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Zijin Mining Group Co., Ltd.*

紫金礦業集團股份有限公司

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

(Stock code: 2899)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2019

The Board of Directors of Zijin Mining Group Co., Ltd.* is pleased to announce the audited consolidated annual results of the Company and its subsidiaries (collectively referred to the “Group”) for the year ended 31 December 2019. (China Accounting Standards for Business Enterprises (“CAS”) and the related laws and regulations were adopted for the preparation of the financial statements)

Zijin Mining Group Co., Ltd.*
Consolidated Statement of Financial Position
As at 31 December 2019
RMB

<u>ASSETS</u>	<u>Note</u>	<u>31 December 2019</u>	<u>31 December 2018</u>
CURRENT ASSETS			
Cash and cash equivalents		6,225,144,800	10,089,890,808
Held for trading financial assets		687,951,525	787,134,360
Trade receivables	14	944,115,730	1,009,871,109
Trade receivables financing		1,318,505,074	1,243,090,520
Prepayments		1,323,248,170	1,419,162,525
Other receivables		899,847,411	1,415,512,562
Inventories		14,886,554,158	12,669,674,863
Held for sale assets		-	246,189,223
Current portion of non-current assets		956,692,852	307,233,993
Other current assets		1,352,336,396	1,260,928,272
Total current assets		28,594,396,116	30,448,688,235
NON-CURRENT ASSETS			
Long-term equity investments		6,924,416,093	7,041,753,269
Other equity instrument investments		4,410,441,677	1,983,796,793
Other non-current financial assets		951,779,422	401,513,674
Investment properties		130,373,389	608,221,789
Fixed assets		38,624,766,390	34,144,464,854
Construction in progress		5,876,829,425	5,355,805,804
Right-of-use assets		354,772,381	-
Intangible assets		24,162,508,461	22,510,280,215
Goodwill		314,149,588	314,149,588
Long-term deferred assets		1,205,837,946	987,315,471
Deferred tax assets		836,666,816	884,776,204
Other non-current assets		11,444,009,515	8,198,537,946
Total non-current assets		95,236,551,103	82,430,615,607
TOTAL ASSETS		123,830,947,219	112,879,303,842

Zijin Mining Group Co., Ltd.*
Consolidated Statement of Financial Position (continued)
As at 31 December 2019
RMB

<u>LIABILITIES AND OWNERS' EQUITY</u>	<u>Note</u>	<u>31 December 2019</u>	<u>31 December 2018</u>
CURRENT LIABILITIES			
Short-term borrowings		14,440,917,886	15,616,680,236
Held for trading financial liabilities		326,139,054	242,482,582
Bills payable		420,860,145	160,733,506
Trade payables	15	4,382,104,169	4,540,248,350
Contract liabilities		359,453,565	277,125,058
Employee benefits payable		852,297,934	726,630,090
Taxes payable		985,193,397	903,782,106
Other payables		5,326,849,819	4,979,586,829
Held for sale liabilities		-	68,739,751
Current portion of non-current liabilities		5,768,840,060	9,707,089,022
Other current liabilities		500,000,000	-
Total current liabilities		33,362,656,029	37,223,097,530
NON-CURRENT LIABILITIES			
Long-term borrowings		13,826,221,524	12,917,915,706
Bonds payable		11,966,468,687	8,879,453,693
Lease liabilities		282,347,122	-
Long-term payables		1,201,391,669	733,077,872
Provision		2,927,712,283	2,686,090,453
Deferred income		496,720,164	422,783,097
Deferred tax liabilities		2,687,831,677	2,743,172,789
Total non-current liabilities		33,388,693,126	28,382,493,610
TOTAL LIABILITIES		66,751,349,155	65,605,591,140

Zijin Mining Group Co., Ltd.*
Consolidated Statement of Financial Position (continued)
As at 31 December 2019
RMB

<u>LIABILITIES AND OWNERS' EQUITY</u> <u>(continued)</u>	<u>Note</u>	<u>31 December 2019</u>	<u>31 December 2018</u>
EQUITY			
Share capital		2,537,725,995	2,303,121,889
Other equity instruments		4,985,500,000	4,985,500,000
<i>Including: Renewable corporate bonds</i>		<i>4,985,500,000</i>	<i>4,985,500,000</i>
Capital reserve		18,690,342,400	11,094,766,390
Other comprehensive income	12	(473,929,209)	(1,575,973,065)
Special reserve		120,952,216	147,393,497
Surplus reserve		1,319,401,104	1,319,401,104
Retained earnings	16	24,005,972,520	22,181,224,459
Equity attributable to owners of the parent		51,185,965,026	40,455,434,274
Non-controlling interests		5,893,633,038	6,818,278,428
TOTAL EQUITY		57,079,598,064	47,273,712,702
TOTAL LIABILITIES AND OWNERS' EQUITY		123,830,947,219	112,879,303,842

Zijin Mining Group Co., Ltd.*
Consolidated Statement of Profit or Loss
For the year ended 31 December 2019
RMB

	<u>Note</u>	<u>2019</u>	<u>2018</u>
OPERATING INCOME	2	136,097,978,018	105,994,246,123
Less: Operating costs	2	120,582,627,749	92,651,374,475
Taxes and surcharges	3	1,874,141,394	1,598,995,649
Selling expenses		574,433,782	887,451,338
Administrative expenses		3,689,326,869	2,964,964,865
Research and development expenses		476,341,941	274,380,222
Financial expenses	4	1,466,849,459	1,254,241,143
Including: Interest expenses		1,927,817,536	1,575,846,889
Interest income		499,675,899	351,234,358
Add: Other income		290,839,484	227,613,533
Investment income	7	34,406,224	1,060,522,923
Including: Share of profits of associates and joint ventures		96,011,495	373,063,390
Losses on changes in fair value	8	(59,752,112)	(135,783,729)
Credit impairment losses	5	(65,619,609)	82,017,400
Impairment losses on assets	6	(368,381,596)	(1,500,399,230)
(Losses)/Gains on disposal of non-current assets		(23,675,053)	84,561,738
OPERATING PROFIT		7,242,074,162	6,181,371,066
Add: Non-operating income	9	50,080,938	365,953,586
Less: Non-operating expenses	10	317,876,334	417,144,870
PROFIT BEFORE TAX		6,974,278,766	6,130,179,782
Less: Income tax expenses	1	1,913,374,082	1,447,503,229
NET PROFIT		<u>5,060,904,684</u>	<u>4,682,676,553</u>
Classification according to the continuity of operation			
Net profit from continuing operations		5,060,904,684	4,682,676,553
Attributable to:			
Owners of the parent		4,283,957,365	4,093,773,630
Non-controlling interests		776,947,319	588,902,923

Zijin Mining Group Co., Ltd.*
Consolidated Statement of Profit or Loss (continued)
For the year ended 31 December 2019
RMB

