27. Contract assets and contract liabilities (applicable from 1 January 2018)

The Group presents contract assets or contract liabilities on the statement of financial position depending on the relationship between contractual performance obligations and customer payments.

Contract assets

The Group’s unconditional right to receive consideration from customers (i.e., dependent only on the passage of time) shall be presented as trade receivable. The right to receive consideration following the transfer of products to customers which is dependent on factors other than the passage of time is presented as contract assets.

As at 31 December 2018, the Group had no contract assets.

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

27. Contract assets and contract liabilities (applicable from 1 January 2018) *(continued)*

Contract liabilities

The obligation to transfer products to customers in connection with customer consideration received or receivable is presented as contract liabilities, for example, amounts received prior to the transfer of the promised products.

Contract assets and contract liabilities under the same contract are presented on a net basis after offset.

28. Government grants

A government grant is recognised only when the Group can comply with the conditions attaching to the grant and the Group will receive the grant. If a government grant is in the form of a transfer of a monetary asset, it is measured at the amount received or receivable. If a government grant is in the form of a non-monetary asset, it is measured at fair value. If the fair value cannot be reliably determined, it is measured at a nominal amount.

Asset-related government grants are recognised when the government document designates that the government grants are used for acquiring, constructing or forming long-term assets. If the government document is inexplicit, the Company should make a judgement based on the basic conditions to obtain the government grants, and recognises them as asset-related government grants if the conditions are for acquiring, constructing or forming long-term assets. Otherwise, the government grants should be income-related.

The method applicable to the Group's government grants is the gross method.

Government grants related to income shall be accounted for accordingly as follows: those to be used as compensation for future expenses or losses shall be recognised as deferred income and recorded in profit or loss or offset against the related costs over the period when the related expenses or losses are recognised; those to be used as compensation for related expenses or losses already incurred shall be recognised directly in profit or loss or offset against the related costs.

Government grants related to assets shall be offset against the carrying value of the assets, or recognised as deferred income to be recognised in profit or loss on a reasonable and systematic basis over the useful lives of the assets (However, government grants measured at a nominal amount shall be recognised directly in profit or loss). If the assets are sold, transferred, scrapped or destroyed before the end of their useful lives, the balances of undistributed deferred income shall be reclassified to profit or loss over the period when the assets are disposed of.

29. Income tax

The income tax expenses include current income tax and deferred tax. Current and deferred tax expenses or income are recognised in profit or loss for the current period, except when they arise from transactions or events that are directly recognised in owners' equity, in which case they are recognised in owners' equity; and when they arise from business combinations, in which case they adjust the carrying amount of goodwill.

Current income tax liabilities (or assets) for the current and prior periods are measured at the amount expected to be paid (or recovered) according to the requirements of tax laws.

At the date of statement of financial position, for temporary differences between the carrying amounts of certain assets or liabilities and their tax base, or between the carrying amount of items that are not recognised as assets or liabilities and their tax base that can be determined according to tax laws, deferred tax assets and liabilities are recognised using the balance sheet liability method.

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

29. Income tax *(continued)*

Deferred tax liabilities are recognised for all taxable temporary differences, except:

(1) When the taxable temporary difference arises from: the initial recognition of goodwill or the initial recognition of an asset or liability in transactions that are not business combinations and affect neither the accounting profit, taxable profit or loss nor deductible losses at the time of the transaction.

(2) In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not be reversed in the foreseeable future.

For deductible temporary differences, deductible losses and tax credits that can be carried forward, deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, deductible losses and tax credits can be utilised, except:

(1) When the deductible temporary differences do not arise from business combinations and affect neither the accounting profit, taxable profit or loss nor deductible losses at the time of the transaction.

(2) In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

At the date of statement of financial position, deferred tax assets and liabilities are measured at applicable tax rates according to the requirements of tax laws during the period that the assets are expected to be recovered or the liabilities are expected to be repaid. The recognition of deferred tax assets and liabilities also takes the recovery or the repayment terms at the date of statement of financial position into account.

At the date of statement of financial position, the carrying amount of deferred tax assets is reviewed and reduced if it is no longer probable that sufficient taxable profits will be available in the future to allow the benefit of deferred tax assets to be utilised. At the date of statement of financial position, the carrying amount of deferred tax assets is reviewed and recognised to the extent that it is probable that available taxable profits in the future will allow the benefit of deferred tax assets to be utilised.

30. Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

As lessee under operating leases

Operating lease payments are recognised on the straight-line basis over the term of the relevant lease, and are either included in the cost of related asset or charged to profit or loss for the current period. Contingent rentals are charged to profit or loss in the period in which they are actually incurred.

As lessor under operating leases

Rental income from operating leases is recognised in profit or loss on the straight-line basis over the term of the relevant lease. Contingent rentals are credited to profit or loss in the period in which they are actually incurred.

As lessee under finance leases

An asset held under finance leases is initially recognised at the lower between the leased assets' fair value and the present value of minimum lease payments on the lease commencement date. The amount of long-term payables will be recognised as minimum lease payments accordingly, and the differences between the leased assets' fair value and the present value of minimum lease payments will be recorded as unrecognised financing costs which will be amortised using the effective interest method over the term of the relevant lease. Contingent rentals will be recognised in profit or loss for the period when they are actually incurred.

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

31. Hedge accounting (applicable from 1 January 2018)

In respect of the methods of hedge accounting, the Group's hedging is classified as fair value hedge, that is a hedge of the exposure to changes in fair value of a recognised asset or liability or an unrecognised firm commitment (other than foreign exchange risk).

At the inception of a hedge relationship, the Group officially designates the hedge relationship and prepares formal written documentation of the hedge relationship, risk management objectives and hedge strategies. The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess the hedging instrument's effectiveness. Hedge effectiveness is the extent to which the changes in fair value or cash flows of the hedging instruments offset changes in the fair value or cash flow of hedged items caused by the hedged risk. Such hedges are expected to be highly effective and are assessed on an ongoing basis to ensure that such hedges are highly effective during the accounting period with designated hedging relationships.

If the hedging instrument expires or is sold, terminated or exercised (but the rollover or replacement of part of a hedging instrument under the hedging strategy is not treated as an expiration or a contract termination), or due to a change in the risk management objective, the hedging relationship no longer meets the risk management objective, or when the hedging no longer meets other conditions of the hedge accounting method, the Group terminates the use of hedge accounting.

Where the hedging relationship no longer meets the hedging effectiveness requirements due to the hedging ratio, but the risk management objectives for the designated hedging relationship have not changed, the Group rebalances the hedging relationship.

The Group's methodology for assessing the effectiveness of hedging, risk management strategy and how to apply the strategy to manage risks are described in Note V.66.

Hedges which meet the strict criteria for hedge accounting are accounted for as follows:

Fair value hedge

The gains or losses arising from the hedging instrument are recognised in profit or loss. The gains or losses arising from the hedging instrument shall be recognised in other comprehensive income if it is a hedge against the investment of a non-trading equity instrument investment designated to be measured at fair value through other comprehensive income. The gain or loss of the hedged item arising from risk exposure is recognised in profit or loss. If the hedged item is a non-trading equity instrument investment designated to be measured at fair value through other comprehensive income, the gains and loss arising from risk exposure is recognised in other comprehensive income. The book value of the hedged item that is not measured at fair value is adjusted accordingly.

For fair value hedge relating to financial instruments carried at amortised cost, the carrying value of the hedged items is adjusted and amortised to profit or loss over the remaining term of the hedge using the effective interest method. Amortisation using effective interest rate may begin upon the adjustment of the carrying amount but no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged. If the hedged item is a debt instrument measured at fair value through other comprehensive income, the accumulation of recognised hedged gains or losses shall be amortised in the same manner and recognised in profit or loss, while the book value of financial assets is not adjusted. If the hedged item is terminated, the unamortised fair value is recognised in profit or loss.

When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with the corresponding gain or loss recognised in profit or loss. The fair value changes of hedging instruments are also recognised in profit or loss.

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

32. Hedge accounting (applicable in 2017)

In respect of the methods of hedge accounting, the Group's hedging is classified as cash flow hedge that is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability, or a highly probable forecast transaction; or a foreign currency risk in an unrecognised firm commitment.

At the inception of a hedge relationship, the Group officially designates the hedge relationship and prepares a formal written documentation of the hedge relationship, risk management objectives and hedge strategies. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the Group will assess the hedging instrument's effectiveness. Hedge effectiveness is the extent to which the changes in fair value or cash flows of the hedging instruments offset changes in the fair value or cash flow of hedged items caused by the hedged risk. Such hedges are expected to be highly effective and are assessed on an ongoing basis to ensure that such hedges are highly effective during the accounting period with designated hedging relationships.

Hedges which meet the strict criteria for hedge accounting are accounted for as follows:

Cash flow hedge

The effective portion of the gain or loss on the hedging instrument is recognised directly in other comprehensive income, while any ineffective portion is recognised directly in profit or loss.

Amounts recognised in other comprehensive income are transferred to profit or loss when the hedged transaction affects profit or loss, e.g., when hedged financial income or financial expense is recognised or when a forecast sale occurs. Where the hedged item is the cost of a non-financial asset or non-financial liability, the amount recognised in other comprehensive income is transferred to profit or loss in the same period as the non-financial asset or non-financial liability have impacts on profit or loss.

The amount previously recognised in other comprehensive income will not be transferred to profit or loss if the hedging instrument expires or is sold, terminated or exercised; or the Group revokes the hedge designation; or the hedge no longer meets the hedge accounting criteria, until the forecast transactions actually occur or the commitments are certain to be performed.

33. Share repurchase

The considerations and transaction costs occurred in repurchasing own equity instruments are deducted from equity. Equity movements are recognised on the issue (including refinancing), repurchase, sale, or cancellation of the Group's own equity instruments.

34. Profits distribution

Cash dividends of the Company are recognised as a liability after they are approved by the shareholders in a shareholders' general meeting.

35. Work safety fund and production maintenance fund

The work safety fund and production maintenance fund accrued pursuant to regulations are recognised as cost of relevant products or profit or loss for the current period, and are stated as special reserve at the same time. For the utilisation of the fee to pay for safety relevant expenses, the special reserve shall be reversed directly. Capitalised expenditure shall be aggregated and recognised in fixed assets when the asset is ready for its intended use. The actual expenditure shall be offset with the balance of special reserve and full depreciation is provided for the asset at the same amount.

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

36. Fair value measurement

The Group measures its other debt investments, derivative financial instruments and listed equity investments at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the relevant asset or liability, or in the absence of a principal market, in the most advantageous market for the relevant asset or liability. The principal or the most advantageous market must be accessible by the Group as at the measurement date. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Unobservable inputs are adopted only when observable inputs are not available or impracticable to be obtained.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole: Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities which can be accessed at the measurement date; Level 2 – based on inputs other than those included within level 1 that are observable for the relevant asset or liability, either directly or indirectly; and Level 3 – based on unobservable inputs for the relevant asset and liability.

At each date of statement of financial position, for assets and liabilities measured at fair value that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation.

37. Significant accounting judgements and estimates

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts and disclosure of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of the reporting period. However, uncertainties about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements which have the most significant effects on the amounts recognised in the financial statements:

Corporate income tax

As a result of the fact that certain matters relating to the corporate income taxes have not been confirmed by the local tax bureau as at the end of the reporting period, objective estimates and judgements based on currently enacted tax laws, regulations and other related policies are required in determining the provision for corporate income tax expenses to be made for the reporting period. Where the final tax outcome of these matters is different from the amounts originally recorded, the differences will be accounted in the income tax expenses in the period in which the differences are realised.

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

37. Significant accounting judgements and estimates *(continued)*

Judgements *(continued)*

Joint arrangement - the investment in BNL by the Group

The Group has determined that BNL is jointly controlled by Gold Mountains (H.K.) International Mining Company Limited ("Gold Mountains (H.K.)"), a wholly-owned subsidiary of the Company, and Barrick (PD) Australia Pty Limited, and each of the parties has rights to the assets and obligations for the liabilities of BNL, eligible to BNL's products and recognises expenses incurred in the proportion of 50% each. Therefore, the Group defined its investment in BNL as an investment in a joint operation.

Joint arrangement - the investment in Kamoa Holding Limited ("Kamoa") by the Group

The Group has determined that Kamoa is jointly controlled by Gold Mountains (H.K.), which is a wholly-owned subsidiary of the Company, and Ivanhoe Mines US LLC, and both parties have rights to the net assets of Kamoa in the proportion of 49.5% each. As such, the Group recognised its investment in Kamoa as an investment in a joint venture.

Business model

The classification of financial assets at initial recognition is dependent on the Group's business model for managing the assets. Factors considered by the Group in judging the business model include enterprise evaluation, the method of reporting the results of financial assets to key management members, risks affecting the results of financial assets and the method for managing such risks, as well as the form of remuneration received by the management personnel of the businesses concerned. In assessing whether the business model is aimed at receiving contractual cash flows, the Group is required to analyse and exercise judgment in respect of the reasons, timing, frequency and values of any disposals prior to maturity.

Characteristics of contractual cash flows

The classification of financial assets at initial recognition is dependent on the characteristics of the contractual cash flows of such type of financial assets. Judgement is required to determine whether the contractual cash flows represent solely payments of principal and interest on the principal amount outstanding, including judgement of whether it is significantly different from the benchmark cash flows when assessing modifications to the time value of currencies.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that may cause material adjustment to the carrying amounts of assets and liabilities are discussed below.

Inventory provision determined on net realisable value

Inventory provision is made for those inventories with cost higher than the net realisable value based on the Company's accounting policies for inventories and the measurement of the lower of cost and net realisable value. At least at every financial year end, inventory provision is reviewed for inventories whose cost exceeds the net realisable amount.

Impairment of available-for-sale investments

Before 1 January 2018, the Group classifies certain assets as available-for-sale investments and directly recognises movements of their fair value in other comprehensive income. When the fair value declines, management makes assumptions about the decline in value to determine whether there is any impairment loss that should be recognised in the statement of profit or loss.

Notes to Financial Statements *(continued)*

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

37. Significant accounting judgements and estimates *(continued)*

Estimation uncertainty *(continued)*

Impairment of financial instruments

The Group has adopted the expected credit loss model to evaluate the impairment of financial instruments. The application of the expected credit loss model requires significant judgement and estimates and the consideration of all reasonable and soundly based information, including forward-looking information. In making such judgement and estimates, the Group estimates the projected movements of the debtor's credit risk according to past repayment records, economic policies, macro-economic indicators and industry risks, etc.

Impairment of non-current assets other than financial assets (excluding goodwill)

The Group assesses whether there are any indicators of impairment for non-current assets other than financial assets at the date of statement of financial position. Intangible assets with indefinite useful lives are tested for impairment annually and at other times when such an indicator exists. Other non-current assets other than financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or asset group exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its present value of future cash flows. The calculation of the fair value less costs to sell is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or asset group and choose a suitable discount rate in order to calculate the present value of those cash flows. Please refer to Notes V.16, 17 and 18.

Impairment of goodwill

Goodwill is tested for impairment at least at the end of each year. For the purpose of impairment testing, the present value of future cash flows, which are generated from asset groups or sets of asset groups considered together with allocated goodwill, is estimated. The Group estimates the present value of future cash flows from asset groups or sets of asset groups by forecasting the related cash flow and selecting a suitable discount rate. Please refer to Note V.19.

Fair value of non-listed equity investments

Non-listed equity investments are valued as expected future cash flows based on the current discount rate of other financial instruments with similar contractual terms and risk characteristics. This requires the Group to estimate future cash flows, credit risks, fluctuations and discount rates and is therefore uncertain.

Useful lives of property, plant and equipment

Management determines the estimated useful lives of the Group's property, plant and equipment. This estimation is based on the actual useful lives of property, plant and equipment with similar nature and functions and the historical experience. Management will increase the depreciation charge where useful lives are less than previously estimated lives, and will write off or write down technically obsolete or non-strategic fixed assets.

Exploration expenditures

Determination of the capitalisation amount of exploration expenditures requires estimation of future cash flows of the related assets, choosing a suitable discount rate and estimation of beneficial useful lives in order to calculate the present value by management.

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

37. Significant accounting judgements and estimates *(continued)*

Estimation uncertainty *(continued)*

Proved mineral reserves

Proved mineral reserves are estimated based on professional knowledge, experience and industrial practice. Most of the time, the estimation basis on probing and estimation may not be very accurate. The estimation is updated in accordance with new technologies and new information. Any changes in estimation will have impacts on amounts of mining assets' depreciation and mining rights' amortisation using the units-of-production method, and on the stripping ratio which was used in the capitalisation of stripping costs. This may result in changes of or impacts on the Group's development and operation programme, and the Group's operation and operating results.

Deferred tax assets

To the extent that it is probable that there are sufficient taxable profits to offset the deductible losses, deferred tax assets shall be recognised for all unused deductible losses. Substantial management's judgements regarding the timing, amount of future taxable profit as well as tax planning strategies are needed when estimating the amount of deferred tax assets.

Estimated compensation

The Group is involved in a number of litigations. The estimated compensation is based on management's understanding of the litigation and the opinions of legal counsels or legal representatives. These estimations are likely to be updated according to the progress of litigation. This may affect the Group's operation and operating results.

Provision for environmental rehabilitation and restoration of mines

Pursuant to the regulations of the governmental authorities in the countries where the mines are located, the Group recognises provision for environmental rehabilitation and restoration of mines. The amount of provision is an estimate based upon the life of mining tenements, timing of mine closure and cost of such rehabilitation, and depends on an overall judgement of management. When this estimate changes, it may affect the Group's operations and performance.

Changes in accounting policies

In 2017, the MOF announced amendments to "ASBE No. 14 - Revenue" (the "New ASBE on Revenue"), "ASBE No. 22 - Recognition and Measurement of Financial Instruments", "ASBE No. 23- Transfer of Financial Assets", "ASBE No. 24 - Hedge Accounting" and "ASBE No. 37 - Presentation of Financial Instruments" (collectively the "New ASBEs on Financial Instruments"). The Group has adopted the aforesaid revised accounting standards with effect from 1 January 2018. In accordance with the convergence provisions, no adjustments were made to the information of comparative periods. The difference arising from the first day of implementation of the new ASBEs and the existing ASBEs is recognised by adjusting the opening balance of retained earnings or other comprehensive income for the reporting period.

Notes to Financial Statements *(continued)*

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

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

37. Significant accounting judgements and estimates *(continued)*

Changes in accounting policies *(continued)*

New ASBE on Revenue

The New ASBE on Revenue has built a new model for recognition of revenue generated from contracts with customers. In accordance with the New ASBE on Revenue, the method of revenue recognition should reflect the model of the Company's transfer of goods or rendering of services to customers, and the amount of revenue should reflect the amount of consideration expected to be entitled to as a result of the Company's transfer of such goods and services to customers. At the same time, the New Revenue Standard also regulates the judgements and estimates required for each aspect of revenue recognition.

The effects of adopting the New ASBE on Revenue on items in the statement of financial position as at 1 January 2018 are set out as follows:

The Group's consolidated statement of financial position

	Amount in financial statements	Hypothetical amount in accordance with previous ASBE	Impact
Contract liabilities	2,143,111,140	—	2,143,111,140
Advances from customers	—	2,143,111,140	(2,143,111,140)
	2,143,111,140	2,143,111,140	—

The Company's statement of financial position

	Amount in financial statements	Hypothetical amount in accordance with previous ASBE	Impact
Contract liabilities	8,133,245	—	8,133,245
Advances from customers	—	8,133,245	(8,133,245)
	8,133,245	8,133,245	—

The effects of adopting the New ASBE on Revenue on the 2018 financial statements are set out as follows:

The Group's consolidated statement of financial position

	Amount in financial statements	Hypothetical amount in accordance with previous ASBE	Impact
Contract liabilities	277,125,058	—	277,125,058
Advances from customers	—	277,125,058	(277,125,058)
	277,125,058	277,125,058	—

Notes to Financial Statements *(continued)*

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

37. Significant accounting judgements and estimates *(continued)*

Changes in accounting policies *(continued)*

New ASBE on Revenue (continued)

The effects of adopting the New ASBE on Revenue on the 2018 financial statements are set out as follows: *(continued)*

The Company's statement of financial position

	Amount in financial statements	Hypothetical amount in accordance with previous ASBE	Impact
Contract liabilities	9,110,298	—	9,110,298
Advances from customers	—	9,110,298	(9,110,298)
	9,110,298	9,110,298	—

New ASBEs on Financial Instruments

The New ASBEs on Financial Instruments have changed the classification and measurement of financial assets and determined three major measurement types: amortised cost; at fair value through other comprehensive income; and at fair value through profit or loss. An entity is required to consider its own business model and the characteristics of contractual cash flows of its financial assets in the aforesaid classification. Equity investments are required to be measured at fair value through profit or loss, provided that the Group may elect at initial recognition to irrevocably designate financial assets at fair value through other comprehensive income (gains or losses at disposal cannot be reversed to profit or loss, but dividends are recognised in profit or loss).

The New ASBEs on Financial Instruments provide that the model for measuring financial asset impairment shall be changed from the "model of incurred losses" to the "model of expected credit losses", which is applicable to financial assets at amortised cost, financial assets at fair value through other comprehensive income, loan commitment, and financial guarantee contracts.

The earnings of certain wealth management products held by the Group depend on the rate of return on the underlying assets. The Group classified them as available-for-sale financial assets before 1 January 2018. After 1 January 2018, the Group analysed their contractual cash flows not just for payments of principal and interests on the outstanding principal. Therefore, these financial products are reclassified as financial assets at fair value through profit or loss. The Group endorsed certain bank acceptance bills in its day-to-day fund management and managed the abovementioned bills receivable in a business model aimed at both the receipt of contractual cash flows and sale. As a result, the Group reclassified these bills receivable to financial assets at fair value through other comprehensive income after 1 January 2018.

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

37. Significant accounting judgements and estimates *(continued)*

Changes in accounting policies *(continued)*

New ASBEs on Financial Instruments (continued)

The result of classification and measurement of financial assets on the first day of implementation in accordance with ASBE for recognition and measurement of financial instruments before and after the amendment is set out below:

The Group	ASBE for recognition and measurement of financial instruments before the amendments		**ASBE for recognition and measurement of financial instruments after the amendments**	
	Measurement type	Carrying amount	**Measurement type**	**Carrying amount**
Trade receivables	Loans and receivables	1,292,864,505	**At amortised cost**	**1,292,864,505**
Bills receivable	Loans and receivables	1,519,375,541	**At fair value through other comprehensive income (ASBE requirements)**	**1,519,375,541**
Wealth management products	Available-for-sale investments	2,510,982,823	**At fair value through profit or loss (ASBE requirements)**	**2,510,982,823**
Equity investments	Available for sale investments	778,201,186	**At fair value through other comprehensive income (designated)**	**1,015,392,343**
Equity investments	At fair value through profit or loss	853,357,262	**At fair value through profit or loss (ASBE requirements)**	**853,357,262**
Equity investments	At fair value through profit or loss	1,700,570,459	**At fair value through other comprehensive income (designated)**	**1,700,570,459**

The Company	ASBE for recognition and measurement of financial instruments before the amendments		**ASBE for recognition and measurement of financial instruments after the amendments**	
	Measurement type	Carrying amount	**Measurement type**	**Carrying amount**
Trade receivables	Loans and receivables	994,007,531	**At amortised cost**	**994,007,531**
Bills receivable	Loans and receivables	159,100,091	**At fair value through other comprehensive income (ASBE requirements)**	**159,100,091**
Wealth management products	Available-for-sale investments	1,980,000,000	**At fair value through profit or loss (ASBE requirements)**	**1,980,000,000**
Equity investments	At fair value through profit or loss	169,254,600	**At fair value through profit or loss (ASBE requirements)**	**169,254,600**
Equity investments	Available-for-sale investments	460,422,337	**At fair value through other comprehensive income (designated)**	**578,733,819**
Equity investments	At fair value through profit or loss	6,615,545	**At fair value through other comprehensive income (designated)**	**6,615,545**

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

37. Significant accounting judgements and estimates *(continued)*

Changes in accounting policies *(continued)*

New ASBEs on Financial Instruments (continued)

Reconciliation table relating to the adjustment of the original carrying amount of financial assets to the new carrying amount of financial assets following classification and measurement in accordance with the revised ASBE for recognition and measurement of financial instruments on the first day of implementation:

Measurement type	Carrying amount presented under previous ASBEs on Financial Instruments 31 December 2017	Reclassified	Remeasured	Carrying amount presented under New ASBEs on Financial Instruments 1 January 2018
Financial assets at amortised cost				
Trade receivables				
Balance presented under previous ASBEs on Financial Instruments	1,292,864,505	—	—	1,292,864,505
Remeasured: provision for expected credit losses	—	—	(9,495,496)	(9,495,496)
Balance presented under New ASBEs on Financial Instruments	1,292,864,505	—	(9,495,496)	1,283,369,009
Financial assets at fair value through other comprehensive income				
Bills receivable				
Balance presented under previous ASBEs on Financial Instruments	1,519,375,541	(1,519,375,541)	—	—
Less: Transferred to fair value through other comprehensive income (New ASBEs on Financial Instruments)	—	1,519,375,541	—	1,519,375,541
Balance presented under New ASBEs on Financial Instruments	1,519,375,541	—	—	1,519,375,541
Equity investments				
Balance presented under previous ASBEs on Financial Instruments	2,478,771,645	(2,478,771,645)	—	—
Less: Transferred to fair value through other comprehensive income (designated)	—	2,478,771,645	—	2,478,771,645
Add: Fair value adjustment	—	—	237,191,157	237,191,157
Balance presented under New ASBEs on Financial Instruments	2,478,771,645	—	237,191,157	2,715,962,802

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

37. Significant accounting judgements and estimates *(continued)*

Changes in accounting policies *(continued)*

New ASBEs on Financial Instruments (continued)

Reconciliation table relating to the adjustment of the original carrying amount of financial assets to the new carrying amount of financial assets following classification and measurement in accordance with the revised ASBE for recognition and measurement of financial instruments on the first day of implementation: *(continued)*

Measurement type	Carrying amount presented under previous ASBEs on Financial Instruments 31 December 2017	Reclassified	Remeasured	Carrying amount presented under New ASBEs on Financial Instruments 1 January 2018
Financial assets at fair value through profit or loss				
Equity investments				
Balance presented under previous ASBEs on Financial Instruments	853,357,262	(853,357,262)	—	—
Less: Transferred to fair value through profit or loss (New ASBEs on Financial Instruments)	—	853,357,262	—	853,357,262
Balance presented under New ASBEs on Financial Instruments	853,357,262	—	—	853,357,262
Wealth management products				
Balance presented under previous ASBEs on Financial Instruments	2,510,982,823	(2,510,982,823)	—	—
Less: Transferred to fair value through profit or loss (New ASBEs on Financial Instruments)	—	2,510,982,823	—	2,510,982,823
Balance presented under New ASBEs on Financial Instruments	2,510,982,823	—	—	2,510,982,823

Reconciliation table relating to the adjustment of the original amount of the impairment provision of financial assets as at 31 December 2017 to the amount under New ASBEs on Financial Instruments on the first day of implementation:

Measurement type	Impairment provision under previous ASBEs on Financial Instruments	Reclassified	Remeasured	Impairment provision under New ASBEs on Financial Instruments
Loans and receivables (previous ASBE on Financial Instruments)				
Financial assets at amortised cost (New ASBEs on Financial Instruments)				
Trade receivables	11,196,522	—	9,495,496	20,692,018

Notes to Financial Statements *(continued)*

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

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

37. Significant accounting judgements and estimates *(continued)*

Changes in the reporting format of financial statements

In accordance with the "Notice on the Revision and Publication of the 2018 General Corporate Financial Reporting Format" (Cai Kuai [2018] No. 15), in addition to the changes in presentation resulting from the implementation of the abovementioned New ASBEs on Financial Instruments and New ASBE on Revenue, in the statement of financial position, "bills receivable" and "trade receivables" have been consolidated into the new item of "bills receivable and trade receivables", "interest receivables" and "dividends receivable" have been consolidated into "other receivables", "disposal of fixed assets" has been consolidated into "fixed assets", "construction materials" has been consolidated into "construction in progress", "bills payable" and "trade payables" have been consolidated into the new item of "bills payable and trade payables" and "special payables" has been consolidated into "long-term payables". In the statement of profit or loss, a breakdown of "research and development expenses" from "administrative expenses" has been introduced and a breakdown of "interest expenses" and "interest income" under "financial expenses" has been introduced. A new item of "changes in defined contribution plan transferred to retained earnings" in the statement of changes in equity has been introduced. And comparative figures have been restated accordingly. This change in accounting policy has had no impact on the amounts of net profit and owners' equity on the consolidated and company financial statements.

Changes in cash flow presentation items for asset-related government grants

Based on the MOF's Interpretation of Issues related to the 2018 General Corporate Financial Reporting Format, when preparing the statement of cash flows, cash inflows of asset-related government grants that were originally presented as investment activities shall be presented as operating activities. The Group retrospectively adjusted the comparative figures accordingly. The change in accounting policy has reduced the net cash flows used in investing activities in the consolidated and company's statements of cash flows and has increased the net cash inflows from operating activities by the same amount, but has no effect on the net increase in cash and cash equivalents.

The main impact of the retrospective adjustments resulting from the above changes in accounting policies in the financial statements is as follows:

The Group

2018

	Carrying amount presented under previous ASBEs	Impact of New ASBEs on Financial Instruments		Impact of New ASBE on Revenue	Impact of other changes in financial statements presentation	Carrying amount presented under new ASBEs
	31 December 2017	Reclassified	Remeasured			1 January 2018
Held for trading financial assets	—	3,364,340,085	—	—	—	3,364,340,085
Financial assets at fair value through profit or loss	2,553,927,721	(2,553,927,721)	—	—	—	—
Bills receivable	1,519,375,541	—	—	—	(1,519,375,541)	—
Trade receivables	1,292,864,505	—	—	—	(1,292,864,505)	—
Bills receivable and trade receivables	—	—	(9,495,496)	—	2,812,240,046	2,802,744,550
Other current assets	3,528,021,403	(2,321,454,667)	—	—	—	1,206,566,736
Available-for-sale investments	778,201,186	(778,201,186)	—	—	—	—
Other equity instrument investments	—	2,478,771,645	237,191,157	—	—	2,715,962,802
Other non-current assets	6,959,404,089	(189,528,156)	—	—	—	6,769,875,933
Contract liabilities	—	—	—	2,143,111,140	—	2,143,111,140
Advances from customers	2,143,111,140	—	—	(2,143,111,140)	—	—
Deferred tax liabilities	624,524,725	—	47,481,170	—	—	672,005,895
Other comprehensive income	(602,893,526)	—	186,956,573	—	—	(415,936,953)
Retained earnings	20,194,761,855	—	(9,495,496)	—	—	20,185,266,359
Non-controlling interests	2,643,122,063	—	2,753,414	—	—	2,645,875,477

Notes to Financial Statements *(continued)*

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

37. Significant accounting judgements and estimates *(continued)*

Changes in accounting policies *(continued)*

The main impact of the retrospective adjustments resulting from the above changes in accounting policies in the financial statements are as follows: *(continued)*

The Company

2018

	Carrying amount presented under previous ASBEs	Impact of New ASBEs on Financial Instruments		Impact of New ASBE on Revenue	Impact of other changes in financial statements presentation	Carrying amount presented under new ASBEs
	31 December 2017	Reclassified	Remeasured			1 January 2018
Held for trading financial assets	—	2,149,254,600	—	—	—	2,149,254,600
Financial assets at fair value through profit or loss	175,870,145	(175,870,145)	—	—	—	—
Bills receivable	159,100,091	—	—	—	(159,100,091)	—
Trade receivables	994,007,531	—	—	—	(994,007,531)	—
Bills receivable and trade receivables	—	—	—	—	1,153,107,622	1,153,107,622
Other current assets	2,256,160,618	(1,980,000,000)	—	—	—	276,160,618
Available-for-sale investments	460,422,337	(460,422,337)	—	—	—	—
Other equity instrument investments	—	467,037,882	111,695,937	—	—	578,733,819
Contract liabilities	—	—	—	8,133,245	—	8,133,245
Advances from customers	8,133,245	—	—	(8,133,245)	—	—
Deferred tax liabilities	—	—	16,754,391	—	—	16,754,391
Other comprehensive income	—	—	94,941,546	—	—	94,941,546

New ASBE on Leases

On 7 December 2018, the MOF issued the revised "ASBE 21 - Leases" ("New ASBE on Leases") in place of the "ASBE 21 - Leases" issued on 15 February 2006 and the "Application Guidance for 'ASBE 21 - Leases'" issued on 30 October 2006. Enterprises listed in both domestic and overseas markets and enterprises listed overseas adopting International Financial Reporting Standards or ASBEs for preparation of financial statements are required to adopt the New ASBE on Leases with effect from 1 January 2019.

Under the New ASBE on Leases, at the date of commencement of the lease term, lessees shall recognise right-of-use assets and lease liabilities for the leases, except for those using simplified approach to account for short-term leases and low-value asset leases. Right-of-use assets shall be initially measured at cost, and subsequently measured by using cost model. Depreciation shall be provided for the right-of-use assets according to the relevant depreciation provisions of ASBE No. 4 - Fixed Assets. According to ASBE No. 8 - Impairment of Assets, an entity shall determine whether there are impairments of the right-of-use assets, and carry out accounting treatment to the impairment losses identified. Lease liabilities shall be initially measured at the present value of the amount of lease payment outstanding on the date of commencement of the lease term, and lessees shall calculate interest expenses of the lease liabilities for each period of the lease term at a fixed cyclical rate and the interest expenses shall be charged into profit or loss for the respective periods. The Group plans to apply the New ASBE on Leases from 1 January 2019. Pursuant to the transitional provisions of the New ASBE on Leases, for the cumulative impact on the first implementation date of the New ASBE on Leases, adjustments to retained earnings and other related items in the financial statements at the beginning of the year will be made, without adjusting comparative period information. Based on the Group's assessment, the Group expects that the adoption of the New ASBE on Leases will have no significant impact on the Group.

Notes to Financial Statements *(continued)*

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IV. TAX

1. Major taxes and tax rates

Value-added tax ("VAT")	For the Company and the Company's subsidiaries incorporated and operating in the PRC: Sales of final gold products and carrying-gold minerals are exempted from VAT. The output VAT rate for mining and processing of ferrous metals such as iron concentrates and non-ferrous metals such as copper concentrates, zinc concentrates, and the sales and processing of copper cathodes, zinc bullion, silver bullion and materials was 17% before 1 May 2018 and is 16% since 1 May 2018. The taxpayer is required to remit the VAT it collects to the tax authority, but may deduct the VAT it has paid on eligible purchases. The output VAT rate for transportation service income was 11% before 1 May 2018 and is 10% since 1 May 2018, and that for trademark royalty income and technical service income is 6%. The taxpayer is required to remit the VAT it collects to the tax authority, but may deduct the VAT it has paid on eligible purchases. Small-scale taxpayer's VAT rate for all the income mentioned above is 3%.
	For the Company's subsidiaries incorporated and operating abroad: The output VAT rate of 10%-20% is applicable to subsidiaries in different countries and regions according to local VAT or goods services tax ("GST") law.
Urban construction and maintenance tax	Levied on actual payment of turnover tax at rates ranging from 1% to 7%.
Resource tax	For the Company and the Company's subsidiaries incorporated and operating in the PRC: Since 1 July 2016, taxes on mineral resources have been calculated with the price-based method instead of the quantity-based method. The basis for taxation has been adjusted from original ore quantity to the sales amount of original ore concentrates (or processed products from original ore), primary products or gold bullion. The tax rates are 1% to 4% for gold resources; 2% to 7% for copper resources; 1% to 6% for iron resources; and 2% to 6% for zinc-lead resources.
	For the Company's subsidiaries incorporated and operating abroad: In accordance with the relevant provisions of total resource tax, utilisation fee of mine or mining tax of mineral resources, subsidiaries in different countries and regions abroad apply different tax rates. The tax rates are 2.5% to 6% for precious metals such as gold and silver resources and 2.5% to 8% for other bulk metals such as copper and zinc resources.
Corporate income tax	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 taxable profits, except for certain companies in the Group which enjoy tax concession and preferential tax rate under approval documents and are 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 or joint arrangement incorporated and operating in Australia, the Democratic Republic of the Congo and Papua New Guinea 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 the Republic of Tajikistan has been made at the rate of 13% 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 Republic of Serbia ("Serbia") 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 State of Eritrea ("Eritrea") has been made at the rate of 38% on the assessable profits for the year. For the Company's subsidiaries incorporated and operating in the Kyrgyz Republic, according to the local tax laws, a zero corporate income tax rate is adopted for taxpayer specialising in mining activities and selling gold ore, gold concentrates, alloy gold and refined gold. Meanwhile, income tax is imposed on the revenue ranging at the rate from 1% to 20% depending on the range of gold price.

IV. TAX *(continued)*

1. Major taxes and tax rates *(continued)*

Value-added tax on land	Pursuant to Regulations on Value-added Tax on Land of the People's Republic of China (Tentative), value-added tax on land is levied based on the added value obtained from transfer of real estates and the stipulated tax rates, at the rate of the 4th-level super progressive tax rate (30%-60%).

2. Tax incentives

Pursuant to the Notice of the Ministry of Finance, the State Administration of Taxation and the General Administration of Customs on the Issues of Preferential Taxation Policies for Further Implementing the Western Development Strategy (Cai Shui [2011] No. 58), from 1 January 2011 to 31 December 2020, the enterprises in the western region, which are principally engaged in encouraged industries as indicated in the Catalogue of Encouraged Industries of Western Region and the Catalogue of Industrial Structure Adjustment Guidance (2011 version) (Revised) (The National Development and Reform Commission Order [2013] No. 21) and which generate over 70% of their operating income from the encouraged industries could apply for a tax incentive. After getting the approval of the tax bureau in charge, those enterprises could enjoy a reduced corporate income tax ("CIT") rate of 15%.

According to the Notice Concerning Issuance and Amendment of "Handling Methods of Preferential Corporate Income Tax Policies" issued by the State Administration of Taxation (State Administration of Taxation Announcement 2018 No. 23), the handling methods of "self-determination, reporting the entitlement and retaining the relevant information" shall be adopted by the enterprises enjoying the tax concessions.

In 2018, the following subsidiaries met the conditions for enjoying tax concessions and were entitled to a reduced CIT rate of 15%:

(1) Xinjiang Ashele Copper Company Limited ("Xinjiang Ashele") met the conditions of preferential taxation policies for the Western Development and was entitled to a tax concession at a preferential CIT rate of 15% in 2018.

(2) Xinjiang Zijin Zinc Industry Co., Ltd. ("Xinjiang Zijin Zinc Industry") met the conditions of preferential taxation policies for the Western Development and was entitled to a tax concession at a preferential CIT rate of 15% in 2018.

(3) Xinjiang Jinbao Mining Company Limited ("Xinjiang Jinbao") met the conditions of preferential taxation policies for the Western Development and was entitled to a tax concession at a preferential CIT rate of 15% in 2018.

(4) Hunchun Zijin Mining Co., Ltd. ("Hunchun Zijin") met the conditions of preferential taxation policies for the Western Development and was entitled to a tax concession at a preferential CIT rate of 15% in 2018.

(5) Wulatehouqi Zijin Mining Co., Ltd. ("Wulatehouqi Zijin") met the conditions of preferential taxation policies for the Western Development and was entitled to a tax concession at a preferential CIT rate of 15% in 2018.

Pursuant to the Notice Concerning Revision and Issuance of Administration Policy for Determination of High and New Technology Enterprise (Guo Ke Fa Huo [2016] No. 32) issued by the Ministry of Science and Technology, the Ministry of Finance and the State Administration of Taxation and the Notice Concerning Revision and Issuance of Administration Guideline on Determination of High and New Technology Enterprise (Guo Ke Fa Huo [2016] No. 195) issued by the Ministry of Science and Technology, the Ministry of Finance and the State Administration of Taxation, the Company obtained the certificate of High and New Technology Enterprise jointly issued by authorities including the Science and Technology Department of Fujian Province, Finance Department of Fujian Province, State Tax Bureau of Fujian Province, Local Tax Bureau of Fujian Province, etc. on 23 October 2017 (reference number: GR201735000251). The validity period of the certificate is from 23 October 2017 to 23 October 2020. Zijin Mining Group Co., Ltd.* was entitled to enjoy the preferential CIT policies for high and new technology enterprises and entitled to a tax concession of the CIT rate of 15% in 2018.

Notes to Financial Statements *(continued)*

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Cash and cash equivalents

	2018	2017
Cash	**3,467,899**	3,680,034
Bank deposits	**9,814,256,960**	5,533,321,796
Other monetary funds (Note 1)	**272,165,949**	399,064,843
	10,089,890,808	5,936,066,673

Note 1: As at 31 December 2018, the balance of other monetary funds of the Group in Renminbi mainly included:

land restoration and environmental rehabilitation costs of RMB101,359,612 (31 December 2017: RMB89,172,507); Pursuant to the rules of the government, the Company provided a deposit for mine restoration and improvement of ecological environment in mines and deposited the fund in a specified bank account. The fund was restricted to the use of land restoration and environmental rehabilitation; (2) other guarantee deposits of RMB52,693,045 (31 December 2017: RMB92,550,221), which were restricted to use; (3) time deposits with maturity for more than three months but less than one year of RMB3,000,000 (31 December 2017: Nil), and (4) deposit in the Shanghai Gold Exchange of RMB115,113,292 (31 December 2017: RMB217,342,125).

As at 31 December 2018, cash and cash equivalents in the equivalent amount of RMB5,778,285,534 (31 December 2017: RMB1,869,741,048) were deposited outside Mainland China. Bank deposits of RMB9,736,619 (31 December 2017: RMB279,943) were frozen due to litigation reason.

Current deposits earn interest at the rate based on current deposit interest rates. Maturities of short-term time deposits range from 7 days to 12 months depending on the fund arrangement of the Group. Time deposits earn interest at the relevant rates with different maturities.

2. Held for trading financial assets (applicable from 1 January 2018)

	2018
Financial assets at fair value through profit or loss	
Investments in debt Instruments (Note 1)	**8,767,740**
Investments in equity Instruments (Note 2)	**357,294,790**
Derivative financial assets (Note 3)	**107,539,834**
Others (Note 4)	**313,531,996**
	787,134,360

Note 1: The Group's investments in bonds.

Note 2: The Group's investments in stocks aimed at making short-term profits.

Note 3: Derivative financial assets are as follows:

		2018
(1)	Derivative financial assets without designated hedging relationship	**79,720,776**
	Including: Forward contracts	***31,087,405***
	Futures contracts	***48,633,371***
(2)	Hedging instruments – Forward contracts	**27,819,058**
		107,539,834

Note 4: The Group's investments in funds aimed at making short-term profits.

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

3. Financial assets at fair value through profit or loss (applicable in 2017)

	2017
Financial assets at fair value through profit or loss	
Investments in debt instruments (Note 1)	34,525,569
Investments in equity instruments (Note 2)	2,331,172,973
Derivative financial assets (Note 3)	16,703,231
Others (Note 4)	171,525,948
	2,553,927,721

Note 1: The Group's investments in bonds.

Note 2: The Group's investments in stocks aimed at making short-term profits.

Note 3: Derivative financial assets are as follows:

		2017
(1)	Derivative financial assets without designated hedging relationship	16,703,231
	Including: Forward contracts	*1,918,699*
	Futures contracts	*14,784,532*
(2)	Hedging instruments – Forward contracts	—
		16,703,231

Note 4: The Group's investments in funds aimed at making short-term profits.

4. Bills receivable and trade receivables

	2018	2017
Bills receivable (Note 1)	—	1,519,375,541
Trade receivables	**1,009,871,109**	1,292,864,505
	1,009,871,109	2,812,240,046

Note 1: As at 1 January 2018, the Group reclassified bills receivable as financial assets at fair value through other comprehensive income under other current assets. Details are disclosed in Note V.10.

Notes to Financial Statements *(continued)*

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

4. Bills receivable and trade receivables *(continued)*

Bills receivable

	2017
Bank acceptance bills	1,260,004,739
Commercial acceptance bills	259,370,802
	1,519,375,541

Bills receivable which have been pledged are as follows:

	2017
Bank acceptance bills	280,000,000

Bills receivable endorsed or discounted by the Group which were not yet due at the date of statement of financial position are as follows:

	2017	
	Derecognised	Not derecognised
Bank acceptance bills	101,195,068	144,000,000
Commercial acceptance bills	—	18,250,000
	101,195,068	162,250,000

As at 31 December 2017, bills receivable of RMB15,509,262 were converted to trade receivables due to the drawer's inability to settle the bills on maturity.

Trade receivables

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

Ageing analysis of the trade receivables is as follows:

	2018	2017
Within 1 year	**971,470,996**	1,244,854,634
Over 1 year but within 2 years	**28,163,819**	46,108,796
Over 2 years but within 3 years	**18,359,531**	2,164,105
Over 3 years	**3,863,260**	10,933,492
	1,021,857,606	1,304,061,027
Less: Bad debt provision for trade receivables	**11,986,497**	11,196,522
	1,009,871,109	1,292,864,505

The ageing of trade receivables is calculated based on the issuing date of the sales invoice.

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

4. Bills receivable and trade receivables *(continued)*

Trade receivables *(continued)*

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

	At 1 January	Impact of changes in accounting policy	Additions	Reversal	Write-off	At 31 December
2018	**11,196,522**	**9,495,496**	**2,455,700**	**—**	**(11,161,221)**	**11,986,497**
2017	6,429,534	—	7,695,229	—	(2,928,241)	11,196,522

	2018			
	Carrying amount		**Bad debt provision**	
	Amount	**Proportion (%)**	**Amount**	**Proportion (%)**
For which bad debt provision has been made individually	**4,650,678**	**0.46**	**3,983,886**	**85.66**
Provision for bad debts based on credit risk characteristics	**1,017,206,928**	**99.54**	**8,002,611**	**0.79**
	1,021,857,606	**100.00**	**11,986,497**	**1.17**

	2017			
	Carrying amount		Bad debt provision	
	Amount	Proportion (%)	Amount	Proportion (%)
Individually significant and for which bad debt provision has been made individually	982,912,244	75.37	—	—
Provision for bad debts based on credit risk characteristics	—	—	—	—
Individually not significant but for which bad debt provision has been made individually	321,148,783	24.63	11,196,522	3.49
	1,304,061,027	100.00	11,196,522	0.86

The Group's trade receivables with bad debt provision using the ageing analysis method are as follows:

	2018		
	Carrying amount with estimated default	**Expected credit losses rate (%)**	**Entire lifetime expected credit losses**
Within 1 year	**971,384,134**	**0.30**	**2,914,152**
Over 1 year but within 2 years	**25,016,888**	**6.00**	**1,501,013**
Over 2 years but within 3 years	**17,695,503**	**15.00**	**2,654,325**
Over 3 years	**3,110,403**	**30.00**	**933,121**
	1,017,206,928		**8,002,611**

Notes to Financial Statements *(continued)*

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

4. Bills receivable and trade receivables *(continued)*

Trade receivables *(continued)*

In 2018, the provision for bad debt was RMB2,455,700 (2017: RMB7,695,229), and no provision for bad debt was recovered or reversed (2017: Nil).

In 2018, trade receivables written off amounted to RMB11,161,221 (2017: RMB2,928,241).

The five entities with the largest balances of trade receivables at 31 December 2018 are as follows:

Name of entity	**Amount**	**Proportion of trade receivables (%)**	**Ageing**	**Closing balance of bad debt provision**
The Perth Mint Australia	**89,930,782**	**8.80**	**Within 1 year**	**269,792**
Kazzinc	**86,182,790**	**8.43**	**Within 1 year**	**258,548**
Golden Wealth International Trading Limited	**62,641,775**	**6.13**	**Within 1 year**	**187,925**
Freepoint Metals & Concentrate	**55,573,232**	**5.44**	**Within 1 year**	**166,720**
Chelyabinsk Zinc Plant	**55,166,980**	**5.40**	**Within 1 year**	**165,501**
	349,495,559	**34.20**		**1,048,486**

The five entities with the largest balances of trade receivables at 31 December 2017 are as follows:

Name of entity	Amount	Proportion of trade receivables (%)	Ageing	Closing balance of bad debt provision
Xiamen Tianyuan Investment Co., Ltd.	330,000,000	25.31	Within 1 year	—
Intercontinental Resources HK Co., Ltd.	141,030,729	10.81	Within 1 year	—
Zisen (Xiamen) Supply Chain Management Co., Ltd. ("Zisen (Xiamen)")	57,892,351	4.44	Within 1 year	—
Chelyabinsk Zinc Plant	45,390,760	3.48	Within 1 year	—
Shanghai Red Heron International Trade Co., Ltd.	37,748,219	2.89	Within 1 year	—
	612,062,059	46.93		—

Notes to Financial Statements *(continued)*

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

5. Prepayments

Ageing analysis of the prepayments are as follows:

	2018		2017	
	Carrying amount	**Proportion (%)**	Carrying amount	Proportion (%)
Within 1 year	**1,276,215,825**	**89.17**	1,270,022,437	93.94
Over 1 year but within 2 years	**104,815,990**	**7.66**	50,917,324	3.77
Over 2 years but within 3 years	**23,455,856**	**1.72**	8,029,119	0.59
Over 3 years	**19,047,379**	**1.45**	22,924,743	1.70
	1,423,535,050	**100**	1,351,893,623	100
Less: Bad debt provision for prepayments	**4,372,525**		7,752,470	
	1,419,162,525		1,344,141,153	

As at 31 December 2018, there were no prepayments with significant balances aged over one year (31 December 2017: Nil).