	<u>Note</u>	<u>2019</u>	<u>2018</u>
NET OTHER COMPREHENSIVE INCOME/(LOSS) AFTER TAX			
Other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods			
Changes in fair value of other equity instrument investments		1,146,766,336	(1,159,682,051)
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods			
Hedging costs - forward elements		(65,505,914)	61,666,120
Exchange differences arising from translation of financial statements denominated in foreign currencies		123,196,019	(62,020,181)
Other comprehensive income/(loss) attributable to owners of the parent		1,204,456,441	(1,160,036,112)
Other comprehensive income/(loss) attributable to non-controlling interests		85,157,856	(14,449,278)
Subtotal of net other comprehensive income/(loss) after tax		1,289,614,297	(1,174,485,390)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		6,350,518,981	3,508,191,163
Attributable to:			
<i>Owners of the parent</i>		5,488,413,806	2,933,737,518
<i>Non-controlling shareholders</i>		862,105,175	574,453,645
Earnings per share	11		
Basic earnings per share		0.18	0.18
Diluted earnings per share		0.18	0.18

Zijin Mining Group Co., Ltd.*
Notes to Financial Statements
For the year ended 31 December 2019
RMB

1. Taxes

I. Major taxes and tax rates

Value-added tax (“VAT”)	<p>For the Company and the Company’s subsidiaries 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 ores and nonferrous metals such as copper concentrates, zinc concentrates, and the sales and processing of copper cathodes, zinc bullion, silver bullion and materials was 16% before 1 April 2019 and is 13% since 1 April 2019. The taxpayer is required to remit the VAT it has collected to the tax authority, but may deduct the VAT it has paid on eligible purchases. The output VAT rate for transportation service income was 10% before 1 April 2019 and is 9% since 1 April 2019, and that for trademark royalty income and technical service income is 6%. The taxpayer is required to remit the VAT it has collected to the tax authority, but may deduct the VAT it has paid on eligible purchases.</p> <p>For the Company’s overseas subsidiaries: 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”) regulations.</p>
Urban construction and maintenance tax	<p>Levied on actual payment of turnover tax at rates ranging from 1% to 7%.</p>
Resource tax	<p>For the Company and the Company’s subsidiaries 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 lead-zinc resources.</p> <p>For the Company’s overseas subsidiaries: In accordance with the relevant provisions of local resource tax, utilisation fee of mine or mining tax of mineral resources, subsidiaries in different countries and regions abroad are subject to different tax rates. The tax rates are 2.5% to 6% for precious metals such as gold and silver resources and 2.5% to 7% for other bulk metals such as copper and zinc resources.</p>

Zijin Mining Group Co., Ltd.*
Notes to Financial Statements (continued)
For the year ended 31 December 2019
RMB

1. Taxes (continued)

I. Major taxes and tax rates (continued)

Corporate income tax	Countries or regions where the subsidiaries and joint operation are situated	Corporate income tax rate
	Mainland China	25%
	Hong Kong	16.5%
	Australia, the DR Congo and Papua New Guinea	30%
	The Republic of Serbia	15%
	The Republic of Tajikistan	13%
	Russian Federation	0%
	Eritrea	38%
	The Kyrgyz Republic (Note 1)	-

Note 1: For the Company's subsidiaries in the Kyrgyz Republic, according to the local tax laws, a zero corporate income tax rate is applied 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.

Certain subsidiaries of the Company enjoyed tax incentives. Among which, details of the major subsidiaries which enjoyed tax incentives are set out in Note 1.II.

Value-added tax on land	Pursuant to Regulations on Value-added Tax on Land of the People's Republic of China (Tentative), value-added tax on land is levied based on the added value obtained from transfer of real estates and the stipulated tax rates, at the rate of the 4th-level super progressive tax rate (30%-60%).
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II. 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, 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 total operating income from the encouraged industries could apply for a tax incentive. After obtaining the approval of the tax bureau in charge, those enterprises could enjoy a reduced corporate income tax ("CIT") rate of 15%.

Zijin Mining Group Co., Ltd.*
Notes to Financial Statements (continued)
For the year ended 31 December 2019
RMB

1. Taxes (continued)

II. Tax incentives (continued)

According to the Notice Concerning Issuance and Amendment of “Handling Methods of Preferential Corporate Income Tax Policies” issued by the State Administration of Taxation (State Administration of Taxation Announcement 2018 No. 23), the handling methods of “self-determination, reporting the entitlement and retaining the relevant information for inspection” shall be adopted by the enterprises enjoying the tax concessions.

In 2019, the following subsidiaries of the Group met the conditions for enjoying tax concessions and were entitled to a reduced CIT rate of 15%:

- (1) Xinjiang Ashele Copper Co., Ltd. (“Ashele Copper”) met the conditions of preferential taxation policies for the Western Development and was entitled to a tax concession at a preferential CIT rate of 15% in 2019.
- (2) Xinjiang Zijin Zinc Co., Ltd. (“Xinjiang Zijin Zinc”) met the conditions of preferential taxation policies for the Western Development and was entitled to a tax concession at a preferential CIT rate of 15% in 2019.
- (3) Xinjiang Jinbao Mining Co., Ltd. (“Xinjiang Jinbao”) met the conditions of preferential taxation policies for the Western Development and was entitled to a tax concession at a preferential CIT rate of 15% in 2019.
- (4) Hunchun Zijin Mining Co., Ltd. (“Hunchun Zijin”) met the conditions of preferential taxation policies for the Western Development and was entitled to a tax concession at a preferential CIT rate of 15% in 2019.
- (5) Urad Rear Banner Zijin Mining Co., Ltd. (“Urad Rear Banner Zijin”) met the conditions of preferential taxation policies for the Western Development and was entitled to a tax concession at a preferential CIT rate of 15% in 2019.

Pursuant to the Notice Concerning Revision and Issuance of Administration Policy for Determination of High and New Technology Enterprise (Guo Ke Fa Huo [2016] No. 32) issued by the Ministry of Science and Technology, the Ministry of Finance and the State Administration of Taxation and the Notice Concerning Revision and Issuance of Administration Guideline on Determination of High and New Technology Enterprise (Guo Ke Fa Huo [2016] No. 195) issued by the Ministry of Science and Technology, the Ministry of Finance and the State Administration of Taxation, the Company obtained the certificate of High and New Technology Enterprise jointly issued by authorities including the Science and Technology Department of Fujian Province, Finance Department of Fujian Province, State Tax Bureau of Fujian Province, Local Tax Bureau of Fujian Province, etc. on 23 October 2017 (reference number: GR201735000251). The validity period of the certificate is from 23 October 2017 to 23 October 2020. Zijin Mining Group Co., Ltd.* met the conditions of preferential CIT policies for high and new technology enterprises and was entitled to a tax concession at a CIT rate of 15% in 2019.

Zijin Mining Group Co., Ltd.*
Notes to Financial Statements (continued)
For the year ended 31 December 2019
RMB

1. Taxes (continued)

II. Tax incentives (continued)

Pursuant to Departmental Interpretation and Practice Notes No. 52 issued by the Inland Revenue Department of Hong Kong, Zijin International Capital Company Limited satisfied the conditions as a qualifying corporate treasury centre and was entitled to a profit tax concession of 50%, i.e., profit tax was charged at a rate of 8.25% on the assessable profit in 2019.

The Company's subsidiaries in the Russian Federation met the conditions of local preferential taxation policies and the applicable tax rate for 2018 and 2019 was 0%.

	2019	2018
Current income tax expenses	1,851,659,710	1,183,414,353
Deferred tax expenses	<u>61,714,372</u>	<u>264,088,876</u>
	<u>1,913,374,082</u>	<u>1,447,503,229</u>

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

	2019	2018
Profit before tax	6,974,278,766	6,130,179,782
Tax at the statutory tax rate (Note 1)	1,743,569,692	1,532,544,945
Effect of different tax rates applicable to certain subsidiaries (Note 1)	69,634,030	(352,487,710)
Adjustments in respect of current tax of previous periods	(22,968,893)	(42,457,827)
Income not subject to tax (Note 2)	(33,292,467)	(81,573,075)
Expenses not deductible for tax	47,188,912	42,902,995
Tax losses utilised from previous periods	(214,529,747)	(65,817,974)
Effect of unrecognised deductible temporary differences and deductible tax losses	<u>323,772,555</u>	<u>414,391,875</u>
Tax charge at the Group's effective tax rate	<u>1,913,374,082</u>	<u>1,447,503,229</u>

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 generated in Hong Kong for the current period. Taxes on profits assessable elsewhere have been calculated at the tax rates prevailing and in accordance with current laws, interpretations and customs in the countries/jurisdictions in which the Group operates.

Note 2: In 2019, income not subject to tax mainly included investment income from long-term equity investments under the equity method of RMB96,011,495 (2018: investment income of RMB373,063,390). The amount of sales revenue from certain products of the Group that meet the national industrial policies and enjoyed exemption of profits tax was RMB24,216,353 (2018: RMB39,033,294).

Zijin Mining Group Co., Ltd.*
Notes to Financial Statements (continued)
For the year ended 31 December 2019
RMB

2. OPERATING INCOME AND OPERATING COSTS

	2019		2018	
	Operating income	Operating costs	Operating income	Operating costs
Principal operations	135,150,418,869	119,863,254,551	105,098,239,175	91,989,132,007
Other operations	947,559,149	719,373,198	896,006,948	662,242,468
	136,097,978,018	120,582,627,749	105,994,246,123	92,651,374,475

3. TAXES AND SURCHARGES

	2019	2018
Resource tax	1,388,335,234	980,256,575
Property tax	65,935,554	67,467,075
Educational surcharges	63,373,995	86,595,719
Stamp duty	58,291,082	49,550,111
City construction and maintenance tax	50,869,140	71,395,452
Customs tax (Note 1)	31,840,463	17,095,032
Road tax (Note 1)	29,638,037	20,564,811
Local development fund	23,881,786	23,090,833
Land use tax	20,191,923	28,655,676
Environmental protection tax	16,511,206	13,032,582
Mineral concentrates tax (Note 1)	10,385,777	10,381,162
Vehicle and vessel use tax	1,387,683	1,469,212
Consumption tax	784,664	608,536
Value-added tax on land (Note 2)	(44,338,650)	35,108,475
Others	157,053,500	193,724,398
	1,874,141,394	1,598,995,649

Note 1: Road tax, customs tax and mineral concentrates tax were the taxes payable by the Group's overseas subsidiary, La Compagnie Minière de Musonoie Global Société par Actions Simplifiée ("COMMUS") for the purchase and sale of mineral products.

Note 2: During 2019, Zijin Commercial Services settled the value-added tax on land for real estate development project of previous years and received a tax return of value-added tax on land of RMB44,338,650.

Zijin Mining Group Co., Ltd.*
Notes to Financial Statements (continued)
For the year ended 31 December 2019
RMB

4. FINANCIAL EXPENSES

	2019	2018
Interest expenses:	2,048,343,925	1,658,778,634
<i>Including: Bank loans</i>	1,502,675,435	996,063,466
<i>Bonds payable</i>	541,303,212	662,715,168
<i>Ultra short-term financing bonds</i>	4,365,278	-
Less: Interest income	499,675,899	351,234,358
Less: Capitalised interest expenses	120,526,389	82,931,745
Exchange gains	(129,976,244)	(81,219,010)
Bank charges	86,372,706	110,469,849
Unrecognised finance charges (Note 1)	89,826,651	377,773
Unrealised finance income (Note 2)	(7,515,291)	-
	<u>1,466,849,459</u>	<u>1,254,241,143</u>

Note 1: The amount includes amortisation of unrecognised finance charges arising from provision of RMB56,403,489, and amortisation of interests arising from lease liabilities of RMB33,423,162.

Note 2: The amount represents amortisation of unrecognised finance income generated from long-term receivables.

Capitalised interest expenses of 2019 were included in construction in progress. In 2019 and 2018, there was no interest income arising from impaired financial assets.

5. CREDIT IMPAIRMENT LOSSES

	2019	2018
Bad debt provision for trade receivables	(8,423,202)	(2,455,700)
Bad debt provision for other receivables	(53,636,521)	80,911,100
Bad debt provision for trade receivables financing	(1,088,851)	(5,662,056)
Bad debt provision for prepayments	(2,471,035)	(1,076,140)
Bad debt provision for other non-current assets	-	10,300,196
	<u>(65,619,609)</u>	<u>82,017,400</u>

6. IMPAIRMENT LOSSES ON ASSETS

	2019	2018
Impairment provision for fixed assets	(7,162,090)	(260,314,418)
Provision for decline in value of inventories	(45,064,360)	8,043,062
Impairment provision for intangible assets	(224,773,189)	(719,969,890)
Impairment provision for construction in progress	(44,343,254)	(111,456,562)
Impairment provision for long-term equity investments	(47,038,703)	(3,464,168)
Impairment provision for goodwill	-	(157,778,981)
Impairment provision for investment properties	-	(79,936,878)
Impairment provision for other non-current assets	-	(175,521,395)
	<u>(368,381,596)</u>	<u>(1,500,399,230)</u>

Zijin Mining Group Co., Ltd.*
Notes to Financial Statements (continued)
For the year ended 31 December 2019
RMB

7. INVESTMENT INCOME

	2019	2018
Gains from long-term equity investments under the equity method	96,011,495	373,063,390
(Losses)/Gains on disposal of long-term equity investments	(4,964,011)	24,669,669
Investment income from the revaluation of fair value of long-term equity investment	-	430,958,659
Dividend income from other equity instrument investments still held	25,779,867	29,514,500
(Losses)/Gains on disposal of financial assets and financial liabilities at fair value through profit or loss (Note 1)	(87,114,517)	209,040,948
Others	4,693,390	(6,724,243)
	<u>34,406,224</u>	<u>1,060,522,923</u>