As at 31 December 2018, the breakdowns of bad debt provision for prepayments are as follows:

The movements of bad debt provision for prepayments are as follows:

	At 1 January	**Additions**	**Reversal**	**Write-off**	**Classified as held for sale**	**At 31 December**
2018	**7,752,470**	**1,076,140**	**—**	**(3,645,702)**	**(810,383)**	**4,372,525**
2017	8,965,707	195,918	—	(1,409,155)	—	7,752,470

The five entities with the largest balances of prepayments at 31 December 2018 are as follows:

Name of entity	**Relationship**	**Amount**	**Proportion of prepayments (%)**
Zisen (Xiamen)	Associate	**150,817,902**	**10.59**
Chifeng Fubang Copper Co., Ltd.	Third party	**42,747,400**	**3.00**
China National Gold Group Inner Mongolia Mining Co., Ltd.	Third party	**34,740,792**	**2.44**
PRC Longyan Customs (Note 1)	Third party	**29,648,533**	**2.08**
PRC Xingang Customs (Note 1)	Third party	**27,531,899**	**1.93**
		285,486,526	**20.04**

Note 1: Prepaid customs duty deposit.

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

5. Prepayments *(continued)*

The five entities with the largest balances of prepayments at 31 December 2017 are as follows:

Name of entity	Relationship	Amount	Proportion of prepayments (%)
Hong Kong Purity Alliance International Trading Co., Limited	Third party	186,694,542	13.81
China National Gold Group Inner Mongolia Mining Co., Ltd.	Third party	119,148,284	8.81
Shijiazhuang AP Memory Technology Corp.	Third party	58,123,828	4.30
Hechi City Minghui Mining Co., Ltd.	Third party	43,863,959	3.24
Fujia Environmental Protection Recycling Technologies PLC.	Third party	40,000,000	2.96
		447,830,613	33.12

6. Other receivables

	2018	2017
Interest receivables	**23,376,850**	9,331,013
Other receivables	**1,392,135,712**	1,143,671,944
	1,415,512,562	1,153,002,957

Aging analysis of the other receivables is as follows:

	2018	2017
Within 1 year	**834,777,898**	722,517,458
Over 1 year but within 2 years	**336,302,172**	337,545,670
Over 2 years but within 3 years	**190,576,920**	66,279,750
Over 3 years	**93,585,303**	202,660,871
	1,455,242,293	1,329,003,749
Less: Bad debt provision for other receivables	**63,106,581**	185,331,805
	1,392,135,712	1,143,671,944

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

6. Other receivables *(continued)*

The changes in bad debt provision for other receivables based on 12-month expected credit losses and the entire lifetime expected credit losses are as follows:

	Stage 1 12-month expected credit losses	Stage 2 Entire lifetime expected credit losses (individually assessed)	Stage 2 Entire lifetime expected credit losses (collectively assessed)	Stage 3 Financial assets with credit impairment occurred (entire lifetime)	Total
Balance at 1 January 2018	—	—	—	185,331,805	185,331,805
Balance at 1 January 2018 during the year					
– Transfer to Stage 2	—	—	—	—	—
– Transfer to Stage 3	—	—	—	—	—
– Reverse to Stage 2	—	—	—	—	—
– Reverse to Stage 1	—	—	—	—	—
Provisions during the year	1,498,073	—	—	59,148,234	60,646,307
Reversal during the year	—	—	—	(141,557,407)	(141,557,407)
Write-back during the year	—	—	—	—	—
Write-off during the year	—	—	—	(31,841,089)	(31,841,089)
Others changes					
– Classified as held for sale	—	—	—	(9,473,035)	(9,473,035)
	1,498,073	—	—	61,608,508	63,106,581

	2017			
	Carrying amount		Bad debt provision	
	Amount	Proportion (%)	Amount	Proportion (%)
Individually significant and for which bad debt provision has been provided individually	872,530,314	65.65	167,432,416	19.19
Provision for bad debts based on credit risk characteristics	—	—	—	—
Individually not significant but for which bad debt provision has been provided individually	456,473,435	34.35	17,899,389	3.92
	1,329,003,749	100.00	185,331,805	13.95

Notes to Financial Statements *(continued)*

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

6. Other receivables *(continued)*

As at 31 December 2017, other receivables, which were individually significant and for which bad debt provision had been provided individually, were as follows:

	Carrying amount	Bad debt provision	Proportion (%)	Reason for making bad debt provision
Zijin Tongguan	250,111,647	140,992,416	56.37	No progress for the project in which the borrowing is used
Shangguan Jiandong	16,440,000	16,440,000	100.00	Long overdued and it is expected that the amount cannot be recovered
Chongli Dongping Gold Mining Company Limited ("Chongli Dongping")	10,034,878	10,000,000	99.65	Borrower is not able to operate
	276,586,525	167,432,416		

In 2018, the provision for bad debt was RMB60,646,307 (2017: RMB4,395,695), and provision of RMB141,557,407 was recovered or reversed (2017: RMB1,812,513). In 2018, other receivables written off amounted to RMB31,841,089 (2017: RMB259,991).

Category of other receivables by nature is as follows:

	2018	2017
Due from third parties	**293,698,641**	201,068,368
Receivables from disposal of assets	**269,392,246**	170,748,082
Guarantees and deposits	**161,702,883**	96,132,599
Deferred expenses	**152,293,971**	121,979,276
Receivables from insurance claim	**129,178,317**	—
Receivables from associates and joint ventures	**87,182,932**	333,512,171
Advanced material costs	**81,100,461**	104,752,162
Due from non-controlling shareholders	**57,988,324**	78,742,023
Staff advances and reserve funds	**39,282,541**	27,654,972
Receivables from settlement of futures	**17,223,394**	40,146,809
Others	**166,198,583**	154,267,287
	1,455,242,293	1,329,003,749
Less: Bad debt provision for other receivables	**63,106,581**	185,331,805
	1,392,135,712	1,143,671,944

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

6. Other receivables *(continued)*

The five entities with the largest balances of other receivables at 31 December 2018 are as follows:

	Closing balance of other receivables	Proportion of other receivables (%)	Nature	Ageing	Closing balance of bad debt provision
Aurum Insurance Company Inc. (Note 1)	**129,178,317**	**8.88**	Receivables from insurance claim	**Within 1 year**	—
Xinjiang Xingguang Chemical Industry Co., Ltd. ("Xingguang Chemical Industry") (Note 2)	**105,500,000**	**7.25**	Receivables from disposal of assets	**Over 1 year but within 2 years**	—
Computershare Limited (Note 3)	**96,508,684**	**6.63**	Receivables from disposal of assets	**Within 1 year**	—
Xinjiang Jinneng Mining Co., Ltd. ("Xinjiang Jinneng") (Note 4)	**55,428,114**	**3.81**	Due from third parties	**Over 3 years**	—
Fujian Longyan Makeng Mining Company Limited ("Longyan Makeng") (Note 5)	**50,073,104**	**3.44**	Due from third parties	**Within 1 year**	—
	436,688,219	**30.01**			—

The five entities with the largest balances of other receivables at 31 December 2017 are as follows:

	Closing balance of other receivables	Proportion of other receivables (%)	Nature	Ageing	Closing balance of bad debt provision
Zijin Tongguan (Note 6)	250,111,647	18.69	Due from associates	Within 1 year, over 1 year but within 2 years, over 2 years but within 3 years and over 3 years	140,992,416
Longkou City Jinhe Industrial and Trading Co., Ltd. ("Jinhe Industrial and Trading") (Note 7)	54,700,000	4.09	Receivables from disposal of assets	Over 3 years	—
Xinjiang Jinneng (Note 4)	50,442,595	3.77	Due from third parties	Over 1 year but within 2 years and over 3 years	—
Longyan Makeng (Note 5)	50,112,612	3.74	Due from associates	Within 1 year	—
Xingguang Chemical Industry (Note 2)	50,000,000	3.74	Receivables from disposal of assets	Within 1 year	—
	455,366,854	34.03			140,992,416

Note 1: Affected by the earthquake in Papua New Guinea's Southern Highlands Province, BNL, a joint operation of the Company, suspended part of its mining activities this year, and claimed insurance compensation from Aurum Insurance Company Inc. for losses caused during the suspension. As at 31 December 2018, unpaid insurance claims amounted to USD37,643,750. According to the Group's proportion of joint control in BNL, insurance claims receivable amounted to RMB129,178,317.

Note 2: In 2017, the Group transferred a 100% equity interest in Xinjiang Jinneng, formerly a wholly-owned subsidiary, to Xinjiang Xingguang Chemical Industry Co., Ltd. for a consideration of RMB315,000,000. As at 31 December 2018, the Group had received the first instalment of the consideration of RMB159,500,000, and the second instalment of the consideration of RMB50,000,000. The remaining RMB105,500,000 is expected to be recovered in 2019.

Notes to Financial Statements *(continued)*

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

6. Other receivables *(continued)*

Note 3: Zijin Global Fund (International), a subsidiary of the Group, originally held 3,197,191 shares of Nevsun Resources in 2018. Meanwhile, a subsidiary of the Group acquired 89.37% equity interest of Nevsun Resources through tender offer. The amount of the offer was paid to the original shareholders of Nevsun Resources through Computershare Limited. As at 31 December 2018, the Company had paid consideration for the 89.37% equity interest to Computershare Limited, but Zijin Global Fund (International) has not yet received the consideration for disposal of the equity interest originally held amounted to RMB96,508,684.

Note 4: The Group's loans to Xinjiang Jinneng in 2012 and 2016 were RMB55,428,114 and RMB45,014,481, respectively, and totalled RMB100,442,595. Due to the Group's disposal of Xinjiang Jinneng in 2017, the loans were reclassified as other receivables due from third parties. The Group had received a payment of RMB45,014,481 in 2018 and the remaining RMB55,428,114 is expected to be recovered in 2019.

Note 5: Zijin Mining Group Finance Co., Ltd. ("Finance Company"), a subsidiary of the Group, provided loans to its associate, Longyan Makeng, in October 2018. As at 31 December 2018, the total principal and interest of the borrowing amounted to RMB50,073,104. The amount of RMB50,112,612 payable from Longyan Makeng to Finance Company last year was settled in this year.

Note 6: The amount represents the Group's loan to and other receivables due from Zijin Tongguan. As Zijin Tongguan has been included in the Group's scope of consolidation this year, the current accounts between Zijin Tongguan and the Group have been eliminated in the consolidation. The provision for bad debts of RMB140,992,416 in previous years was reversed in this year. Details of the acquisition of Zijin Tongguan are disclosed in Note VI.1.

Note 7: Zijin International Mining Company Limited ("Zijin International"), a subsidiary of the Group, signed an equity transfer agreement of Longkou Jinfeng Company Limited with Jinhe Industrial and Trading in November 2014. According to the agreement, the share transfer consideration was RMB84,600,000. Jinhe Industrial and Trading had paid RMB29,900,000 in November 2014 and the remaining balance was recovered in this year.

7. Inventories

	2018			2017		
	Carrying amount	**Inventory provision**	**Net book value**	Carrying amount	Inventory provision	Net book value
Raw materials	**5,727,609,085**	**(12,191,343)**	**5,715,417,742**	3,495,840,459	(83,672,404)	3,412,168,055
Work in progress	**5,844,793,946**	**(32,203,111)**	**5,812,590,835**	5,094,591,026	(25,289,064)	5,069,301,962
Finished goods	**1,163,677,848**	**(25,479,025)**	**1,138,198,823**	957,000,128	(21,879,806)	935,120,322
Properties under development	**—**	**—**	**—**	1,670,455,800	—	1,670,455,800
Reusable materials	**3,467,463**	**—**	**3,467,463**	2,788,816	—	2,788,816
	12,739,548,342	**(69,873,479)**	**12,669,674,863**	11,220,676,229	(130,841,274)	11,089,834,955

The movements of inventory provision are as follows:

2018

	At 1 January	**Additions**	**Reductions**		**At 31 December**
			Reversal	**Write-back**	
Raw materials (Note 1)	**83,672,404**	**23,207,508**	**(94,676,940)**	**(11,629)**	**12,191,343**
Work in progress	**25,289,064**	**8,365,257**	**(1,451,210)**	**—**	**32,203,111**
Finished goods	**21,879,806**	**62,767,829**	**(6,255,506)**	**(52,913,104)**	**25,479,025**
	130,841,274	**94,340,594**	**(102,383,656)**	**(52,924,733)**	**69,873,479**

Note 1: This year, Wenshan Malipo Zijin Tungsten Group Co., Ltd. ("Wenshan Malipo Zijin"), a subsidiary of the Group, reclassified its provision for raw material price reduction of RMB46,574,664 to the provision for finished goods price reduction; the provision for raw material price reduction of Fujian Zijin Real Estate Company Limited ("Zijin Real Estate"), a subsidiary of the Group of RMB46,812,567 was reclassified to investment property impairment provision.

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

7. Inventories *(continued)*

2017

	At 1 January	Additions	Reductions		At 31 December
			Reversal	Write-back	
Raw materials	71,459,389	23,263,565	(11,050,550)	—	83,672,404
Work in progress	25,014,548	1,186,060	—	(911,544)	25,289,064
Finished goods	57,387,175	53,419,711	(67,684,963)	(21,242,117)	21,879,806
	153,861,112	77,869,336	(78,735,513)	(22,153,661)	130,841,274

2018 and 2017	Determination basis of net realisable value	Basis of making provision for inventories	Reasons for reversal of inventory provision
Raw materials	Market price of raw materials/ market price of relevant finished goods	Defectiveness and obsolescence/decrease in market price of relevant finished goods	Increase in market price of relevant finished goods
Work in progress	Market price of relevant finished goods	Decrease in market price of relevant finished goods	Increase in market price of relevant finished goods
Finished goods	Market price/contract price	Decrease in market price	Increase in market price

As at 31 December 2018, the Group has no inventories with restricted ownership (31 December 2017: carrying amount of RMB10,034,000 was subject to restricted ownership). Details are disclosed in Note V.64.

In 2018, the Group had no newly added capitalised interest expenses of inventories (2017: RMB5,451,275).

As at 31 December 2018, the Group had no capitalised interest expenses in the closing balance of inventories (31 December 2017: RMB67,858,304).

8. Held for sale assets/liabilities

In view of the fact that the mine of Hebei Chongli Zijin Mining Co., Ltd. ("Chongli Zijin") has entered the end of its production period, the resources volume of gold in the gold mine is insufficient, the Company convened a board of directors meeting on 29 December 2017, and decided to dispose of the entire 60% of the equity interest in Chongli Zijin. On 24 December 2018, the Company entered into a formal equity transfer agreement with Aikeruite (Beijing) Investment Co., Ltd ("Aikeruite"). The consideration for the disposal was RMB180 million. According to the agreement, Aikeruite shall complete the registration of the equity change within the 2-month effective period of the agreement. As at 31 December 2018, the transfer of equity has not been completed. Assets and liabilities of Chongli Zijin held by the Company were therefore presented as held for sale assets and liabilities. According to the consideration of the equity transfer, the fair value of 100% equity interest of Chongli Zijin after deduction of the costs to sell is higher than the book value.

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

8. Held for sale assets/liabilities *(continued)*

The book values of Chongli Zijin's assets and liabilities are as follows:

	2018
Cash and cash equivalents	**8,713,028**
Other receivables	**19,271,706**
Prepayments	**1,915,556**
Inventories	**47,251,526**
Fixed assets	**35,556,074**
Construction materials	**355,650**
Intangible assets	**24,244,245**
Long-term deferred assets	**38,724,778**
Deferred tax assets	**25,292,977**
Other non-current assets	**44,863,683**
Total held for sale assets	**246,189,223**

	2018
Trade payables	**43,774,813**
Advances from customers	**7,209,493**
Employee benefits payable	**9,349,789**
Taxes payable	**631,309**
Other payables	**7,744,045**
Deferred tax liabilities	**30,302**
Total held for sale liabilities	**68,739,751**

9. Current portion of non-current assets

	2018	2017
Current portion of long-term receivables	**307,233,993**	257,775,683

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

10. Other current assets

	2018	2017
Deposit for futures contracts	**122,033,048**	163,267,223
Deposit for gold transactions	**10,000**	164,177,385
Liquid cash for futures contracts	**111,382,424**	89,643,176
Input VAT to be credited	**35,945,492**	26,047,366
Input VAT to be verified	**19,450,082**	10,502,126
VAT recoverable	**539,559,831**	393,807,689
Taxes prepayment	**147,104,629**	335,794,708
Wealth management products (Note 1)	**280,400,925**	2,321,454,667
Bills receivable (Note 2)	**1,243,090,520**	—
Others	**5,041,841**	23,327,063
	2,504,018,792	3,528,021,403

Note 1: Wealth management products in other current assets of the Group are reverse-repurchase products of Chinese government bonds, and interest is charged at a fixed interest rate.

Note 2: Details of bills receivable are as follows:

	2018
Bank acceptance bills	**971,636,786**
Commercial acceptance bills	**277,115,790**
	1,248,752,576
Less: Bad debt provision for other current assets	**5,662,056**
	1,243,090,520

Bills receivable which have been pledged are as follows:

	2018
Bank acceptance bills	**1,972,833**

Notes to Financial Statements *(continued)*

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

10. Other current assets *(continued)*

Bills receivable endorsed or discounted by the Group which were not yet due at the date of statement of financial position are as follows:

	2018	
	Derecognised	**Not derecognised**
Bank acceptance bills	**393,200,171**	**137,193,063**
Commercial acceptance bills	**—**	**13,840,000**
	393,200,171	**151,033,063**

As at 31 December 2018, RMB4,036,113 of the Group's bills receivable were converted to trade receivables due to the drawer's inability to settle the bills on maturity.

11. Available-for-sale investments (applicable in 2017)

	2017		
	Carrying amount	Impairment provision	Net book value
Available-for-sale equity instruments			
Measured at fair value	218,648,868	—	218,648,868
Measured at cost	619,756,866	(60,204,548)	559,552,318
	838,405,734	(60,204,548)	778,201,186

Available-for-sale investments measured at fair value are as follows:

	2017
Cost of equity instruments	108,574,413
Fair value	218,648,868
Accumulated changes in fair value recognised as other comprehensive income	110,074,455
Impairment provision at 31 December	—

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

11. Available-for-sale investments (applicable in 2017) *(continued)*

Available-for-sale investments measured at cost are as follows:

2017

	Carrying amount				Impairment provision				Proportion of equity interest (%)	Cash dividends received for the year
	At 1 January	Additions	Reductions	At 31 December	At 1 January	Additions	Reductions	At 31 December		
Sichuan Liwu Copper Company Limited ("Liwu Copper")	19,850,000	–	–	19,850,000	–	–	–	–	5.77	700,000
Fujian Shanghang Rural Commercial Bank Company Limited ("Shanghang Rural Commercial Bank")	89,900,000	–	–	89,900,000	–	–	–	–	10.00	16,800,000
Nanjing China Net Communication Company Limited ("Nanjing China Net")	25,000,000	–	–	25,000,000	–	–	–	–	8.62	–
Fujian Shanghang Xingcheng Guarantee Company Limited ("Xingcheng Guarantee") (Note 1)	50,000,000	–	–	50,000,000	–	–	–	–	20.00	–
Muli County Rongda Mining Company Limited ("Muli Rongda")	62,017,517	–	–	62,017,517	–	–	–	–	12.00	–
Xinjiang Xinxin Mining Industry Company Limited ("Xinjiang Xinxin")	18,314,097	–	–	18,314,097	–	–	–	–	2.56	–
Wulatehouqi Ruifeng Lead Refinery Company Limited ("Wulatehouqi Ruifeng")	10,500,000	–	–	10,500,000	(10,500,000)	–	–	(10,500,000)	3.03	–
CASA Mining Limited ("CASA Mining")	41,932,791	7,771,757		49,704,548	–	(49,704,548)	–	(49,704,548)	3.74	–
Solantera Resources Ltd. ("Solantera Resources")	7,771,757	–	(7,771,757)	–	–	–	–	–	0.00	–
Zhenfeng Rural Credit Cooperative Union ("Zhenfeng Rural Credit")	11,074,000	–	–	11,074,000	–	–	–	–	9.80	588,000
Xinjiang Tianshan Railway Company Limited ("Xinjiang Tianshan Railway")	19,200,000	–	(19,200,000)	–	–	–	–	–	0.00	–
Bank of Luoyang Co., Ltd. ("Bank of Luoyang")	1,000,000	–	–	1,000,000	–	–	–	–	0.12	390,000
Jiangxi Jinhuan Mining Company Limited ("Jiangxi Jinhuan") (Note 2)	4,864,063	–	–	4,864,063	–	–	–	–	55.00	–
Lenghu Bindi Potash Co., Ltd. ("Bindi Potash")	187,106,400	–	–	187,106,400	–	–	–	–	3.60	–
Beijing Larkworld Environmental Technology Incorporated Company	–	76,739,294	–	76,739,294	–	–	–	–	16.67	–
Gansu Mining Development Co., Ltd.	–	2,171,643	–	2,171,643	–	–	–	–	5.00	–
Cloud Chain (Beijing) Financial Information Services Co., Ltd.	–	6,500,000	–	6,500,000	–	–	–	–	1.39	–
Others	5,015,304	–	–	5,015,304	–	–	–	–	N/A	–
	553,545,929	93,182,694	(26,971,757)	619,756,866	(10,500,000)	(49,704,548)	–	(60,204,548)		18,478,000

Notes to Financial Statements *(continued)*

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

11. Available-for-sale investments (applicable in 2017) *(continued)*

Movements of impairment provision for available-for-sale investments are as follows:

	2017
Impairment provision at 1 January	10,500,000
Additions	49,704,548
Including: Transferred from other comprehensive income	—
Reductions	—
Impairment provision at 31 December	60,204,548

Note 1: Pursuant to the Capital Increase Agreement of Fujian Shanghang Xingcheng Guarantee Company Limited, the Company holds 20% preference shares of Xingcheng Guarantee and is entitled to preferential rights over other shareholders of Xingcheng Guarantee in respect of profit and residual assets distribution. However, the Company's right to participate in the decision-making and management of Xingcheng Guarantee is restricted, and the Company neither appointed directors to Xingcheng Guarantee nor had a significant influence on the operations and decision-making of Xingcheng Guarantee. As such, the Company recognised its investment in Xingcheng Guarantee as an available-for-sale investment.

Note 2: Pursuant to a resolution at the shareholders' general meeting on 13 March 2014 convened by Jiangxi Jinhuan, it was resolved that since 2014, Huanmin Mining Company Limited ("Huanmin Mining"), a subsidiary of the Company, which held a 55% equity interest in Jiangxi Jinhuan, would neither invest in nor participate in the management of Jiangxi Jinhuan. Meanwhile, Huanmin Mining entrusted Jiangxi Jinyuan Mineral Group Company Limited ("Jiangxi Jinyuan"), which holds a 45% equity interest in Jiangxi Jinhuan, to manage Jiangxi Jinhuan. Huanmin Mining's equity interest in Jiangxi Jinhuan will be further diluted with the future investment of Jiangxi Jinyuan. As at 31 December 2017, there were no changes in the shareholding percentage. The Group had not appointed directors to Jiangxi Jinhuan and did not involve in the management of Jiangxi Jinhuan. The management of the Group considers that the Group had no significant influence over Jiangxi Jinhuan. As such, the Group recognised its investment in Jiangxi Jinhuan as an available-for-sale investment.

12. Long-term equity investments

	2018			2017		
	Carrying amount	**Impairment provision**	**Net book value**	Carrying amount	Impairment provision	Net book value
Investments in joint ventures	**3,670,508,922**	**(15,815,023)**	**3,654,693,899**	3,533,848,819	(12,350,855)	3,521,497,964
Investments in associates	**3,387,059,370**	**—**	**3,387,059,370**	3,438,607,836	(162,757,584)	3,275,850,252
	7,057,568,292	**(15,815,023)**	**7,041,753,269**	6,972,456,655	(175,108,439)	6,797,348,216

Notes to Financial Statements *(continued)*

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

12. Long-term equity investments *(continued)*

2018

		Movements during the year										
	At 1 January 2018	Additions	Reductions	Investment income/(losses) under the equity method	Other comprehensive income	Other changes in equity	Cash dividends declared by investee	Provision for impairment losses	Exchange differences arising from translation of financial statements denominated in foreign currencies	Transfer of control and becomes investments in subsidiaries	At 31 December 2018	Provision for impairment losses at 31 December 2018
Joint ventures												
Gold Eagle Mining Investment Limited ("Gold Eagle Mining")	1,456,649,055	–	–	(11,144,318)	–	–	–	–	–	–	1,445,504,737	–
Shandong Guoda Gold Company Limited ("Shandong Guoda")	165,745,938	–	–	8,567,214	–	–	(8,530,843)	–	–	–	165,782,309	(12,350,855)
Xiamen Zijin Zhonghang	220,174,279	–	–	6,620,044	–	–	–	–	–	–	226,794,323	–
Guizhou Funeng Zijin Energy Company Limited ("Guizhou Funeng Zijin")	74,816,879	–	–	–	–	–	–	–	–	–	74,816,879	–
Guizhou Southwest Zijin Gold Development Company Limited ("Southwest Zijin Gold")	20,293,036	–	–	380,529	–	–	–	–	–	–	20,673,565	–
Fujian Longhu Fishery Ecological Development Company Limited ("Fujian Longhu Fishery")	9,188,227	–	–	74,650	–	–	–	–	–	–	9,262,877	–
Kamoa	1,570,666,726	–	–	134,619,956	–	–	–	–	–	–	1,705,286,682	–
Fujian Zijin Cuifu Jewellery Development Co., Ltd. ("Zijin Cuifu")	3,472,151	–	–	(7,983)	–	–	–	(3,464,168)	–	–	–	(3,464,168)
Porgera Service Company	491,673	–	–	536,270	–	–	–	–	–	–	1,027,943	–
Preduzece za Proizrodnju Bankarnog Praha Pometon Tir Doo Bor (Note 1)	–	5,544,584	–	–	–	–	–	–	–	–	5,544,584	–
Subtotal	3,521,497,964	5,544,584	–	139,646,362	–	–	(8,530,843)	(3,464,168)	–	–	3,654,693,899	(15,815,023)
Associates												
Longyan Makeng	886,068,902	–	–	11,604,457	–	–	(20,750,000)	–	–	–	876,923,359	–
Xinjiang Tianlong Mining Company Limited ("Xinjiang Tianlong")	374,202,269	–	–	(3,292,565)	–	–	(6,910,046)	–	–	–	363,999,658	–
Zijin Tongguan (Note 2)	335,697,308	164,700,000	–	(16,011,644)	–	–	–	–	–	(484,385,664)	–	–
Wengfu Zijin Chemical Industry Company Limited ("Wengfu Zijin")	286,101,282	–	–	24,882,108	–	–	–	–	–	–	310,983,390	–
Fujian Haixia Technology Company Limited ("Haixia Technology")	208,243,797	–	–	21,148,812	–	–	(1,288,000)	–	–	–	228,104,609	–

Notes to Financial Statements *(continued)*

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

12. Long-term equity investments *(continued)*

2018 *(continued)*

	At 1 January 2018	Movements during the year									At 31 December 2018	Provision for impairment losses at 31 December 2018
		Additions	Reductions	Investment income/(losses) under the equity method	Other comprehensive income	Other changes in equity	Cash dividends declared by investee	Provision for impairment losses	Exchange differences arising from translation of financial statements denominated in foreign currencies	Transfer of control and becomes investments in subsidiaries		
Associates (continued)												
Wancheng Commercial Dongshengmiao Company Limited ("Wancheng Commercial")	199,855,351	–	–	106,350,003	–	–	(66,500,000)	–	–	–	239,705,354	–
Xiamen Modern Terminals Company Limited ("Xiamen Modern Terminals")	133,006,948	–	–	4,684,898	–	–	(5,000,000)	–	–	–	132,691,846	–
Tibet Yulong Copper Company Limited ("Tibet Yulong")	219,274,376	302,500,000	–	74,378,038	–	–	–	–	–	–	596,152,414	–
Shanghang Xinyuan Water Supply Company Limited ("Shanghang Xinyuan")	114,047,122	–	–	(4,539,833)	–	–	–	–	–	–	109,507,289	–
Yanbian SMEs Credit Security Investment Company Limited ("Yanbian Credit Security")	74,337,276	–	–	(1,143,596)	–	–	–	–	–	–	73,193,680	–
Xinjiang Kanas Travel Development Company Limited ("Kanas Travel")	68,094,151	–	–	14,280,149	–	–	(2,700,000)	–	–	–	79,674,300	–
Fujian Shanghang Ting River Hydropower Company Limited ("Ting River Hydropower")	66,131,155	–	–	(2,469,605)	–	–	(2,450,000)	–	–	–	61,211,550	–
Songpan Zijin Industrial and Trading Company Limited ("Songpan Zijin")	39,249,785	–	–	–	–	–	–	–	–	–	39,249,785	–
Fujian Wuping Zijin Hydropower Company Limited ("Wuping Zijin Hydropower")	41,905,493	–	–	(2,402,864)	–	–	(4,118,200)	–	–	–	35,384,429	–
Hunchun Jindi Mining Company Limited ("Hunchun Jindi")	46,479,075	–	–	(263,313)	–	–	–	–	–	–	46,215,762	–
Kuitun Yutong Logistics Company Limited ("Kuitun Yutong")	970,729	–	(1,000,000)	29,271	–	–	–	–	–	–	–	–
Zisen (Xiamen)	6,763,119	2,940,000	–	4,360,532	–	–	(4,890,000)	–	–	–	9,173,651	–
Fujian Jinyue Huichuang Intelligent Technology Co., Ltd. ("Jinyue Huichuang")	2,815,844	–	–	396,248	–	–	–	–	–	–	3,212,092	–
Changsha Science Environmental Technology Co., Ltd. ("Science")	172,606,270	–	–	1,903,489	–	–	–	–	–	–	174,509,759	–
Fujian Changqing New Energy Technology Co., Ltd.	–	7,500,000	–	(477,557)	–	–	–	–	–	–	7,022,443	–
Beijing Anchuang Shenzhou Technology Co., Ltd. ("Beijing Anchuang") (Note 1)	–	144,000	–	–	–	–	–	–	–	–	144,000	–
Subtotal	3,275,850,252	477,784,000	(1,000,000)	233,417,028	–	–	(114,606,246)	–	–	(484,385,664)	3,387,059,370	–
Total	6,797,348,216	483,328,584	(1,000,000)	373,063,390	–	–	(123,137,089)	(3,464,168)	–	(484,385,664)	7,041,753,269	(15,815,023)

Notes to Financial Statements *(continued)*

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

12. Long-term equity investments *(continued)*

2017

		Movements during the year										
	At 1 January 2017	Additions	Reductions	Investment income/(losses) under the equity method	Other comprehensive income	Other changes in equity	Cash dividends declared by investee	Provision for impairment losses	Exchange differences arising from translation of financial statements denominated in foreign currencies	Others	At 31 December 2017	Provision for impairment losses at 31 December 2017
Joint ventures												
Gold Eagle Mining	1,528,311,261	–	–	(35,980,867)	–	–	–	–	(35,681,339)	–	1,456,649,055	–
Sprott-Zijin Mining Fund (International) ("Sprott Fund")	668,548,616	–	–	25,516,496	–	–	–	–	(20,912,700)	(673,152,412)	–	–
Shandong Guoda	172,140,299	–	–	4,902,109	–	–	(11,296,470)	–	–	–	165,745,938	(12,350,855)
Xiamen Zijin Zhonghang	173,574,489	–	–	46,599,790	–	–	–	–	–	–	220,174,279	–
Guizhou Funeng Zijin	74,816,879	–	–	–	–	–	–	–	–	–	74,816,879	–
Southwest Zijin Gold	19,678,427	–	–	614,609	–	–	–	–	–	–	20,293,036	–
Fujian Longhu Fishery	9,297,903	–	–	(109,676)	–	–	–	–	–	–	9,188,227	–
Gold Mountains Sprott Capital Management Limited ("Gold Mountains Sprott")	415,022	–	–	588,382	–	–	–	–	–	(1,003,404)	–	–
Kamoa	1,818,783,921	–	–	(196,933,315)	–	–	–	–	(51,183,880)	–	1,570,666,726	–
Zijin Cuifu	2,900,000	2,200,000	–	(1,627,849)	–	–	–	–	–	–	3,472,151	–
Porgera Service Company	–	–	–	491,673	–	–	–	–	–	–	491,673	–
Subtotal	4,468,466,817	2,200,000	–	(155,938,648)	–	–	(11,296,470)	–	(107,777,919)	(674,155,816)	3,521,497,964	(12,350,855)
Associates												
Longyan Makeng	787,738,206	83,000,000	–	30,270,696	–	–	(14,940,000)	–	–	–	886,068,902	–
Xinjiang Tianlong	370,905,941	–	–	3,296,328	–	–	–	–	–	–	374,202,269	–
Zijin Tongguan	364,473,940	–	–	(28,776,632)	–	–	–	–	–	–	335,697,308	(162,757,584)
Wengfu Zijin	259,761,363	–	–	26,339,919	–	–	–	–	–	–	286,101,282	–
Haixia Technology	208,192,925	–	–	1,338,872	–	–	(1,288,000)	–	–	–	208,243,797	–
Wancheng Commercial	184,548,669	–	–	67,509,052	–	–	(52,745,438)	–	–	543,068	199,855,351	–
Xiamen Modern Terminals	133,806,747	–	–	5,075,201	–	–	(5,875,000)	–	–	–	133,006,948	–
Tibet Yulong	147,484,293	–	–	71,790,083	–	–	–	–	–	–	219,274,376	–
Shanghang Xinyuan	113,941,201	–	–	105,921	–	–	–	–	–	–	114,047,122	–
Yanbian Credit Security	72,325,535	–	–	2,511,741	–	–	(500,000)	–	–	–	74,337,276	–
Kanas Travel	77,683,456	–	–	4,218,000	–	–	(13,807,305)	–	–	–	68,094,151	–
Qinghai Copper	272,000,000	–	(272,000,000)	–	–	–	–	–	–	–	–	–
Ting River Hydropower	54,316,147	–	–	13,775,008	–	–	(1,960,000)	–	–	–	66,131,155	–
Songpan Zijin	39,249,785	–	–	–	–	–	–	–	–	–	39,249,785	–
Wuping Zijin Hydropower	49,285,402	–	–	4,437,791	–	–	(11,817,700)	–	–	–	41,905,493	–
Hunchun Jindi	46,957,347	–	–	(478,272)	–	–	–	–	–	–	46,479,075	–
Longyan Zijin AVIC	83,221,199	–	–	(83,221,199)	–	–	–	–	–	–	–	–
Kuitun Yutong	1,000,000	–	–	(29,271)	–	–	–	–	–	–	970,729	–
Zisen (Xiamen)	1,969,674	–	–	4,793,445	–	–	–	–	–	–	6,763,119	–
Jinyue Huichuang	2,941,022	–	–	(125,178)	–	–	–	–	–	–	2,815,844	–
Science	168,758,289	–	–	3,847,981	–	–	–	–	–	–	172,606,270	–
Subtotal	3,440,561,141	83,000,000	(272,000,000)	126,679,486	–	–	(102,933,443)	–	–	543,068	3,275,850,252	(162,757,584)
Total	7,909,027,958	85,200,000	(272,000,000)	(29,259,162)	–	–	(114,229,913)	–	(107,777,919)	(673,612,748)	6,797,348,216	(175,108,439)

Notes to Financial Statements *(continued)*

For the year ended 31 December 2018

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

12. Long-term equity investments *(continued)*

Movements of provision for impairment losses of long-term equity investments:

2018

	At 1 January 2018	Additions	Reductions	At 31 December 2018
Joint venture – Zijin Cuifu	—	3,464,168	—	3,464,168
Joint venture – Shandong Guoda	12,350,855	—	—	12,350,855
Associate – Zijin Tongguan (Note 2)	162,757,584	—	(162,757,584)	—
	175,108,439	3,464,168	(162,757,584)	15,815,023

2017

	At 1 January 2017	Additions	Reductions	At 31 December 2017
Joint venture - Shandong Guoda	12,350,855	—	—	12,350,855
Associate - Zijin Tongguan	162,757,584	—	—	162,757,584
	175,108,439	—	—	175,108,439

Note 1: Preduzece za Proizvodnju Bankarnog Praha Pometon Tir Doo Bor is a joint venture of Bor Copper; Beijing Anchuang Shenzhou Technology Co., Ltd. is an associate of Beijing Anchuang. Bor Copper and Beijing Anchuang were included in the scope of consolidation this year. These companies have become associates and joint ventures of the Group. Details are disclosed in Note VI.1.

Note 2: The Company originally held 45% equity interest in Zijin Tongguan, an associate. After increasing the equity interest held by 6%, the Company holds 51% of the equity interest in Zijin Tongguan and obtains control. Zijin Tongguan was included in the scope of consolidation this year. Details are disclosed in Note VI.1.

Notes to Financial Statements *(continued)*

For the year ended 31 December 2018

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

13. Other equity instrument investments (applicable from 1 January 2018)

	Costs	Accumulated changes in fair value of other comprehensive income	Fair value	Dividend income for the current year		Reasons for designating at fair value through other comprehensive income
				Equity instruments derecognised in the current year	Equity instruments held in the current year	
Share-holding companies						
Fujian Shanghang Rural Commercial Bank Company Limited ("Shanghang Rural Commercial Bank")	89,900,000	24,226,456	114,126,456	–	18,000,000	No active market quotation
Muli County Rongda Mining Company Limited ("Muli Rongda")	62,017,517	35,051,457	97,068,974	–	9,600,000	No active market quotation
Lenghu Bindi Potash Co., Ltd. ("Bindi Potash")	187,106,400	(93,706,292)	93,400,108	–		No active market quotation
Beijing Larkworld Environmental Technology Incorporated Company	76,739,294	132,668	76,871,962	–	–	No active market quotation
Fujian Shanghang Xingcheng Guarantee Company Limited ("Xingcheng Guarantee")	50,000,000	(6,438,494)	43,561,506	–	–	No active market quotation
Xinjiang Xinxin Mining Industry Company Limited ("Xinjiang Xinxin")	18,314,097	9,360,570	27,674,667	–	–	No active market quotation
Zhenfeng Rural Credit Cooperative Union ("Zhenfeng Rural")	11,074,000	14,915,707	25,989,707	–	514,500	No active market quotation
Sichuan Liwu Copper Company Limited ("Liwu Copper")	19,850,000	5,130,478	24,980,478	–	1,300,000	No active market quotation
Nanjing China Net Communication Company Limited ("Nanjing China Net")	25,000,000	(6,932,074)	18,067,926	–	100,000	No active market quotation
Xinjiang Wuxin Copper Company Limited ("Wuxin Copper") (Note 1)	6,731,300	(375,337)	6,355,963	–	–	No active market quotation
Cloud Chain (Beijing) Financial Information Services Co., Ltd	6,500,000	(5,272,578)	1,227,422	–	–	No active market quotation
Others	12,978,588	(8,864,063)	4,114,525	–	–	No active market quotation
	566,211,196	(32,771,502)	533,439,694	–	29,514,500	

Notes to Financial Statements *(continued)*

For the year ended 31 December 2018

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

13. Other equity instrument investments (applicable from 1 January 2018) *(continued)*

	Costs	Accumulated changes in fair value of other comprehensive income	Fair value	Dividend income for the current year		Reasons for designating at fair value through other comprehensive income
				Equity derecognised in the current year	Equity instruments held in the current year	
Stocks						
Ivanhoe Mines Ltd.-CL A	944,178,121	249,924,064	1,194,102,185	–	–	Strategic investment
Pretium Resources IN	83,290,528	73,869,183	157,159,711	–	–	Strategic investment
Asanko Gold Inc.	88,835,810	(21,773,661)	67,062,149	–	–	Strategic investment
Lydian International Ltd.	26,593,507	(5,709,978)	20,883,529	–	–	Strategic investment
Bank of Nanjing	9,745,991	(1,872,201)	7,873,790	–	–	Strategic investment
Equitas Resources Corp.	8,741,624	(8,626,351)	115,273	–	–	Strategic investment
Chrometco	3,160,462	–	3,160,462	–	–	Strategic investment
	1,164,546,043	285,811,056	1,450,357,099	–	–	
	1,730,757,239	253,039,554	1,983,796,793	–	29,514,500	

Note 1: On 22 April 2018, Xinjiang Ashele, a subsidiary of the Group, entered into an equity transfer agreement with Xinjiang Nonferrous Metals Industry (Group) Co., Ltd. ("Xinjiang Nonferrous"), pursuant to which Xinjiang Ashele transferred the 33.34% equity interest in Wuxin Copper held by Xinjiang Ashele to Xinjiang Nonferrous at a consideration of RMB6.6 million. On 23 April 2018, Xinjiang Ashele and Xinjiang Nonferrous entered into a capital increase agreement for Wuxin Copper. Xinjiang Ashele conducted the capital increase with debt receivables amounted to RMB6.6 million. After the capital increase, Xinjiang Ashele holds 0.66% equity interest in Wuxin Copper. The Group designates such equity interest as a financial asset at fair value through other comprehensive income.

As at 31 December 2018, the Group disposed of an other equity instrument investment, CASA Mining Limited ("CASA Mining"). The cumulative gains generated, amounted to RMB949,462, was transferred from other comprehensive income to retained earnings.

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

14. Other non-current financial assets (applicable from 1 January 2018)

	2018
Jinrui Co-operative Business Operation Project (Note 1)	**320,298,674**
Shiwei No.1 Fund (Note 2)	**81,215,000**
	401,513,674

Note 1: On 19 April 2018, the Group's subsidiaries entered into an agreement with Xiamen Jinrui Commercial Factoring Co., Ltd. to cooperate in the documentary factoring of business acceptance bills for a period of three years. As at 31 December 2018, the investment cost of the project was RMB318,000,000 and the fair value change was RMB2,298,674.

Note 2: Zijin Mining Group Capital Investment Co., Ltd. ("Capital Investment Company"), a subsidiary of the Group, holds Shiwei No. 1 Fund, and the filing period will end in September 2020. As at 31 December 2018, the investment cost of the fund was RMB74,000,000 and the fair value change was RMB7,215,000.

15. Investment properties

Buildings subsequently measured at cost:

	2018	2017
Cost		
At 1 January	**403,634,434**	233,151,985
Transferred from inventories	**354,629,674**	170,482,449
Other transfers	**(1,593,226)**	—
At 31 December	**756,670,882**	403,634,434
Accumulated depreciation and amortisation		
At 1 January	**53,093,965**	39,860,882
Depreciation for the year	**15,418,250**	13,233,083
At 31 December	**68,512,215**	53,093,965
Impairment provision		
At 1 January	**—**	—
Depreciation for the year	**79,936,878**	—
At 31 December	**79,936,878**	—
Net book value		
At 31 December	**608,221,789**	350,540,469
At 1 January	**350,540,469**	193,291,103

The investment properties were leased to third parties under operating leases.

* The Group's investment properties are situated in Mainland China and are held under medium-term leases.

As at 31 December 2018, the carrying amount of investment properties which the certificates of title have not been obtained was RMB435,316,077 (31 December 2017: RMB166,451,698).

Notes to Financial Statements *(continued)*

For the year ended 31 December 2018

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

16. Fixed assets

	2018	2017
Fixed assets	**34,144,464,854**	30,136,199,603
Disposal of fixed assets	**—**	—
	34,144,464,854	30,136,199,603

2018

	Buildings	Mining assets	Power generation and transmission equipment	Plant, machinery and equipment	Motor vehicles	Furniture and fixtures and others	Total
Cost							
At 1 January 2018	7,916,900,835	23,680,005,875	1,582,387,075	13,113,760,342	1,192,672,373	440,179,545	47,925,906,045
Purchase additions	111,724,237	1,067,143,031	22,445,302	259,333,162	203,683,668	38,805,846	1,703,135,246
Transferred from construction in progress	2,281,872,327	(1,449,741,547)	305,367,474	1,976,847,513	(24,019,899)	10,818,428	3,101,144,296
Business combination not involving enterprises under common control	480,813,231	355,406,631	25,768,574	1,832,959,927	280,644,143	76,654,271	3,052,246,777
Classified as held for sale	(94,455,453)	(383,636,576)	(31,727,397)	(96,202,621)	(12,473,869)	(13,318,775)	(631,814,691)
Disposals or write-off	(80,060,564)	(240,539,125)	(18,283,332)	(578,027,266)	(69,365,208)	(21,533,101)	(1,007,808,596)
Exchange realignments	115,696,388	292,065,461	31,744,827	226,062,925	3,023,618	419,685	669,012,904
	10,732,491,001	23,320,703,750	1,917,702,523	16,734,733,982	1,574,164,826	532,025,899	54,811,821,981
Accumulated depreciation							
At 1 January 2018	2,110,209,091	6,189,208,251	658,222,480	5,967,479,443	808,132,847	279,250,662	16,012,502,774
Depreciation for the year	567,186,372	1,195,719,453	179,571,053	1,307,624,926	109,878,446	76,004,556	3,435,984,806
Classified as held for sale	(56,948,301)	(236,408,297)	(16,514,376)	(62,384,364)	(10,401,591)	(10,876,168)	(393,533,097)
Disposals or write-off	(21,047,037)	(55,664,434)	(6,863,369)	(313,346,560)	(62,379,545)	(19,582,638)	(478,883,583)
Exchange realignments	19,903,193	85,555,655	8,028,454	145,395,620	(560,378)	(226,165)	258,096,379
	2,619,303,318	7,178,410,628	822,444,242	7,044,769,065	844,669,779	324,570,247	18,834,167,279
Impairment							
At 1 January 2018	251,897,750	1,369,404,061	11,891,434	143,898,331	104,641	7,451	1,777,203,668
Impairment provided for the year	44,744,814	191,553,508	1,016,782	22,373,609	388,813	236,892	260,314,418
Classified as held for sale	(39,098,332)	(158,969,435)	(27,333)	(4,582,359)	(43,715)	(4,346)	(202,725,520)
Disposals or write-off	(797,830)	—	(578,273)	(226,615)	—	—	(1,602,718)
	256,746,402	1,401,988,134	12,302,610	161,462,966	449,739	239,997	1,833,189,848
Net book value							
At 31 December 2018	7,856,441,281	14,740,304,988	1,082,955,671	9,528,501,951	729,045,308	207,215,655	34,144,464,854
At 1 January 2018	5,554,793,994	16,121,393,563	912,273,161	7,002,382,568	384,434,885	160,921,432	30,136,199,603

Notes to Financial Statements *(continued)*

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

16. Fixed assets *(continued)*

2017

	Buildings	Mining assets	Power generation and transmission equipment	Plant, machinery and equipment	Motor vehicles	Furniture and fixtures and others	Total
Cost							
At 1 January 2017	7,598,300,152	23,483,536,121	1,387,035,584	12,932,247,686	1,173,574,535	426,720,083	47,001,414,161
Purchase additions	151,198,337	227,935,707	39,836,751	644,560,579	87,555,388	22,367,972	1,173,454,734
Transferred from construction in progress	340,275,375	1,030,544,269	193,246,407	330,326,731	—	10,787,198	1,905,179,980
Disposals or write-off	(139,199,421)	(595,628,561)	(19,620,132)	(540,653,876)	(48,392,417)	(23,118,026)	(1,366,612,433)
Exchange realignments	(33,673,608)	(466,381,661)	(18,111,535)	(252,720,778)	(20,065,133)	3,422,318	(787,530,397)
	7,916,900,835	23,680,005,875	1,582,387,075	13,113,760,342	1,192,672,373	440,179,545	47,925,906,045
Accumulated depreciation							
At 1 January 2017	1,830,166,605	5,131,252,805	570,264,952	5,201,068,444	711,407,967	252,837,699	13,696,998,472
Depreciation for the year	364,266,083	1,540,968,469	106,161,323	1,238,231,082	141,117,996	45,514,630	3,436,259,583
Disposals or write-off	(72,682,412)	(384,802,620)	(14,602,169)	(316,330,081)	(34,362,265)	(20,433,860)	(843,213,407)
Exchange realignments	(11,541,185)	(98,210,403)	(3,601,626)	(155,490,002)	(10,030,851)	1,332,193	(277,541,874)
	2,110,209,091	6,189,208,251	658,222,480	5,967,479,443	808,132,847	279,250,662	16,012,502,774
Impairment provision							
At 1 January 2017	34,771,285	614,360,681	5,639,535	118,961,708	66,227	6,059	773,805,495
Impairment provided for the year	221,669,654	773,303,023	6,452,049	56,594,656	38,414	1,472	1,058,059,268
Disposals or write-off	(4,543,189)	(18,259,643)	(200,150)	(31,658,033)	—	(80)	(54,661,095)
	251,897,750	1,369,404,061	11,891,434	143,898,331	104,641	7,451	1,777,203,668
Net book value							
At 31 December 2017	5,554,793,994	16,121,393,563	912,273,161	7,002,382,568	384,434,885	160,921,432	30,136,199,603
At 1 January 2017	5,733,362,262	17,737,922,635	811,131,097	7,612,217,534	462,100,341	173,876,325	32,530,610,194

Notes to Financial Statements *(continued)*

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

16. Fixed assets *(continued)*

Fixed assets that are temporarily idle are as follows:

2018

	Cost	Accumulated depreciation	Impairment provision	Net book value
Buildings	**403,704,462**	**(142,891,452)**	**(7,755,676)**	**253,057,334**
Mining assets	**1,561,967,823**	**(410,910,178)**	**(343,819,121)**	**807,238,524**
Plant, machinery and equipment	**407,839,292**	**(273,405,908)**	**(5,933,606)**	**128,499,778**
Motor vehicles	**55,670,352**	**(31,207,225)**	**(56,577)**	**24,406,550**
Power generation and transmission equipment	**50,398,535**	**(34,822,514)**	**(895,942)**	**14,680,079**
Furniture and fixtures and others	**10,389,459**	**(9,356,498)**	**(68,038)**	**964,923**
	2,489,969,923	**(902,593,775)**	**(358,528,960)**	**1,228,847,188**

2017

	Cost	Accumulated depreciation	Impairment provision	Net book value
Buildings	327,552,189	(108,751,745)	(7,529,546)	211,270,898
Mining assets	1,470,360,612	(344,298,087)	(335,705,679)	790,356,846
Plant, machinery and equipment	242,179,953	(159,765,510)	(4,931,450)	77,482,993
Motor vehicles	11,661,640	(9,178,927)	(9,083)	2,473,630
Power generation and transmission equipment	34,394,562	(22,146,017)	(746,453)	11,502,092
Furniture and fixtures and others	12,883,807	(11,589,272)	(1,472)	1,293,063
	2,099,032,763	(655,729,558)	(348,923,683)	1,094,379,522

Notes to Financial Statements *(continued)*

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

16. Fixed assets *(continued)*

Fixed assets leased under finance leases are as follows:

2018

	Cost	**Accumulated depreciation**	**Impairment provision**	**Net book value**
Plant, machinery and equipment	**12,612,652**	**(8,229,654)**	**—**	**4,382,998**
Furniture and fixtures and others	**28,124,124**	**(9,374,708)**	**—**	**18,749,416**
	40,736,776	**(17,604,362)**	**—**	**23,132,414**

2017

	Cost	Accumulated depreciation	Impairment provision	Net book value
Plant, machinery and equipment	17,552,570	(7,317,857)	—	10,234,713
Furniture and fixtures and others	12,245,457	(5,102,274)	—	7,143,183
	29,798,027	(12,420,131)	—	17,377,896

Fixed assets leased out under operating leases are as follows:

2018

	Cost	**Accumulated depreciation**	**Impairment provision**	**Net book value**
Buildings	**31,652,467**	**(11,223,900)**	**—**	**20,428,567**
Mining assets	**19,149,655**	**(6,784,853)**	**—**	**12,364,802**
Power generation and transmission equipment	**3,730,676**	**(2,628,572)**	**—**	**1,102,104**
Plant, machinery and equipment	**5,176,615**	**(3,690,874)**	**—**	**1,485,741**
Motor vehicles	**71,500**	**(67,925)**	**—**	**3,575**
	59,780,913	**(24,396,124)**	**—**	**35,384,789**

2017

	Cost	Accumulated depreciation	Impairment provision	Net book value
Buildings	31,652,467	(9,726,209)	—	21,926,258
Mining assets	19,581,117	(6,004,683)	—	13,576,434
Power generation and transmission equipment	3,730,676	(2,274,158)	—	1,456,518
Plant, machinery and equipment	5,176,615	(3,206,907)	—	1,969,708
Motor vehicles	71,500	(67,925)	—	3,575
	60,212,375	(21,279,882)	—	38,932,493

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For the year ended 31 December 2018
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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

16. Fixed assets *(continued)*

Fixed assets which certificates of title have not been obtained are as follows:

	As at 31 December 2018 Net book value	As at 31 December 2017 Net book value	Reasons why certificates of title have not been obtained
Buildings	**1,849,476,632**	1,038,395,347	In the process of application/ the projects were unsettled
Mining assets	**345,053,144**	239,532,999	In the process of application/ the projects were unsettled
	2,194,529,776	1,277,928,346	

As at 31 December 2018, the carrying amount of plant, machinery and equipment with restricted ownership amounted to RMB2,132,232 (31 December 2017: RMB4,861,782). Details are disclosed in Note V.64.