Note 1: (Losses)/Gains on disposal of financial assets and liabilities at fair value through profit or loss are as follows:

	2019	2018
1. Held for trading equity instrument investments - (Losses)/Gains arising from stock investments	(38,191,494)	34,923,544
2. Losses arising from gold leasing at fair value	(51,019,363)	(23,273,151)
3. Hedging instruments – Gains/(Losses) arising from ineffectively hedged derivative instruments	6,450,862	(728,017)
4. (Losses)/Gains arising from derivative instruments without designated hedging relationship	(46,524,639)	101,454,777
(4-1) Cross currency swaps	13,316	(9,323,071)
(4-2) Gold leasing hedging contracts	-	(59,802,540)
(4-3) Commodity hedging contracts	(46,537,955)	170,580,388
5. (Losses)/Gains arising from derivatives instruments with designated hedging relationship	(835,301)	6,639,271
6. Others	43,005,418	90,024,524
	<u>(87,114,517)</u>	<u>209,040,948</u>

Zijin Mining Group Co., Ltd.*
Notes to Financial Statements (continued)
For the year ended 31 December 2019
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8. LOSSES ON CHANGES IN FAIR VALUE

	2019	2018
Financial assets at fair value through profit or loss	32,259,831	(143,996,214)
Financial liabilities at fair value through profit or loss	(92,011,943)	8,212,485
	(59,752,112)	(135,783,729)

Losses on changes in fair value are as follows:

	2019	2018
1. Held for trading equity instrument investments - Gains/(Losses) arising from changes in fair value of stock investments	60,348,192	(175,546,385)
2. (Losses)/Gains arising from changes in fair value of gold leasing at fair value	(2,577,625)	38,245,976
3. Hedging instruments – (Losses)/Gains arising from changes in fair value of ineffectively hedged derivative instruments	(943,939)	960,658
4. (Losses)/Gains arising from changes in fair value of derivative instruments without designated hedging relationship	(139,976,147)	32,984,054
(4-1) Cross currency swaps	(26,724,322)	7,190,493
(4-2) Commodity hedging contracts	(113,251,825)	25,793,561
5. Others	23,397,407	(32,428,032)
	(59,752,112)	(135,783,729)

9. NON-OPERATING INCOME

	2019	2018	Non-recurring profit or loss in 2019
Penalty income	13,928,403	9,527,375	13,928,403
Compensation income (Note 1)	4,095,872	276,878,897	4,095,872
Waivers of debts	8,959,036	25,539,410	8,959,036
Others	23,097,627	54,007,904	23,097,627
	50,080,938	365,953,586	50,080,938

Note 1: Compensation income in 2018 mainly included earthquake insurance indemnity recognised by BNL amounted to RMB250,374,281.

Zijin Mining Group Co., Ltd.*
Notes to Financial Statements (continued)
For the year ended 31 December 2019
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10. NON-OPERATING EXPENSES

	2019	2018	Non-recurring profit or loss in 2019
Losses on disposal of fixed assets	92,506,857	138,468,772	92,506,857
Donations	178,033,075	206,505,553	178,033,075
Penalties and compensations	11,651,161	37,755,716	11,651,161
Losses on stocktaking	13,057,260	3,369,509	13,057,260
Others	22,627,981	31,045,320	22,627,981
	<u>317,876,334</u>	<u>417,144,870</u>	<u>317,876,334</u>

11. EARNINGS PER SHARE

	2019 RMB/Share	2018 RMB/Share
Basic earnings per share		
Continuing operations	<u>0.18</u>	<u>0.18</u>
Diluted earnings per share		
Continuing operations	<u>0.18</u>	<u>0.18</u>

Basic earnings per share is calculated by dividing the consolidated net profit for the reporting period attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding.

There were no potential dilutive ordinary shares for the Company.

Basic earnings per share is calculated as follows:

	2019	2018
Earnings		
Consolidated net profit attributable to ordinary shareholders of the Company		
Continuing operations	<u>4,283,957,365</u>	<u>4,093,773,630</u>
Shares		
Weighted average number of ordinary shares outstanding	<u>23,288,319,281</u>	<u>23,031,218,891</u>
Adjusted weighted average number of ordinary shares outstanding	<u>23,288,319,281</u>	<u>23,031,218,891</u>

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12. OTHER COMPREHENSIVE INCOME

The accumulated balance of other comprehensive income attributable to owners of the parent in the consolidated statement of financial position is as follow:

2019

	Opening balance	Movements			Closing balance
		Amount before tax	Income tax	Amount after tax	
Changes in fair value of other equity instrument investments (Note)	(948,864,104)	1,045,753,536	(1,399,785)	1,044,353,751	95,489,647
Hedging costs - forward elements	61,666,120	(65,505,914)	-	(65,505,914)	(3,839,794)
Exchange differences arising from translation of financial statements denominated in foreign currencies	(688,775,081)	123,196,019	-	123,196,019	(565,579,062)
	<u>(1,575,973,065)</u>	<u>1,103,443,641</u>	<u>(1,399,785)</u>	<u>1,102,043,856</u>	<u>(473,929,209)</u>

2018

	Opening balance	Impact of change in accounting policies	Movements			Closing balance
			Amount before tax	Income tax	Amount after tax	
Changes in fair value of other equity instrument investments	23,861,374	186,956,573	(1,158,320,421)	(1,361,630)	(1,159,682,051)	(948,864,104)
Hedging costs - forward elements	-	-	61,666,120	-	61,666,120	61,666,120
Exchange differences arising from translation of financial statements denominated in foreign currencies	(626,754,900)	-	(62,020,181)	-	(62,020,181)	(688,775,081)
	<u>(602,893,526)</u>	<u>186,956,573</u>	<u>(1,158,674,482)</u>	<u>(1,361,630)</u>	<u>(1,160,036,112)</u>	<u>(1,575,973,065)</u>

Note: Changes in fair value mainly represent change in fair value of the stocks of Ivanhoe.

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12. OTHER COMPREHENSIVE INCOME (continued)

Total amount of other comprehensive income recognised in the statement of profit or loss during the year:

2019

	Amount before tax	Less: Amount of other comprehensive income recognised in previous periods transferred into profit or loss during the current period	Less: Amount of other comprehensive income recognised in previous periods transferred into retained earnings during the current period	Less: income tax	Attributable to the parent	Attributable to non-controlling interests
Other comprehensive income not to be reclassified to profit or loss in subsequent periods						
Changes in fair value of other equity instrument investments	1,253,318,391	-	102,412,585	721,412	1,146,766,336	3,418,058
Other comprehensive income to be reclassified to profit or loss in subsequent periods						
Hedging costs - forward elements	(66,897,988)	5,678,619	-	-	(65,505,914)	(7,070,693)
Exchange differences arising from translation of financial statements denominated in foreign currencies	212,006,510	-	-	-	123,196,019	88,810,491
	<u>1,398,426,913</u>	<u>5,678,619</u>	<u>102,412,585</u>	<u>721,412</u>	<u>1,204,456,441</u>	<u>85,157,856</u>

2018

	Amount before tax	Less: Amount of other comprehensive income recognised in previous periods transferred into profit or loss during the current period	Less: Amount of other comprehensive income recognised in previous periods transferred into retained earnings during the current period	Less: income tax	Attributable to the parent	Attributable to non-controlling interests
Other comprehensive income 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)
	<u>(1,172,533,184)</u>	<u>-</u>	<u>-</u>	<u>1,952,206</u>	<u>(1,160,036,112)</u>	<u>(14,449,278)</u>

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13. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on its products and services and has nine reportable operating segments as follows:

- (1) the gold bullion segment engages in the production of gold bullion through the Group's integrated processes, i.e., mining, processing and refining;
- (2) the processed, refined and trading gold segment engages in the production of gold bullion by processing gold concentrates produced by the Group or purchased from external suppliers and the 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 refined copper segment engages in the production of copper cathodes by processing copper concentrates produced by the Group or purchased from external suppliers;
- (6) the copper concentrates segment engages in the production of copper concentrates that are up to smelting standard by processing copper ore produced by the Group;
- (7) other concentrates segment comprises, principally, the production of zinc concentrates, tungsten concentrates, lead concentrates and iron ore;
- (8) the zinc bullion segment engages in the production of zinc bullion; and
- (9) segment of others comprises, principally, income from sales of sulphuric acid, copperplate, silver and iron and income from trading of copper cathodes.

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 financial instruments as well as head office and corporate expenses are excluded from this measurement.

Segment assets exclude cash and cash equivalents, deferred tax assets, equity investments at fair value through profit or loss, derivative financial instruments and other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude financial liabilities at fair value through profit or loss, derivative financial instruments, bank and other borrowings, deferred tax liabilities, taxes payable, bonds payable and other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

Intersegment sales and transfers are transacted with reference to the selling prices adopted for sales made to third parties.

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13. OPERATING SEGMENT INFORMATION (continued)

2019

Item	Gold bullion	Processed, refined and trading gold	Gold concentrates	Copper cathodes	Refined copper	Copper concentrates	Other concentrates	Zinc bullion	Others	Eliminations	Total
Segment revenue:											
Sales to external customers	5,039,491,746	72,371,096,168	1,503,655,377	2,736,066,390	19,199,429,220	4,217,437,128	5,933,061,455	4,024,630,424	21,073,110,110	-	136,097,978,018
Intersegment sales	3,413,359,677	8,452,535,817	1,677,964,932	1,038,781,277	1,699,033,141	5,151,014,174	1,111,907,066	14,080,786	16,800,933,172	(39,359,610,042)	-
Total	8,452,851,423	80,823,631,985	3,181,620,309	3,774,847,667	20,898,462,361	9,368,451,302	7,044,968,521	4,038,711,210	37,874,043,282	(39,359,610,042)	136,097,978,018
Segment profit#	1,301,400,545	13,956,436	257,035,570	3,892,312,658	372,805,566	1,191,892,772	1,879,886,940	327,363,983	(290,553,482)	-	8,946,100,988
Losses on disposal of non-current assets	(12,261,875)	(1,219,463)	(13,362,686)	931,436	599,968	1,612,155	146,481	(103,454)	(17,615)	-	(23,675,053)
Interest and dividend income											525,455,766
Unallocated income											(369,586,042)
Finance costs											(2,104,016,893)
Profit before tax											6,974,278,766
Assets and liabilities											
Segment assets	56,671,333,091	12,998,617,517	11,861,412,177	8,692,805,826	13,147,227,726	21,094,110,188	11,516,503,998	2,639,556,183	116,806,778,847	(146,248,359,987)	109,179,985,566
Unallocated assets											14,650,961,653
Total assets											123,830,947,219
Segment liabilities	29,698,200,649	8,513,321,574	6,874,826,088	4,878,924,342	7,987,698,360	12,377,629,046	7,968,040,568	1,352,253,236	61,048,275,547	(89,675,946,202)	51,023,223,208
Unallocated liabilities											15,728,125,947
Total liabilities											66,751,349,155

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13. OPERATING SEGMENT INFORMATION (continued)

2019 (continued)

Item	Gold bullion	Processed, refined and trading gold	Gold concentrates	Copper cathodes	Refined copper	Copper concentrates	Other concentrates	Zinc bullion	Others	Eliminations	Total
Other disclosures											
Share of profits or losses of:											
Associates	-	-	-	81,469,020	-	-	104,938,154	-	88,359,977	-	274,767,151
Joint ventures	-	9,068,060	-	-	76,784	(171,121,007)	-	-	(16,779,493)	-	(178,755,656)
Impairment losses recognised in the statement of profit or loss	16,443,593	183,473	88,825,621	19,283,677	28,623,973	3,657,827	-	14,786,003	324,497,488	-	496,301,655
Impairment losses reversed in the statement of profit or loss	(15,125,514)	-	(1,598,394)	-	(27,970,028)	(239,390)	-	-	(17,367,124)	-	(62,300,450)
Unallocated non-cash income											(59,752,112)
Depreciation and amortisation	180,448,893	2,972,133,614	69,868,252	96,051,434	747,881,383	188,659,584	138,233,750	135,703,416	1,324,031,728	-	5,853,012,054
Investments in associates	-	-	-	677,621,434	-	-	1,020,112,884	-	1,764,476,818	-	3,462,211,136
Investments in joint ventures	-	186,373,934	-	-	-	1,568,865,864	-	-	1,706,965,159	-	3,462,204,957
Capital expenditure	1,240,853,237	469,654,510	757,062,346	919,574,805	1,035,350,154	2,436,899,782	1,462,838,742	275,008,965	5,344,848,528	-	13,942,091,069
Unallocated capital expenditure											75,085,914

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13. OPERATING SEGMENT INFORMATION (continued)

2018

Item	Gold bullion	Processed, refined and trading gold	Gold concentrates	Copper cathodes	Refined 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	(178,991,029,096)	97,692,892,399
Unallocated assets											15,186,411,443
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	(109,768,772,642)	47,947,389,176
Unallocated liabilities											17,658,201,964
Total liabilities											65,605,591,140

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13. OPERATING SEGMENT INFORMATION (continued)

2018 (continued)

Item	Gold bullion	Processed, refined and trading gold	Gold concentrates	Copper cathodes	Refined copper	Copper concentrates	Other concentrates	Zinc bullion	Others	Eliminations	Total
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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13. OPERATING SEGMENT INFORMATION (continued)

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

Geographical information

In 2019, over 85% (2018: 91%) of the Group's operating income was derived from customers based in Mainland China, and over 51% (2018: 54%) of the Group's assets were located in Mainland China.