17. Construction in progress

	2018	2017
Construction in progress	**4,807,176,438**	3,122,296,899
Construction materials	**548,629,366**	174,271,545
	5,355,805,804	3,296,568,444

Construction in progress

2018			2017		
Carrying amount	**Impairment provision**	**Net book value**	Carrying amount	Impairment provision	Net book value
5,537,727,640	**(730,551,202)**	**4,807,176,438**	3,741,391,539	(619,094,640)	3,122,296,899

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

17. Construction in progress *(continued)*

The movements of important construction in progress in 2018 are as follows:

	Budget	At 1 January 2018	Additions	Transferred to fixed assets	Other reductions	At 31 December 2018	Contribution in budget	Progress of projects	Balance of capitalised interest as at 31 December 2018	Including: capitalised interest for the year	Interest rate of capitalisation (%)	Source of funds
Bor Copper infrastructure project (Note 1)	2,498,727,665	–	1,687,385,076	(1,430,855,782)	–	256,529,294	60%	54%	–	–	N/A	Equity fund
Heilongjiang Zijin Copper infrastructure project	2,079,844,841	406,227,833	773,529,910	–	–	1,179,757,743	57%	53%	13,990,609	12,994,429	5.00	Equity fund/ Proceeds raised/ Loan
Guizhou Zijin infrastructure project	557,170,800	316,620,865	134,146,818	(4,949,850)	–	445,817,833	81%	81%	39,582,930	17,839,656	4.57	Equity fund/Loan
Heilongjiang Duobaoshan infrastructure project	1,038,904,789	179,777,565	607,979,193	(391,742,513)	(5,346,727)	390,667,518	75%	81%	10,240,192	17,447,609	4.57	Equity fund/Loan
Guizhou Xinhengji infrastructure project	350,000,000	368,580,233	18,331,592	–	–	386,911,825	111%	96%	125,996,221	15,583,793	5.50	Equity fund/Loan
Musonoie infrastructure project	1,469,663,686	1,166,034	377,411,704	(91,505,051)	(5,595,332)	281,477,355	25%	48%	–	–	4.42	Equity fund/ Proceeds raised
Ankang Jinfeng infrastructure project	278,400,000	260,795,415	15,332,162	–	–	276,127,577	99%	95%	75,009,898	12,490,129	3.80	Equity fund/Loan
Zijinshan gold and copper mine infrastructure project	400,040,000	205,217,505	155,480,159	(193,448,435)	(6,866,052)	160,383,177	88%	85%	–	–	N/A	Equity fund
Russia Longxing infrastructure project	559,100,000	39,232,809	124,096,429	(27,740,271)	–	135,588,967	29%	30%	–	–	N/A	Equity fund
Yilian Gold Mine infrastructure project	178,589,845	120,903,077	48,120,551	(43,312,514)	–	125,711,114	95%	95%	7,288,406	4,544,167	4.75	Equity fund/Loan
Others	6,430,352,894	1,842,870,203	1,007,474,745	(917,589,880)	(33,999,831)	1,898,755,237	N/A	N/A	9,740,697	2,031,962	N/A	Equity fund/Loan
Subtotal	15,840,794,520	3,741,391,539	4,949,288,339	(3,101,144,296)	(51,807,942)	5,537,727,640			281,848,953	82,931,745		
Impairment provision for construction in progress		(619,094,640)				(730,551,202)						
Total		3,122,296,899				4,807,176,438						

Note 1: The addition of Bor Copper infrastructure project amounted to RMB1,641,589,144 was due to the business combination not involving enterprises under common control, and the amount transferred to fixed assets in 2018 was RMB1,430,855,782. Please refer to Note VI.1.

Notes to Financial Statements *(continued)*

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

17. Construction in progress *(continued)*

The movements of important construction in progress in 2017 are as follows:

	Budget	At 1 January 2017	Additions	Transferred to fixed assets	Other reductions	At 31 December 2017	Contribution in budget	Progress of projects	Balance of capitalised interest as at 31 December 2017	Including: capitalised interest for the year	Interest rate of capitalisation (%)	Source of funds
Heilongjiang Duobaoshan infrastructure project	519,860,500	33,353,703	214,097,503	(67,673,641)	—	179,777,565	49%	50%	3,201,102	4,200,962	3.20-4.90	Equity fund/Loan
Heilongjiang Tongshan Mining infrastructure project	348,504,546	130,341,471	1,591,669	(2,543,828)	(10,729,206)	118,660,106	54%	54%	—	—	N/A	Equity fund
Guizhou Zijin infrastructure project	587,170,800	240,512,033	79,297,238	(3,188,405)	—	316,620,866	55%	56%	22,182,757	9,227,431	3.20-3.75	Equity fund/Loan
Guizhou Xinhengji infrastructure project	350,000,000	344,717,597	23,862,636	—	—	368,580,233	107%	96%	110,412,427	18,446,193	5.50	Equity fund/Loan
Ankang Jinfeng infrastructure project	350,000,000	242,525,752	18,269,663	—	—	260,795,415	77%	90%	62,519,770	12,567,342	3.90	Equity fund/Loan
Ashele infrastructure project	237,786,400	88,102,794	138,391,213	(111,598,660)	—	114,895,347	95%	94%	2,505,652	2,413,889	4.75	Equity fund/Loan
Musonoie infrastructure project	1,500,000,900	690,657,935	273,028,085	(962,519,986)	—	1,166,034	82%	99%	35,623	14,568,600	4.42	Equity fund/ Proceeds raised
Heilongjiang Zijin Copper infrastructure project	1,735,496,359	2,032,262	404,195,572	—	—	406,227,834	23%	29%	996,181	996,181	4.75	Equity fund/Loan
Jinhao Iron infrastructure project	2,065,284,237	719,085,200	280,463	—	—	719,365,663	100%	95%	169,452	—	N/A	Equity fund
Zijinshan gold and copper mine infrastructure project	476,011,622	128,809,922	230,990,519	(148,850,498)	(8,732,438)	205,217,505	76%	71%	—	—	N/A	Equity fund
Altynken infrastructure project	89,029,649	58,647,425	54,456,131	(29,511,689)	—	83,591,867	94%	95%	7,536,471	5,054,844	12.00	Equity fund/Loan
Yilian Gold Mine infrastructure project	137,641,834	65,141,737	55,761,339	—	—	120,903,076	94%	94%	5,255,388	2,993,159	4.75	Equity fund/Loan
Others	8,078,563,766	1,268,136,823	597,093,210	(579,293,273)	(440,346,732)	845,590,028	N/A	N/A	11,410,697	1,135,044	N/A	Equity fund/Loan
Subtotal	16,475,350,613	4,012,064,654	2,094,315,241	(1,905,179,980)	(459,808,376)	3,741,391,539			226,225,520	71,603,645		
Impairment provision for construction in progress		(27,220,843)				(619,094,640)						
Total		3,984,843,811				3,122,296,899						

Notes to Financial Statements *(continued)*

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

17. Construction in progress *(continued)*

Impairment provision for construction in progress:

2018	At 1 January 2018	Additions	Reductions	At 31 December 2018	Reasons for making provision
Luoyang Kunyu infrastructure project	5,005,874	—	—	5,005,874	No expected usable value in the future
Ankang Jinfeng infrastructure project	53,637,599	—	—	53,637,599	Expected recoverable amount less than carrying amount
Malipo Jinwei infrastructure project	973,411	—	—	973,411	Expected recoverable amount less than carrying amount
Jinhao Iron infrastructure project	559,477,756	32,337,009	—	591,814,765	Expected recoverable amount less than carrying amount
Wuping Zijin infrastructure project	—	5,653,808	—	5,653,808	Expected recoverable amount less than carrying amount
Liancheng Zijin infrastructure project	—	64,276,926	—	64,276,926	Expected recoverable amount less than carrying amount
Shangri-la County Huaxi infrastructure project	—	9,188,819	—	9,188,819	Expected recoverable amount less than carrying amount
	619,094,640	111,456,562	—	730,551,202	

Notes to Financial Statements *(continued)*

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

17. Construction in progress *(continued)*

Movements in impairment provision for construction in progress: *(continued)*

2017	At 1 January 2017	Additions	Reductions	At 31 December 2017	Reasons for making provision
Ankang Jinfeng infrastructure project	—	53,637,599	—	53,637,599	Expected recoverable amount less than carrying amount
Malipo Jinwei infrastructure project	—	973,411	—	973,411	Expected recoverable amount less than carrying amount
Jinhao Iron infrastructure project	—	559,477,756	—	559,477,756	Expected recoverable amount less than carrying amount
Chongli Zijin infrastructure project	227,165	—	(227,165)	—	Expected recoverable amount less than carrying amount
Xinjiang Jinbao infrastructure project	3,649,228	—	(3,649,228)	—	Suspension of construction
Luoyang Kunyu infrastructure project	5,005,874	—	—	5,005,874	No expected usable value in the future
ZGC infrastructure project	17,625,985	—	(17,625,985)	—	Expected recoverable amount less than carrying amount
Others	712,591	—	(712,591)	—	Expected recoverable amount less than carrying amount
	27,220,843	614,088,766	(22,214,969)	619,094,640	

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

17. Construction in progress *(continued)*

Construction materials

	2018			2017		
	Carrying amount	**Impairment provision**	**Net book value**	Carrying amount	Impairment provision	Net book value
Dedicated materials	**329,683,560**	**—**	**329,683,560**	95,507,337	—	95,507,337
Dedicated equipment	**220,742,850**	**1,797,044**	**218,945,806**	82,957,311	4,193,103	78,764,208
	550,426,410	**1,797,044**	**548,629,366**	178,464,648	4,193,103	174,271,545

Impairment provision for construction materials:

2018

	At 1 January 2018	**Additions**	**Reductions**	**At 31 December 2018**
Dedicated equipment	**4,193,103**	**—**	**(2,396,059)**	**1,797,044**

2017

	At 1 January 2017	Additions	Reductions	At 31 December 2017	Reasons for provision
Dedicated equipment	—	4,193,103	—	4,193,103	No usable value

Notes to Financial Statements *(continued)*

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

18. Intangible assets

2018

	Exploration and mining rights	Land use rights	Membership of Shanghai Gold Exchange and others	Total
Cost				
At 1 January 2018	**11,484,473,219**	**2,173,772,699**	**172,867,271**	**13,831,113,189**
Purchase additions	**554,463,377**	**128,051,502**	**106,228,522**	**788,743,401**
Business combination not involving enterprises under common control	**13,258,975,468**	**164,325,177**	**—**	**13,423,300,645**
Classified as held for sale	**(57,871,312)**	**(96,821,921)**	**(732,465)**	**(155,425,698)**
Disposals or write-off	**(26,893,743)**	**(10,480,320)**	**(55,262,927)**	**(92,636,990)**
At 31 December 2018	**25,213,147,009**	**2,358,847,137**	**223,100,401**	**27,795,094,547**
Accumulated amortisation				
At 1 January 2018	**2,931,241,991**	**404,777,394**	**32,291,124**	**3,368,310,509**
Amortisation provided for the year	**669,963,344**	**76,220,167**	**27,303,061**	**773,486,572**
Classified as held for sale	**(40,362,193)**	**(72,888,051)**	**(422,090)**	**(113,672,334)**
Disposals or write-off	**—**	**(1,728,293)**	**(3,319,546)**	**(5,047,839)**
At 31 December 2018	**3,560,843,142**	**406,381,217**	**55,852,549**	**4,023,076,908**
Impairment provision				
At 1 January 2018	**484,106,346**	**—**	**75,170,307**	**559,276,653**
Impairment provided for the year (Note 1)	**712,081,632**	**—**	**7,888,258**	**719,969,890**
Classified as held for sale	**(17,509,119)**	**—**	**—**	**(17,509,119)**
Disposals or write-off	**—**	**—**	**—**	**—**
At 31 December 2018	**1,178,678,859**	**—**	**83,058,565**	**1,261,737,424**
Net book value				
At 31 December 2018	**20,473,625,008**	**1,952,465,920**	**84,189,287**	**22,510,280,215**
At 1 January 2018	**8,069,124,882**	**1,768,995,305**	**65,405,840**	**9,903,526,027**

Note 1: Some exploration rights of the Group's subsidiaries, namely Liancheng Zijin Mining Co., Ltd. ("Liancheng Zijin"), Sanming City Hongguo Mining Development Co., Ltd. ("Sanming Hongguo"), Huanmin Mining, Chongli Zijin, and Shangri-la County Huaxi Mining Co., Ltd. ("Shangri-la County Huaxi Mining") showed indications of impairment. Impairment tests were performed on these rights and provisions for impairment of RMB239,748,643, RMB231,807,744, RMB195,146,647, RMB13,009,930, RMB5,725,026 were made respectively. Some mining rights of the Group's subsidiaries, namely Chongli Zijin and Shangri-la County Huaxi Mining showed indications of impairment. Impairment tests were performed on these rights and provisions for impairment of RMB4,499,189 and RMB22,144,453 were made respectively. The fishery breeding right of Yongding Zijin Longhu Ecological Industry Development Co., Ltd. ("Yongding Longhu"), a subsidiary of the Group, showed indication of impairment. Impairment test was performed on this right and provision for impairment of RMB7,888,258 was made. During the year, the Group wrote back impairment provisions of RMB17,509,119 as Chongli Zijin was reclassified as held for sale.

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

18. Intangible assets *(continued)*

2017

	Exploration and mining rights	Land use rights	Membership of Shanghai Gold Exchange and others	Total
Cost				
At 1 January 2017	11,071,582,196	1,997,142,025	189,763,737	13,258,487,958
Purchase additions	429,520,205	164,801,141	4,000,770	598,322,116
Other additions	37,822,602	19,342,562	—	57,165,164
Disposals or write-off	(54,451,784)	(7,513,029)	(500,000)	(62,464,813)
Other reductions	—	—	(20,397,236)	(20,397,236)
At 31 December 2017	11,484,473,219	2,173,772,699	172,867,271	13,831,113,189
Accumulated amortisation				
At 1 January 2017	2,413,819,026	330,939,401	23,301,557	2,768,059,984
Amortisation provided for the year	533,695,981	77,403,777	9,384,694	620,484,452
Disposals or write-off	(16,273,016)	(3,565,784)	(395,127)	(20,233,927)
At 31 December 2017	2,931,241,991	404,777,394	32,291,124	3,368,310,509
Impairment provision				
At 1 January 2017	158,248,707	—	75,170,307	233,419,014
Impairment provided for the year (Note 2)	328,544,339	—	—	328,544,339
Disposals or write-off	(2,686,700)	—	—	(2,686,700)
At 31 December 2017	484,106,346	—	75,170,307	559,276,653
Net book value				
At 31 December 2017	8,069,124,882	1,768,995,305	65,405,840	9,903,526,027
At 1 January 2017	8,499,514,463	1,666,202,624	91,291,873	10,257,008,960

Note 2: Some exploration rights of the Group's subsidiaries, namely Ankang Jinfeng Mining Co., Ltd. ("Ankang Jinfeng"), Malipo Jinwei Mining Co., Ltd. ("Malipo Jinwei"), Malipo Jinguo Mining Co., Ltd., Longsheng County Dexin Mining Co., Ltd., Malipo Jinhua Mining Co., Ltd., Malipo Jinyuan Mining Co., Ltd., Zijin Mining Group Gansu Mining Development Co., Ltd. ("Gansu Mining Development") and Wuping Zijin Mining Co. Ltd., showed indications of impairment. Impairment tests were performed on these rights and provisions for impairment of RMB145,756,683, RMB81,648,154, RMB37,170,463, RMB27,441,564, RMB22,655,586, RMB11,132,129, RMB2,686,700 and RMB53,060 were made respectively. During the year, the Group wrote back an impairment provision of RMB2,686,700 due to the disposal of its subsidiary, Gansu Mining Development.

As at 31 December 2018, ownerships of land use rights with a carrying amount of RMB85,807,143 (31 December 2017: RMB89,480,224) were restricted. Details are disclosed in Note V.64.

Notes to Financial Statements *(continued)*

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

18. Intangible assets *(continued)*

Land use rights which certificates of title have not been obtained as at 31 December 2018 are as follows:

	Net book value	**Reason why certificates of title have not been obtained**
Land use rights of Duobaoshan (storage of explosives, management and living areas)	543,546,577	In the process of application
Land use rights of Duobaoshan (phase II construction land)	16,030,760	In the process of application
Land use rights of Duobaoshan's employee apartment building	2,233,522	In the process of application
Land use rights of Ashele's new tailing pool	112,361,572	In the process of application
Land use rights of Wulatehouqi Zijin	70,324,247	In the process of application
140 hectares of land use rights of Duobaoshan (Orebody no. 3, mining area, dump, tailings pool)	193,315,174	In the process of application
Land beside the Zijin Avenue	13,311,572	In the process of application
Land use rights of Ashele's 1,200 tonnes of copper selection from zinc tailings	1,481,819	In the process of application
169 hectares of land use rights in Duobaoshan (expansion of western side of open-pit mine, dump, tailings pool with level-four sub-dam)	207,861,072	In the process of application
Land use rights of Bor Copper*	164,325,177	In the process of application

Land use rights of which certificates of title have not been obtained as at 31 December 2017 are as follows:

	Net book value	**Reason why certificates of title have not been obtained**
Land use rights of Duobaoshan (storage of explosives, management and living areas)	556,387,198	In the process of application
Land use rights of Duobaoshan (phase II construction land)	11,592,481	In the process of application
Land use rights of Duobaoshan's employee apartment building	2,117,903	In the process of application
Land use rights of Ashele's new tailing pool	126,369,239	In the process of application
Land use rights of Wulatehouqi Zijin	74,368,452	In the process of application
140 hectares of land use rights of Duobaoshan (Orebody no. 3, mining area, dump, tailings pool)	161,312,317	In the process of application
Land beside the Zijin Avenue	13,458,504	In the process of application
Land use rights of Ashele's 1,200 tonnes of copper selection from zinc tailings	1,673,708	In the process of application

* Land use rights of Bor Copper are situated in Serbia and held upon freehold property. Land use rights of JV Zeravshan LLC (hereafter referred to as "ZGC") for production are situated in Tajikistan and held upon freehold property. Other land use rights of the Group are situated in Mainland China and held under medium-term leases.

Notes to Financial Statements *(continued)*

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

19. Goodwill

2018

	At 1 January 2018	Additions	Reductions	At 31 December 2018
Xinjiang Ashele	12,906,890	—	—	12,906,890
Qinghai West	455,874	—	—	455,874
Hunchun Zijin	71,099,520	—	—	71,099,520
Yunnan Huaxi Mining Company Limited ("Yunnan Huaxi")	33,161,050	—	—	33,161,050
Zijin Mining Group (Xiamen) Investment Company Limited ("Xiamen Investment")	1,241,101	—	—	1,241,101
Shanxi Zijin Mining Company Limited ("Shanxi Zijin")	2,503,610	—	—	2,503,610
Xinyi Zijin Mining Company Limited ("Xinyi Zijin")	44,319,632	—	—	44,319,632
Norton Gold Fields Limited ("Norton Gold Fields")	157,778,981	—	—	157,778,981
Wulatehouqi Zijin Mining Company Limited ("Wulatehouqi Zijin")	119,097,944	—	—	119,097,944
Bayannaoer Zijin Non-ferrous Metals Company Limited ("Bayannaoer Zijin")	14,531,538	—	—	14,531,538
Zijin Copper Company Limited ("Zijin Copper")	4,340,000	—	—	4,340,000
Sino Trend Hydro Power Shanghang Investment Limited ("Sino Trend Hydro Power")	79,642,197	—	—	79,642,197
Beijing Anchuang (Note 1)	—	8,330,914	—	8,330,914
	541,078,337	8,330,914	—	549,409,251
Provision for impairment of goodwill	(77,480,682)	(157,778,981)	—	(235,259,663)
	463,597,655	(149,448,067)	—	314,149,588

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

19. Goodwill *(continued)*

2017

	At 1 January 2017	Additions	Reductions	At 31 December 2017
Xinjiang Ashele	12,906,890	—	—	12,906,890
Qinghai West	455,874	—	—	455,874
Hunchun Zijin	71,099,520	—	—	71,099,520
Yunnan Huaxi	33,161,050	—	—	33,161,050
Xiamen Investment	1,241,101	—	—	1,241,101
Shanxi Zijin	2,503,610	—	—	2,503,610
Xinyi Zijin	44,319,632	—	—	44,319,632
Norton Gold Fields	157,778,981	—	—	157,778,981
Wulatehouqi Zijin	119,097,944	—	—	119,097,944
Bayannaoer Zijin	14,531,538	—	—	14,531,538
Zijin Copper	4,340,000	—	—	4,340,000
Sino Trend Hydro Power	79,642,197	—	—	79,642,197
	541,078,337	—	—	541,078,337
Provision for impairment of goodwill	(77,480,682)	—	—	(77,480,682)
	463,597,655	—	—	463,597,655

The movements of impairment provision for goodwill are as follows:

2018

	At 1 January 2018	**Additions**	**Reductions**	**At 31 December 2018**
		Provision	**Disposal**	
Norton Gold Fields (Note 2)	**—**	**157,778,981**	**—**	**157,778,981**
Xinyi Zijin	**44,319,632**	**—**	**—**	**44,319,632**
Yunnan Huaxi	**33,161,050**	**—**	**—**	**33,161,050**
	77,480,682	**157,778,981**	**—**	**235,259,663**

2017

	At 1 January 2017	Additions	Reductions	At 31 December 2017
		Provision	Disposal	
Xinyi Zijin	44,319,632	—	—	44,319,632
Yunnan Huaxi	33,161,050	—	—	33,161,050
	77,480,682	—	—	77,480,682

Note 1: In December 2018, the Group acquired 51% equity interest in Beijing Anchuang held by Zhongda Foundation (Beijing) Investment Co., Ltd. and goodwill of RMB8,330,914 was recognised. Details are disclosed in Note VI.1.

Note 2: At the end of each year, the Group conducts an impairment test on the goodwill. After testing, the Group has made a full impairment provision of RMB157,778,981 for the goodwill of Norton Gold Fields.

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

19. Goodwill *(continued)*

According to the results of impairment tests on goodwill, the Group formulated a proposal in relation to impairment provision for goodwill amounted to RMB157,778,981, which was considered and approved by the Company's board of directors meeting on 22 March 2018.

Goodwill arising from business combinations has been allocated to the following asset groups or portfolio of asset groups for the impairment test:

- Refining asset group
- Ore concentrates asset group
- Hydropower asset group
- Other asset group

Refining asset group

Goodwill of refining asset group was formed by the acquisitions of Zijin Copper and Bayannaoer Zijin, which was consistent with the portfolio of asset groups as determined on the acquisition dates. The original book value of goodwill of refining asset group as at 31 December 2018 was RMB18,871,538 (31 December 2017: RMB18,871,538). The recoverable amount is determined by the present value of the expected future cash flows, which is based on the cash flow forecasts of the management's three-year rolling plan. The discount rate used for cash flow forecast is 12% (2017:13%).

Ore concentrates asset group

Goodwill of ore concentrates asset group was formed by the acquisitions of Xinjiang Ashele, Qinghai West, Hunchun Zijin, Yunnan Huaxi, Shanxi Zijin, Xinyi Zijin, Norton Gold Fields and Wulatehouqi Zijin, which was consistent with the portfolio of asset groups as determined on the acquisition dates. As at 31 December 2018, the original book value of goodwill of the ore concentrates asset group was RMB441,323,501 (31 December 2017: RMB441,323,501). The recoverable amount is determined by the present value of the expected future cash flows or the considerations of comparable transactions. The present value of the expected future the cash flows is based on cash flow forecasts of the management's three-year rolling plan, mine production lifecycle or the pre-feasibility reports. The discount rates used for the cash flow forecasts are 7% to 16% (the discount rates in 2017 were 10% to 16%).

Hydropower asset group

Goodwill of hydropower asset group was formed by the acquisitions of Sino Trend Hydro Power. As at 31 December 2018, the carrying amount of the goodwill was RMB79,642,197 (31 December 2017: RMB79,642,197). The recoverable amount is determined by the present value of the expected future cash flows, based on the cash flow forecasts of the budget and feasibility study reports. The discount rate used for the cash flow forecast is 9.5%.

Other asset group

Goodwill of other asset group was formed by the acquisition of Xiamen Investment and the acquisition of Beijing Anchuang this year. The book value was RMB9,572,015 on 31 December 2018.

	Refining asset group		Ore concentrates asset group		Hydropower asset group		Other asset group		Total	
	2018	2017	**2018**	2017	**2018**	2017	**2018**	2017	**2018**	2017
The carrying amount of goodwill	**18,871,538**	18,871,538	**441,323,501**	441,323,501	**79,642,197**	79,642,197	**9,572,015**	1,241,101	**549,409,251**	541,078,337
Impairment of provision	**—**	—	**(235,259,663)**	(77,480,682)	**—**	—	**—**	—	**(235,259,663)**	(77,480,682)
Book value of goodwill	**18,871,538**	18,871,538	**206,063,838**	363,842,819	**79,642,197**	79,642,197	**9,572,015**	1,241,101	**314,149,588**	463,597,655

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

19. Goodwill *(continued)*

The following illustrates the key assumptions made by the management in determining cash flow forecasts for the goodwill impairment test:

Budgeted gross profit margin — The average gross profit margin achieved in the year immediately before the budget year are appropriately adjusted according to expected raise of production efficiency variance.

Discount rates — The discount rates before tax reflecting the specific risks of related asset group or portfolio of asset groups.

The amount allocated to the above asset group or portfolio of asset groups is consistent with the historical experience and external information of the Group.

As of 31 December 2017, the Group made a full impairment provision for goodwill of RMB44,319,632 and RMB33,161,050 for Xinyi Zijin and Yunnan Huaxi respectively. After calculation, the Company made full impairment provision for goodwill for Norton Gold Fields of RMB157,778,981 in this year.

20. Long-term deferred assets

2018

	At 1 January	Additions	Amortisation	Other reductions	At 31 December
Land compensation costs (Note 1)	**193,695,011**	**5,129,364**	**(8,123,666)**	**(10,327,367)**	**180,373,342**
Mining shaft development expenditure	**219,114,624**	**21,780,338**	**(45,439,637)**	**—**	**195,455,325**
Amortisation costs of bipolar plates	**211,787,834**	**1,802,983**	**(2,084,425)**	**(7,799,217)**	**203,707,175**
Forest compensation expenditure	**116,329,287**	**34,948,612**	**(15,428,508)**	**(537,026)**	**135,312,365**
Others (Note 2)	**373,831,888**	**159,694,156**	**(153,202,334)**	**(107,856,446)**	**272,467,264**
	1,114,758,644	**223,355,453**	**(224,278,570)**	**(126,520,056)**	**987,315,471**

2017

	At 1 January	Additions	Amortisation	Other reductions	At 31 December
Land compensation costs (Note 1)	197,163,190	23,986,617	(23,660,913)	(3,793,883)	193,695,011
Mining shaft development expenditure	228,403,857	56,770,277	(66,059,510)	—	219,114,624
Amortisation costs of bipolar plates	226,693,025	8,267,134	(23,172,325)	—	211,787,834
Forest compensation expenditure	147,737,716	2,851,090	(26,646,355)	(7,613,164)	116,329,287
Others (Note 2)	385,964,581	138,633,477	(117,940,610)	(32,825,560)	373,831,888
	1,185,962,369	230,508,595	(257,479,713)	(44,232,607)	1,114,758,644

Note 1: The land compensation costs are related to the compensation for the occupation of forest land at the mining sites for production and construction needs. The amortisation period ranges from 5 to 50 years.

Note 2: As at 31 December 2018, other long-term deferred assets mainly included highway tolls of RMB25,660,065 (31 December 2017: RMB31,599,619); resource integration fees of RMB5,851,558 (31 December 2017: RMB10,956,568); reconstruction costs of power supply lines of RMB18,558,251 (31 December 2017: RMB18,836,289); exploration expenditures of RMB31,291,875 (31 December 2017: RMB84,373,778); mine use fees of RMB19,353,374 (31 December 2017: RMB38,706,747); fixed asset improvement expenditures of RMB47,385,776 (31 December 2017: RMB48,294,025), etc. Other long-term deferred assets are amortised in accordance with their useful lives.

Notes to Financial Statements *(continued)*

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

21. Deferred tax assets/liabilities

Deferred tax assets and deferred tax liabilities before offsetting:

	2018		2017	
	Deductible temporary differences	**Deferred tax assets**	Deductible temporary differences	Deferred tax assets
Deferred tax assets				
Provision for impairment of assets	**539,009,855**	**118,626,806**	683,552,272	157,985,491
Elimination of unrealised profit arising from intra-group transactions	**748,644,808**	**166,856,027**	1,065,500,166	209,851,466
Deductible losses (Note 1)	**1,378,941,575**	**261,829,967**	996,044,019	214,334,819
Differences in depreciation policies	**524,923,462**	**89,626,658**	395,458,786	70,285,712
Changes in the fair value of available-for-sale investments	**—**	**—**	312,069	78,017
Changes in the fair value of equity instrument investments not held for trading	**89,416,683**	**13,739,440**	—	—
Changes in fair value of held for trading financial liabilities	**66,641,790**	**11,922,662**	78,619,170	17,157,534
Expenses accrued but not yet paid and others	**877,264,569**	**222,174,644**	756,239,488	170,415,587
	4,224,842,742	**884,776,204**	3,975,725,970	840,108,626

Note 1: As at 31 December 2018, deferred tax assets generated from the above deductible tax losses were recognised to the extent that it was probable that taxable profits would be available against which the deductible tax losses can be utilised.

	2018		2017	
	Taxable temporary differences	**Deferred tax liabilities**	Taxable temporary differences	Deferred tax liabilities
Deferred tax liabilities				
Fair value adjustments arising from business combination not involving enterprises under common control	**8,311,438,590**	**1,950,149,582**	1,749,381,200	325,906,904
Changes in fair value of held for trading financial assets	**126,188,991**	**27,250,962**	81,607,476	20,497,757
Changes in the fair value of equity instrument investments not held for trading	**49,243,384**	**12,348,380**	—	—
Differences in amortisation policies for stripping costs	**2,634,653,026**	**753,423,865**	927,743,997	278,120,064
	11,121,523,991	**2,743,172,789**	2,758,732,673	624,524,725

Notes to Financial Statements *(continued)*

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

21. Deferred tax assets/liabilities *(continued)*

Deductible temporary differences and deductible tax losses for which deferred tax assets are not recognised are as follows:

	2018	2017
Deductible temporary differences	**3,212,983,316**	2,103,977,566
Deductible tax losses	**5,174,507,544**	4,859,800,045
	8,387,490,860	6,963,777,611

Deductible losses of unrecognised deferred tax assets will expire in the following years:

	2018	2017
2018	**—**	362,046,133
2019	**554,206,500**	580,217,517
2020	**934,443,312**	973,859,833
2021	**870,485,786**	973,362,655
2022	**568,482,038**	588,252,550
2023	**914,813,671**	—
2024 and the following years	**1,332,076,237**	1,382,061,357
	5,174,507,544	4,859,800,045

The accumulated deductible losses of RMB1,192,534,033 (2017: RMB1,075,078,123) incurred by the Group's subsidiaries in Hong Kong and Australia can be deducted indefinitely; the accumulated deductible losses of RMB0 (2017: RMB362,220,756) incurred by Russian subsidiaries can be used indefinitely, but the deductible amount for a certain year is 50% of the profit for such year; the accumulated deductible losses incurred by PRC subsidiaries of RMB3,842,431,307 (2017: RMB3,477,738,688) can be deducted within five consecutive years from the year when they are incurred; and the accumulated deductible losses incurred by PRC subsidiaries of RMB139,542,204 (2017:Nil) can be deducted within ten consecutive years from the year when they are incurred.

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

22. Other non-current assets

	2018	2017
Exploration and development costs	**2,327,413,425**	2,263,203,962
Prepaid investment costs	**1,200,000**	133,200,000
Prepayment for purchase of Longhu integrated development rights (Note 1)	—	117,423,299
Long-term receivables	**4,182,117,096**	3,329,860,975
Prepayments for fixed assets and constructions	**182,705,630**	181,689,978
Deposit for mine restoration and improvement of ecological environment in mines	**125,517,781**	163,120,512
Prepayments for land use rights	**898,381,250**	126,724,377
Prepayments for exploration and mining rights	**21,604,274**	23,064,274
Inventories expected not to be processed within one year	**375,748,494**	419,665,260
Wealth management products over one year (Note 2)	—	189,528,156
Others	**83,849,996**	11,923,296
	8,198,537,946	6,959,404,089

As at 31 December 2018, ownerships of other non-current assets with a carrying amount of RMB125,517,781 (31 December 2017: RMB163,120,512) were restricted. Details are disclosed in Note V.64.

Note 1: The balance represents the amount paid by the Group's subsidiary, Yongding Longhu, to the Yongding County Government for the acquisition of the comprehensive development rights of the Mianhuatan Reservoir. Due to the impact of the national control policy, the Group expects that it will be difficult for the development project of Yongding Longhu to be approved. The amount prepaid to the local government is also difficult to be recovered, and therefore the provision for bad debts is fully made.

Note 2: The Group reclassified wealth management products with maturities of more than one year to other non-current financial assets this year. Please refer to Note V.14 for details.

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

23. Provision for impairment of assets

2018

	At 1 January 2018	Addition		Reductions			At 31 December 2018
		Provided for the year	Changes in accounting policies	Reversal	Write-back	Classified as held for sale	
Bad debt provision	204,280,797	64,178,147	9,495,496	(141,557,407)	(46,648,012)	(10,283,418)	79,465,603
Inventory provision	130,841,274	94,340,594	—	(102,383,656)	(52,924,733)	—	69,873,479
Impairment provision for financial assets at fair value through other comprehensive income	60,204,548	—	(10,500,000)	—	(49,704,548)	—	—
Impairment provision for long-term equity investments	175,108,439	3,464,168	—	—	(162,757,584)	—	15,815,023
Impairment provision for investment properties	—	79,936,878	—	—	—	—	79,936,878
Impairment provision for fixed assets (Note 1)	1,777,203,668	260,314,418	—	—	(1,602,718)	(202,725,520)	1,833,189,848
Impairment provision for construction in progress (Note 1)	623,287,743	111,456,562	—	—	(2,396,059)	—	732,348,246
Impairment provision for intangible assets (Note 1)	559,276,653	719,969,890	—	—	—	(17,509,119)	1,261,737,424
Impairment provision for goodwill (Note 1)	77,480,682	157,778,981	—	—	—	—	235,259,663
Impairment provision for other current assets	5,527,310	5,662,056	—	—	—	—	11,189,366
Impairment provision for other non-current assets (Note 2)	333,663,617	165,221,199	—	—	—	—	498,884,816
	3,946,874,731	1,662,322,893	(1,004,504)	(243,941,063)	(316,033,654)	(230,518,057)	4,817,700,346

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

23. Provision for impairment of assets *(continued)*

2017

	At 1 January 2017	Additions	Reductions		At 31 December 2017
			Reversal	Write-back	
Bad debt provision	198,403,855	12,286,842	(1,812,513)	(4,597,387)	204,280,797
Inventory provision	153,861,112	77,869,336	(78,735,513)	(22,153,661)	130,841,274
Impairment provision for available-for-sale investments	10,500,000	49,704,548	—	—	60,204,548
Impairment provision for long-term equity investments	175,108,439	—	—	—	175,108,439
Impairment provision for fixed assets	773,805,495	1,058,059,268	—	(54,661,095)	1,777,203,668
Impairment provision for construction in progress	27,220,843	614,088,766	—	(22,214,969)	619,094,640
Impairment provision for intangible assets	233,419,014	328,544,339	—	(2,686,700)	559,276,653
Impairment provision for goodwill	77,480,682	—	—	—	77,480,682
Impairment provision for construction materials	—	4,193,103	—	—	4,193,103
Impairment provision for other current assets	5,527,310	—	—	—	5,527,310
Impairment provision for other non-current assets	176,955,900	156,707,717	—	—	333,663,617
	1,832,282,650	2,301,453,919	(80,548,026)	(106,313,812)	3,946,874,731

Note 1: In the year, the Group recognised impairment provisions of RMB260,314,418, RMB111,456,562, RMB719,969,890 and RMB157,778,981 for fixed assets, construction in progress, intangible assets and goodwill, respectively. The recoverable amounts are determined based on the present value of the estimated future cash flows of the asset group or the fair value estimated by a professional appraisal firm. In determining the present value of the estimated future cash flows of the asset group, the discount rates adopted ranged from 7% to 14%.

Note 2: In the year, the Group recognised impairment provisions of RMB165,221,199 for other non-current assets, mainly including: 1) RMB117,423,299 for prepayments of Yongding Longhu to Yongding County Government, details are disclosed in Note V.22; 2) RMB42,389,163 for inventories that are not expected to be discharged within one year from BNL; and 3) RMB5,408,737 for impairment of other non-current assets of Liancheng Zijin, Norton Gold Fields and other subsidiaries.

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

24. Short-term borrowings

	2018	2017
Unsecured and non-guaranteed loans	**7,894,762,845**	2,580,325,787
Secured loans with securities under the lenders' custody (Note 1)	**1,946,875**	267,695,000
Gold leasing (Note 2)	**7,482,777,453**	6,863,852,224
Bills receivable discounted	**237,193,063**	144,000,000
	15,616,680,236	9,855,873,011

As at 31 December 2018 and 31 December 2017, the Group had no secured bank loans.

As at 31 December 2018, the interest rates of the above borrowings ranged from 2.85% to 4.70% per annum (31 December 2017: 0.55% to 4.80% per annum).

As at 31 December 2018 and 31 December 2017, there were no short-term borrowings of the Group that were overdue but not yet repaid.

Note 1: As at 31 December 2018, bills receivable of Shanghang Zijin Jiabo Electronic New Material Technology Company Limited, a subsidiary of the Group, were pledged as collaterals against a bank borrowing of RMB1,946,875 from Industrial and Commercial Bank of China. As at 31 December 2017, bills receivable of Zijin Mining Group (Xiamen) Metal Materials Company Limited ("Xiamen Metal Materials"), a subsidiary of the Group, were pledged as collaterals against a bank borrowing of RMB267,695,000 from China Construction Bank. The loan was repaid in May 2018.

Note 2: The Group financed through entering into gold leasing agreements with banks to lease gold from banks and subsequently sold the gold through the Shanghai Gold Exchange. On maturity of the leases, the Group would return the gold to gold leasing banks with the same quantity and specification purchased through the Shanghai Gold Exchange. The Group considered that under such gold leasing business model, the banks entirely bore the risk of gold price fluctuation during the gold leasing period. The Group only bore the agreed gold leasing fee and related handling fee. Therefore, the Group included the leased gold in short-term borrowings.

25. Held for trading financial liabilities (applicable from 1 January 2018)

	2018
Held for trading financial liabilities	
Gold leasing (Note 1)	**74,841,064**
Derivative financial liabilities - commodity hedging (Note 2)	**165,871,253**
Derivative financial liabilities - foreign currency derivatives (Note 3)	**1,770,265**
	242,482,582

Note 1: The Group financed through leasing gold from banks and subsequently sold the gold through the Shanghai Gold Exchange. On maturity of the lease, the Group would return the gold to gold leasing banks with the same quantity and specification purchased through the Shanghai Gold Exchange, and pay the agreed leasing fees. The maturity period of gold leasing was within one year (one year inclusive). Besides, other gold leasing of the Group has been classified as short-term borrowings. Please refer to Note V.24. As at 31 December 2018, the cost of these financial liabilities was RMB73,441,116, and the losses from changes in fair value were RMB1,399,948.

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

25. Held for trading financial liabilities (applicable from 1 January 2018) *(continued)*

Note 2: Details of derivative financial liabilities - commodity hedging are as follows:

		2018
(1)	Derivative financial liabilities without designated hedging relationship	**36,096,792**
	Including: Forward contracts	***10,858,519***
	Futures contracts	***25,238,273***
(2)	Hedging instruments – Forward contracts	**129,774,461**
		165,871,253

Note 3: The Group has used cross currency swap contracts to hedge the currency risk and interest rate risk. As at 31 December 2018, losses on changes in fair value arising from cross currency swap were RMB1,770,275 (31 December 2017: losses on changes in fair value of RMB8,960,758).

26. Financial liabilities at fair value through profit or loss (applicable in 2017)

	2017
Held for trading financial liabilities	
Gold leasing (Note 1)	2,231,963,403
Derivative financial liabilities - commodity hedging (Note 2)	73,320,776
Derivative financial liabilities - foreign currency derivatives (Note 3)	8,960,758
	2,314,244,937

Note 1: The Group financed through leasing gold from banks and subsequently sold the gold through the Shanghai Gold Exchange. On maturity of the lease, the Group would return the gold to gold leasing banks with the same quantity and specification purchased through the Shanghai Gold Exchange, and pay the agreed leasing fees. The maturity period of gold leasing was within one year (one year inclusive). Besides, for other gold leasing, the forward contracts that the Group entered into with the same bank for gold with the same quantity, specification and maturity date have been classified into short-term borrowings. As at 31 December 2017, the cost of these financial liabilities was RMB2,268,809,431, and the gains from changes in fair value were RMB36,846,028.

Note 2: Details of derivative financial liabilities - commodity hedging are as follows:

		2017
(1)	Derivative financial liabilities without designated hedging relationship	73,320,776
	Including: Forward contracts	*46,303,526*
	Futures contracts	*27,017,250*
(2)	Hedging instruments – Forward contracts	—
		73,320,776

Note 3: The Group has used the foreign currency derivatives to hedge the currency risk and interest rate risk. As at 31 December 2017, losses on changes in fair value arising from the cross currency swap were RMB8,960,758 (31 December 2016: fair value losses on changes of fair value of RMB20,178,616).

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

27. Bills payable and trade payables

	2018	2017
Bills payable	**160,733,506**	179,417,453
Trade payables	**4,540,248,350**	4,216,836,578
	4,700,981,856	4,396,254,031

Bills payable

	2018	2017
Bank acceptances bills	**160,733,506**	179,417,453

As at 31 December 2018, there were no overdue bills payable (31 December 2017: Nil).

Trade payables

*As at 31 December 2018, an ageing analysis of the trade payables, based on the invoice dates, is as follows:

	2018	2017
Within 1 year	**3,941,803,169**	3,677,169,188
Over 1 year but within 2 years	**376,762,142**	307,247,625
Over 2 years but within 3 years	**119,449,275**	103,327,622
Over 3 years	**102,233,764**	129,092,143
	4,540,248,350	4,216,836,578

As at 31 December 2018, the significant balances of trade payables aged more than one year are as follows:

	Balance	Reason for not being settled
Wenzhou Mine Workings Co., Ltd.	29,502,871	Construction payment not yet settled
Hangzhou Steam Turbine Engineering Co., Ltd.	28,984,059	Construction payment not yet settled
China Fifteen Metallurgical Construction Co., Ltd.	27,155,865	Construction payment not yet settled
Wenzhou Tongye Construction Work Co., Ltd. Sanguikou project site	27,127,319	Construction payment not yet settled
BGRIMM Machinery and Electrics Technology Co., Ltd.	19,484,950	Equipment payment not yet settled
Fuzhou Fuda Automation Technology Co., Ltd.	17,742,418	Equipment payment not yet settled
Beijing Li De Heng Environmental Protection Engineering Co., Ltd.	16,821,097	Construction payment not yet settled
Fujian Xingwanxiang Construction Group Co., Ltd.	16,354,132	Construction payment not yet settled
Chongqing Industrial Equipment Installation Group Co., Ltd.	16,088,925	Construction payment not yet settled
	199,261,636	

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

27. Bills payable and trade payables *(continued)*

Trade payables *(continued)*

As at 31 December 2017, the significant balances of trade payables aged more than one year are as follows:

	Balance	Reason for not being settled
Haixia Technology	32,303,500	Construction payment not yet settled
Wenzhou Mine Workings Co., Ltd.	21,154,267	Construction payment not yet settled
Fujian Xinhuadu Engineering Co., Ltd.	21,080,788	Construction payment not yet settled
Hunan Provincial Industrial Equipment Installation Co., Ltd.	11,035,445	Construction payment not yet settled
	85,574,000	

28. Advances from customers

	2018	2017
Advances from sales of commodity housing	—	1,557,348,805
Advances from sales of goods	—	585,762,335
	—	2,143,111,140

As at 31 December 2018 and 31 December 2017, there was no significant balance of advances from customers that aged more than one year.

As at 31 December 2018 and 31 December 2017, there was no settled but uncompleted project arising from construction contracts.

29. Contract liabilities

	2018	2017
Advances from sales of commodity housing	**1,645,196**	—
Advances from sales of goods	**275,479,862**	—
	277,125,058	—

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

30. Employee benefits payable

2018

	At 1 January	Additions	Reductions	At 31 December
Short-term employee benefits	**650,508,839**	**2,904,271,680**	**(2,860,408,595)**	**694,371,924**
Post-employment benefit plan (defined contribution plan)	**11,215,107**	**216,473,793**	**(195,444,701)**	**32,244,199**
Termination benefit	**40,884**	**15,069,308**	**(15,096,225)**	**13,967**
Other employee benefits due within one year	**—**	**1,356,070**	**(1,356,070)**	**—**
	661,764,830	**3,137,170,851**	**(3,072,305,591)**	**726,630,090**

2017

	At 1 January	Additions	Reductions	At 31 December
Short-term employee benefits	633,242,206	2,734,704,770	(2,717,438,137)	650,508,839
Post-employment benefit plan (defined contribution plan)	19,151,396	169,109,587	(177,045,876)	11,215,107
Termination benefit	279,142	27,277,475	(27,515,733)	40,884
Other employee benefits due within one year	—	1,049,280	(1,049,280)	—
	652,672,744	2,932,141,112	(2,923,049,026)	661,764,830

Short-term employee benefits are as follows:

2018

	At 1 January	Additions	Reductions	At 31 December
Wages or salaries, bonuses, allowances and subsidies	**462,314,877**	**2,405,622,119**	**(2,361,698,388)**	**506,238,608**
Staff welfare	**118,970,301**	**234,863,238**	**(236,358,355)**	**117,475,184**
Social security contributions	**50,912**	**106,221,724**	**(104,283,529)**	**1,989,107**
Including: Medical insurance	**—**	***71,541,468***	***(71,312,185)***	***229,283***
Work-related injury insurance	**—**	***28,727,511***	***(26,989,558)***	***1,737,953***
Maternity insurance	***50,912***	***5,952,745***	***(5,981,786)***	***21,871***
Housing fund	**2,086,532**	**104,717,415**	**(104,924,861)**	**1,879,086**
Union running costs and employee education costs	**59,251,668**	**31,186,092**	**(45,021,218)**	**45,416,542**
Short-term compensated absence	**—**	**8,812,273**	**(7,254,327)**	**1,557,946**
Short-term profit-sharing plan (Note 1)	**7,834,549**	**12,848,819**	**(867,917)**	**19,815,451**
	650,508,839	**2,904,271,680**	**(2,860,408,595)**	**694,371,924**

Notes to Financial Statements *(continued)*

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

30. Employee benefits payable *(continued)*

Short-term employee benefits are as follows: *(continued)*

2017

	At 1 January	Additions	Reductions	At 31 December
Wages or salaries, bonuses, allowances and subsidies	442,499,310	2,287,681,288	(2,267,865,721)	462,314,877
Staff welfare	118,782,205	217,573,201	(217,385,105)	118,970,301
Social security contributions	151,053	80,252,246	(80,352,387)	50,912
Including: Medical insurance	*24,676*	*57,744,397*	*(57,769,073)*	—
Work-related injury insurance	*62,245*	*16,704,866*	*(16,767,111)*	—
Maternity insurance	*64,132*	*5,802,983*	*(5,816,203)*	*50,912*
Housing fund	2,229,196	84,743,252	(84,885,916)	2,086,532
Union running costs and employee education costs	58,117,925	42,853,465	(41,719,722)	59,251,668
Short-term compensated absence	—	14,142,845	(14,142,845)	—
Short-term profit-sharing plan (Note 1)	11,462,517	7,458,473	(11,086,441)	7,834,549
	633,242,206	2,734,704,770	(2,717,438,137)	650,508,839

Note 1: The short-term profit-sharing plan was determined by remuneration assessment and a certain percentage of the increased amount of the Group's net assets.

Details of defined contribution plan are as follows:

2018

	At 1 January	**Additions**	**Reductions**	**At 31 December**
Basic pension insurance	**10,395,797**	**209,938,214**	**(188,750,640)**	**31,583,371**
Unemployment insurance	**819,310**	**6,535,579**	**(6,694,061)**	**660,828**
	11,215,107	**216,473,793**	**(195,444,701)**	**32,244,199**

2017

	At 1 January	Additions	Reductions	At 31 December
Basic pension insurance	18,437,102	160,773,099	(168,814,404)	10,395,797
Unemployment insurance	714,294	8,336,488	(8,231,472)	819,310
	19,151,396	169,109,587	(177,045,876)	11,215,107

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

31. Taxes payable

	2018	2017
Corporate income tax	**497,642,288**	420,820,731
Value-added tax	**128,853,698**	481,749,024
Resource compensation fee	**120,769,049**	121,226,926
Resource tax	**88,849,349**	88,396,154
Others	**67,667,722**	63,500,644
	903,782,106	1,175,693,479

32. Other payables

	2018	2017
Dividends payable	**6,939,516**	4,193,049
Interest payables	**502,305,167**	437,156,936
Other payables	**4,470,342,146**	3,204,958,341
	4,979,586,829	3,646,308,326

Dividends payables

	2018	2017
Malipo State-owned Assets Management Co., Ltd.	**3,000,000**	—
Malipo Luowei Investment Co., Ltd.	**1,200,000**	—
Guizhou Province Geology and Mineral Resources Exploration and Development Bureau Team 105	**—**	4,000,000
Luoning County Funiu Mining Development Centre	**180,000**	180,000
Others	**2,559,516**	13,049
	6,939,516	4,193,049

Interest payables

	2018	2017
Bond interests	**238,653,997**	262,653,996
Borrowing interests	**186,585,234**	82,950,573
Gold leasing interests	**77,065,936**	91,552,367
	502,305,167	437,156,936

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

32. Other payables *(continued)*

Other payables

	2018	2017
Payables for construction work and equipment	**1,799,763,269**	1,563,076,698
Amounts due to third parties	**1,077,995,565**	546,669,837
Due to non-controlling shareholders of Timok project (Note 1)	**310,134,282**	—
Deposits	**295,421,081**	274,962,797
Payables for consulting services	**125,942,902**	—
Payables for exploration and mining rights	**111,666,003**	154,515,295
Due to non-controlling shareholders	**33,721,618**	34,109,175
Donation payables	**30,628,021**	70,384,525
Accrued maintenance costs	**24,493,446**	29,811,282
Withholding individual income tax	**21,967,321**	21,652,748
Payables for losses on futures contracts	**18,344,277**	21,820,911
Payables for acquisition of equities and debts	**10,894,000**	36,008,947
Others	**609,370,361**	451,946,126
	4,470,342,146	3,204,958,341

Note1: In 2016, Nevsun Resources acquired the relevant equity of the Timok project and according to the acquisition agreement, Nevsun Resources should pay a consideration to Timok project's another shareholder, Freeport International Holdings ("Freeport"), based on future events. The amount payable is classified as other payables and provision of liabilities respectively based on the time of payment.

As at 31 December 2018, the significant balances of other payables aged more than one year are as follows:

	Balance	Reason for not being settled
Wenzhou Mine Workings Co., Ltd.	**47,090,971**	Construction payments not yet settled
The 8th Metallurgical Construction Group Company Limited	**44,899,906**	Construction payments not yet settled
ZhongYeDiKan Geotechnical Engineering Co., Ltd.	**43,950,736**	Construction payments not yet settled
Mr. Zhu Hongxing	**29,672,233**	Payables not yet settled
Shanghang County Finance Bureau	**22,535,911**	Expense of exploration rights not yet settled
Xiamen Minxing Investment Company Limited	**19,600,000**	Payables not yet settled
Zhejiang Xinwang Mining Co., Ltd.	**19,062,055**	Construction payments not yet settled
Wenzhou Jianfeng Mining Engineering Co., Ltd. Wuping Branch	**13,650,312**	Construction payments not yet settled
	240,462,124	

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

32. Other payables *(continued)*

Other payables *(continued)*

As at 31 December 2017, the significant balances of other payables aged more than one year are as follows:

	Balance	Reason for not being settled
The 8th Metallurgical Construction Group Company Limited	59,002,698	Construction payments not yet settled
ZhongYeDiKan Geotechnical Engineering Co., Ltd.	41,243,793	Construction payments not yet settled
Mr. Zhu Hongxing	29,672,233	Payables not yet settled
Wenzhou Mine Workings Co., Ltd.	28,819,003	Construction payments not yet settled
Shanghang County Finance Bureau	22,535,911	Expense of exploration rights not yet settled
Xiamen Minxing Investment Company Limited	19,600,000	Payables not yet settled
Zhejiang Xinwang Mining Co., Ltd.	18,430,546	Construction payments not yet settled
Wenzhou Jianfeng Mining Engineering Co., Ltd. Wuping Branch	12,646,785	Construction payments not yet settled
	231,950,969	

33. Current portion of non-current liabilities

	2018	2017
Current portion of long-term borrowings (Note V.34)	**2,366,783,159**	2,053,508,118
Current portion of long-term payables (Note V.36)	**47,435,853**	47,889,736
Current portion of bonds payable (Note V.35)	**7,292,870,010**	2,498,945,407
	9,707,089,022	4,600,343,261

34. Long-term borrowings

	2018	2017
Unsecured and non-guaranteed loans	**15,284,698,865**	8,652,554,913
Including: Current portion of long-term borrowings (Note V.33)	**(2,366,783,159)**	(2,053,508,118)
	12,917,915,706	6,599,046,795

As at 31 December 2018 and 31 December 2017, the Group had neither secured loans nor guaranteed loans.

As at 31 December 2018, interest rates of the Group's long-term borrowings ranged from 1.20% to 6.49% per annum (31 December 2017: 1.03% to 5.48% per annum).

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

34. Long-term borrowings *(continued)*

* Maturity analysis of long-term borrowings is as follows:

	2018	2017
Within 1 year or repayable on demand	**2,366,783,159**	2,053,508,118
Over 1 year but within 2 years	**2,687,922,863**	2,108,902,788
Over 2 years but within 5 years	**8,697,806,391**	3,647,579,007
Over 5 years	**1,532,186,452**	842,565,000
	15,284,698,865	8,652,554,913

35. Bonds payable

	2018	2017
Bonds payable	**10,375,987,499**	7,985,443,938
Medium-term notes	**5,796,336,204**	8,292,617,934
	16,172,323,703	16,278,061,872
Including: Current portion of bonds payable (Note V.33)	**(7,292,870,010)**	(2,498,945,407)
	8,879,453,693	13,779,116,465

As at 31 December 2018, the balances of bonds payable are as follows:

Currency	Face value	Issue date	Duration of the bonds	Issue value of the bonds	At 1 January	Issued in the current year	Interest accrued for the current year	Amortisation of discount/ premium	Interest paid for the year	Repayment of principal in the year	At 31 December
RMB	2,500,000,000	23 October 2013	5 years	2,500,000,000	2,498,945,407	–	118,750,000	1,054,593	(142,750,000)	(2,500,000,000)	–
RMB	3,300,000,000	11 September 2015	5 years	3,300,000,000	3,295,823,852	–	145,200,000	1,459,936	(145,200,000)	–	3,297,283,788
RMB	2,000,000,000	18 March 2016	5 years	2,000,000,000	1,996,484,460	–	67,400,000	1,040,363	(67,400,000)	–	1,997,524,823
RMB	1,200,000,000	15 July 2016	5 years	1,200,000,000	1,197,611,829	–	41,400,000	636,589	(89,700,000)	–	1,198,248,418
USD (equivalent amount in RMB)	2,402,120,455	18 October 2018	3 years	2,402,120,455	–	2,402,120,455	25,728,446	(15,723,791)	–	–	2,386,396,664
Current portion of bonds payable											
RMB	2,500,000,000	5 September 2014	5 years	2,500,000,000	2,497,848,675	–	137,500,000	1,203,741	(137,500,000)	–	2,499,052,416
RMB	3,000,000,000	18 March 2016	5 years	3,000,000,000	2,994,827,720	–	89,700,000	1,537,362	(89,700,000)	–	2,996,365,082
RMB	1,800,000,000	15 July 2016	5 years	1,800,000,000	1,796,519,929	–	54,900,000	932,583	(41,400,000)	–	1,797,452,512
	18,702,120,455			18,702,120,455	16,278,061,872	2,402,120,455	680,578,446	(7,858,624)	(713,650,000)	(2,500,000,000)	16,172,323,703

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

35. Bonds payable *(continued)*

As at 31 December 2017, the balances of bonds payable are as follows:

Currency	Face value	Issue date	Duration of the bonds	Issue value of the bonds	At 1 January	Issued in the current year	Interest accrued for the current year	Amortisation of discount/ premium	Interest paid for the year	At 31 December
RMB	2,500,000,000	5 September 2014	5 years	2,500,000,000	2,496,709,795	–	137,500,000	1,138,880	(137,500,000)	2,497,848,675
RMB	3,300,000,000	11 September 2015	5 years	3,300,000,000	3,294,427,329	–	145,200,000	1,396,523	(145,200,000)	3,295,823,852
RMB	2,000,000,000	18 March 2016	5 years	2,000,000,000	1,995,479,100	–	67,400,000	1,005,360	(67,403,370)	1,996,484,460
RMB	3,000,000,000	18 March 2016	5 years	3,000,000,000	2,993,336,419	–	89,700,000	1,491,301	(89,704,485)	2,994,827,720
RMB	1,800,000,000	15 July 2016	5 years	1,800,000,000	1,795,615,841	–	54,900,000	904,088	(54,902,745)	1,796,519,929
RMB	1,200,000,000	15 July 2016	5 years	1,200,000,000	1,196,997,162	–	41,400,000	614,667	(41,402,070)	1,197,611,829
Current portion of bonds payable										
RMB	2,500,000,000	23 October 2013	5 years	2,500,000,000	2,497,744,689	–	142,500,000	1,200,718	(142,500,000)	2,498,945,407
	16,300,000,000			16,300,000,000	16,270,310,335	–	678,600,000	7,751,537	(678,612,670)	16,278,061,872

In 2013, the Group registered the maximum credit limits of medium-term notes of RMB6 billion and RMB4 billion respectively with the National Association of Financial Market Institutional Investors. In 2014, the Group wrote off the credit limit of RMB1.7 billion. The Group issued medium-term notes with face values of RMB2.5 billion on 23 October 2013, RMB2.5 billion on 5 September 2014 and RMB3.3 billion on 11 September 2015 respectively, with an aggregate amount of RMB8.3 billion, maturity of 5 years and coupon rates of 5.7%, 5.5% and 4.4% respectively. Interest on the bonds are payable annually.

Pursuant to the approval of the CSRC on 17 February 2016, the Group issued corporate bonds with a face value of RMB2 billion on the Shanghai Stock Exchange on 18 March 2016. The bonds have a duration of five years and an annual interest rate of 3.37%. On 18 March 2016, the Group issued corporate bonds with a face value of RMB3 billion on the Shanghai Stock Exchange. The bonds have a duration of five years, with terms that the issuer has an option of adjusting the interest rate and investors have an option of redemption at the end of the third year, and an annual interest rate of 2.99%. The Group expects to repay the bond in full in 2019, so it is classified as bonds payable due within one year. On 15 July 2016, the Group issued corporate bonds with a face value of RMB1.8 billion on the Shanghai Stock Exchange. The bonds have a duration of five years, with terms that the issuer has an option of adjusting the interest rate and investors have an option of redemption at the end of the third year, and an interest rate of 3.05%, The Group expects to repay the bond in full in 2019, so it is classified into bonds payable due within one year. On 15 July 2016, the Group issued corporate bonds with a nominal value of RMB1.2 billion on the Shanghai Stock Exchange. The bonds have a duration of five years with an annual interest rate of 3.45%. The interest of the above bonds shall be settled annually and the principal shall be repaid in full upon their maturity.

On 18 October 2018, Zijin International Capital Co., Ltd., an overseas wholly-owned subsidiary of the Group, issued guaranteed senior notes with an aggregate face value of USD350 million and annual interest rate of 5.282% per annum through the Stock Exchange of Hong Kong Ltd. The date of maturity is 18 October 2021 and the Group is the guarantor. From 18 April 2019, the interest shall be paid every half year on 18 April and 18 October every year.

As at 31 December 2018 and 31 December 2017, the Group had no overdue bonds.

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

36. Long-term payables

	2018	2017
Payables for acquisition of equities/debts	**181,972,127**	226,314,438
Payables for acquisition of mining rights (Note 1)	**63,162,176**	—
Entrusted investments	**142,894,314**	93,153,014
Loans from a shareholder (Note 2)	**70,400,000**	78,700,000
Deposit for restoration and improvement of ecological environment in mines	**111,991,951**	94,536,646
Others	**210,093,157**	118,889,283
Subtotal	**780,513,725**	611,593,381
Including: Current portion of long-term payables (Note V.33)	**(47,435,853)**	(47,889,736)
	733,077,872	563,703,645

* Maturity analysis of long-term payables is as follows:

	2018	2017
Within 1 year or repayable on demand	**47,435,853**	47,889,736
Over 1 year but within 2 years	**279,372,794**	113,833,498
Over 2 years but within 5 years	**95,920,815**	172,502,497
Over 5 years	**357,784,263**	277,367,650
	780,513,725	611,593,381

Note 1: Payables for acquisition of mining rights are the installments for mining rights payable from Luoyang Kunyu to the Luoning County Land and Resources Bureau.

Note 2: Long-term payables to a shareholder represent loans from Minxi Xinghang.

37. Provision

2018

	1 January 2018	**Additions**	**Reductions**	**31 December 2018**
Provision for environmental rehabilitation and restoration of mines (Note 1)	**861,014,312**	**1,420,625,796**	**(220,165,927)**	**2,061,474,181**
Defined benefits payable	**—**	**62,754,474**	**—**	**62,754,474**
Provision for litigation	**—**	**41,621,501**	**—**	**41,621,501**
Onerous contracts	**—**	**119,810,882**	**—**	**119,810,882**
Payable to minority shareholders of the Timok project (Note 2)	**—**	**400,429,415**	**—**	**400,429,415**
	861,014,312	**2,045,242,068**	**(220,165,927)**	**2,686,090,453**

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

37. Provision *(continued)*

2017	1 January 2017	Additions	Reductions	31 December 2017
Provision for environmental rehabilitation and restoration of mines	871,311,724	44,920,408	(55,217,820)	861,014,312

Note 1: Norton Gold Fields, Bor Copper, Nevsun Resources, subsidiaries of the Group, and BNL, a joint operation of the Group, recognised a provision for environmental rehabilitation and restoration of mines based on the estimation of the lives of mining tenements, timing of mine closure and costs of rehabilitation to be incurred at mine closure.

Note 2: In 2016, Nevsun Resources acquired the relevant equity of the Timok project and according to the acquisition agreement, Nevsun Resources should pay a consideration to Timok project's another shareholder, Freeport, based on future events. The amount payable is classified as other payables and provision of liabilities respectively based on the time of payment.

38. Deferred income

2018

	1 January 2018	**Additions**	**Reductions**	**31 December 2018**
Government grants	**451,419,375**	**21,864,414**	**(50,500,692)**	**422,783,097**

2017

	1 January 2017	Additions	Reductions	31 December 2017
Government grants	453,473,146	65,310,000	(67,363,771)	451,419,375

As at 31 December 2018, liabilities related to government grants are as follows:

	1 January 2018	**Additions**	**Recognised as other income for the year**	**Other movements**	**31 December 2018**	**Related to assets or income**
Expenditures for science projects	**11,177,388**	**—**	**(2,484,588)**	**—**	**8,692,800**	**Assets**
Fund for environmental protection projects	**65,086,772**	**13,000,000**	**(7,696,590)**	**—**	**70,390,182**	**Assets**
Refund of land compensation	**104,579,032**	**—**	**(2,948,360)**	**—**	**101,630,672**	**Assets**
Comprehensive utilisation of mineral resources	**214,290,178**	**—**	**(33,964,500)**	**—**	**180,325,678**	**Assets**
Other financial subsidies	**56,286,005**	**8,864,414**	**(2,077,260)**	**(1,329,394)**	**61,743,765**	**Assets**
	451,419,375	**21,864,414**	**(49,171,298)**	**(1,329,394)**	**422,783,097**	

Notes to Financial Statements *(continued)*

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

38. Deferred income *(continued)*

As at 31 December 2017, the liabilities related to government grants are as follows:

	1 January 2017	Additions	Recognised as other income for the year	Other movements	31 December 2017	Related to assets or income
Expenditures for science projects	14,362,200	—	(3,184,812)	—	11,177,388	Assets
Fund for environmental protection projects	67,705,024	6,200,000	(8,818,252)	—	65,086,772	Assets
Refund of land compensation	106,891,777	—	(2,312,745)	—	104,579,032	Assets
Comprehensive utilisation of mineral resources	260,870,127	—	(46,579,949)	—	214,290,178	Assets
Other financial subsidies	3,644,018	59,110,000	(6,420,216)	(47,797)	56,286,005	Assets
	453,473,146	65,310,000	(67,315,974)	(47,797)	451,419,375	

39. Share capital

2018

		At 1 January	Movements					At 31 December
			Issuance of new shares	Stock dividend	Conversion of capital reserve into shares	Others	Subtotal	
I.	Shares not subject to trading moratorium							
	RMB ordinary shares	**15,803,803,650**	—	—	—	**1,071,922,187**	**1,071,922,187**	**16,875,725,837**
	Overseas-listed foreign invested shares	**5,736,940,000**	—	—	—	—	—	**5,736,940,000**
	Total number of shares not subject to trading moratorium	**21,540,743,650**	—	—	—	**1,071,922,187**	**1,071,922,187**	**22,612,665,837**
II.	Shares subject to trading moratorium							
	RMB ordinary shares	**1,490,475,241**	—	—	—	**(1,071,922,187)**	**(1,071,922,187)**	**418,553,054**
III.	Total number of shares	**23,031,218,891**	—	—	—	—	—	**23,031,218,891**

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

39. Share capital *(continued)*

2017

		At 1 January	Movements					At 31 December
			Issuance of new shares	Stock dividend	Conversion of capital reserve into shares	Other	Subtotal	
I.	Shares not subject to trading moratorium							
	RMB ordinary shares	15,803,803,650	—	—	—	—	—	15,803,803,650
	Overseas-listed foreign invested shares	5,736,940,000	—	—	—	—	—	5,736,940,000
	Total number of shares not subject to trading moratorium	21,540,743,650	—	—	—	—	—	21,540,743,650
II.	Shares subject to trading moratorium							
	RMB ordinary shares	—	1,490,475,241	—	—	—	1,490,475,241	1,490,475,241
III.	Total number of shares	21,540,743,650	1,490,475,241	—	—	—	1,490,475,241	23,031,218,891

The increase of share capital in 2017 was due to the implementation of the proposal on the non-public issuance of A Shares of the Company. For details, please refer to Note I. Corporate Information. The increase was verified by Ernst & Young Hua Ming LLP and "Ernst & Young Hua Ming [2017] Yan Zi No. 60468092_H02" verification report was issued.

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

40. Other equity instruments

(1) Basic information of renewable corporate bonds issued

On 31 December 2018, the detailed information of renewable corporate bonds issued by the Group was as follows:

Name of bond	Date of issuance	Accounting classification	Interest rate	Issue price (RMB)	Number	Amount of total issuance (RMB)	Amount recognised in other equity instruments (RMB)	Date of maturity
18 Zijin Y1	16 October 2018	Renewable corporate bonds	5.17%	100	45,000,000	4,500,000,000	4,486,950,000	17 October 2021
17 Zijin Y1	12 September 2017	Renewable corporate bonds	5.17%	100	5,000,000	500,000,000	498,550,000	13 September 2020
						5,000,000,000	4,985,500,000	

On 16 October 2018, the Group issued 2018 Renewable Corporate Bonds (the First Tranche) ("18 Zijin Y1") with total principal amount of RMB4,500,000,000 and the coupon rate of 5.17% for the first period. The remaining balance of RMB4,486,950,000 after deducting issuance expenses was recognised as other equity instruments.

The base period of 18 Zijin Y1 is 3 years. At the end of the base period and the end of each renewal period, the Group has an option to renew the bonds for one more period (i.e., 3 years). The renewable corporate bonds will mature when the Group does not exercise the renewal option and redeems the bonds in full amount.

18 Zijin Y1 applies a fixed interest rate on an annual basis, instead of a compound interest rate. In the case of deferral, each deferred interest is accrued at the prevailing coupon rate during the deferred period. The coupon rate inquiry range for the first base period of 18 Zijin Y1 is 4.3%-5.8%. The coupon rate for the first base period will be determined by the Group and the bookkeeping manager within the preset range according to the book building conditions. The coupon rate is fixed for the first base period and will be reset at each subsequent period. The coupon rate for the first base period is the initial benchmark rate plus the initial interest rate margin, and the coupon rates of the subsequent periods will be adjusted to the prevailing benchmark interest rate plus initial interest rate margin and 300 basis points. The initial interest rate margin is the coupon rate of the first period minus the initial benchmark interest rate. If the prevailing benchmark interest rate is unavailable at the interest rate reset date due to factors such as macroeconomic and policy changes in the future, the benchmark interest rate prior to the interest rate reset date is deemed to be the prevailing benchmark interest rate. The determination method of the benchmark interest rate: the initial benchmark interest rate shall be the arithmetic mean of the yield of Chinese government bond with duration equals to the length of the initial period as shown in China Bond Inter-bank Fixed Rate Chinese Government Bond Yield Curve published on China Bond Information Website (www.chinabond.com.cn) (or other websites as recognised by China Central Depository & Clearing Co. Ltd.) 250 working days before the book building date (rounded to 0.01%). The benchmark interest rates for the subsequent periods shall be the arithmetic mean of the yield of Chinese government bond with duration equals to the length of the initial period as shown in China Bond Inter-bank Fixed Rate Chinese Government Bond Yield Curve published on China Bond Information Website (www.chinabond.com.cn) (or other websites as recognised by China Central Depository & Clearing Co. Ltd.) 250 working days before the date of coupon rate reset (rounded to 0.01%).

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

40. Other equity instruments *(continued)*

(1) Basic information of renewable corporate bonds issued *(continued)*

On 31 December 2017, the detailed information of renewable corporate bonds issued by the Group was as follows:

Name of bond	Date of issuance	Accounting classification	Interest rate	Issue price (RMB)	Number	Amount of total issuance (RMB)	Amount recognised in other equity instruments (RMB)	Date of maturity
17 Zijin Y1	12 September 2017	Renewable corporate bonds	5.17%	100	5,000,000	500,000,000	498,550,000	13 September 2020
						500,000,000	498,550,000	

On 12 September 2017, the Group issued 2017 Renewable Corporate Bonds (the First Tranche) ("17 Zijin Y1") with total principal amount of RMB500,000,000 and the coupon rate of 5.17% for the first period. The remaining balance of RMB498,550,000 after deducting issuance expenses was recognised as other equity instruments.

The base period of 17 Zijin Y1 is 3 years. At the end of the base period and the end of each renewal period, the Group has an option to renew the bonds for one more period (i.e., 3 years). The renewable corporate bonds will mature when the Group does not exercise the renewal option and redeems the bonds in full amount.

17 Zijin Y1 applies a fixed interest rate on an annual basis, instead of a compound interest rate. In the case of deferral, each deferred interest is accrued at the prevailing coupon rate during the deferred period. The coupon rate inquiry range for the first base period of 17 Zijin Y1 is 4.8%-5.8%. The coupon rate for the first base period will be determined by the Group and the bookkeeping manager within the preset range according to the book building conditions. The coupon rate is fixed for the first base period and will be reset at each subsequent period. The coupon rate for the first base period is the initial benchmark rate plus the initial interest rate margin, and the coupon rates of the subsequent periods will be adjusted to the prevailing benchmark interest rate plus initial interest rate margin and 300 basis points. The initial interest rate margin is the coupon rate of the first period minus the initial benchmark interest rate. If the prevailing benchmark interest rate is unavailable at the interest rate reset date due to factors such as macroeconomic and policy changes in the future, the benchmark interest rate prior to the interest rate reset date is deemed to be the prevailing benchmark interest rate. The determination method of the benchmark interest rate: the initial benchmark interest rate shall be the arithmetic mean of the yield of Chinese government bond with duration equals to the length of the initial period as shown in China Bond Inter-bank Fixed Rate Chinese Government Bond Yield Curve published on China Bond Information Website (www.chinabond.com.cn) (or other websites as recognised by China Central Depository & Clearing Co. Ltd.) 250 working days before the book building date (rounded to 0.01%). The benchmark interest rates for the subsequent periods shall be the arithmetic mean of the yield of Chinese government bond with duration equals to the length of the initial period as shown in China Bond Inter-bank Fixed Rate Chinese Government Bond Yield Curve published on China Bond Information Website (www.chinabond.com.cn) (or other websites as recognised by China Central Depository & Clearing Co. Ltd.) 250 working days before the date of coupon rate reset (rounded to 0.01%).

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

40. Other equity instruments *(continued)*

(2) Movements of renewable corporate bonds issued:

2018

	At 1 January		Additions		Reductions		At 31 December	
	Number	**Book value**	**Number**	**Book value**	**Number**	**Book value**	**Number**	**Book value**
18 Zijin Y1	**—**	**—**	**45,000,000**	**4,486,950,000**	**—**	**—**	**45,000,000**	**4,486,950,000**
17 Zijin Y1	**5,000,000**	**498,550,000**	**—**	**—**	**—**	**—**	**5,000,000**	**498,550,000**
		498,550,000		**4,486,950,000**		**—**		**4,985,500,000**

2017

	At 1 January		Additions		Reductions		At 31 December	
	Number	Book value	Number	Book value	Number	Book value	Number	Book value
17 Zijin Y1	—	—	5,000,000	498,550,000	—	—	5,000,000	498,550,000
		—		498,550,000		—		498,550,000

41. Capital reserve

2018

	At 1 January 2018	**Additions**	**Reductions**	**At 31 December 2018**
Share premium	**10,902,398,401**	**—**	**—**	**10,902,398,401**
Others (Note 1)	**207,520,660**	**10,373,708**	**(25,526,379)**	**192,367,989**
	11,109,919,061	**10,373,708**	**(25,526,379)**	**11,094,766,390**

2017

	At 1 January 2017	Additions	Reductions	At 31 December 2017
Share premium	6,454,525,966	4,447,872,435	—	10,902,398,401
Others	248,831,056	1,968,579	(43,278,975)	207,520,660
	6,703,357,022	4,449,841,014	(43,278,975)	11,109,919,061

Note 1: In 2018, the Group acquired 6% of the equity interest of its former associate, Zijin Tongguan, and increased its shareholding to 51%. Hence, it is included in the scope of consolidation. The capital reserve previously recognised under the equity method was transferred to investment income, and hence the capital reserve was reduced by approximately RMB25,526,379. In 2018, the Group sold 5% of the equity interest of its subsidiary, ZGC, at the consideration of USD1, hence the capital reserve was increased by approximately RMB10,373,708.

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

42. Other comprehensive income

The accumulated balance of other comprehensive income attributable to owners of the parent in the statement of financial position is as follows:

2018

			Movements			
	Opening balance	**Impact of accounting policies**	**Amount before tax**	**Income tax**	**Amount after tax**	**Closing balance**
Changes in fair value of other equity instrument investments	**23,861,374**	**186,956,573**	**(1,158,320,421)**	**(1,361,630)**	**(1,159,682,051)**	**(948,864,104)**
Hedging costs - forward elements	**—**	**—**	**61,666,120**	**—**	**61,666,120**	**61,666,120**
Exchange differences arising from translation of financial statements denominated in foreign currencies	**(626,754,900)**	**—**	**(62,020,181)**	**—**	**(62,020,181)**	**(688,775,081)**
	(602,893,526)	**186,956,573**	**(1,158,674,482)**	**(1,361,630)**	**(1,160,036,112)**	**(1,575,973,065)**

2017

		Movements			
	Opening balance	Amount before tax	Income tax	Amount after tax	Closing balance
Changes in fair value of available-for-sale investments	133,530,471	(109,669,924)	827	(109,669,097)	23,861,374
Effective part of cash flow hedging instruments	(168,224,050)	208,971,893	(40,747,843)	168,224,050	—
Exchange differences arising from translation of financial statements denominated in foreign currencies	(607,994,181)	(18,760,719)	—	(18,760,719)	(626,754,900)
	(642,687,760)	80,541,250	(40,747,016)	39,794,234	(602,893,526)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

42. Other comprehensive income *(continued)*

Total amount of other comprehensive income recognised in the statement of profit or loss during the year:

2018

	Amount before tax	Less: Amount of other comprehensive income recognised in the previous periods transferred into profit or loss during the current period	Less: Income tax	Attributable to the parent	Attributable to non-controlling interests
Other comprehensive income not to be reclassified to profit or loss in subsequent periods					
Changes in fair value of other equity instrument investments	**(1,157,992,851)**	**—**	**1,952,206**	**(1,159,682,051)**	**(263,006)**
Other comprehensive income to be reclassified to profit or loss in subsequent periods					
Hedging costs - forward elements	**61,666,120**	**—**	**—**	**61,666,120**	**—**
Exchange differences arising from translation of financial statements denominated in foreign currencies	**(76,206,453)**	**—**	**—**	**(62,020,181)**	**(14,186,272)**
	(1,172,533,184)	**—**	**1,952,206**	**(1,160,036,112)**	**(14,449,278)**

2017

	Amount before tax	Less: Amount of other comprehensive income recognised in the previous periods transferred into profit or loss during the current period	Less: Income tax	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	51,921,180	161,591,277	(870)	(109,669,097)	(130)
Effective part of cash flow hedging instruments	302,100	(219,263,312)	38,277,812	168,224,050	13,063,550
Exchange differences arising from translation of financial statements denominated in foreign currencies	(10,834,408)	—	—	(18,760,719)	7,926,311
	41,388,872	(57,672,035)	38,276,942	39,794,234	20,989,731

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

43. Special reserve

2018

	At 1 January 2018	Additions	Reductions	At 31 December 2018
Work safety fund	**176,862,772**	**667,226,059**	**(696,695,334)**	**147,393,497**

2017

	At 1 January 2017	Additions	Reductions	At 31 December 2017
Work safety fund	159,412,702	615,979,126	(598,529,056)	176,862,772

44. Surplus reserve

2018

	At 1 January 2018	Additions	Reductions	At 31 December 2018
Statutory reserve	**1,319,401,104**	**—**	**—**	**1,319,401,104**

2017

	At 1 January 2017	Additions	Reductions	At 31 December 2017
Statutory reserve	1,319,401,104	—	—	1,319,401,104

Pursuant to the stipulations of the Company Law of the PRC and the articles of associations of the Company, the Company shall make provision for statutory reserve at the amount of 10% of net profit. Provision for statutory reserve is optional if the aggregate balance of the statutory reserve reaches 50% of the Company's registered capital. The balance of the statutory reserve has reached 50% of the Company's registered capital. Therefore, no provision for statutory reserve was made.

The Company can make provision for a discretionary reserve after the provision for statutory reserve is made. Discretionary reserve can be used to offset accumulated losses for previous years or to issue capital on approval.

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

45. Retained earnings

	2018	2017
At 1 January	**20,194,761,855**	18,068,917,361
Changes in accounting policies	**(9,495,496)**	—
Net profit attributable to owners of the parent	**4,093,773,630**	3,507,717,627
Gains on disposal of other equity instrument investments	**979,461**	—
Less: Appropriation for the statutory reserve	**—**	—
Interest payable on renewable corporate bonds	**25,985,291**	—
Dividends payable in cash for ordinary shareholders	**2,072,809,700**	1,381,873,133
At 31 December	**22,181,224,459**	20,194,761,855

Pursuant to the resolution of the shareholders' general meeting on 30 June 2018, the Company distributed a cash dividend of RMB0.09 per share (2017: RMB0.06 per share) to all shareholders, calculated on the basis of 23,031,218,891 issued shares (2017: 23,031,218,891 shares), with an aggregate amount of RMB2,072,809,700 (2017: RMB1,381,873,133). The dividend has been distributed in mid-2018 and is accounted for in this year's financial statements.

46. Operating income and operating costs

	2018		2017	
	Operating income	**Operating costs**	Operating income	Operating costs
Principal operations	**105,098,239,175**	**91,989,132,007**	93,789,085,365	80,874,651,456
Other operations	**896,006,948**	**662,242,468**	759,533,733	497,322,228
	105,994,246,123	**92,651,374,475**	94,548,619,098	81,371,973,684

Note: The Group's domestic sales revenue for the year totalled RMB99,728,360,206.

	2018	2017
Sales of goods	**105,240,131,265**	93,880,368,667
Rendering of services	**103,786,558**	99,847,245
Rental income	**41,859,429**	54,805,436
Others	**608,468,871**	513,597,750
	105,994,246,123	94,548,619,098

Notes to Financial Statements *(continued)*

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

46. Operating income and operating costs *(continued)*

Breakdown of operating income

Reporting segment	2018	2017
Types of income		
Mining income	**14,959,804,840**	19,190,471,899
Refining income	**69,207,696,436**	58,254,788,441
Trading income	**13,308,938,038**	11,575,995,764
Real estate income	**1,601,637,039**	866,053,345
Other income	**6,916,169,770**	4,661,309,649
	105,994,246,123	94,548,619,098

Timing of revenue recognition	2018	2017
Goods transferred at a point in time		
Sales of goods	**105,240,131,265**	93,880,368,667
Others	**608,468,871**	513,597,750
Services transferred over time		
Rendering of services	**103,786,558**	99,847,245
Rental income	**41,859,429**	54,805,436
	105,994,246,123	94,548,619,098

47. Taxes and surcharges

	2018	2017
Resource tax	**980,256,575**	858,472,809
Education surcharges	**86,595,719**	95,114,327
City construction and maintenance tax	**71,395,452**	87,652,716
Property tax	**67,467,075**	64,157,454
Stamp duty	**49,550,111**	46,892,366
Value-added tax on land	**35,108,475**	51,762,834
Land use tax	**28,655,676**	42,428,302
Local development fund	**23,090,833**	8,070,605
Road tax (Note 1)	**20,564,811**	—
Customs tax (Note 1)	**17,095,032**	—
Environmental protection tax	**13,032,582**	707,900
Mineral concentrates tax (Note 1)	**10,381,162**	—
Vehicle and vessel use tax	**1,469,212**	838,717
Consumption tax	**608,536**	471,070
Farmland occupation tax	**—**	11,889,481
Others	**193,724,398**	83,881,778
	1,598,995,649	1,352,340,359

Note1: Road tax, customs tax and mineral concentrates tax were the taxes payable for the purchase or sale of mineral products of La Compagnie Minière de Musonoie Global SAS, an overseas subsidiary of the Group.

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

48. Selling expenses

	2018	2017
Salaries and benefits	**85,771,407**	66,630,509
Transportation expenses	**545,708,177**	484,221,197
Uploading and unloading expenses	**3,107,797**	5,768,915
Storage expenses	**4,853,019**	3,698,940
Packing expenses	**13,561,970**	7,777,240
Insurance expenses	**16,344,104**	8,392,419
Charge of commission sales	**21,882,200**	15,103,625
Advertising expenses	**1,600,468**	298,648
Depreciation expenses	**10,295,554**	8,839,980
Material consumption	**10,296,043**	5,069,328
Customs charges	**14,471,808**	21,111,867
Service expenses related to sales	**43,972,876**	49,750,775
Safety measures fee	**11,978,391**	7,040
Use and maintenance fees for roads	**24,570,309**	3,027,310
Others	**79,037,215**	69,244,656
	887,451,338	748,942,449

49. Administrative expenses

	2018	2017
Salaries and benefits	**1,252,599,136**	1,215,459,944
Depreciation and amortisation	**426,331,593**	469,896,112
Exploration expenses	**312,112,984**	209,975,689
Office expenses	**130,226,641**	143,546,783
Travelling and conference expenses	**118,805,365**	116,779,550
Professional consulting expenses	**200,010,849**	115,225,338
Stipulated fees	**133,287,260**	110,230,993
Repair and maintenance costs	**107,083,062**	101,388,892
Audit fees*	**23,926,406**	18,852,316
Others	**260,581,569**	193,334,136
	2,964,964,865	2,694,689,753

* In the year of 2018, the auditor's remuneration of the Company was RMB10,450,000 (2017: RMB8,850,000).

50. Research and development expenses

	2018	2017
Salaries and benefits	**95,529,997**	71,830,982
Depreciation and amortisation	**36,852,673**	58,308,271
Technical development costs	**64,955,784**	20,233,727
Repair and maintenance costs	**36,728,510**	52,544,543
Office expenses	**22,303,339**	44,929,914
Travelling and conference expenses	**477,310**	347,489
Professional consulting expenses	**882,544**	1,947,104
Stipulated fees	**30,307**	4,808,769
Others	**16,619,758**	44,429,677
	274,380,222	299,380,476

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

51. Financial expenses

	2018	2017
Interest expenses	**1,659,156,407**	1,666,098,224
Including: Bank loans	**996,441,239**	908,004,465
Bonds payable	**662,715,168**	686,351,537
Ultra short-term financing bonds	**—**	71,742,222
Less: Interest income	**351,234,358**	321,154,652
Capitalised interest expenses	**82,931,745**	77,054,920
Exchange (gains)/losses	**(81,219,010)**	688,501,032
Bank charges	**110,469,849**	56,560,608
	1,254,241,143	2,012,950,292

Capitalised interest expenses of 2018 were included in construction in progress. In 2018 and 2017, there was no interest income arising from impaired financial assets.

52. Impairment losses on assets

	2018	2017
Impairment provision for fixed assets	**260,314,418**	1,058,059,268
Provision for decline in value of inventories	**(8,043,062)**	(866,177)
Impairment provision for intangible assets	**719,969,890**	328,544,339
Impairment provision for available-for-sale investments (applicable in 2017)	**—**	49,704,548
Bad debt provision for trade and other receivables (applicable in 2017)	**—**	10,474,329
Impairment provision for construction in progress	**111,456,562**	614,088,766
Impairment provision for long-term equity investments	**3,464,168**	—
Impairment provision for goodwill	**157,778,981**	—
Impairment provision for construction materials	**—**	4,193,103
Impairment provision for investment properties	**79,936,878**	—
Impairment provision for other non-current assets	**175,521,395**	156,707,717
	1,500,399,230	2,220,905,893

53. Credit impairment losses (applicable from 1 January 2018)

	2018
Bad debt provision for trade receivables	**2,455,700**
Bad debt provision for other receivables	**(80,911,101)**
Bad debt provision for other current assets	**5,662,056**
Bad debt provision for prepayments	**1,076,140**
Bad debt provision for other non-current assets	**(10,300,195)**
	(82,017,400)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

54. Other income

	2018	2017
Government grants relating to daily operating activities	**227,613,533**	228,882,015

Government grants relating to daily operating activities in 2018 are as follows:

	2018	Related to income/assets
Alloy gold and remelting gold award	**56,995,700**	Income
Tax incentives of Shanghang County Economic, Information Technology, Science and Technology Bureau for 2017	**20,000,000**	Income
VAT subsidy for sulphuric acid	**15,902,675**	Income
Government award for "One Enterprise, One Policy"	**9,093,000**	Income
Bonus of major contribution to innovation and development (Qiqihar Fulaerji District Development, Reform and Industry and Information Technology Bureau)	**7,740,000**	Income
Export incentives	**7,658,343**	Income
Commerce Bureau's special allowance for foreign investment and cooperation for 2017	**5,000,000**	Income
Reward of Longyan City output value exceeding RMB20 billion (Shanghang County Economic, Information Technology, Science and Technology Bureau)	**5,000,000**	Income
Land use tax deduction	**4,241,199**	Income
Property tax, urban land use tax award in 2017 from Shanghang County Economic, Information Technology, Science and Technology Bureau	**3,000,000**	Income
Government grants for Mining and Metallurgy Institute	**2,843,300**	Income
Subsidies for stamp duty	**2,549,105**	Income
Subsidies for social security	**2,463,100**	Income
Subsidies for equipment investment	**1,787,000**	Income
Subsidies for electricity	**1,528,380**	Income
2018 provincial specific allowance for transformation and upgrade of processing and trading	**1,500,000**	Income
2017 annual gradient transfer funds of processing and trading (Shanghang County Finance Bureau)	**1,500,000**	Income
Non-financial funds to purchase equipment subsidies for new research and development institutions	**1,337,056**	Income
Subsidy of comprehensive utilisation of low-grade refractory gold resources for State Key laboratory	**1,204,000**	Income
Subsidies for research and development	**1,030,541**	Income
Hidden danger management award for goaves in mines	**1,000,000**	Income
2017 stable growth award (Malipo County Industry, Information Technology and Commerce Bureau)	**1,000,000**	Income
Allowance for hidden danger management	**1,000,000**	Income
Other government grants directly recognised in other income	**23,068,836**	Income
Other government grants transferred from deferred income	**49,171,298**	Assets
	227,613,533	

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

54. Other income *(continued)*

Government grants relating to daily business in 2017 are as follows:

	2017	Related to income/assets
Alloy gold and remelting gold award	31,798,200	Income
Subsidies for electricity	25,213,640	Income
Government grants for the second half of 2016 (Longyan Economic Development Zone Finance Bureau)	11,313,000	Income
Government grant for Longkou gold mine resources replacement project	5,000,000	Income
Land use tax deduction	4,729,108	Income
Export incentives	4,626,858	Income
Special allowance for foreign investment and cooperation of Zijin Mining for 2016 (Shanghang County Finance Bureau)	4,490,300	Income
Foreign trade support allowance (Shanghang County Finance Bureau)	4,000,000	Income
Fujian Provincial Technology Center award	4,000,000	Income
Enterprise aiding allowance (Bayanaoer City Finance Bureau)	3,512,160	Income
Fixed assets investment subsidy for major projects and technical transformation projects for 2016	2,480,000	Income
Yellow label vehicles replacing allowance (Shanghang County Finance State Treasury Payment Centre)	2,415,000	Income
Foreign trade export incentive for the second half of 2016 (Shanghang County Finance Bureau)	2,415,000	Income
Central special fund for foreign trade and economic development	2,200,000	Income
VAT subsidy for sulphuric acid	2,172,385	Income
Special support fund for civil-military integration industrial development for 2017	2,000,000	Income
Subsidies for stamp duty	1,818,900	Income
Special funds for development of key industries	1,600,000	Income
Fuel allowance (Shanghang County Finance Bureau)	1,559,553	Income
Wang Chunxing Hundred People Program incentive funds	2,544,000	Income
Reward of output value exceeding RMB10 billion	1,000,000	Income
Other government grants directly recognised in other income	40,677,937	Income
Other government grants transferred from deferred income	67,315,974	Assets
	228,882,015	

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

55. Investment income

	2018	2017
Gains/(Losses) from long-term equity investments under the equity method	**373,063,390**	(29,259,162)
Gains on disposal of long-term equity investments	**24,669,669**	318,166,951
Investment income from the revaluation of fair value of long-term equity investment (Note 1)	**430,958,659**	—
Investment income from other equity instrument investments/ available-for-sale investments during the holding period	**29,514,500**	18,478,000
(Losses)/Gains from disposal of other equity instrument investments/available-for-sale investments during the holding period	**(4,533,936)**	222,451,937
Gains/(Losses) from disposal of financial assets and liabilities at fair value through profit or loss (Note 2)	**209,040,948**	(393,158,287)
Others	**(2,190,307)**	18,990,643
	1,060,522,923	155,670,082

Note 1: Investment income recognised by revaluation of 45% equity interest of Zijin Tongguan at fair value. Please refer to Note VI.1.

Note 2: Gains/(Losses) from disposal of financial assets and liabilities at fair value through profit or loss are as follows:

	2018	2017
1. Held for trading equity instrument investments – Gains arising from stock investments	**34,923,544**	40,823,181
2. Losses arising from gold leasing investments at fair value	**(23,273,151)**	(34,317,510)
3. Hedging instruments - Losses arising from ineffectively hedged derivative instruments	**(728,017)**	(32,406,939)
4. Gains/(Losses) arising from derivative instruments without designated hedging relationship	**101,454,777**	(374,580,431)
(4-1) Cross currency swaps	***(9,323,071)***	*14,775,249*
(4-2) Gold leasing hedging contracts	***(59,802,540)***	*3,617,320*
(4-3) Commodity hedging contracts	***170,580,388***	*(392,973,000)*
5. Investment income from derivate instruments with designated hedging relationship	**6,639,271**	—
6. Others	**90,024,524**	7,323,412
	209,040,948	(393,158,287)

Notes to Financial Statements *(continued)*

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

56. (Losses)/Gains on changes in fair value

	2018	2017
Financial assets at fair value through profit or loss	**(143,996,214)**	691,474,780
Financial liabilities at fair value through profit or loss	**8,212,485**	58,725,563
	(135,783,729)	750,200,343

(Losses)/Gains on changes in fair value are as follows:

	2018	2017
1. Held for trading equity instrument investments - (Losses)/Gains arising from changes in fair value of stock investments	**(175,546,385)**	726,127,489
2. Gains arising from changes in fair value of gold leasing at fair value	**38,245,976**	36,846,028
3. Hedging instruments - Gains arising from changes in fair value of ineffectively hedged derivative instruments	**960,658**	19,869,910
4. Gains/(Losses) arising from changes in fair value of derivative instruments without designated hedging relationship	**32,984,054**	(58,510,572)
(4-1) Cross currency swaps	***7,190,493***	*11,217,858*
(4-2) Commodity hedging contracts	***25,793,561***	*(69,728,430)*
5. Others	**(32,428,032)**	25,867,488
	(135,783,729)	750,200,343

57. Gains on disposal of non-current assets

	2018	2017
(Losses)/Gains on disposal of fixed assets	**(12,204,721)**	19,453,817
Gains on disposal of intangible assets	**96,528,588**	25,002,306
Gains on disposal of other non-current assets	**237,871**	—
	84,561,738	44,456,123

58. Non-operating income

	2018	2017	**Non-recurring profits or losses in 2018**
Government grants unrelated to daily operating activities	**—**	2,000,000	**—**
Penalty income	**9,527,375**	8,456,396	**9,527,375**
Recovery of bad debt written-off	**—**	18,347,100	**—**
Indemnity insurance income	**276,878,897**	—	**276,878,897**
Waiver of debts	**25,539,410**	—	**25,539,410**
Others	**54,007,904**	28,807,358	**54,007,904**
	365,953,586	57,610,854	**365,953,586**

Notes to Financial Statements *(continued)*

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

59. Non-operating expenses

	2018	2017	**Non-recurring profits or losses in 2018**
Losses on disposal of non-current assets	**138,468,772**	278,806,173	**138,468,772**
Including: Losses on disposal of fixed assets	***138,468,772***	*259,364,127*	***138,468,772***
Losses on disposal of intangible assets	—	*18,891,557*	—
Losses on disposal of other non-current assets	—	*550,489*	—
Donations	**206,505,553**	154,494,008	**206,505,553**
Penalties and compensations	**37,755,716**	46,620,256	**37,755,716**
Losses on stocktaking	**3,369,509**	440,228	**3,369,509**
Others	**31,045,320**	35,934,751	**31,045,320**
	417,144,870	516,295,416	**417,144,870**

60. Income tax expenses

	2018	2017
Current income tax expenses	**876,963,943**	1,181,765,670
Deferred tax expenses	**570,539,286**	138,645,326
	1,447,503,229	1,320,410,996

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

	2018	2017
Profit before tax	**6,130,179,782**	4,567,960,193
Tax at the statutory tax rate (Note 1)	**1,532,544,945**	1,141,990,048
Effect of different tax rates applicable to certain subsidiaries (Note 1)	**(352,487,710)**	(608,906,485)
Adjustments in respect of current tax of previous periods	**(42,457,827)**	464,740
Income not subject to tax (Note 2)	**(81,573,075)**	(15,574,427)
Expenses not deductible for tax	**42,902,995**	67,693,562
Tax losses utilised from previous periods	**(65,817,974)**	(98,904,933)
Effect of unrecognised deductible temporary differences and deductible tax losses	**414,391,875**	833,648,491
Tax charge at the Group's effective tax rate	**1,447,503,229**	1,320,410,996

Note 1: Provision for the PRC corporate income tax expenses has been made at the applicable tax rates based on the estimated taxable profits. Provision for Hong Kong profits tax expenses has been made at applicable tax rate based on assessable profits. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing and in accordance with current laws, interpretations and customs in the countries/jurisdictions in which the Group operates.