Information about a major customer

In the year 2019, the Group's income from the Shanghai Gold Exchange was RMB70,320,301,855 (2018: RMB47,167,523,218), which was mainly derived from the gold bullion segment and processed, refined and trading gold segment.

14. TRADE RECEIVABLES

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

An ageing analysis of the trade receivables is as follow:

	2019	2018
Within 1 year	920,113,326	971,470,996
Over 1 year but within 2 years	9,114,974	28,163,819
Over 2 years but within 3 years	20,743,565	18,359,531
Over 3 years	13,018,550	3,863,260
	<u>962,990,415</u>	<u>1,021,857,606</u>
Less: Bad debt provision for trade receivables	<u>18,874,685</u>	<u>11,986,497</u>
	<u>944,115,730</u>	<u>1,009,871,109</u>

The ageing of trade receivables is calculated based on the issuing date of the sales invoice.

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

	At 1 January	Impact of changes in accounting policies	Additions	Reversal	Write-off	At 31 December
2019	<u>11,986,497</u>	-	<u>8,813,200</u>	<u>(389,998)</u>	<u>(1,535,014)</u>	<u>18,874,685</u>
2018	<u>11,196,522</u>	<u>9,495,496</u>	<u>2,455,700</u>	-	<u>(11,161,221)</u>	<u>11,986,497</u>

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14. TRADE RECEIVABLES (continued)

	2019			
	Carrying amount		Bad debt provision	
	Amount	Proportion (%)	Amount	Proportion (%)
For which bad debt provision has been made individually	11,234,457	1.17	11,234,457	100.00
Provision for bad debts based on credit risk characteristics	951,755,958	98.83	7,640,228	0.80
	962,990,415	100.00	18,874,685	1.96
	2018			
	Carrying amount		Bad debt provision	
	Amount	Proportion (%)	Amount	Proportion (%)
For which bad debt provision has been made individually	4,650,678	0.46	3,983,886	85.66
Provision for bad debts based on credit risk characteristics	1,017,206,928	99.54	8,002,611	0.79
	1,021,857,606	100.00	11,986,497	1.17

The Group's trade receivables with bad debt provision using the ageing analysis method are as follows:

	2019		
	Carrying amount with estimated default	Expected credit losses rate (%)	Entire lifetime expected credit losses
	Within 1 year	920,012,775	0.30
Over 1 year but within 2 years	9,114,974	6.00	546,899
Over 2 years but within 3 years	16,367,816	15.00	2,455,173
Over 3 years	6,260,393	30.00	1,878,118
	951,755,958		7,640,228
	2018		
	Carrying amount with estimated default	Expected credit 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

In 2019, provision for bad debt was RMB8,813,200 (2018: RMB2,455,700), and provision for bad debt of RMB389,998 was recovered or reversed (2018: no provision for bad debt was recovered or reversed).

In 2019, trade receivables written off amounted to RMB1,535,014 (2018: RMB11,161,221).

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15. TRADE PAYABLES

	2019	2018
Trade payables	<u>4,382,104,169</u>	<u>4,540,248,350</u>

As at 31 December 2019, an ageing analysis of the trade payables, based on the invoice dates, is as follows:

	2019	2018
Within 1 year	3,754,308,693	3,941,803,169
Over 1 year but within 2 years	358,375,254	376,762,142
Over 2 years but within 3 years	125,860,772	119,449,275
Over 3 years	<u>143,559,450</u>	<u>102,233,764</u>
	<u><u>4,382,104,169</u></u>	<u><u>4,540,248,350</u></u>

16. RETAINED EARNINGS

	2019	2018
At 1 January	22,181,224,459	20,194,761,855
Changes in accounting policies	-	(9,495,496)
Net profit attributable to owners of the parent	4,283,957,365	4,093,773,630
Gains on disposal of other equity instrument investments	102,412,585	979,461
Less: Appropriation for the statutory reserve	-	-
Interest paid on renewable corporate bonds	258,500,000	25,985,291
Dividends paid in cash for ordinary shareholders	<u>2,303,121,889</u>	<u>2,072,809,700</u>
At 31 December	<u><u>24,005,972,520</u></u>	<u><u>22,181,224,459</u></u>

Pursuant to the resolution of the shareholders' general meeting on 24 May 2019, the Company distributed a cash dividend of RMB0.10 per share (2018: RMB0.09 per share) to all shareholders, calculated on the basis of 23,031,218,891 issued shares (2018: 23,031,218,891 shares), with an aggregate amount of RMB2,303,121,889 (2018: RMB2,072,809,700).

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17. NET CURRENT LIABILITIES

	2019	2018
Current assets	28,594,396,116	30,448,688,235
Less: Current liabilities	<u>33,362,656,029</u>	<u>37,223,097,530</u>
Net current liabilities	<u>(4,768,259,913)</u>	<u>(6,774,409,295)</u>

18. TOTAL ASSETS LESS CURRENT LIABILITIES

	2019	2018
Total assets	123,830,947,219	112,879,303,842
Less: Current liabilities	<u>33,362,656,029</u>	<u>37,223,097,530</u>
Total assets less current liabilities	<u>90,468,291,190</u>	<u>75,656,206,312</u>

19. PROVISION FOR DEPRECIATION

	2019	2018
Fixed assets	4,537,433,554	3,435,984,806
Investment properties	<u>15,513,671</u>	<u>15,418,250</u>

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20. CHANGES IN ACCOUNTING POLICIES

New ASBE on Leases

In 2018, the Ministry of Finance of the PRC issued the revised “Accounting Standard for Business Enterprises 21 - Leases” (the “New ASBE on Leases”). The New ASBE on Leases adopts a single model similar to the current accounting treatment of finance leases, requiring lessees to recognise right-of-use assets, lease liabilities and relevant depreciation charge and interest expenses for all leases except short-term leases and leases of low-value assets. The Group carried out accounting treatments pursuant to the New ASBE on Leases since 1 January 2019. Pursuant to the transitional provisions, the comparative figures were not restated. The amounts of difference between the New ASBE on Leases and the current standard on leases on the date of initial application were adjusted to the opening balance of retained earnings of the year 2019:

- (1) For the finance leases existing before the date of initial application, the Group measured the right-of-use assets and lease liabilities separately according to the original carrying values of the assets under finance leases and the obligations under finance leases;
- (2) For the operating leases existing before the date of initial application, the Group measured the lease liabilities at the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application, and measured the right-of-use assets at an amount equal to the lease liabilities, adjusted by the amounts of any prepaid lease payments relating to those leases; and
- (3) The Group carried out impairment test on the right-of-use assets, and carried out the corresponding accounting treatments.