Note 2: In 2018, income not subject to tax mainly included investment income from long-term equity investments under the equity method of RMB373,063,390 (2017: investment loss of RMB29,259,162). Sales revenue from certain products of the Group that meet the national industrial policy and enjoyed tax exemption totalled RMB39,033,294 (2017: RMB42,075,634).

Notes to Financial Statements *(continued)*

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

61. Earnings per share

	2018 **RMB/share**	2017 RMB/share
Basic earnings per share		
Continuing operations	**0.18**	0.16

Basic earnings per share is calculated by dividing the consolidated net profit for the current year attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding.

There were no potential dilutive ordinary shares for the Company.

Basic earnings per share is calculated as follows:

	2018	2017
Earnings		
Consolidated net profit attributable to ordinary shareholders of the Company		
Continuing operations	**4,093,773,630**	3,507,717,627

	2018	2017
Shares		
Weighted average number of ordinary shares outstanding	**23,031,218,891**	22,443,195,782
Adjusted weighted average number of ordinary shares outstanding	**23,031,218,891**	22,443,195,782

Notes to Financial Statements *(continued)*

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

62. Notes to the statement of cash flows

	2018	2017
Other cash receipts relating to operating activities		
Interest income	**84,250,571**	63,725,340
Government grants relating to income	**177,112,841**	163,518,244
Others	**779,372,525**	773,799,368
	1,040,735,937	1,001,042,952
Other cash payments relating to operating activities		
Transportation expenses, insurance expenses, commission charges and other selling expenses	**(791,384,377)**	(673,471,960)
Office expenses, conference expenses and other administrative expenses	**(876,675,064)**	(988,507,491)
Donations	**(166,749,049)**	(113,215,201)
Losses on the settlement of forward contracts, futures contracts and others	**(240,915,806)**	(737,681,693)
	(2,075,724,296)	(2,512,876,345)
Other cash receipts relating to investing activities		
Cash receipts from time deposits with maturity for more than three months	**2,855,596**	130,000,003
Recovered wealth management products	**2,321,454,667**	—
	2,324,310,263	130,000,003
Other cash payments relating to investing activities		
Cash paid for time deposits with maturity for more than three months	**(3,000,000)**	—
Cash paid for acquisition of debts	**(758,676,755)**	(567,344,600)
Cash paid for purchase of wealth management products	**—**	(1,182,203,850)
Fees related to acquisitions of subsidiaries	**(48,496,785)**	—
	(810,173,540)	(1,749,548,450)
Other cash receipts relating to financing activities		
Borrowings from third parties	**18,255,855**	131,860,598
Government grants relating to assets	**21,864,414**	65,310,000
	40,120,269	197,170,598
Other cash payments relating to financing activities		
Payment to Bor Copper's third parties prior to acquisition date	**(1,556,273,813)**	—
Repayment of borrowings from third parties	**(28,376,132)**	(83,320,965)
Acquisition of non-controlling interests of subsidiaries	**—**	(249,182,680)
Bank charges and others	**(168,954,303)**	(56,560,608)
	(1,753,604,248)	(389,064,253)

Notes to Financial Statements *(continued)*

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

63. Supplementary information to the statement of cash flows

(1) Supplementary information to the statement of cash flows

Reconciliation of net profit to cash flows from operating activities:

	2018	2017
Net profit	**4,682,676,553**	3,247,549,197
Add: Provisions for expected credit losses	**(82,017,400)**	—
Provision for impairment losses of assets	**1,500,399,230**	2,220,905,893
Depreciation of fixed assets	**3,435,984,806**	3,436,259,583
Amortisation of intangible assets	**773,486,572**	620,484,452
Depreciation and amortisation of investment properties	**15,418,250**	13,233,083
Amortisation of long-term deferred assets	**224,278,570**	257,479,713
Gains on disposal of fixed assets, intangible assets and other non-current assets	**(84,561,738)**	(44,456,123)
Losses on write-off of fixed assets	**138,468,772**	278,806,173
Losses/(Gains) on changes in fair values	**135,783,729**	(750,200,343)
Financial expenses	**1,523,228,712**	2,082,110,134
Investment income	**(884,031,281)**	(581,050,021)
Decrease/(Increase) in deferred tax assets	**122,895,090**	(4,809,526)
Increase in deferred tax liabilities	**124,578,329**	143,454,852
(Increase)/Decrease in inventories	**(407,206,023)**	961,053,088
Decrease/(Increase) in receivables from operating activities	**312,502,639**	(1,962,470,104)
Decrease in payables from operating activities	**(1,653,460,685)**	(314,056,525)
(Decrease)/Increase in special reserve	**(29,469,275)**	17,450,070
Exploration and development expenses	**312,112,984**	209,975,689
Others	**71,941,867**	(67,363,771)
Net cash flows from operating activities	**10,233,009,701**	9,764,355,514

Net changes in cash and cash equivalents:

	2018	2017
Closing balance of cash	**9,817,724,859**	5,537,001,830
Less: Opening balance of cash	**5,537,001,830**	4,333,796,374
Add: Closing balance of cash equivalents	**115,113,292**	217,342,125
Less: Opening balance of cash equivalents	**217,342,125**	379,026,968
Net increase in cash and cash equivalents	**4,178,494,196**	1,041,520,613

Notes to Financial Statements *(continued)*

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

63. Supplementary information to the statement of cash flows *(continued)*

(2) Information about acquisition or disposal of subsidiaries and other business units

Information about acquisition of subsidiaries and other business units

	2018	2017
Consideration for acquisition of subsidiaries and other business units	**11,904,847,235**	674,155,816
Cash and cash equivalents paid for acquisition of subsidiaries and other business units	**10,981,098,912**	—
Less: Cash and cash equivalents obtained from acquisition of subsidiaries and other business units	**3,127,481,245**	35,306,085
Net cash flows used in/(received from) acquisition of subsidiaries and other business units	**7,853,617,667**	(35,306,085)

Information about disposal of subsidiaries and other business units

	2018	2017
Consideration for disposal of subsidiaries and other business units	—	438,511,211
Cash and cash equivalents received from disposal of subsidiaries and other business units	—	283,011,211
Less: Cash and cash equivalents held by subsidiaries and others business units disposed of	—	55,598,436
Net cash flows from disposal of subsidiaries and other business units	—	227,412,775

(3) Cash and cash equivalents

	2018	2017
Cash	**9,817,724,859**	5,537,001,830
Including: Cash on hand	***3,467,899***	*3,680,034*
Cash at banks that can be readily drawn on demand	***9,814,256,960***	*5,533,321,796*
Cash equivalents	**115,113,292**	217,342,125
Closing balance of cash and cash equivalents	**9,932,838,151**	5,754,343,955

There were no cash and cash equivalents of the Group which were restricted to use.

Notes to Financial Statements *(continued)*

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

64. Assets with restrictions on title or use

	2018	2017
Cash and cash equivalents (Note 1)	**163,789,276**	182,002,671
Bills receivable (Note 2)	**1,972,833**	280,000,000
Inventories (Note 3)	—	10,034,000
Intangible assets (Note 3)	**85,807,143**	89,480,224
Fixed assets (Note 3)	**2,132,232**	4,861,782
Other non-current assets (Note 4)	**125,517,781**	163,120,512
	379,219,265	729,499,189

Note 1: As at 31 December 2018, a bank deposit with a carrying amount of RMB101,359,612 was provision for land restoration and environmental rehabilitation (31 December 2017: RMB89,172,507). The deposit was restricted to the use of land restoration and environmental rehabilitation and environmental protection after mine closure. As at 31 December 2018, bank deposits with a carrying amount of RMB52,693,045 were other kinds of deposits with restricted use (31 December 2017: RMB92,550,221). Bank deposits with a carrying amount of RMB9,736,619 were frozen due to litigation (31 December 2017: RMB279,943).

Note 2: On 31 December 2018, Zijin Jiabo, a subsidiary of the Group, pledged a bill receivable of RMB1,972,833 to the Industrial and Commercial Bank of the PRC for borrowing purposes (on 31 December 2017, Xiamen Metal Materials, a subsidiary of the Group, pledged a bill receivable of RMB280,000,000 to China Construction Bank for borrowing purposes).

Note 3: As at 31 December 2018, there were no frozen inventories (31 December 2017: 6,082 tonnes of reduced pellers produced in direct reduced plant with a carrying amount of RMB10,034,000 owned by Jinhao Iron, a subsidiary of the Group, were frozen by the court due to debt disputes). As at 31 December 2018, intangible assets (land use rights, including water source, direct reduced plant and iron refinery) with a carrying amount of RMB85,807,143 owned by Jinhao Iron, a subsidiary of the Group, were frozen by the intermediate court of Qidong, Jiangsu and Aksu due to debt disputes (31 December 2017: RMB89,480,224). As at 31 December 2018, fixed assets of a batch of valves with a carrying amount of RMB2,132,232 owned by Jinhao Iron, a subsidiary of the Group, were frozen by the court due to debt disputes (31 December 2017: RMB2,132,232).

Note 4: As at 31 December 2018, other non-current assets with a carrying amount of RMB125,517,781 were deposits for mine restoration and improvement of ecological environment in mines and their rights of use were restricted (31 December 2017: RMB163,120,512).

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

65. Foreign currency monetary items

	2018			2017		
	Original amount	**Exchange rate**	**RMB**	Original amount	Exchange rate	RMB
Cash and cash equivalents						
HKD	**15,674,451**	**0.8762**	**13,733,954**	31,106,777	0.8359	26,002,155
USD	**678,405,739**	**6.8632**	**4,656,034,268**	283,204,354	6.5342	1,850,513,890
GBP	**988,811**	**8.6762**	**8,579,122**	988,812	8.7792	8,680,978
CAD	**221,481,591**	**5.0381**	**1,115,846,404**	37,116,817	5.2009	193,040,854
AUD	**39,531,327**	**4.8250**	**190,738,653**	39,405,703	5.0928	200,685,364
RUB	**15,602,535**	**0.0986**	**1,538,410**	229,276,884	0.1136	26,045,854
EUR	**626,228**	**7.8473**	**4,914,199**	548,753	7.8023	4,281,536
Others	**N/A**	**N/A**	**15,124,455**	N/A	N/A	14,772
Trade receivables						
AUD	**4,145,488**	**4.8250**	**20,001,980**	4,424,991	5.0928	22,535,594
USD	**51,319,433**	**6.8632**	**352,215,533**	47,456,740	6.5342	310,091,831
HKD	**392,225,736**	**0.8762**	**343,668,190**	—	—	—
Other receivables						
HKD	**116,914,180**	**0.8762**	**102,440,205**	101,360,411	0.8359	84,727,168
USD	**11,650,114**	**6.8632**	**79,957,062**	10,888,740	6.5342	71,149,205
AUD	**—**	**4.8250**	**—**	2,169,810	5.0928	11,050,408
Other non-current assets						
USD	**5,749,717**	**6.8632**	**39,461,458**	451,826,871	6.5342	2,952,327,140
HKD	**4,436,294,832**	**0.8762**	**3,887,081,532**	—	0.8359	—
Total foreign currency monetary assets			**10,831,335,425**			5,761,146,749

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

65. Foreign currency monetary items *(continued)*

	2018			2017		
	Original amount	**Exchange rate**	**RMB**	Original amount	Exchange rate	RMB
Short-term borrowings						
USD	**970,828,327**	**6.8632**	**6,662,988,974**	278,658,085	6.5342	1,820,807,659
EUR	**—**	**7.8473**	**—**	77,489,012	7.8023	604,592,518
Trade payables						
USD	**102,297,179**	**6.8632**	**702,085,999**	141,941,180	6.5342	927,472,058
AUD	**6,312,876**	**4.8250**	**30,459,627**	4,937,447	5.0928	25,145,430
HKD	**534,080,174**	**0.8762**	**467,961,048**	—	—	—
Other payables						
HKD	**53,417**	**0.8762**	**46,804**	34,768,003	0.8359	29,062,574
USD	**139,107,353**	**6.8632**	**954,721,585**	223,406,577	6.5342	1,459,783,255
AUD	**15,758,115**	**4.8250**	**76,032,905**	76,860,979	5.0928	391,437,594
Current portion of non-current liabilities						
USD	**70,817,610**	**6.8632**	**486,035,421**	91,200,000	6.5342	595,919,040
EUR	**30,500,000**	**7.8473**	**239,342,650**	81,058,897	7.8023	632,445,832
AUD	**—**	**4.8250**	**—**	34,500,000	5.0928	175,701,600
Long-term borrowings						
EUR	**—**	**7.8473**	**—**	30,500,000	7.8023	237,970,150
USD	**1,459,482,390**	**6.8632**	**10,016,719,539**	507,800,000	6.5342	3,318,066,760
CAD	**—**	**5.0381**	**—**	—	5.2009	—
Long-term payables						
USD	**22,081,387**	**6.8632**	**151,548,975**	20,697,749	6.5342	135,243,232
AUD	**—**	**4.8250**	**—**	26,237	5.0928	133,620
HKD	**228,529,658**	**0.8762**	**200,237,686**	—	0.8359	—
Bonds payable						
USD	**350,000,000**	**6.8632**	**2,402,120,455**	—	6.5342	—
Total foreign currency monetary liabilities			**22,390,301,668**			10,353,781,322

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

65. Foreign currency monetary items *(continued)*

Information about foreign business entities

Name of foreign business entity	Places of registration and business	Accounting currency	Basis for adoption of accounting currency
Russia Longxing Company Limited ("Russia Longxing")	Russia	USD	Major sales, purchase, financing and other business activities in USD
ZGC	Tajikistan	USD	Major sales, purchase, financing and other business activities in USD
Altynken Limited Liability Company ("Altynken")	Kyrgyzstan	USD	Major sales, purchase, financing and other business activities in USD
Musonoie	DR Congo	USD	Major sales, purchase, financing and other business activities in USD
BNL	Papua New Guinea	USD	Major sales, purchase, financing and other business activities in USD
Norton Gold Fields	Australia	AUD	Major sales, purchase, financing and other business activities in AUD
NKWE Platinum Limited ("NKWE")	Australia	AUD	Major sales, purchase, financing and other business activities in AUD
Bor Copper	Serbia	USD	Major sales, purchase, financing and other business activities in USD
Bisha Mining Share Company ("Bisha")	Eritrea	USD	Major sales, purchase, financing and other business activities in USD
Rakita Exploration Doo Bor ("Rakita")	Serbia	USD	Major sales, purchase, financing and other business activities in USD
Rio Blanco Copper S.A ("Rio Blanco Copper")	Peru	USD	Major sales, purchase, financing and other business activities in USD

66. Hedging

Fair value hedge

The Group is engaged in the production and processing of gold, silver, copper and zinc (hereinafter referred to as "precious metals") products, and the raw materials for precious metal products are exposed to the risk of price changes of precious metals. Therefore, the Group uses precious metals futures contracts and forward contracts in the futures exchanges to manage the commodity price risk faced by some of the raw materials for precious metal products. The precious metal products produced and processed by the Group are the same as the standard precious metal products in the precious metals futures contracts and forward contracts. The basic variables of the hedging instruments (precious metals futures contracts and forward contracts) and the hedged items (the ore concentrates required for the Group to produce precious metal products) are standard precious metal prices. Through qualitative analysis, the Group determines the ratio of the number of hedging instruments to the hedged items is 1:1. The ineffective part of the hedge mainly comes from the difference in spot and forward exchange rates. The amount of the ineffective part recognised in this year was not significant. The Group uses fair value hedges for such hedging.

As at 31 December 2018, the Group entered into a currency swap agreement with a notional amount of USD470,000,000, under which the Group exchanged U.S. dollar liabilities at a fixed exchange rate for floating-rate U.S. dollar liabilities. The purpose of the currency swap is to hedge the risk of changes in the fair value of the U.S. dollar liabilities. Through qualitative analysis, the Group determines the ratio of the number of hedging instruments to the hedged items is 1:1. The ineffective part of the hedge mainly comes from the market price fluctuation of the floating exchange rate. The ineffective part of the fair value hedge was not significant in this year.

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

66. Hedging *(continued)*

Fair value hedge *(continued)*

The temporal distribution of the nominal amount of the hedging instruments and the average price or interest rate are as follows:

	Less than 6 months	6 to 12 months	Over 1 year	Total
Notional amount of gold futures	—	147,600,650	—	147,600,650
Average price of gold futures - RMB/gramme	—	273	—	273
Notional amount of silver futures	—	107,660,025	—	107,660,025
Average price of silver futures - RMB/kg	—	3,583	—	3,583
Notional amount of copper futures	433,973,600	25,310,650	—	459,284,250
Average price of copper futures - RMB/tonne	49,882	49,147	—	49,841
Notional amount of zinc futures	66,646,450	—	—	66,646,450
Average price of zinc futures - RMB/tonne	21,158	—	—	21,158
Notional amount of gold forward	—	62,163,762	—	62,163,762
Average price of gold forward - RMB/gramme	—	274	—	274
Notional amount of zinc forward	31,013,085	—	—	31,013,085
Average price of zinc forward - RMB/tonne	17,229	—	—	17,229
Notional amount of currency swaps	—	—	3,225,704,000	3,225,704,000
Average exchange rate of currency swaps - USD to RMB	—	—	7	7

Changes in the book value and fair value of hedging instruments are as follows:

	Notional amount of hedging instruments	Book value of hedging instruments		Line items in the statement of financial position including hedging instruments	Change in fair value of the hedging instruments used for measuring hedge ineffectiveness for 2018
		Assets	Liabilities		
Fair value hedge					
Foreign exchange risk - foreign currency liabilities	3,225,704,000	—	122,133,713	Held for trading financial liabilities	(113,751,122)
Commodity price risk - inventories	874,368,222	27,819,058	7,640,748	Held for trading financial assets/liabilities	312,220

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

66. Hedging *(continued)*

Fair value hedge *(continued)*

The book value of the hedged items and the associated adjustments are as follows:

	Book value of hedged items		Fair value of hedged items Accumulated fair value adjustments of the hedge (recognised in book values of hedged items)		Line item in the statement of financial position including hedged items	Change in fair value of the hedging instruments used for measuring hedge ineffectiveness for 2018	Cash flow hedge reserve
	Assets	Liabilities	Assets	Liabilities			
Fair value hedge							
Foreign exchange risk - foreign currency liabilities (Note 1)	—	3,111,946,879	231,898,595	—	Long-term payables	(231,898,595)	Not applicable
Commodity price risk - inventories	873,223,824	—	—	6,344,454	Inventories	1,427,103	Not applicable

Note 1: The hedged item is a liability formed by the counterparty within the Group. The exchange gains or losses of the monetary item formed by such transaction cannot be offset in the consolidated financial statements. The enterprise can designate it as a hedged item in the consolidated level. In order to truly and fairly reflect the hedge accounting process, the Group uses the pre-offset data of the transaction to present the hedged items.

The ineffective part of the hedges in the changes in fair values of hedging instruments are as follows:

	Ineffective part of the hedges included in the profit or loss for the current period	Ineffective part of the hedges included in other comprehensive income	Item listed in the statement of profit or loss including the ineffective part
Fair value hedge			
Foreign exchange risk	(86,194)	—	Gains or losses on changes in fair value
Commodity price risk	(1,046,852)	—	Gains or losses on changes in fair value

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

66. Hedging *(continued)*

Cash flow hedge

In 2017, the Group designated the forward contract which hedged mine-produced gold and mine-produced copper as the hedging instrument of expected sales of mine-produced gold and mine-produced copper for the next 12 months. The Group expected that it was possible that the future sales would occur. The balance of the forward contract changed with the forward price and exchange rate.

The breakdown of changes in year 2017 was as follows:

	2017
Total fair value gains recognised in other comprehensive income	(302,100)
Deferred tax arising from fair value losses	62,189
Amount reclassified to profit or loss from other comprehensive income	(219,263,312)
Deferred tax reclassified to profit or loss	38,215,623
Net gains arising from cash flow hedge recognised in other comprehensive income at the year end	(181,287,600)
Including: Other comprehensive income attributable to the parent	(168,224,050)
Attributable to non-controlling interests	(13,063,550)

In addition, the Group implemented risk management on the purchases and sales of refined and processed metals as well as the sales of other metals other than gold and copper through forward contracts and futures contracts, in order to avoid the risk of significant fluctuation in the prices of relevant products. The Group implemented risk management on exchange rate risk and interest rate risk through currency derivative contracts, so as to avoid the exchange rate risk and interest rate risk borne by the Group. If the abovementioned forward contracts, futures contracts and currency derivative contracts were not designated as hedging instruments or were not consistent with the hedge accounting standards, the gains or losses arising from changes in fair value would be directly charged to profit or loss. Please refer to Notes V.56 and 55 for details of the gains or losses on changes in fair value and investment gains or losses of the derivative financial instruments without designated hedging relationship.

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VI. CHANGES IN THE SCOPE OF CONSOLIDATION

1. Business combinations not involving enterprises under common control

(1) Bor Copper

In 2018, the Company participated in a public bidding in relation to the selection of strategic partner to reorganise Rudarsko-Topioničarski Basen RTB Bor Doo of Serbia (renamed as "Zijin Bor Copper Doo Bor" on 18 December 2018), and ranked first in the bidding. As a potential strategic partner, the Company carried out negotiation regarding the cooperation agreements with the relevant transaction parties. On 17 September 2018, the Company and Serbia entered into the "Agreement on Strategic Partnership". The Company, as a strategic partner, would invest in cash for capital increase of Bor Copper. Upon completion of the capital increase, the Company and other shareholders will hold 63% and 37% equity interest in Bor Copper respectively. On 18 December 2018, as all of the closing conditions as stipulated in the Agreement on Strategic Partnership were either satisfied or waived, the acquisition was completed on the same day. The Company deposited a total amount of USD350,000,000 (equivalent to approximately RMB2,409,890,000) to Bor Copper's bank account for the capital increase. Since then, the Company owns 63% equity interest in Bor Copper.

At the acquisition date, the fair values and carrying amounts of identifiable assets and liabilities of Bor Copper were as follows:

	18 December 2018 Fair value	**18 December 2018 Carrying amount**
Cash and cash equivalents	**10,553,685**	**10,553,685**
Bills receivable and trade receivables	**76,997,317**	**76,997,317**
Inventories	**517,575,518**	**517,575,518**
Prepayments	**85,477,684**	**85,477,684**
Long-term equity investments	**5,032,230**	**5,032,230**
Fixed assets	**1,392,895,888**	**1,392,895,888**
Construction in progress	**1,641,589,144**	**1,641,589,144**
Intangible assets	**873,943,166**	**52,315,269**
Deferred tax assets	**146,500,656**	**166,004,082**
Long-term receivables	**40,828,379**	**40,828,379**
Employee benefits payable	**44,885,630**	**44,885,630**
Taxes payable	**2,878,076**	**2,878,076**
Provision	**1,199,324,630**	**1,079,126,202**
Other payables	**1,770,105,944**	**9,258,496,904**
Advances from customers	**68,689,475**	**68,689,475**
Bills payable and trade payables	**185,675,095**	**185,675,095**
Deferred tax liabilities	**103,740,759**	**—**
	1,416,094,058	**(6,650,482,186)**
Capital contribution in cash	**2,409,890,000**	
Net assets after capital increase	**3,825,984,058**	
Non-controlling interests	**1,415,614,102**	
Net assets acquired (63%)	**2,410,369,956**	
The amount exceeding the acquisition costs recognised in profit or loss	**479,956**	

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

VI. CHANGES IN THE SCOPE OF CONSOLIDATION *(continued)*

1. Business combinations not involving enterprises under common control *(continued)*

(1) Bor Copper *(continued)*

From the acquisition date to the end of 2018, the operating results and cash flows of Bor Copper were as follows:

	For the period from 18 December 2018 to 31 December 2018
Operating income	**63,626,365**
Net profit	**22,479,962**
Net cash outflows	**(158,369,433)**

(2) Nevsun Resources

Zijin Global Fund (International), a company managed by a subsidiary of the Company, acquired approximately 3,197,191 shares of Nevsun Resources in October 2017 and January 2018. On 5 September 2018, the Company entered into the Pre-Acquisition Agreement with Nevsun Resources and the Lock-up Agreement with Nevsun Resources' directors and executive officers. The Company purchased 309,749,905 shares of Nevsun Resources (including 3,197,191 shares held by Zijin Global Fund (International)), and other shares issued prior to the expiry time of the offer at a consideration of CAD6 per share in cash through 1178180 B.C. Ltd., a subsidiary established by Gold Mountains (H.K.), an overseas wholly-owned subsidiary of the Company. On 15 September 2018, the Company issued an "Offer and Take-over Circular" to all shareholders of Nevsun Resources through its overseas subsidiary, officially launching an all cash takeover.

On 28 December 2018, the initial offer period of the tender offer (105 days after the official issuance of the offer) expired, and the number of shares of Nevsun Resources tendered to the offer reached 276,820,575 shares, representing 89.37% of the issued shares of Nevsun Resources. Pursuant to Canadian securities laws, the offer extended for a period of 10 days following the initial expiry time of the offer period. On 7 January 2019, the total number of shares tendered to the offer reached 286,347,562 shares, representing 92.44% of the issued shares of Nevsun Resources. Since the acquisition meets all the conditions for compulsory acquisition under the Canadian securities laws, the Company completed the acquisition of the balance of the Nevsun Resources' shares by way of compulsory acquisition. On 12 March 2019, Nevsun Resources was privatised and delisted from the Toronto Stock Exchange and the New York Stock Exchange.

On 21 November 2018, the approvals, filings and registrations completed all PRC and Canadian regulatory requirements relating to the acquisition. On 28 December 2018, the sole former director of Nevsun Resources signed a written resolution that the former Nevsun Resources' directors and executive officers resigned and the personnel sent by the Company was appointed as the sole director, general manager and financial controller of Nevsun Resources respectively. On 31 December 2018, the Company remitted the equity purchase consideration of CAD1,660,923,450 (equivalent to approximately RMB8,367,898,912) to the Canadian Depository for Securities for settlement. Since then, the transaction was completed.

VI. CHANGES IN THE SCOPE OF CONSOLIDATION *(continued)*

1. Business combinations not involving enterprises under common control *(continued)*

(2) Nevsun Resources *(continued)*

The Company achieved the control of Nevsun Resources through acquisition in stages:

Time of acquisition	Shareholding percentage (%)	Initial investment costs	Way of acquisition	Accounting category
October 2017	0.65	29,571,245	Purchase	Held for trading financial assets
January 2018	0.38	18,825,189	Purchase	Held for trading financial assets
December 2018	88.34	8,271,390,228	Purchase	Long-term equity investments
	89.37	8,319,786,662		

At the acquisition date, the fair values and carrying amounts of identifiable assets and liabilities of Nevsun Resources were as follows:

	31 December 2018 Fair value	31 December 2018 Carrying amount
Cash and cash equivalents	356,036,358	356,036,358
Trade receivables	116,545,338	116,545,338
Prepayments	109,545,333	109,545,333
Other receivables	27,871,483	27,871,483
Inventories	734,996,110	727,132,355
Fixed assets	1,655,218,004	1,656,783,319
Construction in progress	48,888,742	48,888,742
Intangible assets	9,846,498,664	3,505,196,430
Other non-current assets	337,844,315	526,372,761
Deferred tax assets	46,354,989	46,354,989
Trade payables	337,592,531	337,592,531
Employee benefits payable	14,910,467	14,910,467
Taxes payable	7,999,314	7,999,314
Other payables	400,038,262	89,903,983
Provision	649,508,669	249,079,254
Deferred tax liabilities	1,583,908,868	285,607,298
Net assets	10,285,841,225	6,135,634,261
Less: Non-controlling interests	881,539,166	919,168,792
Equity attributable to owners of the parent	9,404,302,059	5,216,465,469
Non-controlling interests	999,677,309	919,168,792
Net assets obtained (89.37%)	8,404,624,750	
The amount exceeding the acquisition costs recognised in profit or loss	36,725,838	
Consideration		
Including: Cash	*8,271,390,228*	
Fair value of the originally held equity on the acquisition date	*96,508,684*	
	8,367,898,912	

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VI. CHANGES IN THE SCOPE OF CONSOLIDATION *(continued)*

1. Business combinations not involving enterprises under common control *(continued)*

(2) Nevsun Resources *(continued)*

The carrying amount of the original 1.03% equity interest held prior to the acquisition date was RMB95,695,432. On the acquisition date, the consideration of the offer was CAD6 per share. The fair value of the equity on the acquisition date was CAD19,183,146 (equivalent to approximately RMB96,508,684), and the gain on the revaluation at fair value was RMB813,252.

(3) Zijin Tongguan

Zijin Tongguan, an associate of the Company which the Group held 45% of the equity interest, was established on 8 August 2006 with an initial capital of RMB10 million contributed by the Company, Tongling Nonferrous Metals Group Holdings Co., Ltd. ("Tongling Nonferrous Metals") and Xiamen C&D Inc. ("Xiamen C&D") at the proportion of 45%, 35% and 20% respectively. In June 2007, Zijin Tongguan's capital was increased to RMB1,350,000,000. The Company contributed RMB607,500,000 according to its proportion of equity interest.

Zijin Tongguan's wholly-owned subsidiary, Monterrico Metals Ltd., wholly owns a Peruvian mining company, Rio Blanco Copper S.A. ("Rio Blanco"). Rio Blanco holds the mining right of the Rio Blanco copper mine. The resources of the Rio Blanco copper mine are 1.257 billion tonnes of ore with an overall copper grade of 0.57% and 7.1649 million tonnes of copper metal. In order to enhance the competitiveness of Zijin Tongguan and promote the progress of the Rio Blanco copper mine project as soon as possible, in June 2018, the Company, Tongling Nonferrous Metals and Xiamen C&D resolved to increase the investment in Zijin Tongguan by RMB366,000,000 in cash. In which, the Company, Tongling Nonferrous Metals and Xiamen C&D contributed RMB164,700,000, RMB128,100,000 and RMB73,200,000 respectively. Through the bidding transaction at the Xiamen Property Rights Exchange Centre, the Company acquired a 6% equity interest in Zijin Tongguan from Xiamen C&D at a consideration of RMB201,310,000. On 17 December 2018, the Company entered into a formal property right transaction agreement with Xiamen C&D. On 18 December 2018, Xiamen Property Rights Exchange Centre announced the completion of the equity transaction. On 26 December 2018, Zijin Tongguan completed the changes of industrial and commercial registration. The registered capital and shareholding proportion were amended. According to the property right transaction agreement, the transaction completed on the date of changes of industrial and commercial registration. In accordance with the articles of association of Zijin Tongguan, a resolution in relation to amendment of the articles of association shall be approved by shareholders representing more than two-thirds of the voting rights. Apart from the stipulations of laws, regulations and articles of association, resolutions at a shareholders' general meeting must be approved by shareholders representing more than one half of the voting rights. As a result, the transaction was completed on 26 December 2018.

The Company has achieved control of Zijin Tongguan through acquisition in stages:

Time of acquisition	Shareholding percentage (%)	Initial investment costs	Way of acquisition	Accounting category
August 2006	45	4,500,000	Establishment	Long-term equity investments
June 2007	—	603,000,000	Capital increase	Long-term equity investments
June 2018	—	164,700,000	Capital increase	Long-term equity investments
December 2018	6	201,310,000	Purchase	Long-term equity investments
	51	973,510,000		

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VI. CHANGES IN THE SCOPE OF CONSOLIDATION *(continued)*

1. Business combinations not involving enterprises under common control *(continued)*

(3) Zijin Tongguan *(continued)*

At the acquisition date, the fair values and carrying amounts of identifiable assets and liabilities of Zijin Tongguan were as follows:

	26 December 2018 Fair value	26 December 2018 Carrying amount
Cash and cash equivalents	**347,299,799**	**347,299,799**
Prepayments	**476,176**	**476,176**
Other receivables	**484,621**	**484,621**
Fixed assets	**3,821,892**	**3,821,892**
Intangible assets	**2,702,858,815**	**1,664,043,864**
Other non-current assets	**29,199,537**	**29,199,537**
Employee benefits payable	**1,042,680**	**1,042,680**
Taxes payable	**1,946,340**	**1,946,340**
Long-term payables	**561,025,729**	**561,025,729**
Other non-current liabilities	**8,893,381**	**8,893,381**
Deferred tax liabilities	**306,450,411**	**—**
	2,204,782,299	**1,472,417,759**
Non-controlling interests	**1,080,343,326**	
Net assets obtained (51%)	**1,124,438,973**	
The amount exceeding the acquisition costs recognised in current profit or loss	**7,784,650**	
Consideration		
Including: Cash	***201,310,000***	
Fair value of the originally held equity on the acquisition date	***915,344,323***	
	1,116,654,323	

Note: The original 45% of shares held before the acquisition date had a carrying amount of RMB484,385,664, and the fair value of the shares as at the acquisition date was RMB915,344,323. The gain on the revaluation at fair value was RMB430,958,659.

From the acquisition date to the end of 2018, the operating results and cash flows of Zijin Tongguan were as follows:

	For the period from 26 December 2018 to 31 December 2018
Operating income	**—**
Net loss	**(504,139)**
Net cash outflows	**—**

Notes to Financial Statements *(continued)*

For the year ended 31 December 2018

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

VI. CHANGES IN THE SCOPE OF CONSOLIDATION *(continued)*

1. Business combinations not involving enterprises under common control *(continued)*

(4) Beijing Anchuang

On 6 September 2018, Zijin Mining Construction Co., Ltd. ("Zijin Construction"), a subsidiary of the Group, and Zhongda Jiye signed a share transfer agreement for 51% equity interest of Beijing Anchuang. Zijin Construction acquired 51% equity interest of Beijing Anchuang at the consideration of RMB10,400,000. The registration of industrial and commercial changes was completed on 11 December 2018. According to the articles of association of Beijing Anchuang, the shareholders in shareholders' general meetings exercise voting rights according to the proportion of capital contribution. The resolutions of the board of directors become effective upon approval by more than one half of the directors. On 26 December 2018, Beijing Anchuang convened a shareholders' general meeting, passed the new articles of association and rules of meeting procedures, and elected the company's directors. Zijin Construction was represented by three-fifths of the board members and achieved control of Beijing Anchuang. Therefore, the transaction was completed on 26 December 2018.

At the acquisition date, the fair values and carrying amounts of identifiable assets and liabilities of Beijing Anchuang were as follows:

	26 December 2018 Fair value	26 December 2018 Carrying amount
Cash and cash equivalents	**3,701,403**	**3,701,403**
Bills receivable and trade receivables	**1,307,199**	**1,307,199**
Other receivables	**80,909**	**80,909**
Long-term equity investments	**144,000**	**144,000**
Fixed assets	**310,993**	**92,738**
Bills payable and trade payables	**1,483,451**	**1,483,451**
Taxes payable	**(3,822)**	**(3,822)**
	4,064,875	**3,846,620**
Net assets obtained (51%)	**2,073,086**	
Non-controlling interests	**1,991,789**	
Acquisition cost	**10,404,000**	
Goodwill arising from acquisition	**8,330,914**	

From the acquisition date to the end of 2018, the operating results and cash flows of Beijing Anchuang were as follows:

	For the period from 26 December 2018 to 31 December 2018
Operating income	—
Net loss	**(13,454)**
Net cash outflows	—

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

VI. CHANGES IN THE SCOPE OF CONSOLIDATION *(continued)*

2. Newly established subsidiaries

Xiamen Strait Gold and Jewellery Industrial Park Co., Ltd. ("Xiamen Strait Gold and Jewellery") was established in Xiamen, Fujian Province on 8 February 2018 with registered capital of RMB200 million. The Group's subsidiary, Zijin Mining Group Gold and Jewellery Co., Ltd. holds a 61% equity interest in Xiamen Strait Gold and Jewellery. As at 31 December 2018, the registered and paid-in capital of Xiamen Strait Gold and Jewellery was RMB200 million and RMB200 million respectively. The newly established subsidiary has been included in the scope of consolidation during the reporting period.

Xinjiang Jinjie International Logistics Company Limited ("Jinjie International Logistics") was incorporated on 23 March 2018 in Erkeshtam Port Industrial Zone, Kashi Economic Development Zone, Kizilsu Kyrgyz Prefecture, Xinjiang with registered capital of RMB10 million. The Group's subsidiary, Zijin Mining Logistics Company Limited, holds 100% equity interest in Jinjie International Logistics. As at 31 December 2018, the registered and paid-in capital of Jinjie International Logistics was RMB10 million and 5 million respectively. The newly established subsidiary has been included in the scope of consolidation during the reporting period.

Gold Mountains (Canada) International Mining Co., Ltd. was established in Hong Kong on 7 September 2018 with registered capital of HKD1,000, and its share capital was increased by USD1.4 billion on 20 December 2018. Gold Mountains (H.K.), a subsidiary of the Group, holds 100% equity interest in Gold Mountains (Canada) International Mining Co., Ltd. As at 31 December 2018, the paid-in capital of Gold Mountains (Canada) International Mining Co., Ltd. was USD1,400,000,780. The newly established subsidiary has been included in the scope of consolidation during the reporting period.

1178179 B.C. Ltd. was established in Canada on 4 September 2018 with registered capital of USD1,000, and its share capital was increased by CAD1,875,485,700 on 20 December 2018. Gold Mountains (Canada) International Mining Company Limited, a subsidiary of the Group, holds 100% equity interest in 1178179 B.C. Ltd. As at 31 December 2018, the paid-in capital of 1178179 B.C. Ltd. was CAD1,875,487,032. The newly established subsidiary has been included in the scope of consolidation during the reporting period.

1178180 B.C. Ltd. was established in Canada on 4 September 2018 with registered capital of USD1,000, and its share capital was increased by CAD1,875,485,700 on 20 December 2018. 1178179 B.C. Ltd., a subsidiary of the Group, holds 100% equity interest in 1178180 B.C. Ltd. As at 31 December 2018, the paid-in capital of 1178180 B.C. Ltd. was CAD1,875,487,032. The newly established subsidiary has been included in the scope of consolidation during the reporting period.

3. Deregistered subsidiaries

Company name	Place of registration	Principal activity	Proportion of equity attributable to the Group	Proportion of voting right attributable to the Group	Reason for deconsolidation
Sino Trend Hydro Power	British Virgin Islands	Investment	100%	100%	De-registration
United Summit Investment Limited	British Virgin Islands	Investment	100%	100%	De-registration

Notes to Financial Statements *(continued)*

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VII. INVESTMENTS IN OTHER ENTITIES

1. Investments in subsidiaries

(1) Major subsidiaries acquired by establishment or investment

Company name	Principal place of business	Place of registration	Principal activities	Registered capital RMB	Percentage of ownership interest Direct	Indirect
Gold Mountains (H.K.)	Hong Kong	Hong Kong	Trading and investment	HKD8,673,462,786	100%	—
Zijin Real Estate	Xiamen City, Fujian Province	Xiamen City, Fujian Province	Real estate development and operation, leasing of construction machinery and equipment	500,000,000	60%	40%
Zijin International Finance Company Limited	Hong Kong	Hong Kong	Bond issuance	HKD1	—	100%
Finance Company	Shanghang County, Longyan City, Fujian Province	Shanghang County, Longyan City, Fujian Province	Financial services and financial consultancy to member units; credit verification and related advisory; agent services; assisting member units to settle payments; approved insurance agent services; guarantee provision to member units; entrusted loans and investment among member units; bill acceptance and discounting among member units; internal account settlement and clearing among member units; acceptance of deposits from member units; application for loans and finance leases; intercompany borrowings; underwriting corporate bonds for member units; equity investments in financial institutions; investments in securities (excluding stocks traded in the secondary market) and business approved by China Banking Regulatory Commission in accordance with relevant laws, administrative regulations and other regulations, as stated in the approval documents	531,557,000	95%	—
Capital Investment Company	Xiamen City, Fujian Province	Xiamen City, Fujian Province	Entrusted management of non-security equity investments and related advisory services; entrusted management and operation of equity investment funds and provision of consultancy services; investment and asset management; spot gold sales; wholesale of metals and ores; trade agency service	1,000,000,000	100%	—

Notes to Financial Statements *(continued)*

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

VII. INVESTMENTS IN OTHER ENTITIES *(continued)*

1. Investments in subsidiaries *(continued)*

(2) Major subsidiaries acquired by business combination not involving enterprises under common control

Company name	Principal place of business	Place of registration	Principal activities	Registered capital RMB	Percentage of ownership interest Direct	Indirect
Xinjiang Ashele	Aletai City, Xinjiang Uyghur Autonomous Region	Aletai City, Xinjiang Uyghur Autonomous Region	Exploration and development of geological resources; production, processing and sale of mineral products; technological services of geological mining; motor transportation, environmental protection, development of tourism and hotel investment	250,000,000	51%	—
Norton Gold Fields	Australia	Australia	Production of gold; geological and mineral resources exploration and related information and technical services	AUD186,844,557	—	100%
Bayannaoer Zijin	Bayannaoer City, Inner Mongolia	Bayannaoer City, Inner Mongolia	Refining, mining, milling and processing of zinc and other non-ferrous metals, ferrous metals and other energy mineral resources, and sale of mineral products	375,000,000	87.20%	—
Zijin Copper	Shanghang County, Longyan City, Fujian Province	Shanghang County, Longyan City, Fujian Province	Refining and sale of copper cathode, gold, silver, crude selenium; manufacture and sale of sulphuric acid for industrial use and copper sulphate	2,116,300,000	100%	—
Luoyang Zijin Yinhui Gold Refinery Company Limited ("Luoyang Yinhui")	Luoyang City, Henan Province	Luoyang City, Henan Province	Refining of gold and silver; testing and examination; purchase of gold ore; gold transaction agency; sale of mineral products and mining pit design and research	150,000,000	70%	—
Hunchun Zijin	Hunchun City, Jilin Province	Hunchun City, Jilin Province	Mining, milling, refining and processing of gold, copper and other non-ferrous metal and non-metallic mineral products; sale of mineral products; mineral resources exploration information and technical services	150,000,000	96.63%	3.37%
Russia Longxing	Russia	Russia	Mining of zinc-lead ore	RUB700,000,000	—	70%
Xinjiang Zijin Zinc Industry	Wuqia County, Kizilsu Kyrgyz Prefecture, Xinjiang	Wuqia County, Kizilsu Kyrgyz Prefecture, Xinjiang	Exploration and development of Wulugan lead-zinc mine in Wuqia County	346,500,000	—	100%
Bor Copper	Serbia	Serbia	Mining, processing, refining of ferrous metals, non-ferrous metals, precious metals and other metals	RSD39,414,455,845	—	63%
Nevsun Resources	Canada	Canada	Developing and selling zinc, copper, gold and silver products	USD728,033,163	—	89.37%

Note: The abovementioned PRC subsidiaries are limited liability companies.

Notes to Financial Statements *(continued)*

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

VII. INVESTMENTS IN OTHER ENTITIES *(continued)*

1. Investments in subsidiaries *(continued)*

Details of the Group's subsidiaries that have material non-controlling interests are set out below:

2018

	Percentage of equity interest held by non-controlling shareholders	Profit/(Loss) for the year attributable to non-controlling shareholders	Dividend paid to non-controlling shareholders	Accumulated balances of non-controlling interests at the date of statement of financial position
Xinjiang Ashele	49.00%	413,654,648	(465,500,000)	935,168,407
Guizhou Zijin Mining Company Limited ("Guizhou Zijin")	44.00%	(26,830,606)	—	305,794,173
Bayannaoer Zijin	12.80%	13,228,186	(4,800,000)	134,046,675
Xinjiang Jinbao	44.00%	278,262,205	(264,000,000)	461,044,680
Luoyang Kunyu	30.00%	(4,745,118)	(12,000,000)	245,279,414
NKWE	39.53%	(5,302,897)	—	196,247,612
Wenshan Malipo Zijin	24.08%	—	—	221,194,909
Yunnan Huaxi	47.00%	1,167,171	—	202,150,955
Huanmin Mining	49.00%	(96,044,615)	—	76,863,825
Chongli Zijin	40.00%	(64,018,604)	—	62,154,919
Altynken	40.00%	54,293,903	(13,770,690)	166,913,253
Longnan Zijin	15.78%	(16,548,486)	—	107,640,320
Henan Jinda Mining Company Limited ("Henan Jinda")	43.50%	(135,692)	—	98,578,616
Malipo Jinwei	61.28%	91,759,322	—	37,675,079
Heilongjiang Zijin Longxing Mining Company Limited ("Hei Longxing")	30.00%	(40,209,837)	(10,200,000)	(35,186,488)
Russia Longxing (subsidiary of Hei Longxing)	30.00%	235,279,110	—	320,402,561
Jinhao Iron	61.48%	(103,653,028)	—	(1,163,873,412)
Kuitun Tongguan Metallurgical Chemical Company Limited ("Kuitun Tongguan")	49.00%	(10,966,757)	—	(167,428,615)
Zijin Tongguan	49.00%	(247,028)	—	1,080,343,327
Nevsun Resources	10.63%	—	—	1,881,216,474
Bor Copper	37.00%	8,317,589	—	1,423,931,687
Others		(138,356,543)	(79,402,896)	228,120,057
Total		588,902,923	(849,673,586)	6,818,278,428

Notes to Financial Statements *(continued)*

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

VII. INVESTMENTS IN OTHER ENTITIES *(continued)*

1. Investments in subsidiaries *(continued)*

The major financial information of the subsidiaries in the table above is stated below. These amounts are before elimination:

	2018						2017					
	Current assets	**Non-current assets**	**Total assets**	**Current liabilities**	**Non-current liabilities**	**Total liabilities**	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Xinjiang Ashele	**345,042,414**	**2,670,588,421**	**3,015,630,835**	**(191,078,869)**	**(905,145,000)**	**(1,096,223,869)**	940,819,350	2,709,696,397	3,650,515,747	(718,675,977)	(906,945,000)	(1,625,620,977)
Guizhou Zijin	**214,620,272**	**2,153,058,780**	**2,367,679,052**	**(1,271,300,918)**	**(400,000,000)**	**(1,671,300,918)**	231,458,824	2,031,430,716	2,262,889,540	(1,105,532,757)	(400,000,000)	(1,505,532,757)
Bayannaoer Zijin	**752,363,086**	**1,956,570,998**	**2,708,934,084**	**(1,298,082,077)**	**(374,031,292)**	**(1,672,113,369)**	702,154,919	2,126,741,344	2,828,896,263	(1,572,527,703)	(321,733,667)	(1,894,261,370)
Xinjiang Jinbao	**1,006,743,527**	**414,254,964**	**1,420,998,491**	**(386,088,740)**	**(6,307,291)**	**(392,396,031)**	866,725,659	481,113,233	1,347,838,892	(345,489,105)	(6,161,429)	(351,650,534)
Luoyang Kunyu	**64,829,626**	**866,598,912**	**931,428,538**	**(247,035,578)**	**(88,682,951)**	**(335,718,529)**	79,345,416	746,268,470	825,613,886	(154,096,050)	(62,000,000)	(216,096,050)
NKWE	**25,764,442**	**510,869,336**	**536,633,778**	**(2,523,562)**	**(30,918,067)**	**(33,441,629)**	18,109,461	564,215,613	582,325,074	(1,624,497)	–	(1,624,497)
Wenshan Malipo Zijin	**350,485,898**	**1,498,765,391**	**1,849,251,289**	**(729,383,314)**	**–**	**(729,383,314)**	340,553,554	1,541,326,818	1,881,880,372	(760,433,967)	–	(760,433,967)
Yunnan Huaxi	**142,041,044**	**167,213,537**	**309,254,581**	**(1,428,871)**	**–**	**(1,428,871)**	138,679,614	167,522,619	306,202,233	(859,864)	–	(859,864)
Huanmin Mining	**38,604,467**	**358,946,123**	**397,550,590**	**(48,249,304)**	**(128,084,013)**	**(176,333,317)**	47,241,019	357,615,242	404,856,261	(54,692,204)	(128,084,013)	(182,776,217)
Chongli Zijin	**77,151,816**	**169,264,501**	**246,416,317**	**(68,709,449)**	**(30,302)**	**(68,739,751)**	83,002,182	418,887,369	501,889,551	(79,523,813)	(43,647)	(79,567,460)
Altynken	**225,995,059**	**2,065,494,910**	**2,291,489,969**	**(1,437,891,626)**	**(775,634,027)**	**(2,213,525,653)**	246,480,716	2,012,567,144	2,259,047,860	(2,319,605,657)	(11,538,227)	(2,331,143,884)
Longnan Zijin	**121,633,574**	**921,643,395**	**1,043,276,969**	**(427,218,797)**	**(213,672,799)**	**(640,891,596)**	91,398,889	892,535,727	983,934,616	(460,498,108)	(115,157,395)	(575,655,503)
Henan Jinda	**134,496**	**230,106,484**	**230,240,980**	**(3,628,528)**	**–**	**(3,628,528)**	167,931	230,106,484	230,274,415	(3,350,028)	–	(3,350,028)
Malipo Jinwei	**37,233,474**	**17,762**	**37,251,236**	**(166,244,768)**	**–**	**(166,244,768)**	36,059,515	5,085,173	41,144,688	(159,696,226)	–	(159,696,226)
Hei Longxing	**666,956,306**	**2,884,001,375**	**3,550,957,681**	**(1,580,804,695)**	**(1,046,611,236)**	**(2,627,415,931)**	544,906,491	2,967,881,619	3,512,788,110	(3,085,853,632)	(207,000,000)	(3,292,853,632)
Jinhao Iron	**115,318,202**	**287,604,433**	**402,922,635**	**(1,108,926,433)**	**(1,053,399,845)**	**(2,162,326,278)**	130,498,523	412,920,875	543,419,398	(1,030,974,196)	(1,048,479,881)	(2,079,454,077)
Kuitun Tongguan	**98,070,596**	**452,101,563**	**550,172,159**	**(180,855,772)**	**(22,578,148)**	**(203,433,920)**	82,752,664	492,629,043	575,381,707	(181,138,182)	(23,766,470)	(204,904,652)
Zijin Tongguan	**348,260,596**	**2,735,374,105**	**3,083,634,701**	**(2,989,020)**	**(876,369,521)**	**(879,358,541)**	–	–	–	–	–	–
Nevsun Resources	**1,344,994,622**	**11,934,804,714**	**13,279,799,336**	**(760,540,574)**	**(2,233,417,537)**	**(2,993,958,111)**	–	–	–	–	–	–
Bor Copper	**1,552,583,833**	**4,161,616,689**	**5,714,200,522**	**(433,523,130)**	**(1,433,384,692)**	**(1,866,907,822)**	–	–	–	–	–	–

	2018				2017			
	Operating income	**Net profit/(loss)**	**Total comprehensive income/(losses)**	**Cash flows from operating activities**	Operating income	Net profit/(loss)	Total comprehensive income/(losses)	Cash flows from operating activities
Xinjiang Ashele	**1,947,683,115**	**844,512,196**	**844,512,196**	**932,663,420**	1,775,888,670	737,031,420	737,031,420	949,136,271
Guizhou Zijin	**1,395,227,272**	**(60,978,650)**	**(60,978,650)**	**(6,413,413)**	1,219,822,492	5,060,027	5,060,027	20,635,130
Bayannaoer Zijin	**3,877,035,494**	**129,037,390**	**129,037,390**	**(213,715,636)**	4,354,248,732	63,695,903	63,695,903	496,350,215
Xinjiang Jinbao	**1,453,913,416**	**632,414,102**	**632,414,102**	**574,200,038**	1,115,764,074	461,913,681	461,913,681	635,810,180
Luoyang Kunyu	**503,594,178**	**26,210,975**	**26,210,975**	**79,954,002**	507,364,224	23,078,419	23,078,419	124,959,044
NKWE	**4,425**	**(13,414,866)**	**(13,414,866)**	**(2,521,187)**	–	(8,636,991)	16,327,791	(8,281,901)
Wenshan Malipo Zijin	**295,199,337**	**47,337,042**	**47,337,042**	**81,842,913**	252,243,110	23,325,260	23,325,260	114,785,297
Yunnan Huaxi	**1,367,782**	**2,483,342**	**2,483,342**	**(856,070)**	134,320	(7,959,810)	(7,959,810)	(1,527,017)
Huanmin Mining	**–**	**(862,771)**	**(862,771)**	**(2,419,101)**	–	(139,564)	(139,564)	(26,627)
Chongli Zijin	**225,825,046**	**(50,390,366)**	**(50,390,366)**	**7,230,350**	302,733,968	2,496,384	2,496,384	74,109,746
Altynken	**903,255,341**	**157,625,523**	**157,625,523**	**49,670,625**	465,858,693	(31,841,672)	(31,841,672)	94,892,562
Longnan Zijin	**258,868,368**	**(5,234,035)**	**(5,234,035)**	**117,773,539**	178,296,732	11,123,006	11,123,006	69,065,148
Henan Jinda	**–**	**(311,935)**	**(311,935)**	**(161,622)**	–	(162,203)	(162,203)	(38,423)
Malipo Jinwei	**–**	**(8,181,084)**	**(8,181,084)**	**(3,483,782)**	42,735	(235,818,939)	(235,818,939)	430,996
Hei Longxing	**1,698,980,458**	**666,467,643**	**737,607,272**	**946,422,458**	1,501,319,921	444,930,864	432,904,900	599,812,529
Jinhao Iron	**9,743,747**	**(118,721,635)**	**(118,721,635)**	**4,326,736**	36,299,758	(1,145,945,639)	(1,145,945,639)	(3,403,642)
Kuitun Tongguan	**87,911,205**	**(22,381,137)**	**(22,381,137)**	**2,552,580**	52,173,675	(29,793,415)	(29,793,415)	(9,914,186)
Zijin Tongguan	**–**	**–**	**–**	**–**	–	–	–	–
Nevsun Resources	**–**	**–**	**–**	**–**	–	–	–	–
Bor Copper	**63,626,365**	**22,479,962**	**22,479,962**	**(158,369,433)**	–	–	–	–

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VII. INVESTMENTS IN OTHER ENTITIES *(continued)*

2. Transaction resulting in changes in proportion of owners' equity but without impact on the control of a subsidiary

The Group sold 5% of equity interest in its subsidiary, ZGC, in April 2018, and its proportion of equity interest in ZGC fell from 75% to 70% after the completion of sale. The transaction, at the consideration of USD1, reduced non-controlling interests by RMB10,373,702 and increased capital reserve by RMB10,373,708.

3. Investments in joint ventures and associates

	Principal place of business	Place of registration	Principal activities	Registered capital	Proportion of ownership interest		Accounting treatment
				RMB	Direct	Indirect	
Joint ventures							
Shandong Guoda (Note 1)	Zhaoyuan City, Shandong Province	Zhaoyuan City, Shandong Province	Production of gold, silver, copper cathode and sulphuric acid; sale of self-produced products	173,430,000	–	30.05%	Equity method
Xiamen Zijin Zhonghang	Xiamen City, Fujian Province	Xiamen City, Fujian Province	Development, operation and management of real estate, property management, business information consulting services, marketing and technical consultation	250,000,000	–	50%	Equity method
Gold Eagle Mining (Note 2)	Hong Kong	Hong Kong	Trading and investment	HKD3,498,500	–	45%	Equity method
Southwest Zijin Gold	Zhenfeng County, Guizhou Province	Zhenfeng County, Guizhou Province	Research and development of manufacturing technology, design and processing, wholesale, retail and technical consultation services of precious metals, jewellery and jade products	100,000,000	–	50%	Equity method
Guizhou Funeng Zijin (Note 3)	Anshun City, Guizhou Province	Anshun City, Guizhou Province	Power and electricity investment	200,000,000	–	50%	Equity method
Fujian Longhu Fishery (Note 4)	Longyan City, Fujian Province	Longyan City, Fujian Province	Ecological aquaculture, fishing, aquatic product processing, recreational fishing business, tourism, tourism real estate development	21,500,000	–	51.16%	Equity method
Zijin Cuifu (Note 5)	Longyan City, Fujian Province	Longyan City, Fujian Province	Trade of precious metals, fine processing of gold, processing and sale of jewellery products, diamond and jade, recovery of metal materials	20,000,000	–	51%	Equity method
Kamoa	DR Congo	Barbados	Mining of copper mineral	USD14,000	–	49.5%	Equity method
Porgera Service Company	Australia	Cairns, Australia	Provision of corporate advisory service	AUD1,000	–	50%	Equity method
Preduzece za Proizvodnju Bankarnog Praha Pometon Tir Doo Bor (Note 11)	Bor, Serbia	Đorda Vajferta br. 20-22, Bor	Production of copper powder, copper processing	RSD104,610,167	–	49%	Equity method
Associates							
Ting River Hydropower	Shanghang County, Fujian Province	Shanghang County, Fujian Province	Hydroelectric power generation	69,000,000	–	49%	Equity method
Wuping Zijin Hydropower	Wuping County, Fujian Province	Wuping County, Fujian Province	Hydroelectric power generation and investment in hydropower industry	60,000,000	–	48%	Equity method
Haixia Technology (Note 6)	Yongan City, Fujian Province	Yongan City, Fujian Province	Production of explosives for civilian use	231,500,000	–	16.06%	Equity method
Shanghang Xinyuan	Shanghang County, Fujian Province	Shanghang County, Fujian Province	Pipe water supply	300,000,000	–	38%	Equity method
Hunchun Jindi (Note 7)	Hunchun City, Yanbian Korean Autonomous Prefecture	Hunchun City, Yanbian Korean Autonomous Prefecture	Analysis and testing of geological exploration for mineral, technology development, consultation and transfer, sale of mineral products	100,000,000	–	51%	Equity method

Notes to Financial Statements *(continued)*

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

VII. INVESTMENTS IN OTHER ENTITIES *(continued)*

3. Investments in joint ventures and associates *(continued)*

	Principal place of business	Place of registration	Principal activities	Registered capital RMB	Proportion of ownership interest Direct	Indirect	Accounting treatment
Associates *(continued)*							
Yanbian Credit Security	Yanbian Korean Autonomous Prefecture	Yanbian Korean Autonomous Prefecture	Provision of loan guarantees for SMEs and individuals	200,000,000	–	25%	Equity method
Kanas Travel	Buerjin County, Xinjiang	Buerjin County, Xinjiang	Catering and travel services	107,000,000	–	21.09%	Equity method
Longyan Makeng	Longyan City, Fujian Province	Longyan City, Fujian Province	Iron and molybdenum mining	800,000,000	41.5%	–	Equity method
Songpan Zijin	Songpan County, Ngawa Tibetan and Qiang Autonomous Prefecture	Songpan County, Ngawa Tibetan and Qiang Autonomous Prefecture	Sale of industrial materials, equipment and instruments, development, manufacture and sale of general machinery	80,000,000	34%	–	Equity method
Wancheng Commercial	Wulatehouqi, Bayannaoer City, Inner Mongolia	Wulatehouqi, Bayannaoer City, Inner Mongolia	Mining, processing and sale of zinc, lead, sulphur, copper and iron	73,440,000	10%	37.5%	Equity method
Tibet Yulong	Changdu County, Changdu Prefecture, Tibet Autonomous Region	Changdu County, Changdu Prefecture, Tibet Autonomous Region	Mining of copper mineral and geological studies	2,000,000,000	22%	–	Equity method
Xinjiang Tianlong	Fukang City, Xinjian, Xinjiang	Fukang City, Xinjian, Xinjiang	Limestone mining, cement production, intensive processing and refining of non-ferrous metals	868,935,192	–	16.42%	Equity method
Wuxin Copper	Fukang City, Xinjian, Xinjiang	Fukang City, Xinjian, Xinjiang	Sale, processing and refining of copper, gold, silver and other non-ferrous metals	830,000,000	–	34%	Equity method
Xiamen Modern Terminals	Xiamen City, Fujian Province	Xiamen City, Fujian Province	Dock construction, operation of dock and other port facilities; cargo loading and storage operation (under permission in license)	355,580,000	–	25%	Equity method
Wengfu Zijin	Shanghang County, Fujian Province	Shanghang County, Fujian Province	Production of monoammonium phosphate, diammonium hydrogen phosphate, gypsum block, and cement additive	813,340,000	–	37.38%	Equity method
Kuitun Yutong	Kuitun City, Xinjiang	Kuitun City, Xinjiang	Logistics and transportation service	5,000,000	–	20%	Equity method
Longyan Zijin AVIC	Longyan City, Fujian Province	Longyan City, Fujian Province	Development, operation and management of real estate, property management, and car park service	20,408,163	–	49%	Equity method
Zisen (Xiamen)	Xiamen City, Fujian Province	Xiamen City, Fujian Province	Supply chain management, management and consultation of investment; business information consultation; and investment consultation	10,000,000	–	49%	Equity method
Jinyue Huichuang (Note 8)	Fuzhou City, Fujian Province	Fuzhou City, Fujian Province	Design, manufacture, sale and repair of automatic and intelligent equipment; technological development and service in respect of industrial automation and electrical engineering; development and design of computer hardware and software products, and provision of informational system integration service	10,000,000	10%	20%	Equity method
Science (Note 9)	Changsha City, Hunan Province	Changsha City, Hunan Province	Technological consultation, design, development and operation services; design, contracting and construction of environmental protection engineering projects; and research, development, manufacture, sale and related technical services for chemicals and environmental protection equipment used in sewage and wastewater treatment	68,000,000	–	25%	Equity method
Evergreen New Energy (Note 10)	Shanghang County, Fujian Province	Shanghang County, Fujian Province	Research of power battery recovery technology, power battery recovery, production and sales of precursors	200,000,000	30%	–	Equity method

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

VII. INVESTMENTS IN OTHER ENTITIES *(continued)*

3. Investments in joint ventures and associates *(continued)*

Note 1: Pursuant to the articles of association of Shandong Guoda, the board of directors of Shandong Guoda consists of five directors, including two appointed by the Group and three appointed by Shandong Zhaojin Group Zhaoyuan Gold Smelting Company Limited. The operating decisions of Shandong Guoda are effective only when approved by two-thirds of the directors. Therefore, the management of the Group considers that the Group has joint control over Shandong Guoda, and accounts for it as a joint venture.

Note 2: Pursuant to the shareholders' agreement related to Gold Eagle Mining, the board of directors of Gold Eagle Mining consists of five directors, including two appointed by the Group and three appointed by Jinchuan Group. The operating decisions of Gold Eagle Mining are effective only when approved by two-thirds of the directors. Therefore, the management of the Group considers that the Group has joint control over Gold Eagle Mining, and accounts for it as a joint venture.

Note 3: In December 2014, Guizhou Zijin and Fujian Coal and Electric Company Limited ("Fujian Coal and Electric") jointly established Guizhou Funeng Zijin with respective shareholding ratios of 50% and 50%. Pursuant to the agreement between the two parties, the board of directors of Guizhou Funeng Zijin consists of five directors, including two appointed by the Group and three appointed by Fujian Coal and Electric. The operating decisions of Guizhou Funeng Zijin are effective only when approved by two-thirds of the directors. Therefore, the management of the Group considers that the Group has joint control over Guizhou Funeng Zijin, and accounts for it as a joint venture.

Note 4: Pursuant to the articles of association of Fujian Longhu Fishery, the board of directors consists of three directors, including two appointed by the Group. The resolutions of the board of directors must be approved by more than two-thirds (excluding two-thirds) of the directors. Therefore, the management of the Group considers that the Group has joint control over Fujian Longhu Fishery, and accounts for it as a joint venture.

Note 5: On 3 February 2015, Southern Investment, a wholly-owned subsidiary of the Company, and Fujian Jincuifu Jewellery Development Company Limited ("Jincuifu") jointly established Zijin Cuifu with respective shareholding ratios of 51% and 49%. The board of directors of Zijin Cuifu consists of five directors, including three appointed by Southern Investment (one of them being appointed as the chairman) and two appointed by Jincuifu. The operation of Zijin Cuifu is carried out under contracted operation by the general manager delegated by Jincuifu. Pursuant to the articles of association of Zijin Cuifu, the operating decisions of Zijin Cuifu are effective only when approved by over two-thirds of the directors. Therefore, the management of the Group considers that the Group has joint control over Zijin Cuifu, and accounts for it as a joint venture.

Note 6: Pursuant to the articles of association of Haixia Technology, the board of directors of Haixia Technology consists of six directors, including one appointed by the Group, three appointed by Fujian Province Mechanical and Electrical (Holding) Company Limited and two appointed by Fujian Energy Group Company Limited. The chairman of the supervisory committee, the deputy general manager and the chief financial officer of Haixia Technology are appointed by the Group. Therefore, the management of the Group considers that the Group has significant influence over the financial and operational decisions of Haixia Technology, and accounts for it as an associate.

Note 7: In June 2015, Hunchun Zijin entered into an agreement with Jilin Hunchun Border Economic Cooperation Zone Infrastructure Investment Company Limited ("Cooperation Zone"). Cooperation Zone transferred an 11% equity interest in Hunchun Jindi to Hunchun Zijin. Pursuant to the articles of association, the board of directors of Hunchun Jindi consists of five directors, including two appointed by the Group. Therefore, the management of the Group considers the Group has significant influence over the financial and operational decisions of Hunchun Jindi and accounts for it as an associate.

Note 8: In January 2016, Fujian Histron Group Company Limited, Fujian Intelligent Mining Hi-Tech Information Technology Company Limited, Xiamen Zijin Engineering Design Company Limited ("Xiamen Zijin Engineering") and the Company entered into an agreement. They jointly invested in and established Jinyue Huichuang. The Company and Xiamen Zijin Engineering hold 10% and 20% equity interest in Jinyue Huichuang respectively. The Group's wholly-owned subsidiary, Xiamen Investment, holds a 100% equity interest in Xiamen Zijin Engineering, which makes the Group indirectly hold a 30% equity interest in Jinyue Huichuang in total. Pursuant to the articles of association of Jinyue Huichuang, the board of directors of Jinyue Huichuang consists of five directors, including two directors appointed by the Group. Important decisions are effective only when approved by two-thirds of the directors. Therefore, the management of the Group considers that the Group merely has significant influence over Jinyue Huichuang, and accounts for it as an associate.

Note 9: In April 2016, the Group's subsidiary, Capital Investment Company, entered into a capital increase agreement with Science, and Capital Investment Company subscribed for a 25% equity interest in Science in cash consideration of RMB166,600,000. Pursuant to the articles of association of Science, the board of directors of Science consists of five directors including one appointed by the Group. In addition, the Group appointed one supervisor. Important decisions are effective only when approved by two-thirds of the directors. Therefore, the management of the Group considers that the Group has significant influence over Science and accounts for it as an associate.

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

VII. INVESTMENTS IN OTHER ENTITIES *(continued)*

3. Investments in joint ventures and associates *(continued)*

Note 10: In August 2018, the Group established Fujian Evergreen New Energy Technology Co., Ltd. ("Evergreen New Energy") together with Geely Group Co., Ltd. and Hunan Shanshan Energy Technology Co., Ltd. Evergreen New Energy's registered capital is RMB200 million and the Company holds 30% of its equity interest. According to the articles of association of Evergreen New Energy, the board of directors consists of six directors including one appointed by the Group. The Group has a significant influence over Evergreen New Energy. Therefore, the Company accounts for it as an associate.

Note 11: Bor Copper is a subsidiary of the Group acquired during the year, and Preduzece za Proizvodnju Bankrnog Praha Pometon Tir Doo Bor is a joint venture of Bor Copper. According to the provisions of the articles of association of Preduzece za Proizvodnju Bankarnog Praha Pometon Tir Doo Bor, the company shall set up a board of directors, which shall be composed of five directors, two of whom shall be appointed by Bor Copper. The decisions of the company shall only be implemented with the unanimous consent of all the operating parties. Therefore, the Group has the joint control over the company, and it has been accounted for as a joint venture.

The significant joint ventures of the Group include Shandong Guoda, Xiamen Zijin Zhonghang, Gold Eagle Mining and Kamoa, which are accounted for using the equity method.

The financial information of the above significant joint ventures is set out below, which was adjusted to book value per consolidated financial statements in accordance with the Group's accounting policies:

2018

	Shandong Guoda	Xiamen Zijin Zhonghang	Gold Eagle Mining	Kamoa
Current assets	723,572,561	521,159,427	629,435,361	549,973,185
Including: Cash and cash equivalents	*160,441,347*	*353,229,335*	*553,816,385*	*239,636,713*
Non-current assets	369,564,381	196,727	3,955,403,486	9,302,739,150
Total assets	1,093,136,942	521,356,154	4,584,838,847	9,852,712,335
Current liabilities	497,442,567	67,767,508	1,371,847,240	139,903,928
Non-current liabilities	2,905,143	—	88,071,079	6,644,766,309
Total liabilities	500,347,710	67,767,508	1,459,918,319	6,784,670,237
Non-controlling interests	—	—	(87,312,221)	(376,981,502)
Equity attributable to owners of the parent	592,789,232	453,588,646	3,212,232,749	3,445,023,600
Share of net assets based on proportion of equity interest	178,133,164	226,794,323	1,445,504,737	1,705,286,682
Adjustments	—	—	—	—
Impairment provision	(12,350,855)	—	—	—
Book value of equity investments	165,782,309	226,794,323	1,445,504,737	1,705,286,682
Operating income	2,341,369,422	428,386,491	—	—
Financial expenses	15,980,290	(3,062,277)	27,778,612	366,735,301
Including: Interest income	—	*(3,062,277)*	*(439)*	*(25,767,958)*
Including: Interest expenses	*5,068,480*	—	*54,376,432*	*392,503,258*
Income tax expenses	9,673,984	(30,991,200)	—	—
Net profit/(loss)	28,509,864	13,240,088	(24,765,151)	271,959,507
Other comprehensive income	—	—	—	—
Total comprehensive income/(loss)	28,509,864	13,240,088	(24,765,151)	271,959,507
Dividends received	8,530,843	—	—	—

Notes to Financial Statements *(continued)*

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

VII. INVESTMENTS IN OTHER ENTITIES *(continued)*

3. Investments in joint ventures and associates *(continued)*

The financial information of the above mentioned significant joint ventures is set out below, which was adjusted to book value per consolidated financial statements in accordance with the Group's accounting policies: *(continued)*

2017

	Shandong Guoda	Xiamen Zijin Zhonghang	Gold Eagle Mining	Kamoa
Current assets	692,588,888	287,308,645	626,664,039	334,053,699
Including: Cash and cash equivalents	*195,408,573*	*49,536,649*	*551,002,836*	*265,579,453*
Non-current assets	408,035,603	261,506,956	3,879,844,652	7,401,433,109
Total assets	1,100,624,491	548,815,601	4,506,508,691	7,735,486,808
Current liabilities	504,939,934	69,493,380	1,246,282,900	130,033,700
Non-current liabilities	3,016,361	38,973,663	93,825,943	4,875,703,939
Total liabilities	507,956,295	108,467,043	1,340,108,843	5,005,737,639
Non-controlling interests	—	—	(70,598,052)	(443,314,924)
Equity attributable to owners of the parent	592,668,196	440,348,558	3,236,997,900	3,173,064,093
Share of net assets based on proportion of equity interest	178,096,793	220,174,279	1,456,649,055	1,570,666,726
Adjustments	—	—	—	—
Impairment provision	(12,350,855)	—	—	—
Book value of equity investments	165,745,938	220,174,279	1,456,649,055	1,570,666,726
Operating income	2,543,052,541	56,657,532	—	—
Financial expenses	14,936,241	(3,354,067)	47,000,677	267,982,728
Including: Interest income	—	*(3,354,067)*	—	*(11,590,274)*
Including: Interest expenses	*6,288,801*	—	*46,999,052*	*279,573,002*
Income tax expenses	9,119,864	30,757,217	—	—
Net profit/(loss)	16,313,175	93,199,580	(79,957,482)	(397,845,081)
Other comprehensive income	—	—	—	—
Total comprehensive income/(loss)	16,313,175	93,199,580	(79,957,482)	(397,845,081)
Dividends received	11,296,470	—	—	—

Notes to Financial Statements *(continued)*

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

VII. INVESTMENTS IN OTHER ENTITIES *(continued)*

3. Investments in joint ventures and associates *(continued)*

The significant associates of the Group include Longyan Makeng, Tibet Yulong, Wancheng Commercial, Xinjiang Tianlong and Wengfu Zijin, which are accounted for using the equity method.

The financial information of the above significant associates is set out below, which was adjusted to book value per consolidated financial statements in accordance with the Group's accounting policies:

2018

	Longyan Makeng	Tibet Yulong	Wancheng Commercial	Xinjiang Tianlong	Wengfu Zijin
Current assets	455,462,149	782,515,051	232,990,081	880,338,891	618,528,590
Non-current assets	4,221,160,134	6,270,164,204	342,308,194	3,973,898,888	2,044,208,994
Total assets	4,676,622,283	7,052,679,255	575,298,275	4,854,237,779	2,662,737,584
Current liabilities	2,142,521,552	2,077,827,370	70,655,424	2,531,095,000	1,775,413,339
Non-current liabilities	1,220,105,560	2,265,068,185	—	106,336,091	55,372,961
Total liabilities	3,362,627,112	4,342,895,555	70,655,424	2,637,431,091	1,830,786,300
Non-controlling interests	—	—	—	—	—
Equity attributable to owners of the parent	1,313,995,171	2,709,783,700	504,642,851	2,216,806,688	831,951,284
Share of net assets based on proportion of equity interest	545,307,996	596,152,414	239,705,354	363,999,658	310,983,390
Adjustments	—	—	—	—	—
Impairment provision	—	—	—	—	—
Goodwill	331,615,363	—	—	—	—
Book value of equity investments	876,923,359	596,152,414	239,705,354	363,999,658	310,983,390
Operating income	569,694,017	1,148,570,963	450,473,306	3,168,490,171	1,585,381,519
Income tax expenses	8,644,994	56,772,464	77,113,765	27,227	(87,319)
Net profit/(loss)	27,962,547	338,081,993	223,894,743	(20,052,161)	66,565,297
Other comprehensive income	—	—	—	—	—
Total comprehensive income/(loss)	27,962,545	338,081,993	223,894,743	(20,052,161)	66,565,297
Dividends received	20,750,000	—	66,500,000	6,910,046	—

Notes to Financial Statements *(continued)*

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

VII. INVESTMENTS IN OTHER ENTITIES *(continued)*

3. Investments in joint ventures and associates *(continued)*

The financial information of the above significant associates is set out below, which was adjusted to book value per consolidated financial statements in accordance with the Group's accounting policies *(continued):*

2017

	Longyan Makeng	Tibet Yulong	Zijin Tongguan	Xinjiang Tianlong	Wengfu Zijin
Current assets	260,369,943	761,290,950	109,649,337	1,018,396,179	557,384,050
Non-current assets	4,025,704,397	5,371,147,143	1,604,347,238	4,171,882,636	2,049,195,980
Total assets	4,286,074,340	6,132,438,093	1,713,996,575	5,190,278,815	2,606,580,030
Current liabilities	1,552,922,611	1,388,927,592	597,947,704	2,598,438,251	1,132,748,652
Non-current liabilities	1,397,119,105	3,746,808,792	8,371,334	312,898,609	737,784,859
Total liabilities	2,950,041,716	5,135,736,384	606,319,038	2,911,336,860	1,870,533,511
Non-controlling interests	—	—	—	—	—
Equity attributable to owners of the parent	1,336,032,624	996,701,709	1,107,677,537	2,278,941,955	736,046,519
Share of net assets based on proportion of equity interest	554,453,539	219,274,376	498,454,892	374,202,269	286,101,282
Adjustments	—	—	—	—	—
Impairment provision	—	—	(162,757,584)	—	—
Goodwill	331,615,363	—	—	—	—
Book value of equity investments	886,068,902	219,274,376	335,697,308	374,202,269	286,101,282
Operating income	610,452,682	230,083,071	—	2,947,399,092	1,415,742,579
Income tax expenses	31,587,010	29,349,726	—	18,018	3,895
Net profit/(loss)	72,941,439	326,318,559	(63,948,070)	20,075,079	67,764,134
Other comprehensive income	—	—	—	—	—
Total comprehensive income/(loss)	72,941,439	326,318,559	(63,948,070)	20,075,079	67,764,134
Dividends received	14,940,000	—	—	—	—

The following table illustrates the aggregate financial information of the Group's joint ventures and associates that are not individually significant:

	2018	2017
Joint ventures		
Aggregate book value of the Group's investments in joint ventures	**111,325,848**	108,261,966
Items below were calculated by the proportion of equity interest		
Share of net (loss)/profit of joint ventures	**(2,728,843)**	25,473,635
Share of other comprehensive income of joint ventures	**—**	—
Share of total comprehensive (loss)/income of joint ventures	**(2,728,843)**	25,473,635
Associates		
Aggregate book value of the Group's investments in associates	**999,295,195**	1,174,506,115
Items below were calculated by the proportion of equity interest		
Share of net (loss)/profit of associates	**(7,357,206)**	23,759,091
Share of other comprehensive income of associates	**—**	—
Share of total comprehensive (loss)/income of associates	**(7,357,206)**	23,759,091

Notes to Financial Statements *(continued)*

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

VII. INVESTMENTS IN OTHER ENTITIES *(continued)*

4. Significant joint operation

Company name	Principal place of business	Place of registration	Principal activities	Proportion of ownership interest	Proportion of voting rights	Strategic or not
BNL	Papua New Guinea	Port Moresby, Papua New Guinea	Mining, processing and sale of gold ores	50%	50%	Yes

The Group has determined that BNL is jointly controlled by Gold Mountains (H.K.), a wholly-owned subsidiary of the Company, and Barrick (PD) Australia Pty Limited, and each of the parties has rights to the assets and obligations for the liabilities of BNL, and is eligible to BNL's products and recognises the expenses incurred in the proportion of 50% each. Therefore, the Group defined its investment in BNL as an investment in a joint operation and accounted for it using the proportionate consolidation method.

VIII. FINANCIAL INSTRUMENTS AND RISKS

1. Financial instruments by category

The carrying amounts of each category of financial instruments as at the date of financial position are as follows:

2018

Financial assets

	Financial assets at fair value through profit or loss	Financial assets at amortised cost	Financial assets at fair value through other comprehensive income		Total
	Standards requirement		Standards requirement	Designated	
Cash and cash equivalents	—	9,935,838,151	—	—	9,935,838,151
Financial assets held for trading	787,134,360	—	—	—	787,134,360
Bills receivable and trade receivables	—	1,009,871,109	—	—	1,009,871,109
Other receivables	—	1,263,218,591	—	—	1,263,218,591
Current portion of non-current assets	—	307,233,993	—	—	307,233,993
Other current assets	—	513,826,397	1,243,090,520	—	1,756,916,917
Other equity instrument investments	—	—	—	1,983,796,793	1,983,796,793
Other non-current financial assets	401,513,674	—	—	—	401,513,674
Other non-current assets	—	4,182,117,096	—	—	4,182,117,096
	1,188,648,034	17,212,105,337	1,243,090,520	1,983,796,793	21,627,640,684

Notes to Financial Statements *(continued)*

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

VIII. FINANCIAL INSTRUMENTS AND RISKS *(continued)*

1. Financial instruments by category *(continued)*

2018 *(continued)*

Financial liabilities

	Financial liabilities at fair value through profit or loss	Financial liabilities at amortised cost	Total
	Standards requirement		
Short-term borrowings	—	15,616,680,236	15,616,680,236
Held for trading financial liabilities	242,482,582	—	242,482,582
Bills payable and trade payables	—	4,700,981,856	4,700,981,856
Other payables	—	4,933,126,062	4,933,126,062
Current portion of non-current liabilities	—	9,707,089,022	9,707,089,022
Long-term borrowings	—	12,917,915,706	12,917,915,706
Bonds payable	—	8,879,453,693	8,879,453,693
Long-term payables	—	621,085,921	621,085,921
	242,482,582	57,376,332,496	57,618,815,078

2017

Financial assets

	Financial assets at fair value through profit or loss	Loans and receivables	Available-for-sale investments	Total
	Held for trading financial assets			
Cash and cash equivalents	—	5,754,343,955	—	5,754,343,955
Financial assets at fair value through profit or loss	2,553,927,721	—	—	2,553,927,721
Bills receivable and trade receivables	—	2,812,240,046	—	2,812,240,046
Other receivables	—	1,031,023,681	—	1,031,023,681
Current portion of non-current assets	—	257,775,683	—	257,775,683
Other current assets	—	417,087,784	2,321,454,667	2,738,542,451
Available-for-sale investments	—	—	778,201,186	778,201,186
Other non-current assets	—	3,329,860,975	189,528,156	3,519,389,131
	2,553,927,721	13,602,332,124	3,289,184,009	19,445,443,854

Notes to Financial Statements *(continued)*

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

VIII. FINANCIAL INSTRUMENTS AND RISKS *(continued)*

1. Financial instruments by category *(continued)*

2017 *(continued)*

Financial liabilities

	Financial liabilities at fair value through profit or loss	Other financial liabilities	Total
	Held for trading financial liabilities		
Short-term borrowings	—	9,855,873,011	9,855,873,011
Financial liabilities at fair value through profit or loss	2,314,244,937	—	2,314,244,937
Bills payable and trade payables	—	4,396,254,031	4,396,254,031
Other payables	—	3,594,844,296	3,594,844,296
Current portion of non-current liabilities	—	4,600,343,261	4,600,343,261
Long-term borrowings	—	6,599,046,795	6,599,046,795
Bonds payable	—	13,779,116,465	13,779,116,465
Long-term payables	—	469,166,999	469,166,999
	2,314,244,937	43,294,644,858	45,608,889,795

2. Transfer of financial assets

Transferred financial assets that are not derecognised in their entirety

As at 31 December 2018, the Group endorsed commercial acceptance bills with a carrying amount of RMB13,840,000 (31 December 2017: RMB18,250,000) to its suppliers in order to settle the trade payables due to such suppliers; the Group did not endorse bank acceptance bills (31 December 2017: Nil) to certain of its suppliers in order to settle the trade payables due to such suppliers. During the year of 2018, the Group operated a number of discounting businesses through several banks in China. As at 31 December 2018, the Group discounted commercial acceptance bills through the People's Bank of China with repurchase obligation at the maturity date with a carrying amount of RMB137,193,063 (31 December 2017: RMB144,000,000). In the opinion of the Group, the Group has retained substantially all the risks and rewards, which include default risks relating to such endorsed bills, and accordingly, it continued to recognise the full carrying amounts of the endorsed bills and the associated trade payables settled. Subsequent to the endorsement, the Group did not retain any rights on the use of the endorsed bills, including the sale, transfer or pledge of the endorsed bills to any other third parties. The aggregate carrying amount of the trade payables settled by the endorsed bills as at 31 December 2018 was RMB151,033,063 (31 December 2017: RMB162,250,000).

Transferred financial assets that are derecognised in their entirety in which continuing involvement exists

As at 31 December 2018, the Group endorsed certain bank acceptance bills (the "Derecognised Bills") with a carrying amount of RMB203,542,580 (31 December 2017: RMB71,195,068) to certain of its suppliers in order to settle the trade payables due to such suppliers. During the year of 2018, the Group operated a number of discounting business through several banks in China. As at 31 December 2018, the Group discounted bank acceptance bills with a carrying amount of RMB189,657,591 (31 December 2017: RMB30,000,000) which are without repurchase obligation at the maturity date to banks. As at 31 December 2018, the Derecognised Bills had a maturity of 1 to 12 months as at the date of statement of financial position. In accordance with the Law of Negotiable Instruments, the holders of the Derecognised Bills have the right of recourse against the Group if the accepting banks default (the "Continuing Involvement"). In the opinion of the Group, the Group has transferred substantially all risks and rewards relating to the Derecognised Bills. Accordingly, it has derecognised the carrying amounts of such Derecognised Bills and the associated trade payables. The maximum exposure to loss from the Group's Continuing Involvement in the Derecognised Bills and the undiscounted cash flows to repurchase these Derecognised Bills is equal to their carrying amounts. In the opinion of the Group, the fair values of the Group's Continuing Involvement in the Derecognised Bills are not significant.

Notes to Financial Statements *(continued)*

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VIII. FINANCIAL INSTRUMENTS AND RISKS *(continued)*

2. Transfer of financial assets *(continued)*

Transferred financial assets that are derecognised in their entirety in which continuing involvement exists *(continued)*

During the year ended 31 December 2018, the Group has not recognised any gain or loss at the date of transfer of the Derecognised Bills. No gains or losses were recognised from the Continuing Involvement in the derecognised financial assets, both during the year or cumulatively. The endorsement has been made evenly throughout the year.

3. Risk of financial instruments

The Group is exposed to the risks of various financial instruments in its daily activities, mainly including credit risk, liquidity risk and market risk (including currency risk, interest rate risk, equity instruments price risk and commodity price risk). The Group's principal financial instruments, including cash and cash equivalents, loans, bills receivable and trade receivables, other receivables, bills payable and trade payables, and other payables. The Group also enters into derivative transactions, mainly including forward contracts. The purpose is to manage the market risks arising from the Group's operation. The Group will manage the market risk of the derivative financial instruments in accordance with the variance between actual metal prices in the active market and estimated target prices, etc. Policies of the risk management to lowering the risks of the Group are summarised below.

The Group's principal risks of financial instruments are credit risk, liquidity risk and market risk. Policies of the risk management to lowery the risks of the Group are summarised below.

Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, trade receivable balances are monitored on an ongoing basis to ensure that the Group's exposure to bad debts is not significant.

The credit risk of the Group's financial assets, which comprise cash and cash equivalents, held for trading financial assets, loans, trade receivables and certain derivative instruments, arise from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments. The Group is also exposed to credit risk for providing financial guarantees. Detailed information is disclosed in Note XI.

Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral. Credit risks are managed by customer/counterparty, by geographical region and by industry sector. There are no significant concentrations of credit risk within the Group as the customer bases of the Group's trade receivables are widely dispersed in different sectors and industries. The Group does not hold any collateral or other credit enhancements over its trade receivable balances.

There is no significant past due relating to those financial assets that were not impaired individually or collectively.

As at 31 December 2018, trade receivables that were neither past due nor impaired were related to a large number of dispersed customers without recent default record.

Determination of significant increase in credit risk

At each date of statement of financial position, the Group determines whether the credit risk of a financial asset has increased significantly since initial recognition. When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the date of statement of financial position with the risk of default as at the date of initial recognition, based on a single financial asset or classes of financial assets with similar credit risks characteristics.

VIII. FINANCIAL INSTRUMENTS AND RISKS *(continued)*

3. Risk of financial instruments *(continued)*

Credit risk *(continued)*

Determination of significant increase in credit risk (continued)

The Group determines that the credit risk of financial assets has significantly increased when one or more of the following quantitative or qualitative criteria below are met:

– quantitative criteria are mainly probability of default increasing more than a given % since initial recognition;

– qualitative criteria are mainly significant detrimental changes in the borrower's operating or financial conditions and early warning customer lists.

Definition of credit-impaired financial assets

In assessing whether a financial asset is credit-impaired, the Group considers both quantitative and qualitative indicators and adopts the standard of determination in line with internal credit risk management goal of the relevant financial instruments. The Group assesses whether a financial asset is credit-impaired by considering the following factors:

– significant financial difficulty of the borrower or issuer;

– a breach of contract such as a default or past due event;

– the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;

– it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation;

– the disappearance of an active market for a security because of financial difficulties of the issuer or borrower;

– financial assets purchased or sourced at large discounts indicating credit losses have occurred.

The impairment of financial assets may not be necessarily due to a single discrete event. The combined effects of multiple events may result in financial assets being credit-impaired.

Parameters of the expected credit loss model

Based on whether there is a significant increase in credit risk and whether the financial assets are credit-impaired, the Group recognises impairment allowance for different assets using either 12-month expected credit losses or lifetime expected credit losses. The measurement of expected credit loss model is a function of the probability of default, the loss given default and the exposure at default as key parameters. The Group establishes the model of the probability of default, the loss given default and the exposure at default by considering the quantitative analysis of historical statistics such as the counterparty rating, guarantee method, collateral category, repayment method, and also forward-looking information.

Definitions:

– The probability of default is the probability that the debtor will not be able to meet its repayment obligations within the following 12 months or throughout the remaining duration. To reflect the macro-economic expected credit loss environment conditions, the Group's assessment of the probability of default is based on the calculation of expected credit loss model adjusted by forward-looking information.

– The loss given default refers to the Group's expectation of the extent of the loss of default risk exposure. The loss given default varies depending on the type of counterparty, the way and priority of recourse, and the type of collateral. The loss given default is the percentage of the risk exposure loss at the time of default, calculated on the basis of the next 12 months or the entire duration.

– The exposure at default refers to the amount that the Group should be repaid in the event of default in the next 12 months or throughout the remaining period.

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VIII. FINANCIAL INSTRUMENTS AND RISKS *(continued)*

3. Risk of financial instruments *(continued)*

Credit risk *(continued)*

Forward-looking information

The assessment of a significant increase in credit risk and calculation of expected credit losses both involve forward-looking information. The Group recognises key economic ratios that influence credit risk and expected credit losses by historical data analysis.

As at 31 December 2018, there was no evidence of a significant increase in credit risk.

Liquidity risk

The Group monitors its risk of shortage of funds using a recurring liquidity planning tool. This tool considers both the maturity of the financial instruments and projected cash flows from operations.

The Group's objective is to maintain a balance between continuity and flexibility of funding through the use of debentures, bank borrowings and other borrowings. As at 31 December 2018, approximately 61% of the Group's debts will mature in less than one year (31 December 2017: 53%).

The table below summarises the maturity profile of the Group's financial liabilities based on the contractual undiscounted cash flows:

2018

	Within 1 year	**Over 1 year but within 5 years**	**Over 5 years**	**Total**
Short-term borrowings	**15,815,766,142**	**—**	**—**	**15,815,766,142**
Held for trading financial liabilities	**242,482,582**	**—**	**—**	**242,482,582**
Bills payable and trade payables	**4,700,981,856**	**—**	**—**	**4,700,981,856**
Other payables	**4,933,126,062**	**—**	**—**	**4,933,126,062**
Current portion of non-current liabilities	**10,016,942,463**	**—**	**—**	**10,016,942,463**
Long-term borrowings	**566,700,741**	**6,890,025,928**	**8,150,069,504**	**15,606,796,173**
Bonds payable	**380,880,002**	**9,523,380,460**	**—**	**9,904,260,462**
Long-term payables	**10,232,004**	**292,145,603**	**701,732,505**	**1,004,110,112**
	36,667,111,852	**16,705,551,991**	**8,851,802,009**	**62,224,465,852**

2017

	Within 1 year	Over 1 year but within 5 years	Over 5 years	Total
Short-term borrowings	9,877,458,505	—	—	9,877,458,505
Financial liabilities at fair value through profit or loss	2,314,244,937	—	—	2,314,244,937
Bills payable and trade payables	4,396,254,031	—	—	4,396,254,031
Other payables	3,594,844,296	—	—	3,594,844,296
Current portion of non-current liabilities	4,734,586,981	—	—	4,734,586,981
Long-term borrowings	219,467,748	6,553,361,678	899,584,996	7,672,414,422
Bonds payable	541,100,000	15,002,825,000	—	15,543,925,000
Long-term payables	5,599,101	252,110,484	316,245,772	573,955,357
	25,683,555,599	21,808,297,162	1,215,830,768	48,707,683,529

VIII. FINANCIAL INSTRUMENTS AND RISKS *(continued)*

3. Risk of financial instruments *(continued)*

Market risk

Interest rate risk

The Group's exposure to the risk of changes in market interest rates primarily relates to the Group's debt obligations with floating interest rates.

The Group maintains an appropriate fixed rate and variable rate debts portfolio to manage the interest costs. As at 31 December 2018, approximately 71% (31 December 2017: 74%) of the interest-bearing borrowings were fixed rate debts.

The table below demonstrates the sensitivity analysis of the impact (of floating rate borrowings) on the net profit and other comprehensive income after tax when reasonable and possible fluctuations of interest rate occurred, under the assumption that other variables were held constant.

2018

	Increase/(decrease) in basis points	Increase/(decrease) in net profit	Increase/(decrease) in other comprehensive income after tax	Total increase/(decrease) in equity
RMB	**100/(100)**	**(20,180,500)/20,180,500**	**—**	**(20,180,500)/20,180,500**
USD	**100/(100)**	**(89,555,377)/89,555,377**	**—**	**(89,555,377)/89,555,377**

2017

	Increase/(decrease) in basis points	Increase/(decrease) in net profit	Increase/(decrease) in other comprehensive income after tax	Total Increase/(decrease) in equity
RMB	100/(100)	(20,400,000)/20,400,000	—	(20,400,000)/20,400,000
USD	100/(100)	(45,258,834)/45,258,834	—	(45,258,834)/45,258,834
EUR	100/(100)	(1,954,476)/1,954,476	—	(1,954,476)/1,954,476

Currency risk

The operating results of the Group is subject to the change of value in the assets and liabilities held in foreign currencies by the Group, which is caused by the fluctuation of exchange rates. The Group carried out hedging businesses for the exchange rate risk exposure. The Board approved the annual transaction amount, the maximum position quantity, business type and business duration for the foreign currency derivative transaction business. Financial planning team is responsible for the overall management of foreign currency business and makes adjustment to the foreign currency hedging strategy according to the market. A specialised monetary financial planning team is set up under the financial planning team to carry out the specific transaction business.

Notes to Financial Statements *(continued)*

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VIII. FINANCIAL INSTRUMENTS AND RISKS *(continued)*

3. Risk of financial instruments *(continued)*

Market risk *(continued)*

Currency risk (continued)

The table below demonstrates the sensitivity analysis of the impact on the net profit and other comprehensive income after tax when there were reasonable and possible changes in the RMB exchange rates against United States dollar, Great British Pound, Hong Kong dollar, Canadian dollar, Australian dollar and Euro, under the assumption that other variables held constant.

2018

	Increase/ (decrease) in exchange rate	Increase/ (decrease) in net profit	Increase/ (decrease) in other comprehensive income after tax	Total increase/ (decrease) in equity
If RMB weakens against USD	**10%**	**2,679,728,029**	**—**	**2,679,728,029**
If RMB strengthens against USD	**(10%)**	**(2,679,728,029)**	**—**	**(2,679,728,029)**
If RMB weakens against GBP	**10%**	**1,447,777**	**—**	**1,447,777**
If RMB strengthens against GBP	**(10%)**	**(1,447,777)**	**—**	**(1,447,777)**
If RMB weakens against HKD	**10%**	**505,452,340**	**—**	**505,452,340**
If RMB strengthens against HKD	**(10%)**	**(505,452,340)**	**—**	**(505,452,340)**
If RMB weakens against CAD	**10%**	**130,450,057**	**143,932,266**	**274,382,323**
If RMB strengthens against CAD	**(10%)**	**(130,450,057)**	**(143,932,266)**	**(274,382,323)**
If RMB weakens against RUB	**10%**	**153,841**	**—**	**153,841**
If RMB strengthens against RUB	**(10%)**	**(153,841)**	**—**	**(153,841)**
If RMB weakens against AUD	**10%**	**38,023,505**	**—**	**38,023,505**
If RMB strengthens against AUD	**(10%)**	**(38,023,505)**	**—**	**(38,023,505)**
If RMB weakens against EUR	**10%**	**24,425,685**	**—**	**24,425,685**
If RMB strengthens against EUR	**(10%)**	**(24,425,685)**	**—**	**(24,425,685)**

2017

	Increase/ (decrease) in exchange rate	Increase/ (decrease) in net profit	Increase/ (decrease) in other comprehensive income after tax	Total increase/ (decrease) in equity
If RMB weakens against USD	10%	(81,724,223)	771,906	(80,952,317)
If RMB strengthens against USD	(10%)	81,724,223	(771,906)	80,952,317
If RMB weakens against GBP	10%	905,160	—	905,160
If RMB strengthens against GBP	(10%)	(905,160)	—	(905,160)
If RMB weakens against HKD	10%	13,953,346	—	13,953,346
If RMB strengthens against HKD	(10%)	(13,953,346)	—	(13,953,346)
If RMB weakens against CAD	10%	194,697,078	20,149,589	214,846,667
If RMB strengthens against CAD	(10%)	(194,697,078)	(20,149,589)	(214,846,667)
If RMB weakens against RUB	10%	2,604,585	—	2,604,585
If RMB strengthens against RUB	(10%)	(2,604,585)	—	(2,604,585)
If RMB weakens against AUD	10%	(6,888,742)	—	(6,888,742)
If RMB strengthens against AUD	(10%)	6,888,742	—	6,888,742
If RMB weakens against EUR	10%	(103,472,023)	—	(103,472,023)
If RMB strengthens against EUR	(10%)	103,472,023	—	103,472,023

VIII. FINANCIAL INSTRUMENTS AND RISKS *(continued)*

3. Risk of financial instruments *(continued)*

Market risk *(continued)*

Equity instruments price risk

Equity instruments price risk is the risk that the fair values of equity securities change as a result of changes in the levels of equity indices and the value of individual securities. The Group is exposed to equity price risk arising from individual equity investments classified as held for trading financial assets (Note V.2) and other equity instrument investments (Note V.13) as at 31 December 2018. The Group's listed equity instrument investments are listed on the Shanghai, Shenzhen, Toronto, New York, London, Hong Kong and Australian stock exchanges, etc., and are valued at quoted market prices at the date of statement of financial position.

The market equity indices for the following stock exchanges, at the close of business of the nearest trading day in the year to the date of statement of financial position, and their respective highest and lowest closing points during the year were as follows:

	End of 2018	Highest/lowest 2018	End of 2017	Highest/lowest 2017
Shanghai – SSE Composite Index	**2,494**	**3,559/2,483**	3,307	3,448/3,053
Shenzhen – A Share Index	**1,326**	**3,534/1,288**	1,986	2,141/1,855
Hong Kong – Hang Seng Index	**25,846**	**33,154/22,150**	29,919	30,003/22,134
Toronto TSX Venture Exchange	**557**	**925/530**	851	851/484
Toronto Stock Exchange	**14,222**	**16,567/13,780**	16,209	16,222/14,953
New York Stock Exchange	**11,291**	**13,637/10,770**	12,809	12,853/11,149
London Stock Exchange Index	**6,728**	**7,877/6,585**	7,688	7,698/6,071
Australian Securities Exchange Index	**5,646**	**6,320/5,646**	6,065	6,065/5,621
Johannesburg Stock Exchange	**46,727**	**54,576/44,418**	52,533	55,192/43,541
NASDAQ	**6,330**	**7,660/5,899**	6,396	6,523/4,885

The table below shows the sensitivity analysis of the impact on the net profit and other comprehensive income after tax if the fluctuation was 10% on the basis of the carrying amount as at 31 December 2018 towards the fair value of equity instruments, under the assumption that other variables were held constant and any tax impact was excluded.