The Group adopted a simplified approach to measure the operating leases of which the underlying assets of the leases were classified as low-value assets or having a lease term ends within 12 months of the date of initial application. For these leases, no right-of-use assets or lease liabilities were recognised. In addition, the Group adopted the following simplified approach for operating leases existing before the date of initial application:

- (1) In the measurement of lease liabilities, a single discount rate was applied to a portfolio of leases with reasonably similar characteristics; in the measurement of right-of-use assets, initial direct costs were excluded;
- (2) For leases with extension options or termination options, the Group determined the lease terms according to the actual exercise and other most updated information;
- (3) As an alternative to performing an impairment review, the Group assessed if contractual arrangements containing leases were onerous contracts before the date of initial application, and adjusted the right-of-use assets by the amount of any provision recognised in the statement of financial position immediately before the date of initial application; and
- (4) For lease modifications before the date of initial application, the Group carried out accounting treatments according to the final arrangements of the leases.

Zijin Mining Group Co., Ltd.*
Notes to Financial Statements (continued)
For the year ended 31 December 2019
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20. CHANGES IN ACCOUNTING POLICIES (continued)

New ASBE on Leases (continued)

For the amount of minimum lease payments of significant operating leases disclosed in the 2018 financial statements, the Group adjusted the difference based on carrying amount as at 1 January 2019 discounted using the incremental borrowing rate as a lessee and the amount of lease liabilities recognised in the statement of financial position as at 1 January 2019 is as follow:

Minimum lease payments for significant operating leases as at 31 December 2018	387,884,441
Less: Amount of lease payments subject to simplified approach	10,463,266
<i>Including: Short-term leases</i>	<i>9,897,970</i>
<i>Leases having a remaining lease term of 12 months or less</i>	<i>565,296</i>
<i>Leases of low-value assets having a remaining lease term longer than 12 months</i>	<i>-</i>
Add: Additional amount of minimum lease payments of which it is reasonably certain to exercise options to extend the leases but is not recognised as at 31 December 2018	62,626,229
	440,047,404
Weighted average incremental borrowing rate	8.80%
Present value of operating lease payments as at 1 January 2019	327,177,510
Add: Finance lease liabilities as at 31 December 2018	3,060,201
Lease liabilities as at 1 January 2019	330,237,711

Impacts of adoption of the New ASBE on Leases on the statements of financial position as at 1 January 2019 are as follows:

The Group's consolidated statement of financial position

	Figures in the financial statements	Assumed the original standard was applied	Impact
Right-of-use assets	338,968,505	-	338,968,505
Fixed assets	34,135,734,060	34,144,464,854	(8,730,794)
Lease liabilities	278,048,772	-	278,048,772
Current portion of non-current liabilities	9,759,277,961	9,707,089,022	52,188,939
	24,437,375,832	24,437,375,832	-

Zijin Mining Group Co., Ltd.*
Notes to Financial Statements (continued)
For the year ended 31 December 2019
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20. CHANGES IN ACCOUNTING POLICIES (continued)

New ASBE on Leases (continued)

The Company's statement of financial position

	Figures in the financial statements	Assumed the original standard was applied	Impact
Right-of-use assets	1,204,617	-	1,204,617
Lease liabilities	1,204,617	-	1,204,617
	<u>-</u>	<u>-</u>	<u>-</u>

Impacts of adoption of the New ASBE on Leases on the financial statements for the year ended 31 December 2019 are as follows:

The Group's consolidated statement of financial position

	Figures in the financial statements	Assumed the original standard was applied	Impact
Right-of-use assets	354,772,381	-	354,772,381
Lease liabilities	282,347,122	-	282,347,122
Current portion of non-current liabilities	5,768,840,060	5,677,024,507	91,815,553
	<u>(5,696,414,801)</u>	<u>(5,677,024,507)</u>	<u>(19,390,294)</u>

The Group's consolidated statement of profit or loss

	Figures in the financial statements	Assumed the original standard was applied	Impact
Administrative expenses	3,689,326,869	3,689,982,751	(655,882)
Selling expenses	574,433,782	575,253,059	(819,277)
Operating costs	120,582,627,749	120,600,645,450	(18,017,701)
Financial expenses	1,466,849,459	1,433,426,297	33,423,162
	<u>126,313,237,859</u>	<u>126,299,307,557</u>	<u>13,930,302</u>

Zijin Mining Group Co., Ltd.*
Notes to Financial Statements (continued)
For the year ended 31 December 2019
RMB

20. CHANGES IN ACCOUNTING POLICIES (continued)

New ASBE on Leases (continued)

The Company's statement of financial position

	Figures in the financial statements	Assumed the original standard was applied	Impact
Right-of-use assets	5,403,083	-	5,403,083
Lease liabilities	4,246,294	-	4,246,294
Current portion of non-current liabilities	<u>5,472,546,130</u>	<u>5,471,260,931</u>	<u>1,285,199</u>
	<u>(5,471,389,341)</u>	<u>(5,471,260,931)</u>	<u>(128,410)</u>

The Company's statement of profit or loss

	Figures in the financial statements	Assumed the original standard was applied	Impact
Administrative expenses	624,416,397	624,567,341	(150,944)
Financial expenses	<u>152,907,767</u>	<u>152,628,413</u>	<u>279,354</u>
	<u>777,324,164</u>	<u>777,195,754</u>	<u>128,410</u>

In addition, since the date of initial application, the cash used to settle the principals and interests of lease liabilities of the Group are recognised as cash flows used in financing activities in the statements of cash flows, while the payment relating to short-term leases and leases of low-value assets under simplified approach and contingent rent not recognised as lease liabilities are still recognised as cash flows used in operating activities.

Changes in the reporting format of financial statements

In accordance with the "Notice on the Revision and Publication of the 2019 General Corporate Financial Reporting Format" (Cai Kuai [2019] No. 6) and "Notice on the Revision and Publication of Consolidated Financial Statements Format (2019 Version)" (Cai Kuai [2019] No. 16), in the statement of financial position, interest receivables" in "other receivables" only include interests generated from the relevant financial instruments due but not yet received (interests generated from financial assets accrued based on effective interest method were included in the carrying amount of the relevant financial instruments), "interest payables" in "other payables" only include interests incurred by the relevant financial instruments due but not yet settled (interests incurred by financial liabilities accrued based on effective interest method were included in the carrying amount of the relevant financial instruments). Pursuant to the transitional provisions of the new financial instruments standards, no retrospective adjustment was made for the comparative figures. This change in accounting policy has had no impact on the amounts of net profit and owners' equity in the consolidated and company financial statements.

In the statement of financial position, "bills receivable and trade receivables" is separated into "bills receivable" and "trade receivables", "bills payable and trade payables" is separated into "bills payable" and "trade payables", the bills at fair value through other comprehensive income originally in "bills receivable" are separately disclosed as "trade receivables financing". The Group correspondingly restated the comparative figures. Change in this accounting policy had no impact on the Group's and Company's net profit or owners' equity.