2018

	Carrying amount of equity investments	Increase/(decrease) in net profit	Increase/(decrease) in other comprehensive income after tax	Total increase/(decrease) in equity
Held for trading financial assets				
Hong Kong Stock Exchange	**39,353,979**	**2,951,548/(2,951,548)**	**–**	**2,951,548/(2,951,548)**
Toronto Stock Exchange	**103,633,350**	**7,772,501/(7,772,501)**	**–**	**7,772,501/(7,772,501)**
Toronto TSX Venture Exchange	**13,954,022**	**1,046,552/(1,046,552)**	**–**	**1,046,552/(1,046,552)**
New York Stock Exchange	**75,637,682**	**5,672,826/(5,672,826)**	**–**	**5,672,826/(5,672,826)**
London Stock Exchange	**5,600,684**	**420,051/(420,051)**	**–**	**420,051/(420,051)**
Australian Securities Exchange	**62,477,101**	**4,685,783/(4,685,783)**	**–**	**4,685,783/(4,685,783)**
Canadian Securities Exchange	**16,122,453**	**1,209,184/(1,209,184)**	**–**	**1,209,184/(1,209,184)**
Johannesburg Stock Exchange	**2,625,824**	**196,937/(196,937)**	**–**	**196,937/(196,937)**
NASDAQ	**37,889,695**	**2,841,727/(2,841,727)**	**–**	**2,841,727/(2,841,727)**
Other equity instrument investments				
Toronto TSX Venture Exchange	**1,439,322,847**	**–**	**107,949,213/(107,949,213)**	**107,949,213/(107,949,213)**
Shanghai Stock Exchange	**7,873,790**	**–**	**590,534/(590,534)**	**590,534/(590,534)**
Johannesburg Stock Exchange	**3,160,462**	**–**	**237,035/(237,035)**	**237,035/(237,035)**

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VIII. FINANCIAL INSTRUMENTS AND RISKS *(continued)*

3. Risk of financial instruments *(continued)*

Market risk *(continued)*

Equity instruments price risk (continued)

2017

	Carrying amount of equity investments	Increase/(decrease) in net profit	Increase/(decrease) in other comprehensive income after tax	Total increase/(decrease) in equity
Financial assets at fair value through profit or loss				
Shanghai Stock Exchange	54,694,162	4,102,062/(4,102,062)	—	4,102,062/(4,102,062)
Shenzhen Stock Exchange	35,536,218	2,665,216/(2,665,216)	—	2,665,216/(2,665,216)
Hong Kong Stock Exchange	57,866,714	4,340,004/(4,340,004)	—	4,340,004/(4,340,004)
Toronto Stock Exchange	203,954,106	15,296,558/(15,296,558)	—	15,296,558/(15,296,558)
Toronto TSX Venture Exchange	1,757,856,505	131,839,238/(131,839,238)	—	131,839,238/(131,839,238)
New York Stock Exchange	82,679,197	6,200,940/(6,200,940)	—	6,200,940/(6,200,940)
Australian Securities Exchange	113,424,240	8,506,818/(8,506,818)	—	8,506,818/(8,506,818)
Johannesburg Stock Exchange	4,827,401	362,055/(362,055)	—	362,055/(362,055)
NASDAQ	20,334,430	1,525,082/(1,525,082)	—	1,525,082/(1,525,082)
Available-for-sale investments				
Toronto TSX Venture Exchange	201,495,890	—	15,112,192/(15,112,192)	15,112,192/(15,112,192)
Hong Kong Stock Exchange	9,433,922	—	707,544/(707,544)	707,544/(707,544)
Johannesburg Stock Exchange	7,719,056	—	578,929/(578,929)	578,929/(578,929)

Commodity price risk

The Group's exposure to commodity price risk principally relates to the future market price fluctuation in major metals, such as gold, copper, zinc and silver. The price fluctuation can affect the Group's operating results.

The Group has carried out hedging businesses on the future sales of gold, copper, zinc and silver. The board of directors has approved the maximum position quantity of hedging derivative transactions of gold, copper, zinc and silver, and the hedging decision-making team and hedging business team are responsible for the organisation and implementation, and constantly pay attention to the price fluctuation of commodity futures contracts.

4. Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, repurchase shares or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2018 and 31 December 2017.

The Group monitors capital using the debt-to-asset ratio, which is total liabilities divided by total assets. The Group's debt-to-asset ratio as at the end of the reporting period was as follows:

	2018	2017
Total assets	**112,879,303,842**	89,315,263,550
Total liabilities	**65,605,591,140**	51,672,418,332
Debt-to-asset ratio	**58%**	58%

IX. DISCLOSURE OF FAIR VALUE

1. ASSETS AND LIABILITIES MEASURED AT FAIR VALUE

2018

	Fair value measurement using			
	Quoted price in active markets (Level 1)	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
Measured at fair value				
Held for trading financial assets				
Held for trading debt investments	**8,767,740**	**—**	**—**	**8,767,740**
Held for trading equity investments	**357,294,790**	**—**	**—**	**357,294,790**
Derivative financial assets	**76,452,429**	**31,087,405**	**—**	**107,539,834**
Others	**313,531,996**	**—**	**—**	**313,531,996**
Other current assets				
Bills receivable	**1,243,090,520**	**—**	**—**	**1,243,090,520**
Other equity instrument investments				
Listed available-for-sale equity instruments	**1,450,357,099**	**—**	**533,439,694**	**1,983,796,793**
Other non-current financial assets				
Funds of co-operative factoring business operation project	**—**	**401,513,674**	**—**	**401,513,674**
Total assets measured at fair value	**3,449,494,574**	**432,601,079**	**533,439,694**	**4,415,535,347**
Held for trading financial liabilities				
Gold leasing	**74,841,064**	**—**	**—**	**74,841,064**
Derivative financial liabilities – commodity hedging	**155,012,734**	**10,858,519**	**—**	**165,871,253**
Cross currency swaps	**—**	**1,770,265**	**—**	**1,770,265**
Total liabilities measured at fair value	**229,853,798**	**12,628,784**	**—**	**242,482,582**

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IX. DISCLOSURE OF FAIR VALUE *(continued)*

1. ASSETS AND LIABILITIES MEASURED AT FAIR VALUE *(continued)*

2017

	Fair value measurement using			
	Quoted price in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Measured at fair value				
Financial assets at fair value through profit or loss				
Held for trading debt investments	34,525,569	—	—	34,525,569
Held for trading equity investments	2,331,172,973	—	—	2,331,172,973
Derivative financial assets	14,784,532	1,918,699	—	16,703,231
Others	171,525,948	—	—	171,525,948
Available-for-sale investments				
Listed available-for-sale equity instruments	218,648,868	—	—	218,648,868
Total assets measured at fair value	2,770,657,890	1,918,699	—	2,772,576,589
Financial liabilities at fair value through profit or loss				
Gold leasing	2,231,963,403	—	—	2,231,963,403
Derivative financial liabilities	27,017,250	46,303,526	—	73,320,776
Cross currency swaps	—	8,960,758	—	8,960,758
Total liabilities measured at fair value	2,258,980,653	55,264,284	—	2,314,244,937

In the years 2018 and 2017, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out from Level 3.

IX. DISCLOSURE OF FAIR VALUE *(continued)*

2. ASSETS AND LIABILITIES DISCLOSED AT FAIR VALUE

2018

	Fair value measurement using			
	Quoted price in active markets (Level 1)	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
Long-term receivables	**—**	**—**	**4,182,117,096**	**4,182,117,096**
Borrowings	**—**	**28,534,595,942**	**—**	**28,534,595,942**
Bonds payable	**—**	**8,879,453,693**	**—**	**8,879,453,693**
Long-term payables	**—**	**—**	**621,085,921**	**621,085,921**
Current portion of non-current assets	**—**	**—**	**307,233,993**	**307,233,993**
Current portion of non-current liabilities	**—**	**9,659,653,169**	**47,435,853**	**9,707,089,022**

2017

	Fair value measurement using			
	Quoted price in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Long-term receivables	—	—	3,329,860,975	3,329,860,975
Borrowings	—	16,454,919,806	—	16,454,919,806
Bonds payable	—	13,779,116,465	—	13,779,116,465
Long-term payables	—	—	469,166,999	469,166,999
Current portion of non-current assets	—	—	257,775,683	257,775,683
Current portion of non-current liabilities	—	4,552,453,525	47,889,736	4,600,343,261

Notes to Financial Statements *(continued)*

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IX. DISCLOSURE OF FAIR VALUE *(continued)*

3. ESTIMATION OF FAIR VALUE

The net book values of the Group's financial instruments approximate to their fair values.

The management has assessed that the fair values of cash and cash equivalents, bills receivable, trade receivables, other receivables, other current assets, bills payable, trade payables, dividends payable, other payables, the current portion of non-current liabilities and other current liabilities approximate to their carrying amounts largely due to the short remaining maturities of these instruments.

The fair values of financial assets and liabilities are included in the amount at which the instrument could be exchanged or debts could be settled in an arm's length transaction between knowledgeable and willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values.

The fair values of other non-current assets, short-term and long-term borrowings, long-term payables and bonds payable have been calculated by discounting the expected future cash flows using market rates of return currently available for other financial instruments with similar terms, credit risk and remaining maturities. As at 31 December 2018, the Group's own non-performance risk for short-term and long-term borrowings was assessed to be insignificant. The fair values of listed equity investments are measured at quoted market prices.

The Group has entered into derivative financial instrument contracts with various counterparties (mainly financial institutions with high credit ratings). Derivative financial instruments, including forward contracts and cross currency swap contracts, are measured using valuation techniques similar to forward pricing, swap models and the present value method. The models incorporate various market observable inputs including the credit quality of counterparties, spot and forward foreign exchange rates and interest rates curves. The carrying values of forward contracts and cross currency swap contracts are the same as their fair values.

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

1. THE LARGEST SHAREHOLDER OF THE COMPANY

Company name	Place of registration	Nature of business	Registered capital	Proportion of the Company's ownership	Proportion of the Company's voting power	Ultimate controlling entity
Minxi Xinghang	No. 110 Zhenxing Road, Linjiang Village, Shanghang County, Longyan City, Fujian Province	Investment in Fujian	RMB368 million	25.88%	25.88%	Minxi Xinghang

2. SUBSIDIARIES OF THE COMPANY

Information about the major subsidiaries of the Company is disclosed in Note VII.1.

3. JOINT VENTURES AND ASSOCIATES

Information about the joint ventures and associates of the Company is disclosed in Note VII.3.

4. JOINT OPERATION

Information about the joint operation of the Company is disclosed in Note VII.4.

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS *(continued)*

5. OTHER RELATED PARTIES OF THE COMPANY

Name of related parties	Relationship between the related parties and the Company
Mr. Zhu Hongxing	A non-controlling shareholder of Huanmin Mining
Hongyang Mining	A non-controlling shareholder of Guizhou Zijin
Chongli Finance Bureau State-owned Asset Management Centre	A non-controlling shareholder of Chongli Zijin
Jilin the Sixth Geological Survey	A non-controlling shareholder of Tumen Shuguang Mining Company Limited
Shanghang County Jinshan Trading	A non-controlling shareholder of the Company
Xinjiang Nonferrous Metal Industrial Materials Group Company Limited ("Xinjiang Nonferrous Metal Materials")	A subsidiary of Xinjiang Nonferrous Metal Industry (Group) Company Limited, a non-controlling shareholder of Xinjiang Ashele
Gansu Province Non-ferrous Metal Geological Exploration Bureau Tianshui Mineral Exploration Institute	A subsidiary of Gansu Jiuzhou Exploration Mining Co., Ltd., a non-controlling shareholder of Longnan Zijin
Fujian Shanghang Qilin Mining Construction Co., Ltd. ("Qilin Mining")	A non-controlling shareholder of Zijin Construction
La Générale des Carrières et des Mines (Gécamines) ("Gécamines")	A non-controlling shareholder of Musonoie

6. RELATED PARTY TRANSACTIONS

(A) Sales and purchases of products, and rendering and receipt of services to and from related parties

Purchases of products and receipt of services from related parties

	Nature of transaction	Pricing method and decision-making procedures of the related party transaction	2018	2017
Wancheng Commercial	Purchase of zinc concentrates	Market price	**270,292,880**	262,099,867
Haixia Technology	Purchase of raw materials	Market price	**1,973,715**	1,969,748
Xiamen Zijin Zhonghang	Construction service	Market price	**20,827,400**	17,542,345
Southwest Zijin Gold	Purchase of low-purity gold	Market price	**229,426,418**	89,667,395
Zisen (Xiamen)	Purchase of raw materials	Market price	**1,143,796,014**	1,235,916,408
Shanghang County Jinshan Trading	Purchase of raw materials	Market price	**33,765,992**	20,833,378
Qilin Mining	Construction and transportation service	Market price	**23,653,686**	15,115,449
			1,723,736,105	1,643,144,590

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X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS *(continued)*

6. RELATED PARTY TRANSACTIONS *(continued)*

(A) Sales and purchases of products, and rendering and receipt of services to and from related parties *(continued)*

Sales of products and rendering of services to related parties

	Nature of transaction	Pricing method and decision making procedures of the related party transaction	2018	2017
Shandong Guoda	Sale of silver concentrates	Market price	**60,999,874**	90,839,522
Wengfu Zijin	Sale of sulphuric acid	Market price	**117,301,838**	68,075,865
Zisen (Xiamen)	Sale of zinc concentrates and copper cathodes	Market price	**1,109,446,926**	296,824,235
Southwest Zijin Gold	Sale of gold material	Market price	**1,031,521**	—
Xinjiang Nonferrous Metal Materials	Sale of copper concentrates	Market price	**—**	803,336,480
Wuxin Copper*	Sale of copper concentrates	Market price	**989,949,929**	—
Longyan Makeng	Sale of goods	Market price	**2,463,283**	2,567,839
Zijin Cuifu	Sale of materials	Market price	**—**	1,186,667
			2,281,193,371	1,262,830,608

* Continuing connected transaction under the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

(B) Related party guarantees

(1) Provision of guarantees by related parties for bank loans of the Group

In 2018 and 2017, there were no related party guarantees provided for bank loans of the Group.

(2) The Group's provision of guarantees for bank loans of related parties

2018

Guarantor	Guaranteed party	Amount of guarantee	Inception date of guarantee	Due date of guarantee	Whether performance of guarantee has been completed
The Company	Wengfu Zijin (Note XI.2 (Note 1))	**139,780,000**	**28 April 2011**	**27 April 2019**	**No**

2017

Guarantor	Guaranteed party	Amount of guarantee	Inception date of guarantee	Due date of guarantee	Whether performance of guarantee has been completed
The Company	Wengfu Zijin (Note XI.2 (Note 1))	144,800,000	28 April 2011	27 April 2019	No

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

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS *(continued)*

6. RELATED PARTY TRANSACTIONS *(continued)*

(C) Borrowings from/to related parties

Borrowings from related parties

2018

Lender	Note	Amount of borrowings	Inception date	Due date	Annual interest rate
Minxi Xinghang	Note 1	**45,600,000**	**29 December 2015**	**28 December 2026**	**1.20%**
Minxi Xinghang	Note 1	**24,800,000**	**11 December 2015**	**9 December 2027**	**1.20%**
		70,400,000			

2017

Lender		Amount of borrowings	Inception date	Due date	Annual interest rate
Minxi Xinghang	Note 1	51,300,000	29 December 2015	28 December 2026	1.20%
Minxi Xinghang	Note 1	27,400,000	11 December 2015	9 December 2027	1.20%
		78,700,000			

Notes to Financial Statements *(continued)*

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

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS *(continued)*

6. RELATED PARTY TRANSACTIONS *(continued)*

(C) Borrowings from/to related parties *(continued)*

Borrowings to related parties

2018

Borrowers	Notes	Amount of borrowings	Inception date	Due date	Annual interest rate
Gold Eagle Mining	Note 2	225,400,573	30 June 2015	30 June 2020	LIBOR+2.60%
Gold Eagle Mining	Note 2	381,061,713	15 May 2017	31 August 2020	LIBOR+2.60%
Longyan Zijin AVIC	Note 3	424,879,188	18 March 2016	17 March 2019	6.50%
Kamoa	Note 4	1,243,316,962	8 December 2015	—	LIBOR+7%
Kamoa	Note 4	34,316,000	2 January 2016	—	LIBOR+7%
Kamoa	Note 4	53,018,742	15 March 2016	—	LIBOR+7%
Kamoa	Note 4	140,647,558	15 August 2016	—	LIBOR+7%
Kamoa	Note 4	129,252,683	14 October 2016	—	LIBOR+7%
Kamoa	Note 4	77,876,511	21 December 2016	—	LIBOR+7%
Kamoa	Note 4	24,104,272	24 January 2017	—	LIBOR+7%
Kamoa	Note 4	24,104,272	22 February 2017	—	LIBOR+7%
Kamoa	Note 4	31,269,810	24 March 2017	—	LIBOR+7%
Kamoa	Note 4	13,245,997	31 March 2017	—	LIBOR+7%
Kamoa	Note 4	28,452,384	24 April 2017	—	LIBOR+7%
Kamoa	Note 4	77,416,621	24 May 2017	—	LIBOR+7%
Kamoa	Note 4	33,682,032	31 July 2017	—	LIBOR+7%
Kamoa	Note 4	90,608,035	31 August 2017	—	LIBOR+7%
Kamoa	Note 4	51,233,465	31 August 2017	—	LIBOR+7%
Kamoa	Note 4	57,507,988	30 September 2017	—	LIBOR+7%
Kamoa	Note 4	49,831,238	31 October 2017	—	LIBOR+7%
Kamoa	Note 4	56,261,960	30 November 2017	—	LIBOR+7%
Kamoa	Note 4	9,474,572	25 January 2018	—	LIBOR+7%
Kamoa	Note 4	33,322,572	23 February 2018	—	LIBOR+7%
Kamoa	Note 4	37,685,612	6 April 2018	—	LIBOR+7%
Kamoa	Note 4	18,224,672	23 April 2018	—	LIBOR+7%
Kamoa	Note 4	47,895,891	24 May 2018	—	LIBOR+7%
Kamoa	Note 4	24,574,312	6 August 2018	—	LIBOR+7%
Kamoa	Note 4	57,320,458	23 August 2018	—	LIBOR+7%
Kamoa	Note 4	31,889,365	25 September 2018	—	LIBOR+7%
Kamoa	Note 4	136,641,226	25 October 2018	—	LIBOR+7%
Kamoa	Note 4	81,901,002	23 November 2018	—	LIBOR+7%
Longyan Makeng	Note 5	50,073,104	8 October 2018	18 September 2019	4.785%
		3,776,490,790			

Notes to Financial Statements *(continued)*

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

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS *(continued)*

6. RELATED PARTY TRANSACTIONS *(continued)*

(C) Borrowings from/to related parties *(continued)*

Borrowings to related parties *(continued)*

2017

Borrowers	Notes	Amount of borrowings	Inception date	Due date	Annual interest rate
Zijin Tongguan	Note V.6 (Note 6)	9,000,000	13 April 2012	—	4.35%
Zijin Tongguan	Note V.6 (Note 6)	109,350,000	20 June 2012	—	4.35%
Zijin Tongguan	Note V.6 (Note 6)	9,000,000	14 January 2013	—	4.35%
Zijin Tongguan	Note V.6 (Note 6)	13,500,000	31 October 2013	—	4.35%
Zijin Tongguan	Note V.6 (Note 6)	5,400,000	31 July 2014	—	4.35%
Zijin Tongguan	Note V.6 (Note 6)	4,500,000	21 January 2015	—	4.35%
Zijin Tongguan	Note V.6 (Note 6)	6,300,000	29 May 2015	—	4.35%
Zijin Tongguan	Note V.6 (Note 6)	6,975,000	23 July 2015	—	4.35%
Zijin Tongguan	Note V.6 (Note 6)	2,286,000	15 December 2015	—	4.35%
Zijin Tongguan	Note V.6 (Note 6)	3,429,000	15 January 2016	—	4.35%
Zijin Tongguan	Note V.6 (Note 6)	21,276,000	29 June 2016	—	4.35%
Zijin Tongguan	Note V.6 (Note 6)	19,507,405	31 March 2017	—	4.75%
Zijin Tongguan	Note V.6 (Note 6)	26,227,488	31 October 2017	—	4.75%
Zijin Tongguan	Note V.6 (Note 6)	13,360,754	31 October 2017	—	4.75%
Zijin Tongguan	Note 6	9,000,000	30 November 2017	31 December 2019	4.75%
Zijin Tongguan	Note 6	15,300,000	7 November 2017	31 December 2019	4.75%
Zijin Tongguan	Note 6	5,850,000	2 November 2017	31 December 2019	4.75%
Gold Eagle Mining	Note 2	207,775,684	11 July 2012	30 June 2018	LIBOR+2.6%
Gold Eagle Mining	Note 2	351,265,115	18 August 2017	31 August 2020	LIBOR+2.6%
Longyan Zijin AVIC	Note 3	425,246,280	18 March 2016	17 March 2019	6.50%
Kamoa	Note 4	1,183,716,298	8 December 2015	—	LIBOR+7%
Kamoa	Note 4	32,671,000	2 January 2016	—	LIBOR+7%
Kamoa	Note 4	50,477,192	15 March 2016	—	LIBOR+7%
Kamoa	Note 4	133,905,361	15 August 2016	—	LIBOR+7%
Kamoa	Note 4	123,056,720	14 October 2016	—	LIBOR+7%
Kamoa	Note 4	74,143,358	21 December 2016	—	LIBOR+7%
Kamoa	Note 4	22,948,790	24 January 2017	—	LIBOR+7%
Kamoa	Note 4	22,948,790	22 February 2017	—	LIBOR+7%
Kamoa	Note 4	29,770,835	24 March 2017	—	LIBOR+7%
Kamoa	Note 4	12,611,026	31 March 2017	—	LIBOR+7%
Kamoa	Note 4	27,088,467	24 April 2017	—	LIBOR+7%
Kamoa	Note 4	73,705,515	24 May 2017	—	LIBOR+7%
Kamoa	Note 4	32,067,423	31 July 2017	—	LIBOR+7%
Kamoa	Note 4	86,264,574	31 August 2017	—	LIBOR+7%
Kamoa	Note 4	48,777,496	31 August 2017	—	LIBOR+7%
Kamoa	Note 4	54,751,238	30 September 2017	—	LIBOR+7%
Kamoa	Note 4	47,442,487	31 October 2017	—	LIBOR+7%
Kamoa	Note 4	53,564,941	30 November 2017	—	LIBOR+7%
Kamoa	Note 4	301,017,140	—	—	—
Longyan Makeng	Note V.6 (Note 5)	50,112,612	28 September 2017	28 September 2018	4.35%
		3,725,589,989			

Notes to Financial Statements *(continued)*

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

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS *(continued)*

6. RELATED PARTY TRANSACTIONS *(continued)*

(C) Borrowings from/to related parties *(continued)*

Borrowings to related parties *(continued)*

Note 1: Minxi Xinghang, a shareholder of the Company, provided the Company with an unsecured loan of RMB30,000,000 with an annual interest rate of 1.2% on 11 December 2015. As at 31 December 2018, the Company has repaid RMB5,200,000; Minxi Xinghang provided the Company with an unsecured loan of RMB57,000,000 with an annual interest rate of 1.2% on 29 December 2015. As at 31 December 2018, the Company repaid RMB11,400,000 in aggregate.

Note 2: In 2012, Jin Jian Global Mining Limited ("Jin Jian Global"), a subsidiary of the Group, entered into an agreement with Gold Eagle Mining. Pursuant to the agreement, Jin Jian Global provided a loan of USD22,680,000 to Gold Eagle Mining which was extended to 30 June 2020 in the current year. As at 31 December 2018, the total amount of the loan principal and the accrued interest was equivalent to RMB225,400,573 (31 December 2017: RMB207,775,684). In 2014, Jin Jian Global provided an additional loan of USD51,750,000 to Gold Eagle Mining which was extended to 31 August 2020. As at 31 December 2018, the total amount of the loan principal and the accrued interest was equivalent to RMB381,061,713 (31 December 2017: RMB351,265,115). The above loans were both unsecured with an interest rate of the one-year LIBOR +2.60%.

Note 3: In 2016, the Company provided a loan of RMB419,440,000 to an associate, Longyan Zijin AVIC. The loan was unsecured with an interest rate of 6.50% per annum. As at 31 December 2018, the principal and interest was RMB424,879,188 in total. In 2017, the Company made provision for bad debts of RMB153,203,515 for the loan provided to Longyan Zijin AVIC.

Note 4: Pursuant to the equity transfer agreement, part of the original shareholders' loans of Kamoa in the amount of USD181,157,035 was transferred to the Group's subsidiary, Gold Mountains (H.K.). As at 31 December 2018, the amount was equivalent to RMB1,243,316,962 (31 December 2017: RMB1,183,716,298). These loans were unsecured with an interest rate of the one-year LIBOR+7%. The Company and Kamoa agreed that these loans would be repaid with Kamoa's future operating cash flows. Besides, based on the working capital requirements for Kamoa, Gold Mountains (H.K.) provided loans of USD211,528,041 to Kamoa (equivalent to RMB1,451,759,251). As at 31 December 2018, the total interest receivable from Kamoa of Gold Mountains (H.K.) was equivalent to RMB565,029,454.

Note 5: In October 2018, Finance Company, a subsidiary of the Group, provided loans to Longyan Makeng, an associate of the Group, with an annual interest rate of 4.785%. As at 31 December 2018, the total amount of principal and interest was RMB50,073,104. The maturity date of the loan is September 2019.

Note 6: In 2017, the Company provided a loan of RMB30,150,000 to Zijin Tongguan. The loan was unsecured and bore annual interest at the prevailing bank's interest rate of 4.75% for the same maturity. The maturity date of the loan is 31 December 2019.

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS *(continued)*

6. RELATED PARTY TRANSACTIONS *(continued)*

(D) Other major related party transactions

(1) Compensation of key management and remuneration of directors accrued during the year

	2018	2017
Remuneration of directors	**27,017,845**	27,329,518
Compensation of key management	**13,206,579**	10,154,060
	40,224,424	37,483,578

Details of remuneration of directors are disclosed in Note XIII.3.

(2) Commitments between the Group and related parties

In 2018, there was no commitment between the Group and related parties.

(3) Joint external investments between the Group and related parties

In 2018, there was no joint external investment between the Group and related parties.

Notes to Financial Statements *(continued)*

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

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS *(continued)*

7. AMOUNTS DUE FROM RELATED PARTIES

	2018		2017	
	Carrying amount	**Bad debt provision**	Carrying amount	Bad debt provision
Bills receivable and trade receivables				
Zisen (Xiamen)	—	—	57,892,351	—
Wengfu Zijin	**11,740,857**	—	19,555,943	—
Shandong Guoda	—	—	1,450,891	—
	11,740,857	—	78,899,185	—
Prepayments				
Xiamen Zijin Zhonghang	**3,086,207**	—	—	—
Wancheng Commercial	**132,430**	—	—	—
Haixia Technology	**4,651,157**	—	—	—
Shanghang County Jinshan Trading	—	—	3,584,061	—
Zisen (Xiamen)	**150,817,902**	—	—	—
	158,687,696	—	3,584,061	—
Other receivables				
Chongli Finance Bureau State-owned Asset Management Centre	—	—	20,000,000	—
Longyan Makeng	**50,073,104**	—	50,112,612	—
Longyan Zijin AVIC	—	—	5,806,280	—
Wengfu Zijin	**14,000,000**	—	14,000,000	—
Xiamen Minxing	**30,683,478**	—	30,683,478	—
Xiamen Modern Terminal	**3,500,000**	—	8,750,000	—
Zijin Tongguan	**200,246,460**	—	250,111,647	140,992,416
	298,503,042	—	379,464,017	140,992,416
Current portion of non-current assets				
Gold Eagle Mining	—	—	207,775,684	—
Longyan Zijin AVIC	**419,440,000**	**153,203,515**	—	—
	419,440,000	**153,203,515**	207,775,684	—
Other non-current assets				
Zijin Tongguan	—	—	30,150,000	—
Tibet Yulong	**132,000,000**	—	132,000,000	—
Gold Eagle Mining	**606,462,286**	—	351,265,115	—
Longyan Zijin AVIC	—	—	419,440,000	153,203,515
Kamoa	**3,186,619,695**	—	2,410,928,651	—
	3,925,081,981	—	3,343,783,766	153,203,515

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS *(continued)*

8. AMOUNTS DUE TO RELATED PARTIES

	2018	2017
Bills payable and trade payables		
Jinyue Huichuang	**8,067,660**	—
Xiamen Modern Terminals	**3,037,187**	—
Haixia Technology	**—**	32,303,500
Xiamen Zijin Zhonghang	**—**	17,542,345
Wancheng Commercial	**—**	5,560,051
Zisen (Xiamen)	**—**	204,835,750
	11,104,847	260,241,646
Contract liabilities		
Zisen (Xiamen)	**1,080,020**	—
Shandong Guoda	**2,656,789**	—
	3,736,809	—
Advances from customers		
Xinjiang Nonferrous Metal Materials	**—**	7,387,576
Other payables		
Mr. Zhu Hongxing	**29,672,233**	29,672,233
Gécamines	**—**	17,642,340
Haixia Technology	**6,988,854**	6,990,854
Gansu Province Non-ferrous Metal Geological Exploration Bureau Tianshui Mineral Exploration Institute	**3,122,200**	5,185,117
Wengfu Zijin	**—**	4,284,471
Guizhou Province Geological and Mineral Resources Exploration and Development Bureau Team 105	**13,371,997**	—
	53,155,284	63,775,015
Current portion of non-current liabilities		
Gécamines	**37,061,152**	35,284,680
Minxi Xinghang	**8,300,000**	8,300,000
	45,361,152	43,584,680
Long-term payables		
Gécamines	**74,122,560**	123,496,380
Minxi Xinghang	**62,100,000**	70,400,000
	136,222,560	193,896,380

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

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS *(continued)*

8. AMOUNTS DUE TO RELATED PARTIES *(continued)*

Except for the amounts due from Gold Eagle Mining, Longyan Makeng and Longyan Zijin AVIC which were interest-bearing and had a fixed term of repayment, the amount due from Kamoa was interest-bearing and without a fixed term of repayment; the amount of entrance fee due to Gécamines was interest-free and had a fixed term of repayment; and the amount due to Minxi Xinghang was interest-bearing and had a fixed term of repayment, other amounts due from/to related parties were interest-free, unsecured and had no fixed terms of repayment.

There was no loan provided by the Group to the directors as at 31 December 2018.

XI. COMMITMENTS AND CONTINGENCIES

1. COMMITMENTS

	2018	2017
Contracted, but not provided		
Capital commitments (Note 1)	**8,446,140,525**	1,656,796,483

Note 1: As at 31 December 2018, the amounts of the capital commitments relating to the acquisition and construction of property, plant, machinery and equipment, and mining assets were RMB8,428,290,292 (2017: RMB1,388,029,367). Among which, according to the Agreement on Strategic Partnership signed between the Company and Serbia, Bor Copper will invest about USD1,260,000,000 (the amount of capital increase of USD350,000,000 has been used for investment) for technological upgrade, expansion or construction of its four mines and one smelter plant in the next six years. As at 31 December 2018, the amount of the remaining committed investment was USD910,000,000 (equivalent to RMB6,245,512,000).

2. CONTINGENCIES

	2018	2017
Guarantees provided to third parties		
Wengfu Zijin (Note 1)	**139,780,000**	144,800,000
Fujian Rare Earth (Group) Company Limited ("Fujian Rare Earth") (Note 2)	**555,859,508**	229,256,707
Total	**695,639,508**	374,056,707

Note 1: As at 31 December 2018, the Company granted to Wengfu Zijin, an associate of the Group, joint guarantees in respect of bank loans at a maximum amount of RMB450,000,000 (31 December 2017: RMB450,000,000). As at 31 December 2018, Wengfu Zijin utilised RMB139,780,000 of the guarantee facility (31 December 2017: RMB144,800,000).

Note 2: As at 31 December 2018, the unused guarantee of the Company provided to Longyan Makeng (within the scope of guarantees of the Company), an associate of the Company, was RMB1,339,420,500. Longyan Makeng's controlling shareholder, Fujian Rare Earth (Group) Company Limited, provided a guarantee for its financing. The Company pledged its 41.5% equity interest in Longyan Makeng and the interest derived from such shareholdings to provide a counter guarantee for Fujian Rare Earth (Group) Company Limited. As at 31 December 2018, the guarantee provided by the Company amounted to RMB555,859,508 (31 December 2017: RMB229,256,707).

Based on the Group's evaluation of the credit rating and repayment ability of the recipients of the guarantees, the management of the Group considered that the probability that recipients of the guarantees could not repay the liabilities and settle the obligations was remote, and it was unnecessary to accrue the related contingent liabilities in financial statements.

XII. EVENTS AFTER THE REPORTING PERIOD

1. On 6 September 2018, the Company made an all cash friendly takeover bid of Nevsun Resources at a consideration of CAD6 per common share. On 31 December 2018, the Group acquired 89.37% of Nevsun Resources' issued and outstanding common shares ("Nevsun's Shares"). On 12 March 2019, the Group completed the acquisition of the remaining 10.63% of Nevsun's Shares. Since then, the Group holds 309,749,905 Nevsun Shares, representing 100% of the total issued and outstanding Nevsun Shares. The Nevsun Shares have been delisted from the Toronto Stock Exchange and the New York Stock Exchange.

2. On 19 March 2018, the Group issued an offer to NKWE to acquire all the NKWE's shares at a consideration of AUD0.1 per share in cash. On 31 December 2018, the Group acquired 60.47% of the issued shares of NKWE. On 14 March 2019, the Group completed the acquisition of the remaining 39.53% of the issued shares of NKWE. Since then, the Group holds 896,371,120 NKWE's shares, representing 100% of the total issued shares of NKWE.

3. On 21 January 2019, the change of business registration regarding the transfer of the equity interest of Chongli Zijin was completed.

4. On 7 and 8 March 2019, the Group carried out the issuance of the 2019 Mid-Term Notes (the First Tranche) (Type One and Type Two). The scale of issuance amounted to RMB2.5 billion in total. Among which, the date of initial interest accrued and date of maturity of Type One were 11 March 2019 and 11 March 2022 respectively, with a term of three years, a coupon rate of 3.8% and a face value of RMB100; the date of initial interest accrued and the date of maturity of Type Two were 11 March 2019 and 11 March 2024 respectively, with a term of five years, a coupon rate of 4.3% and a face value of RMB100.

5. On 25 February 2019, the third extraordinary meeting in 2019 of the sixth term of the Board considered and approved the Proposal for the Public Issuance of A Shares of Zijin Mining Group Co., Ltd.* for the year 2018 (revised version). It was resolved that the Company proposed to issue Renminbi-denominated ordinary shares of no more than 15% of the number of total issued shares of the Company in the PRC (i.e. 3,400,000,000), which would raise gross proceeds of up to RMB8 billion to be used for the acquisition of Nevsun Resources.

   After the completion of the public issuance, the distribution of shareholding of the Company will satisfy relevant listing conditions. There will be no change in the actual controller and controlling shareholder of the Company. The current and new shareholders after the completion of the public issuance will rank pari-passu to the entitlement of the accumulated distributable profits before the public issuance.

   After obtaining the approvals of the CSRC regarding the issuance, the Company will seek favourable time to carry out the issuance within the period as approved and in accordance with the relevant regulations.

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

XIII. OTHER SIGNIFICANT EVENTS

1. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on its products and services and has nine reportable operating segments as follows:

(1) the gold bullion segment engages in the production of gold bullion through the Group's integrated processes, i.e., mining, processing and refining;

(2) the processed, 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 gold bullion in the business of physical gold trading;

(3) the gold concentrates segment engages in the production of gold concentrates that are up to smelting standard by processing gold ore produced by the Group;

(4) the copper cathodes segment engages in the production of copper cathodes through the Group's integrated processes, i.e., mining, processing and refining;

(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 relating to sulphuric acid, copperplate, silver, iron, real estate development income, etc.

The management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit, which is a measure of adjusted operating profit before tax. The adjusted operating profit before tax is measured consistently with the Group's operating profit before tax except that interest income, finance costs, dividend income, fair value gains or losses from the Group's financial instruments as well as head office and corporate expenses are excluded from this measurement.

Segment assets exclude cash and cash equivalents, deferred tax assets, equity investments at fair value through profit or loss, derivative financial instruments, 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.

RMB
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XIII. OTHER SIGNIFICANT EVENTS *(continued)*

1. OPERATING SEGMENT INFORMATION *(continued)*

2018

Item	Gold bullion	Processed, refinery and trading gold	Gold concentrates	Copper cathodes	Refinery copper	Copper concentrates	Other concentrates	Zinc bullion	Others	Eliminations	Total
Segment revenue:											
Sales to external customers	3,310,723,558	48,991,067,837	1,567,562,177	99,265,231	16,528,108,174	4,461,642,686	5,558,942,830	3,688,520,425	21,788,413,205	–	105,994,246,123
Intersegment sales	2,567,661,177	6,608,835,006	1,661,796,083	737,630,646	2,436,088,711	3,521,111,167	1,232,840,603	670,041	8,225,450,032	(26,992,083,466)	–
Total	5,878,384,735	55,599,902,843	3,229,358,260	836,895,877	18,964,196,885	7,982,753,853	6,791,783,433	3,689,190,466	30,013,863,237	(26,992,083,466)	105,994,246,123
Segment profit#	842,164,414	7,224,569	324,982,129	34,340,948	408,294,297	3,901,257,789	3,536,520,336	134,138,067	(2,236,844,649)	–	6,952,077,900
Gains on disposal of non-current assets	55,193,742	7,733,843	(65,704)	–	3,411,755	4,488,076	(660,398)	(2,650,887)	17,111,311	–	84,561,738
Interest and dividend income											380,748,858
Unallocated income											399,485,797
Finance costs											(1,686,694,511)
Profit before tax											6,130,179,782
Assets and liabilities											
Segment assets	54,497,749,118	12,382,301,708	11,234,169,610	7,456,492,593	9,825,550,966	19,752,633,311	13,821,184,525	2,482,268,446	145,231,571,218	(175,511,350,279)	101,172,571,216
Unallocated assets											11,706,732,626
Total assets											112,879,303,842
Segment liabilities	29,504,290,871	8,054,416,932	6,831,581,426	4,163,939,351	5,868,612,723	11,613,416,946	7,494,949,480	1,207,106,951	82,977,847,138	(118,579,486,584)	39,136,675,234
Unallocated liabilities											26,468,915,906
Total liabilities											65,605,591,140
Other disclosures											
Share of profits or losses of:											
Associates	–	–	–	74,378,038	–	(16,011,644)	106,350,003	–	68,700,631	–	233,417,028
Joint ventures	–	8,947,742	–	–	–	134,619,956	–	–	(3,921,336)	–	139,646,362
Impairment losses recognised in the statement of profit or loss	255,551,931	3,536,758	204,541,781	–	2,217,519	3,883,206	46,254,619	7,247,786	1,139,089,293	–	1,662,322,893
Impairment losses reversed in the statement of profit or loss	–	(4,298,276)	(679,022)	–	–	(208,002)	–	–	(238,755,763)	–	(243,941,063)
Unallocated non-cash income											(135,783,729)
Depreciation and amortisation	155,379,612	2,081,753,287	72,595,960	20,347,383	686,642,707	144,602,779	97,562,611	135,579,262	1,054,704,597	–	4,449,168,198
Investments in associates	–	–	–	596,152,414	–	363,999,658	239,705,354	–	2,187,201,944	–	3,387,059,370
Investments in joint ventures	–	186,455,873	–	–	–	1,705,286,682	–	–	1,762,951,344	–	3,654,693,899
Capital expenditure	1,879,832,062	180,428,940	658,182,559	681,626,098	118,295,489	2,307,619,537	910,659,084	172,326,522	17,708,670,647	–	24,617,640,938
Unallocated capital expenditure											30,351,805

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

XIII. OTHER SIGNIFICANT EVENTS *(continued)*

1. OPERATING SEGMENT INFORMATION *(continued)*

2017

Item	Gold bullion	Processed, refinery and trading gold	Gold concentrates	Copper cathodes	Refinery copper	Copper concentrates	Other concentrates	Zinc bullion	Others	Eliminations	Total
Segment revenue:											
Sales to external customers	3,354,904,047	40,361,174,413	2,921,302,995	739,226,086	14,138,266,094	6,253,098,133	5,921,940,639	3,755,347,934	17,103,358,757	—	94,548,619,098
Intersegment sales	2,807,867,220	8,075,721,449	236,220,394	29,018,687	3,922,241,270	141,457,849	662,755,736	213,408,777	5,314,072,618	(21,402,764,000)	—
Total	6,162,771,267	48,436,895,862	3,157,523,389	768,244,773	18,060,507,364	6,394,555,982	6,584,696,375	3,968,756,711	22,417,431,375	(21,402,764,000)	94,548,619,098
Segment profit#	744,574,240	159,540,006	393,256,889	159,040,367	856,886,751	2,360,955,960	3,408,678,885	43,919,754	(1,964,792,642)	—	6,162,060,210
Interest and dividend income											339,632,652
Unallocated income											(288,128,757)
Finance costs											(1,645,603,912)
Profit before tax											4,567,960,193
Assets and liabilities											
Segment assets	52,046,928,371	12,289,114,406	11,181,073,027	6,894,400,638	9,607,781,908	17,614,063,788	13,724,538,900	2,424,958,834	68,552,566,062	(116,707,223,568)	77,628,202,366
Unallocated assets											11,687,061,184
Total assets											89,315,263,550
Segment liabilities	28,471,500,477	7,756,263,190	6,468,499,076	4,122,240,787	5,793,265,977	11,092,334,220	8,512,578,909	1,540,928,055	51,141,405,172	(105,454,310,584)	19,444,705,279
Unallocated liabilities											32,227,713,053
Total liabilities											51,672,418,332
Other disclosures											
Share of profits or losses of:											
Associates	—	—	—	13,880,929	—	(28,776,632)	68,052,120	—	73,523,069	—	126,679,486
Joint ventures	—	5,516,718	—	—	—	(196,933,315)	—	—	35,477,949	—	(155,938,648)
Impairment losses recognised in the statement of profit or loss	13,870,352	12,261,779	33,296,869	—	—	117,640,251	16,163,330	2,100,590	2,106,120,748	—	2,301,453,919
Impairment losses reversed in the statement of profit or loss	(41,709,355)	(10,695,763)	(4,923,057)	—	—	(312,989)	(3,706,862)	—	(19,200,000)	—	(80,548,026)
Unallocated non-cash income											750,200,343
Depreciation and amortisation	178,830,352	2,040,615,460	81,929,957	20,889,748	722,401,649	128,972,347	112,649,239	153,011,312	888,156,767	—	4,327,456,831
Investments in associates	—	—	—	219,274,376	—	335,697,308	1,085,924,256	—	1,634,954,312	—	3,275,850,252
Investments in joint ventures	—	186,038,974	—	—	—	1,570,666,726	—	—	1,764,792,264	—	3,521,497,964
Capital expenditure	598,746,464	95,992,472	341,059,932	117,644,927	61,541,867	1,371,209,200	562,202,730	37,136,084	1,720,256,031	—	4,905,789,707
Unallocated capital expenditure											35,401,581

XIII. OTHER SIGNIFICANT EVENTS *(continued)*

1. OPERATING SEGMENT INFORMATION *(continued)*

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

Geographical information

In 2018, over 91% (2017: 94%) of the Group's operating income was derived from customers of Mainland China, and over 54% (2017: 71%) of the Group's assets were located in Mainland China.

Information about a major customer

In the year 2018, the Group's income from the Shanghai Gold Exchange was RMB47,167,523,218 (2017: RMB40,519,637,614), which was mainly derived from the gold bullion segment, and the processed, refinery and trading gold segment.

2. LEASING

As lessor

As at 31 December 2018, the information of irrevocable operating lease contracts entered into by the Group is as follows:

	2018	2017
Within 1 year (1 year inclusive)	**27,138,801**	35,878,325
Over 1 year but within 2 years (2 years inclusive)	**18,834,932**	25,181,433
Over 2 years but within 3 years (3 years inclusive)	**20,100,905**	26,448,256
Over 3 years but within 5 years (5 years inclusive)	**30,339,431**	43,551,884
Over 5 years	**58,398,297**	75,705,348
	154,812,366	206,765,246

The assets for operating leases above, primarily offices, plant, and equipment, are accounted for as investment properties and fixed assets of the Group.

*The operating lease income included in profit or loss in 2018 was RMB41,763,853 (2017: RMB29,392,772).

As lessee

Significant operating leases: Pursuant to the operating lease agreements entered into with lessors, the minimum lease payments under irrevocable operating leases are as follows:

	2018	2017
Within 1 year (1 year inclusive)	**77,198,222**	9,124,097
Over 1 year but within 2 years (2 years inclusive)	**69,296,210**	10,454,396
Over 2 years but within 3 years (3 years inclusive)	**59,551,992**	2,506,000
Over 3 years but within 5 years (5 years inclusive)	**116,159,325**	2,604,149
Over 5 years	**65,678,692**	—
	387,884,441	24,688,642

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XIII. OTHER SIGNIFICANT EVENTS *(continued)*

3. DIRECTORS' AND SUPERVISORS' REMUNERATION

Remuneration of directors accrued during the year	**2018**	2017
Fees	**660,000**	600,000
Other emoluments:		
Basic salaries	**13,901,972**	13,933,204
Discretionary bonuses#	**12,313,014**	12,664,141
Pension scheme contributions	**142,859**	132,173
	26,357,845	26,729,518
	27,017,845	27,329,518

#The discretionary bonuses were determined by a certain percentage of the increased amount of the Group's net assets.

There were no emoluments paid by the Group to a director or a supervisor as an inducement to join or upon joining the Group or as compensation for loss of office during the year (2017: Nil).

(a) Independent non-executive directors/non-executive directors

The fees accrued for and paid to the independent non-executive directors/non-executive directors during the year are as follows:

	2018	2017
Mr. Sit Hoi Wah, Kenneth	**210,000**	150,000
Mr. Li Jian	**150,000**	150,000
Mr. Zhu Guang	**150,000**	150,000
Mr. Cai Meifeng	**150,000**	150,000
	660,000	600,000

XIII. OTHER SIGNIFICANT EVENTS *(continued)*

3. DIRECTORS' AND SUPERVISORS' REMUNERATION *(continued)*

(b) Executive directors

The remuneration accrued for executive directors during the year is as follows:

	Basic salaries	Discretionary bonuses	Pension scheme contributions	Total
2018				
Mr. Chen Jinghe	**2,880,000**	**2,489,236**	**33,630**	**5,402,866**
Mr. Lan Fusheng (Note 1)	**2,880,000**	**2,473,717**	**26,733**	**5,380,450**
Mr. Zou Laichang	**1,800,000**	**1,734,096**	**34,836**	**3,568,932**
Mr. Lin Hongfu	**1,800,000**	**1,734,095**	**23,830**	**3,557,925**
Mr. Fang Qixue	**2,741,972**	**2,147,775**	**—**	**4,889,747**
Ms. Lin Hongying (Note 2)	**1,800,000**	**1,734,095**	**23,830**	**3,557,925**
	13,901,972	**12,313,014**	**142,859**	**26,357,845**
2017				
Mr. Chen Jinghe	2,880,000	2,727,718	33,240	5,640,958
Mr. Lan Fusheng (Note 1)	2,880,000	2,449,326	24,036	5,353,362
Mr. Zou Laichang	1,800,000	1,816,591	32,145	3,648,736
Mr. Lin Hongfu	1,800,000	1,847,558	21,376	3,668,934
Mr. Fang Qixue	2,773,204	2,026,448	—	4,799,652
Ms. Lin Hongying (Note 2)	1,800,000	1,796,500	21,376	3,617,876
	13,933,204	12,664,141	132,173	26,729,518

Pursuant to the remuneration policy of the Company, the remuneration, allowances, benefits in kind and discretionary bonuses accrued for the executive directors are subject to the approval of the remuneration committee and shareholders at the annual general meeting.

There was no agreement pursuant to which a director waived or agreed to waive any remuneration during the year.

Note 1: Appointed as the president of the Company on 30 December 2016.

Note 2: Appointed as the vice-president and an executive director of the Company on 30 December 2016.

Notes to Financial Statements *(continued)*

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XIII. OTHER SIGNIFICANT EVENTS *(continued)*

3. DIRECTORS' AND SUPERVISORS' REMUNERATION *(continued)*

(c) Supervisors

The remuneration accrued for supervisors during the year is as follows:

	Basic salaries	Discretionary bonuses	Pension scheme contributions	Fees	Total
2018					
Mr. Lin Shuiqing	**1,800,000**	**1,734,096**	**18,268**	**—**	**3,552,364**
Mr. Xu Qiang	**—**	**—**	**—**	**120,000**	**120,000**
Mr. Fan Wensheng	**—**	**—**	**—**	**72,000**	**72,000**
Mr. Liu Wenhong	**—**	**—**	**—**	**72,000**	**72,000**
Ms. Lan Liying (Note 1)	**—**	**—**	**—**	**72,000**	**72,000**
	1,800,000	**1,734,096**	**18,268**	**336,000**	**3,888,364**
2017					
Mr. Lin Shuiqing	1,800,000	1,790,211	32,501	—	3,622,712
Mr. Xu Qiang	—	—	—	120,000	120,000
Mr. Fan Wensheng	—	—	—	72,000	72,000
Mr. Liu Wenhong	—	—	—	72,000	72,000
Ms. Lan Liying (Note 1)	—	—	—	72,000	72,000
	1,800,000	1,790,211	32,501	336,000	3,958,712

Note 1: Appointed as a supervisor representing workers and staff of the Company on 30 December 2016.

4. THE FIVE HIGHEST PAID EMPLOYEES OF THE GROUP DURING THE YEAR

The five highest paid employees of the Group during the year included five directors (2017: five directors). Details of the remuneration are as follows:

	2018	2017
Basic salaries	**12,101,972**	12,133,204
Discretionary bonuses	**10,578,919**	10,867,641
Pension scheme contributions	**119,029**	110,797
	22,799,920	23,111,642

The number of highest paid employees whose pre-tax remuneration fell within the following bands is as follows:

	2018	2017
RMB3,500,001 — RMB4,000,000	**2**	2
RMB4,000,001 — RMB4,500,000	**—**	—
RMB4,500,001 — RMB5,000,000	**1**	1
RMB5,000,001 — RMB5,500,000	**2**	1
RMB5,500,001 — RMB6,000,000	**—**	1
	5	5

XIII. OTHER SIGNIFICANT EVENTS *(continued)*

5. PENSION SCHEME CONTRIBUTIONS

	2018	2017
Net payment of pension scheme contributions	**209,938,214**	160,773,099

In 2018, the Group had no forfeited contributions available to reduce its contributions to the pension scheme in future years (2017: Nil).

6. NET CURRENT (LIABILITIES)/ASSETS

	31 December 2018 Group	31 December 2017 Group	**31 December 2018 Company**	31 December 2017 Company
Current assets	**30,448,688,235**	28,675,010,591	**18,543,134,076**	18,188,453,187
Less: Current liabilities	**37,223,097,530**	28,793,593,015	**17,755,661,974**	11,901,647,765
Net current (liabilities)/assets	**(6,774,409,295)**	(118,582,424)	**787,472,102**	6,286,805,422

7. TOTAL ASSETS LESS CURRENT LIABILITIES

	31 December 2018 Group	31 December 2017 Group	**31 December 2018 Company**	31 December 2017 Company
Total assets	**112,879,303,842**	89,315,263,550	**62,219,598,738**	59,268,990,975
Less: Current liabilities	**37,223,097,530**	28,793,593,015	**17,755,661,974**	11,901,647,765
Total assets less current liabilities	**75,656,206,312**	60,521,670,535	**44,463,936,764**	47,367,343,210

Notes to Financial Statements *(continued)*

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XIV. NOTES TO FINANCIAL STATEMENTS OF THE COMPANY

1. Bills receivable and trade receivables

	2018	2017
Bills receivable	**—**	159,100,091
Trade receivables	**944,410,158**	994,007,531
	944,410,158	1,153,107,622

Note: On 1 January 2018, the Company reclassified bills receivable as financial assets at fair value through other comprehensive income, presented as other current assets.

Trade receivables

The trade receivables are interest-free with a credit period of one to six months in general.

An ageing analysis of the trade receivables is as follows:

	2018	2017
Within 1 year	**936,356,981**	774,074,450
Over 1 year but within 2 years	**3,508,028**	130,395,377
Over 2 years but within 3 years	**3,960,697**	53,542,451
Over 3 years	**935,267**	36,114,832
	944,760,973	994,127,110
Less: Bad debt provision for trade receivables	**350,815**	119,579
	944,410,158	994,007,531

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

	At 1 January	**Additions**	**Reversal**	**Write-off**	**At 31 December**
2018	**119,579**	**291,236**	**—**	**(60,000)**	**350,815**
2017	122,345	—	—	(2,766)	119,579

XIV. NOTES TO FINANCIAL STATEMENTS OF THE COMPANY *(continued)*

1. Bills receivable and trade receivables *(continued)*

Trade receivables *(continued)*

	2018			
	Carrying amount		Bad debt provision	
	Amount	Proportion (%)	Amount	Proportion (%)
For which bad debt provision has been made individually	**146,441**	**0.02**	**146,441**	**100**
Provision for bad debts based on credit risk characteristics				
Group 1	**940,519,871**	**99.55**	**—**	**—**
Group 2	**4,094,661**	**0.43**	**204,374**	**4.99**
	944,760,973	**100**	**350,815**	**0.04**

	2017			
	Carrying amount		Bad debt provision	
	Amount	Proportion (%)	Amount	Proportion (%)
Individually significant and for which bad debt provision has been made individually	953,003,016	95.86	—	—
Provision for bad debts based on credit risk characteristics	—	—	—	—
Individually not significant but for which bad debt provision has been made individually	41,124,094	4.14	119,579	0.29
	994,127,110	100.00	119,579	0.01

The Group's trade receivables with provision for bad debts using the ageing analysis method are as follows:

	2018		
	Carrying amount with estimated default	Expected credit losses rate (%)	Entire lifetime expected credit losses
Within 1 year	**2,964,551**	**0.30**	**8,894**
Over 1 year but within 2 years	**48,859**	**6.30**	**3,078**
Over 2 years but within 3 years	**878,988**	**15.40**	**135,364**
Over 3 years	**202,263**	**28.20**	**57,038**
	4,094,661		**204,374**

In 2018, the provision for bad debt was RMB291,236 (2017: Nil), and no provision for bad debt was recovered or reversed (2017: Nil).

In 2018, the trade receivables written off amounted to RMB60,000 (2017: RMB2,766).

Notes to Financial Statements *(continued)*

For the year ended 31 December 2018

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

XIV. NOTES TO FINANCIAL STATEMENTS OF THE COMPANY *(continued)*

1. Bills receivable and trade receivables *(continued)*

Trade receivables *(continued)*

The five entities with the largest balances of trade receivables at 31 December 2018 are as follows:

Name of entity	Amount	Proportion of trade receivables (%)	Ageing	Closing balance of bad debt provision
Fujian Zijin Copper Company Limited	**463,083,308**	**49.00**	**Within 1 year**	**—**
Zijin Copper	**448,267,756**	**47.43**	**Within 1 year**	**—**
Gold refinery of Zijin Copper Company Limited	**6,582,389**	**0.70**	**Within 1 year**	**—**
Heilongjiang Duobaoshan Copper Company Limited ("Duobaoshan Copper")	**5,180,056**	**0.55**	**Within 1 year/ Over 1 year but within 2 years/ Over 2 years but within 3 years**	**—**
Xinjiang Zijin Zinc Industry	**3,865,350**	**0.41**	**Within 1 year**	**—**
	926,978,859	**98.09**		**—**

The five entities with the largest balances of trade receivables at 31 December 2017 are as follows:

Name of entity	Amount	Proportion of trade receivables (%)	Ageing	Closing balance of bad debt provision
Zijin Copper	531,796,884	53.49	Within 1 year/ Over 1 year but within 2 years/ Over 2 years but within 3 years/ Over 3 years	—
Fujian Zijin Copper Company Limited	421,208,252	42.37	Within 1 year/ Over 1 year but within 2 years	—
Xinjiang Lantian Petroleum and Chemicals Logistics Co., Ltd.	10,000,000	1.01	Within 1 year	—
Longkou Jinfeng Co., Ltd.	6,000,000	0.60	Within 1 year	—
Duobaoshan Copper	4,421,156	0.44	Within 1 year/ Over 1 year but within 2 years	—
	973,426,292	97.91		—

Notes to Financial Statements *(continued)*

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

XIV. NOTES TO FINANCIAL STATEMENTS OF THE COMPANY *(continued)*

2. Other receivables

	2018	2017
Dividend receivables	**25,500,000**	25,500,000
Other receivables	**13,343,634,726**	10,649,317,824
	13,369,134,726	10,674,817,824

Ageing analysis of the other receivables is as follows:

	2018	2017
Within 1 year	**3,830,586,548**	3,810,234,645
Over 1 year but within 2 years	**3,387,976,469**	2,006,496,196
Over 2 years but within 3 years	**1,473,247,907**	1,522,590,893
Over 3 years	**4,657,465,862**	3,455,951,464
	13,349,276,786	10,795,273,198
Less: Bad debt provision for other receivables	**5,642,060**	145,955,374
	13,343,634,726	10,649,317,824

The changes in bad debt provision for other receivables based on 12-month expected credit losses and the entire lifetime expected credit losses are as follows:

	Stage 1 12-month expected credit losses	Stage 2 Entire lifetime expected credit losses (individually assessed)	Stage 2 Entire lifetime expected credit losses (collectively assessed)	Stage 3 Financial assets with credit impairment occurred (entire lifetime)	Total
Balance at 1 January 2018	—	—	—	145,955,374	145,955,374
Balance at 1 January 2018 during the period					
– Transfer to Stage 2	—	—	—	—	—
– Transfer to Stage 3	—	—	—	—	—
– Reverse to Stage 2	—	—	—	—	—
– Reverse to Stage 1	—	—	—	—	—
Provisions during the period	467,255	—	—	211,847	679,102
Reversal during the period	—	—	—	(140,992,416)	(140,992,416)
Write-back during the period	—	—	—	—	—
Write-off during the period	—	—	—	—	—
Others	—	—	—	—	—
	467,255	—	—	5,174,805	5,642,060

Notes to Financial Statements *(continued)*

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

XIV. NOTES TO FINANCIAL STATEMENTS OF THE COMPANY *(continued)*

2. Other receivables *(continued)*

	2017			
	Carrying amount		Bad debt provision	
	Amount	Proportion (%)	Amount	Proportion (%)
Individually significant and for which bad debt provision has been made individually	10,555,535,856	97.78	140,992,416	1.34
Provision for bad debts based on credit risk characteristics	—	—	—	—
Individually not significant but for which bad debt provision has been made individually	239,737,342	2.22	4,962,958	2.07
	10,795,273,198	100.00	145,955,374	1.35

As at 31 December 2017, other receivables, which were individually significant and for which bad debt provision had been made individually, were as follows:

	Carrying amount	Bad debt provision	Proportion (%)	Reason for making bad debt provision
Zijin Tongguan	199,751,000	140,992,416	70.58	No progress for the project for which the borrowing is used

In 2018, the provision for bad debt was RMB211,847 (2017: Nil), and provision of RMB140,992,416 was reversed (2017: Nil).

In 2018, no other receivables were written off (2017: RMB32,614).

Category of other receivables by nature is as follows:

	2018	2017
Due from subsidiaries	**12,821,643,792**	10,185,477,368
Due from associates and joint ventures	**4,491,076**	210,217,675
Receivables from disposal of assets	**105,500,000**	50,000,000
Advanced material costs	**90,885,846**	65,999,709
Securities and deposits	**40,500,724**	43,686,602
Deferred expenses	**43,565,093**	25,278,996
Receivables from settlement of futures	**39,861,576**	13,718,114
Staff advances and reserve funds	**5,365,757**	1,366,790
Others	**197,462,922**	199,527,944
	13,349,276,786	10,795,273,198
Less: Bad debt provision for other receivables	**5,642,060**	145,955,374
	13,343,634,726	10,649,317,824

XIV. NOTES TO FINANCIAL STATEMENTS OF THE COMPANY *(continued)*

2. Other receivables *(continued)*

The five entities with the largest balances of other receivables at 31 December 2018 are as follows:

Name of entity	Closing balance of other receivables	Proportion of other receivables (%)	Nature	Ageing	Closing balance of bad debt provision
Gold Mountains (H.K.)	**3,471,700,819**	**26.01**	**Due from subsidiaries**	**Within 1 year/Over 1 year but within 2 years**	**—**
ZGC	**772,656,639**	**5.79**	**Due from subsidiaries**	**Over 1 year but within 2 years/Over 2 years but within 3 years/Over 3 years**	**—**
Zijin Copper	**666,579,108**	**4.99**	**Due from subsidiaries**	**Within 1 year/Over 1 year but within 2 years/Over 2 years but within 3 years**	**—**
Xinyi Zijin	**663,026,890**	**4.97**	**Due from subsidiaries**	**Within 1 year/Over 1 year but within 2 years**	**—**
Hei Longxing	**502,346,619**	**3.76**	**Due from subsidiaries**	**Over 2 years but within 3 years/Over 3 years**	**—**
	6,076,310,075	**45.52**			**—**

Notes to Financial Statements *(continued)*

For the year ended 31 December 2018
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(English translation is for reference only. If there is any discrepancy, Chinese version will prevail.)

XIV. NOTES TO FINANCIAL STATEMENTS OF THE COMPANY *(continued)*

2. Other receivables *(continued)*

The five entities with the largest balances of other receivables at 31 December 2017 are as follows:

Name of entity	Closing balance of other receivables	Proportion of other receivables (%)	Nature	Ageing	Closing balance of bad debt provision
Gold Mountains (H.K.)	2,537,753,973	23.51	Due from subsidiaries	Within 1 year/ Over 1 year but within 2 years/ Over 2 years but within 3 years	—
ZGC	1,171,182,006	10.85	Due from subsidiaries	Within 1 year/ Over 1 year but within 2 years/ Over 2 years but within 3 years and over 3 years	—
Southern Investment	1,115,716,503	10.34	Due from subsidiaries	Within 1 year/ Over 1 year but within 2 years/ Over 2 years but within 3 years and over 3 years	—
Zijin Copper	670,991,277	6.22	Due from subsidiaries	Within 1 year/ Over 1 year but within 2 years and over 3 years	—
Xinyi Zijin	614,838,037	5.70	Due from subsidiaries	Within 1 year/ Over 1 year but within 2 years/ Over 2 years but within 3 years and over 3 years	—
	6,110,481,796	56.62			—

Notes to Financial Statements *(continued)*

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

XIV. NOTES TO FINANCIAL STATEMENTS OF THE COMPANY *(continued)*

3. Available-for-sale investments (applicable in 2017)

	2017		
	Carrying amount	Impairment provision	Net book value
Available-for-sale equity investments			
Measured at fair value	—	—	—
Measured at cost	460,422,337	—	460,422,337
	460,422,337	—	460,422,337

Available-for-sale investments measured at cost are as follows:

2017

	Carrying amount				Impairment provision				Proportion of equity interest (%)	Cash dividends received for the year
	At 1 January	Additions	Reductions	At 31 December	At 1 January	Additions	Reductions	At 31 December		
Shanghang Rural Commercial Bank	89,900,000	—	—	89,900,000	—	—	—	—	10.00	16,800,000
Nanjing China Net	25,000,000	—	—	25,000,000	—	—	—	—	8.62	—
Liwu Copper	19,850,000	—	—	19,850,000	—	—	—	—	5.77	700,000
Xingcheng Guarantee	50,000,000	—	—	50,000,000	—	—	—	—	20.00	—
Bindi Potash	—	196,761,400	—	196,761,400	—	—	—	—	3.60	—
Beijing Larkworld Environmental Technology Incorporated Company	—	76,739,294	—	76,739,294	—	—	—	—	16.67	—
Gansu Mineral Development	—	2,171,643	—	2,171,643	—	—	—	—	5.00	—
	184,750,000	275,672,337	—	460,422,337	—	—	—	—		17,500,000

4. Long-term equity investments

	2018			2017		
	Carrying amount	**Impairment provision**	**Net book value**	Carrying amount	Impairment provision	Net book value
Investments in subsidiaries	**28,144,580,670**	**(449,676,935)**	**27,694,903,735**	23,249,392,831	(286,919,351)	22,962,473,480
Investments in associates	**1,578,921,315**	**—**	**1,578,921,315**	1,693,285,451	(162,757,584)	1,530,527,867
	29,723,501,985	**(449,676,935)**	**29,273,825,050**	24,942,678,282	(449,676,935)	24,493,001,347

Notes to Financial Statements *(continued)*

For the year ended 31 December 2018

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

XIV. NOTES TO FINANCIAL STATEMENTS OF THE COMPANY *(continued)*

4. Long-term equity investments *(continued)*

(i) Investments in subsidiaries

	1 January 2017	Additions	Reductions	31 December 2017	Additions	Reductions	31 December 2018	Provision for impairment at 31 December 2018
Zijin Copper	2,120,647,343	105,102,200	—	2,225,749,543	—	—	**2,225,749,543**	**—**
Southwest Zijin	1,188,173,688	1,081,657	—	1,189,255,345	2,328,795	—	**1,191,584,140**	**—**
Qinghai West	936,000,000	—	—	936,000,000	—	—	**936,000,000**	**—**
Gold Mountains (H.K.)	851,643,399	6,966,900,000	—	7,818,543,399	2,603,564,806	—	**10,422,108,205**	**—**
Luoyang Kunyu	676,605,023	—	—	676,605,023	137,822	—	**676,742,845**	**—**
Finance Company	475,000,000	—	—	475,000,000	—	—	**475,000,000**	**—**
Xiamen Investment	397,061,613	—	—	397,061,613	—	—	**397,061,613**	**—**
Longnan Zijin	370,533,787	306,131	—	370,839,918	—	(28,064)	**370,811,854**	**(43,019,351)**
Bayannaoer Zijin	329,844,784	249,182,680	—	579,027,464	—	—	**579,027,464**	**—**
Northwest Company	1,127,869,475	—	—	1,127,869,475	—	—	**1,127,869,475**	**—**
Southern Investment	1,255,188,882	65,014	—	1,255,253,896	197,504	—	**1,255,451,400**	**—**
Huanmin Mining	306,000,000	—	—	306,000,000	—	—	**306,000,000**	**—**
Zijin Real Estate	300,000,000	200,000,000	—	500,000,000	—	—	**500,000,000**	**—**
Shanghang Jinshan Mining Company Limited	275,785,150	—	—	275,785,150	—	—	**275,785,150**	**—**
Xinyi Zijin	243,900,000	—	—	243,900,000	—	—	**243,900,000**	**(243,900,000)**
Capital Investment Company	400,000,000	—	—	400,000,000	200,000,000	—	**600,000,000**	**—**
Zijin International	888,396,686	482,500,000	—	1,370,896,686	918,405,246	—	**2,289,301,932**	**—**
Hunchun Zijin	139,189,081	—	—	139,189,081	—	—	**139,189,081**	**—**
Jilin Zijin Copper Company Limited	46,359,375	911,615	—	47,270,990	15,126,015	—	**62,397,005**	**—**
Fujian Zijin Copper Company Limited	146,222,366	—	—	146,222,366	—	—	**146,222,366**	**—**
Chongli Zijin	142,501,896	—	—	142,501,896	—	(142,501,896)	**—**	**—**
Xinjiang Ashele	139,335,849	—	—	139,335,849	—	—	**139,335,849**	**—**
Henan Jinda	129,880,000	—	—	129,880,000	—	—	**129,880,000**	**—**
Shanxi Zijin	127,284,118	—	—	127,284,118	—	—	**127,284,118**	**—**
Luoyang Yinhui	105,000,000	—	—	105,000,000	—	—	**105,000,000**	**—**
Yunnan Huaxi	86,830,000	—	—	86,830,000	—	—	**86,830,000**	**—**
Ankang Zijin	87,787,471	—	—	87,787,471	—	—	**87,787,471**	**—**
Longsheng County Dexin Mining Company Limited	53,550,000	—	—	53,550,000	—	—	**53,550,000**	**—**
Xiamen Zijin Mining and Metallurgy Technology Company Limited	50,000,000	—	—	50,000,000	—	—	**50,000,000**	**—**
Xinjiang Jinneng	50,000,000	—	(50,000,000)	—	—	—	**—**	**—**
Zijin Global Metals Exchange Company Limited	46,000,000	—	—	46,000,000	—	—	**46,000,000**	**—**
Gansu Mining Development	43,460,000	—	(43,460,000)	—	—	—	**—**	**—**
Guizhou Zijin	30,674,252	39,623	—	30,713,875	1,219,643	—	**31,933,518**	**—**
Tongling Zijin	25,500,000	—	(25,500,000)	—	—	—	**—**	**—**
Xiamen Boshang Zijin E-Commerce Company Limited	25,500,000	42,446	—	25,542,446	320,470	—	**25,862,916**	**—**
Ganzi Zijin	24,000,000	—	—	24,000,000	—	—	**24,000,000**	**—**
Zijin Mining Group Gold and Jewellery Company Limited	20,000,000	—	—	20,000,000	297,000,000	—	**317,000,000**	**—**
Wuping Zijin	19,465,037	—	—	19,465,037	964,250	—	**20,429,287**	**—**
Zijin Mining Logistics Company Limited	51,539,700	—	—	51,539,700	200,000,000	—	**251,539,700**	**—**
Fujian Zijin Hotel Property Management Company Limited	10,000,000	—	—	10,000,000	—	—	**10,000,000**	**—**
Fujian Zijin Metallurgy Testing Technology Company Limited	5,000,000	—	—	5,000,000	—	—	**5,000,000**	**—**
NKWE	3,272,490	—	—	3,272,490	—	—	**3,272,490**	**—**
Heilong Mining	1,561,220,000	—	—	1,561,220,000	—	—	**1,561,220,000**	**—**
Gold Refinery Company	50,000,000	—	—	50,000,000	—	(50,000,000)	**—**	**—**
Zijin Tongguan	—	—	—	—	848,453,248	—	**848,453,248**	**(162,757,584)**
Total	15,362,221,465	8,006,131,366	(118,960,000)	23,249,392,831	5,087,717,799	(192,529,960)	**28,144,580,670**	**(449,676,935)**

XIV. NOTES TO FINANCIAL STATEMENTS OF THE COMPANY *(continued)*

4. Long-term equity investments *(continued)*

(ii) Investments in associates

2018

Investee	At 1 January 2018	Movements during the year: Additions	Reductions	Investment income/(losses) under the equity method	Other comprehensive income	Other changes in equity	Cash dividends declared by investee	Provision for impairment losses	Additional investment and becomes investments in subsidiaries	At 31 December 2018	Provision for impairment losses at 31 December 2018
Longyan Makeng	886,068,902	—	—	11,619,258	—	—	(20,750,000)	—	—	876,938,160	—
Tibet Yulong	219,274,376	302,500,000	—	74,378,036	—	—	—	—	—	596,152,412	—
Songpan Zijin	39,249,785	—	—	—	—	—	—	—	—	39,249,785	—
Zijin Tongguan	335,697,308	164,700,000	—	(16,011,644)	—	—	—	—	(484,385,664)	—	—
Wancheng Commercial	49,464,994	—	—	75,531,920	—	—	(66,500,000)	—	—	58,496,914	—
Jinyue Huichuang	772,502	—	—	289,095	—	—	—	—	—	1,061,597	—
Evergreen New Energy	—	7,022,447	—	—	—	—	—	—	—	7,022,447	—
Total	1,530,527,867	474,222,447	—	145,806,665	—	—	(87,250,000)	—	(484,385,664)	1,578,921,315	—

2017

Investee	At 1 January 2017	Movements during the year: Additions	Reductions	Investment income/(losses) under the equity method	Other comprehensive income	Other changes in equity	Cash dividends declared by investee	Provision for impairment losses	At 31 December 2017	Provision for impairment losses at 31 December 2017
Longyan Makeng	787,738,206	83,000,000	—	30,270,696	—	—	(14,940,000)	—	886,068,902	—
Tibet Yulong	147,484,293	—	—	71,790,083	—	—	—	—	219,274,376	—
Songpan Zijin	39,249,785	—	—	—	—	—	—	—	39,249,785	—
Zijin Tongguan	364,473,940	—	—	(28,776,632)	—	—	—	—	335,697,308	(162,757,584)
Wancheng Commercial	45,532,703	—	—	15,036,594	—	—	(11,104,303)	—	49,464,994	—
Jinyue Huichuang	968,866	—	—	(196,364)	—	—	—	—	772,502	—
Total	1,385,447,793	83,000,000	—	88,124,377	—	—	(26,044,303)	—	1,530,527,867	(162,757,584)

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

XIV. NOTES TO FINANCIAL STATEMENTS OF THE COMPANY *(continued)*

5. Fixed assets

	2018	2017
Fixed assets	**3,423,396,138**	3,581,268,191
Disposal of fixed assets	**—**	—
	3,423,396,138	3,581,268,191

2018

	Buildings	Mining assets	Power generation and transmission equipment	Plant, machinery and equipment	Motor vehicles	Furniture and fixtures and others	Total
Cost							
At 1 January 2018	852,186,024	4,163,976,295	52,911,943	1,028,504,671	77,992,268	91,795,674	6,267,366,875
Purchase additions	583,002	119,310,193	2,837	28,972,981	8,335,490	7,443,520	164,648,023
Transferred from construction in progress	(21,095,915)	185,475,008	1,485,389	27,878,652	—	—	193,743,134
Disposals or write-off	(22,684,737)	(16,294,304)	(38,000)	(15,442,293)	(2,855,567)	(2,334,479)	(59,649,380)
At 31 December 2018	808,988,374	4,452,467,192	54,362,169	1,069,914,011	83,472,191	96,904,715	6,566,108,652
Accumulated depreciation							
At 1 January 2018	221,297,615	1,794,565,309	29,440,169	506,302,092	66,159,747	65,891,620	2,683,656,552
Depreciation for the year	39,994,083	356,340,769	2,265,954	92,267,791	6,288,856	6,132,346	503,289,799
Disposals or write-off	(12,466,448)	(16,294,304)	(38,000)	(12,839,794)	(2,770,517)	(2,218,934)	(46,627,997)
At 31 December 2018	248,825,250	2,134,611,774	31,668,123	585,730,089	69,678,086	69,805,032	3,140,318,354
Impairment provision							
At 1 January 2018	—	285,118	13,157	2,142,225	—	1,632	2,442,132
Impairment provided for the year	—	—	—	—	—	—	—
Disposals or write-off	—	—	—	(47,972)	—	—	(47,972)
At 31 December 2018	—	285,118	13,157	2,094,253	—	1,632	2,394,160
Net book value							
At 31 December 2018	560,163,124	2,317,570,300	22,680,889	482,089,669	13,794,105	27,098,051	3,423,396,138
At 1 January 2018	630,888,409	2,369,125,868	23,458,617	520,060,354	11,832,521	25,902,422	3,581,268,191

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

XIV. NOTES TO FINANCIAL STATEMENTS OF THE COMPANY *(continued)*

5. Fixed assets *(continued)*

2017

	Buildings	Mining assets	Power generation and transmission equipment	Plant, machinery and equipment	Motor vehicles	Furniture and fixtures and others	Total
Cost							
At 1 January 2017	847,617,449	4,227,519,937	52,731,732	875,829,446	81,679,818	87,960,410	6,173,338,792
Purchase additions	(3,142,635)	41,686,894	854,109	262,598,999	3,054,667	6,162,513	311,214,547
Transferred from construction in progress	9,241,334	131,793,879	283,074	7,991,151	—	—	149,309,438
Disposals or write-off	(1,530,124)	(237,024,415)	(956,972)	(117,914,925)	(6,742,217)	(2,327,249)	(366,495,902)
At 31 December 2017	852,186,024	4,163,976,295	52,911,943	1,028,504,671	77,992,268	91,795,674	6,267,366,875
Accumulated depreciation							
At 1 January 2017	179,063,275	1,609,430,400	27,917,147	506,971,149	63,162,898	61,251,085	2,447,795,954
Depreciation for the year	43,547,697	317,577,094	2,039,629	83,644,948	8,987,275	6,460,852	462,257,495
Disposals or write-off	(1,313,357)	(132,442,185)	(516,607)	(84,314,005)	(5,990,426)	(1,820,317)	(226,396,897)
At 31 December 2017	221,297,615	1,794,565,309	29,440,169	506,302,092	66,159,747	65,891,620	2,683,656,552
Impairment provision							
At 1 January 2017	—	285,118	13,157	2,591,429	—	1,632	2,891,336
Impairment provided for the year	—	1,369,242	—	—	—	—	1,369,242
Disposals or write-off	—	(1,369,242)	—	(449,204)	—	—	(1,818,446)
At 31 December 2017	—	285,118	13,157	2,142,225	—	1,632	2,442,132
Net book value							
At 31 December 2017	630,888,409	2,369,125,868	23,458,617	520,060,354	11,832,521	25,902,422	3,581,268,191
At 1 January 2017	668,554,174	2,617,804,419	24,801,428	366,266,868	18,516,920	26,707,693	3,722,651,502

Fixed assets that are temporarily idle are as follows:

2018

	Cost	Accumulated depreciation	Impairment provision	Net book value
Mining assets	**269,402**	**(243,633)**	**—**	**25,769**
Plant, machinery and equipment	**11,043,772**	**(7,573,966)**	**(230,634)**	**3,239,172**
	11,313,174	**(7,817,599)**	**(230,634)**	**3,264,941**

Notes to Financial Statements *(continued)*

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XIV. NOTES TO FINANCIAL STATEMENTS OF THE COMPANY *(continued)*

5. Fixed assets *(continued)*

Fixed assets that are temporarily idle are as follows: *(continued)*

2017

	Cost	Accumulated depreciation	Impairment provision	Net book value
Mining assets	523,412	(424,714)	—	98,698
Power generation and transmission equipment	32,718	(20,364)	—	12,354
Plant, machinery and equipment	9,561,652	(4,884,863)	(177,994)	4,498,795
	10,117,782	(5,329,941)	(177,994)	4,609,847

Fixed assets which certificates of title have not been obtained as at 31 December 2018 are as follows:

	Net book value	**Reasons why certificates of title have not been obtained**
Buildings	**273,937,958**	**In the process of application**

Fixed assets which certificates of title have not been obtained as at 31 December 2017 are as follows:

	Net book value	Reasons why certificates of title have not been obtained
Buildings	136,464,325	In the process of application

6. Construction in progress

	2018	2017
Construction in progress	**160,383,177**	205,217,505
Construction materials	**2,587,136**	2,749,279
	162,970,313	207,966,784

Construction in progress

2018			2017		
Carrying amount	**Impairment provision**	**Net book value**	Carrying amount	Impairment provision	Net book value
160,383,177	**—**	**160,383,177**	205,217,505	—	205,217,505

XIV. NOTES TO FINANCIAL STATEMENTS OF THE COMPANY *(continued)*

6. Construction in progress *(continued)*

The movements of important construction in progress in 2018 are as follows:

2018

	Budget	At 1 January 2018	Additions	Transferred to fixed assets	Other reductions	At 31 December 2018	Contribution in budget	Progress of construction	Accumulated balance of capitalised interest as at 31 December 2018	Including: capitalised interest for the year	Interest rate of capitalisation (%)	Source of funds
Zijinshan gold and copper mine infrastructure project	400,040,000	205,217,505	155,480,159	(193,448,435)	(6,866,052)	160,383,177	88%	85%	—	—	N/A	Equity fund
Others	—	—	294,699	(294,699)	—	—	N/A	N/A	—	—	N/A	Equity fund
Subtotal	400,040,000	205,217,505	155,774,858	(193,743,134)	(6,866,052)	160,383,177			—	—		
Impairment provision for construction in progress		—				—						
Total		205,217,505				160,383,177						

The movements of important construction in progress in 2017 are as follows:

2017

	Budget	At 1 January 2017	Additions	Transferred to fixed assets	Other reductions	At 31 December 2017	Contribution in budget	Progress of construction	Accumulated balance of capitalised interest as at 31 December 2017	Including: capitalised interest for the year	Interest rate of capitalisation (%)	Source of funds
Zijinshan gold and copper mine infrastructure project	476,011,622	128,809,922	233,990,519	(148,850,498)	(8,732,438)	205,217,505	76%	71%	—	—	N/A	Equity fund
Others	—	—	458,940	(458,940)	—	—	N/A	N/A	—	—	N/A	Equity fund
Subtotal	476,011,622	128,809,922	234,449,459	(149,309,438)	(8,732,438)	205,217,505			—	—		
Impairment provision for construction in progress		—				—						
Total		128,809,922				205,217,505						

For the year ended 31 December 2018 and 31 December 2017, there were no borrowing costs eligible for capitalisation of the Company.

As at 31 December 2018 and 31 December 2017, there was no impairment provision for construction in progress of the Company.

Notes to Financial Statements *(continued)*

For the year ended 31 December 2018

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XIV. NOTES TO FINANCIAL STATEMENTS OF THE COMPANY *(continued)*

7. Intangible assets

2018

	Exploration and mining rights	Land use rights	Membership of Shanghai Gold Exchange and others	Total
Cost				
At 1 January 2018	388,144,802	93,955,477	31,329,847	513,430,126
Purchase additions	—	6,519,901	336,636	6,856,537
Disposals or write-off	—	(5,927,843)	—	(5,927,843)
At 31 December 2018	388,144,802	94,547,535	31,666,483	514,358,820
Accumulated amortisation				
At 1 January 2018	197,179,985	22,362,896	5,066,272	224,609,153
Amortisation provided for the year	4,512,300	2,696,116	3,757,517	10,965,933
Disposals or write-off	—	(1,711,517)	—	(1,711,517)
At 31 December 2018	201,692,285	23,347,495	8,823,789	233,863,569
Impairment provision				
At 1 January 2018	—	—	—	—
Impairment provided for the year	—	—	—	—
Disposals or write-off	—	—	—	—
At 31 December 2018	—	—	—	—
Net book value				
At 31 December 2018	186,452,517	71,200,040	22,842,694	280,495,251
At 1 January 2018	190,964,817	71,592,581	26,263,575	288,820,973

Notes to Financial Statements *(continued)*

For the year ended 31 December 2018

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XIV. NOTES TO FINANCIAL STATEMENTS OF THE COMPANY *(continued)*

7. Intangible assets *(continued)*

2017

	Exploration and mining rights	Land use rights	Membership of Shanghai Gold Exchange and others	Total
Cost				
At 1 January 2017	388,144,802	93,955,477	11,366,050	493,466,329
Purchase additions	—	—	19,963,797	19,963,797
Disposals or write-off	—	—	—	—
At 31 December 2017	388,144,802	93,955,477	31,329,847	513,430,126
Accumulated amortisation				
At 1 January 2017	192,667,685	20,119,679	3,236,530	216,023,894
Amortisation provided for the year	4,512,300	2,243,217	1,829,742	8,585,259
Disposals or write-off	—	—	—	—
At 31 December 2017	197,179,985	22,362,896	5,066,272	224,609,153
Impairment provision				
At 1 January 2017	—	—	—	—
Impairment provided for the year	—	—	—	—
Disposals or write-off	—	—	—	—
At 31 December 2017	—	—	—	—
Net book value				
At 31 December 2017	190,964,817	71,592,581	26,263,575	288,820,973
At 1 January 2017	195,477,117	73,835,798	8,129,520	277,442,435

8. Long-term deferred assets

2018

	At 1 January 2018	**Additions**	**Amortisation**	**Other reductions**	**At 31 December 2018**
Land compensation costs (Note 1)	**34,564,105**	**—**	**(3,584,708)**	**—**	**30,979,397**
Other (Note 2)	**141,615,993**	**75,636,411**	**(46,091,488)**	**—**	**171,160,916**
	176,180,098	**75,636,411**	**(49,676,196)**	**—**	**202,140,313**

Notes to Financial Statements *(continued)*

For the year ended 31 December 2018

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XIV. NOTES TO FINANCIAL STATEMENTS OF THE COMPANY *(continued)*

8. Long-term deferred assets *(continued)*

2017

	At 1 January 2017	Additions	Amortisation	Other reductions	At 31 December 2017
Land compensation costs (Note 1)	38,046,166	5,928,141	(5,616,319)	(3,793,883)	34,564,105
Others (Note 2)	155,155,134	42,717,495	(53,265,115)	(2,991,521)	141,615,993
	193,201,300	48,645,636	(58,881,434)	(6,785,404)	176,180,098

Note 1: The land compensation costs relate to the compensation for the occupation of forest lands at the mining sites for production and construction needs. The amortisation period ranges from 5 to 50 years.

Note 2: Other long-term deferred assets mainly included forest compensation expenditure of RMB67,368,854 (31 December 2017: RMB45,683,368). The amortisation period is 10 years.

9. Other non-current assets

	2018	2017
Exploration and development costs	**819,466,920**	133,550,819
Prepaid investment costs, prepayments for exploration and mining rights and others (Note 1)	**9,010,764,678**	11,484,289,895
	9,830,231,598	11,617,840,714

Note 1: The Company's balance of prepaid investment costs, prepayments for exploration and mining rights and others mainly comprised a prepayment for investment costs of nil (31 December 2017: RMB130,900,000) and long-term receivables of RMB8,987,844,885 (31 December 2017: RMB11,273,246,221).

10. Provision for impairment of assets

2018

	At 1 January 2018	**Additions**	**Reductions**		**At 31 December 2018**
			Reversal	**Write-off**	
Bad debt provision	**146,529,182**	**970,338**	**(140,992,416)**	**(514,229)**	**5,992,875**
Inventory provision	**3,731,641**	**3,575,729**	**—**	**—**	**7,307,370**
Impairment provision for long-term equity investments	**449,676,935**	**—**	**—**	**—**	**449,676,935**
Impairment provision for fixed assets	**2,442,132**	**—**	**—**	**(47,972)**	**2,394,160**
Impairment provision for other non-current assets	**198,203,515**	**—**	**—**	**—**	**198,203,515**
	800,583,405	**4,546,067**	**(140,992,416)**	**(562,201)**	**663,574,855**

Notes to Financial Statements *(continued)*

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XIV. NOTES TO FINANCIAL STATEMENTS OF THE COMPANY *(continued)*

10. Provision for impairment of assets *(continued)*

2017

	At 1 January 2017	Additions	Reductions		At 31 December 2017
			Reversal	Write-off	
Bad debt provision	146,564,562	—	—	(35,380)	146,529,182
Including: Trade receivables	*122,345*	—	—	*(2,766)*	*119,579*
Other receivables	*145,987,988*	—	—	*(32,614)*	*145,955,374*
Prepayments	*454,229*	—	—	—	*454,229*
Inventory provision	3,731,641	—	—	—	3,731,641
Impairment provision for long-term equity investments	449,676,935	—	—	—	449,676,935
Impairment provision for fixed assets	2,891,336	1,369,242	—	(1,818,446)	2,442,132
Impairment provision for other non-current assets	45,000,000	153,203,515	—	—	198,203,515
	647,864,474	154,572,757	—	(1,853,826)	800,583,405

11. Bills payable and trade payables

Trade payables are interest-free and normally settled within four months.

As at 31 December 2018 and 31 December 2017, the Company had no significant trade payables aged more than one year.

12. Bonds payable

In 2013, the Company registered the maximum credit limits of medium-term notes of RMB6 billion and RMB4 billion respectively with the National Association of Financial Market Institutional Investors. In 2014, the Company wrote off credit limit of RMB1.7 billion. The Company issued medium-term notes with face values of RMB2.5 billion on 23 October 2013, RMB2.5 billion on 5 September 2014 and RMB3.3 billion on 11 September 2015 respectively, with an aggregate amount of RMB8.3 billion, maturity of five years, and coupon rates of 5.7%, 5.5% and 4.4% respectively. Coupons on the bonds are payable annually.

Pursuant to approval of the CSRC on 17 February 2016, the Company issued corporate bonds with a face value of RMB2 billion on the Shanghai Stock Exchange on 18 March 2016. The bonds have a duration of five years and annual interest rate of 3.37%. On 18 March 2016, the Company issued corporate bonds with a face value of RMB3 billion on the Shanghai Stock Exchange. The bonds have a duration of five years, with terms that the issuer has an option of adjusting the coupon rate and investors have an option of redemption at the end of the third year, and an interest rate of 2.99%. The Company expects to repay the bond in full in 2019, so it is reclassified as bonds payable due within one year; on 15 July 2016, the Company issued corporate bonds with a face value of RMB1.8 billion on the Shanghai Stock Exchange. The bonds have a duration of five years, with terms that the issuer has the option of adjusting the interest rate and investors have the option of redemption at the end of the third year, and an annual interest rate of 3.05%. The Company expects to repay the bond in full in 2019, so it is reclassified as bonds payable due within one year. On 15 July 2016, the Company issued corporate bonds with a face value of RMB1.2 billion on the Shanghai Stock Exchange. The bonds have a duration of five years and annual interest rate of 3.45%. The interest of the above bonds shall be settled annually and the principal shall be repaid in full upon their maturity. In October 2018, Zijin International Capital Co., Ltd., a subsidiary of the Company, issued guaranteed senior notes with an aggregate face value of USD350 million, a duration of three years and annual interest rate of 5.282%. From 18 April 2019, the interest shall be paid every half year on 18 April and 18 October every year.

As at 31 December 2018 and 31 December 2017, the Company had no overdue bonds.

Notes to Financial Statements *(continued)*

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XIV. NOTES TO FINANCIAL STATEMENTS OF THE COMPANY *(continued)*

13. Long-term payables

	2018	2017
Entrusted investments	**144,348,040**	94,206,740
Deposit for restoration and improvement of ecological environment in mines	**68,320,794**	68,320,794
Loans from a shareholder	**70,400,000**	78,700,000
	283,068,834	241,227,534
Including: Current portion of long-term payables	***(8,300,000)***	*(8,300,000)*
	274,768,834	232,927,534

*Maturity analysis of long-term payables is as follows:

	2018	2017
Within 1 year or repayable on demand	**8,300,000**	8,300,000
Over 1 year but within 2 years	**62,100,000**	84,200,000
Over 2 years but within 5 years	**—**	21,700,000
Over 5 years	**212,668,834**	127,027,534
	283,068,834	241,227,534

14. Operating income and operating costs

	2018		2017	
	Operating income	**Operating costs**	Operating income	Operating costs
Principal operations	**3,818,651,849**	**2,273,133,092**	3,561,406,503	2,049,295,156
Other operations	**267,180,761**	**235,493,255**	224,682,485	192,551,991
	4,085,832,610	**2,508,626,347**	3,786,088,988	2,241,847,147

15. Financial expenses

	2018	2017
Interest expenses	**1,206,285,681**	1,187,819,033
Including: Bank loans	***543,570,513***	*429,725,273*
Bonds payable	***662,715,168***	*686,351,538*
Ultra short-term financing bonds	**—**	*71,742,222*
Less: Interest income	**960,508,815**	984,241,991
Exchange (gains)/losses	**(82,874,155)**	53,032,423
Bank charges	**25,663,976**	23,848,300
	188,566,687	280,457,765

In 2018 and 2017, the Company incurred no capitalised interest expenses, and there was no interest income arising from impaired financial assets.

Notes to Financial Statements *(continued)*

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

XIV. NOTES TO FINANCIAL STATEMENTS OF THE COMPANY *(continued)*

16. Impairment losses on assets

	2018	2017
Impairment provision for other non-current assets	**—**	153,203,515
Provision for decline in value of inventories	**3,575,729**	—
Impairment provision for fixed assets	**—**	1,369,242
	3,575,729	154,572,757

17. Investment income

	2018	2017
Gains from long-term equity investments under the cost method and gains from available-for-sale investments measured at cost	**1,859,667,441**	1,123,004,520
Investment income from long-term equity investments under the equity method	**145,806,665**	88,124,377
Gains on disposal of subsidiaries	**—**	321,722,854
Losses on disposal of financial assets and financial liabilities at fair value through profit or loss (Note 1)	**(66,246,798)**	(82,550,470)
	1,939,227,308	1,450,301,281

Note 1: The losses on disposal of financial assets and financial liabilities at fair value through profit or loss included the investment losses from gold leasing amounting to RMB10,505,965 (2017: losses of RMB30,700,011), the investment losses from hedging derivative financial instruments amounting to RMB110,155,781 (2017: losses of RMB72,540,895), and other investment gains amounting to RMB54,414,948 (2017: gains of RMB20,690,436).

18. Supplementary information to the statement of cash flows

(1) Supplementary information to the statement of cash flows

Reconciliation of net profit to cash flows from operating activities:

	2018	2017
Net profit	**2,373,747,350**	1,464,337,622
Add: Provision for expected credit losses	**(140,022,078)**	—
Provision for impairment losses of assets	**3,575,729**	154,572,757
Depreciation of fixed assets	**503,289,799**	462,257,495
Amortisation of intangible assets	**10,965,933**	8,585,259
Amortisation of long-term deferred assets	**49,676,196**	58,881,434
Gains on disposal of fixed assets, intangible assets and other long-term assets	**(22,394,838)**	(15,455,106)
Losses on write-off of fixed assets	**8,842,788**	55,063,536
Losses/(Gains) on changes in fair values	**14,512,179**	(66,289,913)
Financial expenses	**209,177,491**	297,124,176
Investment income	**(1,940,061,808)**	(1,485,088,782)
Decrease in deferred tax assets	**51,521,549**	96,939,265
Decrease in inventories	**33,025,372**	27,599,589
Decrease in receivables from operating activities	**400,528,978**	229,762,060
Increase in payables from operating activities	**228,222,773**	26,065,093
Others	**(33,964,500)**	(15,903,092)
Net cash flows from operating activities	**1,750,642,913**	1,298,451,393

Notes to Financial Statements *(continued)*

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XIV. NOTES TO FINANCIAL STATEMENTS OF THE COMPANY *(continued)*

18. Supplementary information to the statement of cash flows *(continued)*

(1) Supplementary information to the statement of cash flows *(continued)*

Net changes in cash and cash equivalents:

	2018	2017
Closing balance of cash	**2,305,622,601**	1,841,597,980
Less: Opening balance of cash	**1,841,597,980**	1,765,445,387
Add: Closing balance of cash equivalents	**820,712,582**	1,554,442,193
Less: Opening balance of cash equivalents	**1,554,442,193**	746,290,026
(Decrease) /Increase in cash and cash equivalents	**(269,704,990)**	884,304,760

(2) Cash and cash equivalents

	2018	2017
Cash	**2,305,622,601**	1,841,597,980
Including: Cash on hand	***156,635***	*241,059*
Cash at banks that can be readily drawn on demand	***2,305,465,966***	*1,841,356,921*
Cash equivalents	**820,712,582**	1,554,442,193
Closing balance of cash and cash equivalents	**3,126,335,183**	3,396,040,173

19. Commitments

	2018	2017
Contracted, but not provided		
Capital commitments (Note 1)	**53,454,407**	34,830,434
	53,454,407	34,830,434

Note 1: As at 31 December 2018, the amounts of the capital commitments relating to the acquisition and construction of property, plant, machinery and equipment, and mining assets were RMB53,454,407 (31 December 2017: RMB34,830,434).

Notes to Financial Statements *(continued)*

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XV. SUPPLEMENTARY INFORMATION

I. SUMMARY OF NON-RECURRING PROFIT OR LOSS

Item	2018
Net profit attributable to owners of the parent	**4,093,773,630**
Add/(Less): Non-recurring profit or loss attributable to owners of the parent	
Net losses on disposal of non-current assets	**53,907,034**
Government grants recognised in the statement of profit or loss	**(227,613,533)**
Gains on bargain purchase as the consideration for acquiring a subsidiary was less than the shared fair values of the identifiable net assets of the investee	**(44,990,444)**
Gains or losses on changes in fair value arising from held for trading financial assets and financial liabilities, investment gains or losses on disposal of held for trading financial assets and financial liabilities and available-for-sale investments except for the effective portion of normal transactions qualified for hedge accounting and gold leasing (Note 1)	**(79,791,238)**
Capital utilisation fee received from non-financial enterprises which is included in the profit or loss for the current period	**(341,735,525)**
Investment income from disposal of long-term equity investments	**(24,669,669)**
Investment income from the revaluation of fair value of long-term equity investment	**(430,958,659)**
Reversal of impairment provision for receivables individually subject to impairment test	**(140,992,416)**
Other non-operating income and expenses other than the aforesaid items	**(42,287,044)**
	2,814,642,136
Impact on income tax	**220,092,858**
	3,034,734,994
Impact on the non-controlling interests (after tax)	**26,515,531**
	3,061,250,525

The non-recurring profit or loss of the Group was recognised under the CSRC Announcement [2008] No. 43, *Explanatory Announcement No.1 on Information Disclosure and Presentation Rules for Companies Making Public Offering of Securities – Non–recurring Profit or Loss*. The effective hedging business and gold leasing transactions of the Group are directly related to the ordinary operating activities, of which the underlying assets are the mineral products or similar metal products of the Group, which are aimed at reducing the risk of significant profitability fluctuation from ordinary operations in light of price fluctuation. Effective hedging business and gold leasing transactions are frequent and the Group has continued and will continue to engage in such transactions in the foreseeable future. For the above-mentioned reasons, the profit or loss on effective hedging business and gold leasing transactions is not classified as non-recurring profit or loss.

Note 1: Including the gains on changes in fair values of trading stocks, funds and currency swaps amounting to RMB54,489,584 and gains on disposal of stocks, funds, currency swaps and wealth management products amounting to RMB25,301,654.

Notes to Financial Statements *(continued)*

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XV. SUPPLEMENTARY INFORMATION *(continued)*

II. RETURN ON NET ASSETS AND EARNINGS PER SHARE

2018

		Return on net assets (%)		
		Fully diluted	**Weighted average**	**Basic earnings per share**
Net profit attributable to ordinary shareholders of the parent	**4,093,773,630**	**11.54**	**11.70**	**0.18**
Net profit after non-recurring profit or loss attributable to ordinary shareholders of the parent	**3,061,250,525**	**8.72**	**8.83**	**0.13**

2017

		Return on net assets (%)		
		Fully diluted	Weighted average	Basic earnings per share
Net profit attributable to ordinary shareholders of the parent	3,507,717,627	10.02	11.10	0.16
Net profit after non-recurring profit or loss attributable to ordinary shareholders of the parent	2,696,908,503	7.71	8.49	0.12

The abovementioned return on net assets and earnings per share were calculated according to the Information Disclosure and Presentation Rules for Companies Making Public Offering of Securities No. 9 - Calculation and Disclosure of Return on Net Assets and Earnings Per Share (2010 revision) issued by the CSRC.

There were no potential dilutive ordinary shares for the year ended 31 December 2018 and 31 December 2017.

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