Zijin Mining Group Co., Ltd.*
Notes to Financial Statements (continued)
For the year ended 31 December 2019
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20. CHANGES IN ACCOUNTING POLICIES (continued)

Major impacts of changes in the abovementioned accounting policies on the financial statements are as follows:

The Group

2019	Before change in accounting policies Closing balance of 2018	Change in accounting policies	After change in accounting policies Opening balance of 2019
		Impact of changes in the reporting format of financial statements	
Bills receivable and trade receivables	1,009,871,109	(1,009,871,109)	-
Trade receivables	-	1,009,871,109	1,009,871,109
Trade receivables financing	-	1,243,090,520	1,243,090,520
Other current assets	2,504,018,792	(1,243,090,520)	1,260,928,272
Bills payable and trade payables	4,700,981,856	(4,700,981,856)	-
Bills payable	-	160,733,506	160,733,506
Trade payables	-	4,540,248,350	4,540,248,350

The Company

2019	Before change in accounting policies Closing balance of 2018	Change in accounting policies	After change in accounting policies Opening balance of 2019
		Impact of changes in the reporting format of financial statements	
Bills receivable and trade receivables	944,410,158	(944,410,158)	-
Trade receivables	-	944,410,158	944,410,158
Trade receivables financing	-	230,232,703	230,232,703
Other current assets	294,869,619	(230,232,703)	64,636,916
Bills payable and trade payables	643,993,331	(643,993,331)	-
Trade payables	-	643,993,331	643,993,331

CHAIRMAN'S STATEMENT

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

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

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

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

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

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

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

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

Exert full efforts to realise leaping growth. The Company sets the year 2020 as the “year for project construction”. All the positive factors shall be stimulated to transform resources advantage to advantage in products and efficacy at the

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

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

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

OVERVIEW OF THE COMPANY'S OPERATION

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

(1) Business scope

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

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



Major projects in China

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



Major overseas projects

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

(2) Operating model

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

1. Mine operation and management

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

(1) Gold

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

(2) Copper

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

(3) Zinc

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

2. Autonomous design and construction of mines

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

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

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

4. Cover refining industry to an optimal extent

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

5. Mining industry with finance and trading

The Company proactively propels the coordinated development of mine development and finance industry by establishing finance company, Hong Kong treasury centre, capital investment company and a batch of global mining

and financial services platforms. The financial capital management, operation and value-added chain in mining industry are systematically laid out. The Company plays an active role in exploring trading and logistics businesses relating to mine development, and sets up a batch of product sales and logistics management platforms.

(3) Position in the industry

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

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

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



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

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



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

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



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

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

III. Analysis on the core competitiveness during the reporting period

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

(1) Advantage in autonomous technological innovation

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

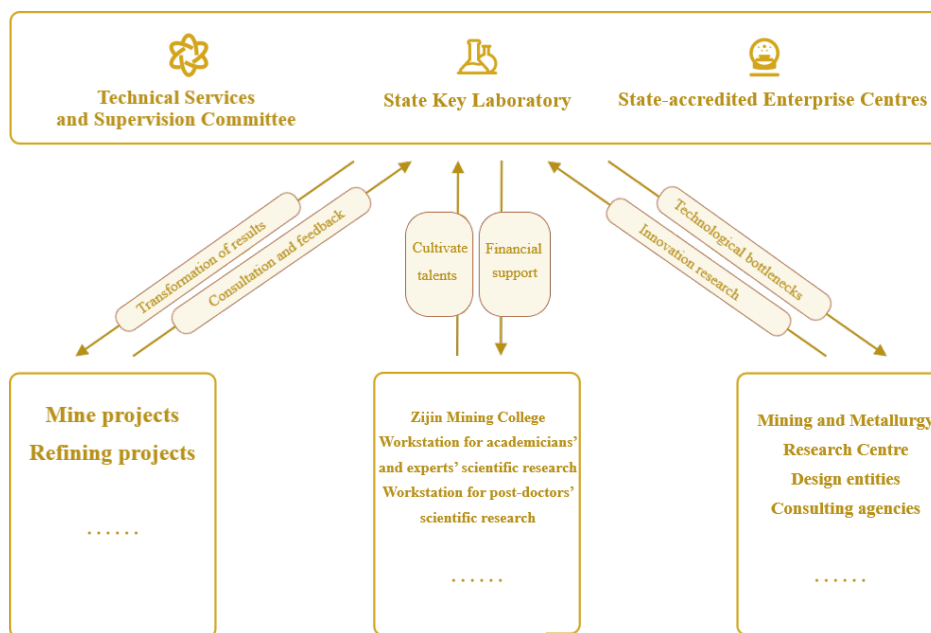
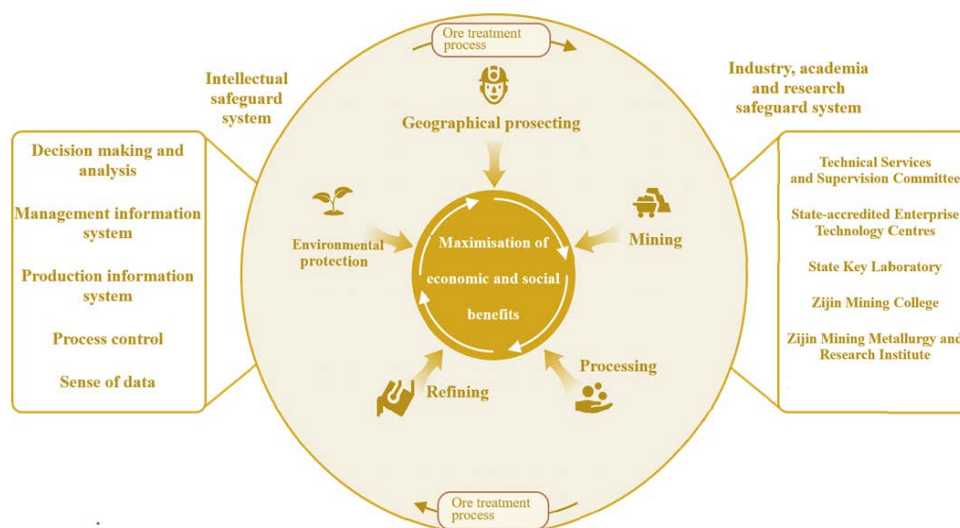


Diagram of Zijin Mining's industry, academia and research system

(2) Unique project management model

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



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

(3) Advantage in strong resources base

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

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

(4) Advantage in internationalised construction and operation

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

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

(5) Leading advantage in low-cost operation

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

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

(6) Advantage in modern corporate governance

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

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

DISCUSSION AND ANALYSIS ON OPERATING PERFORMANCE

(1) Market overview during the reporting period

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

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

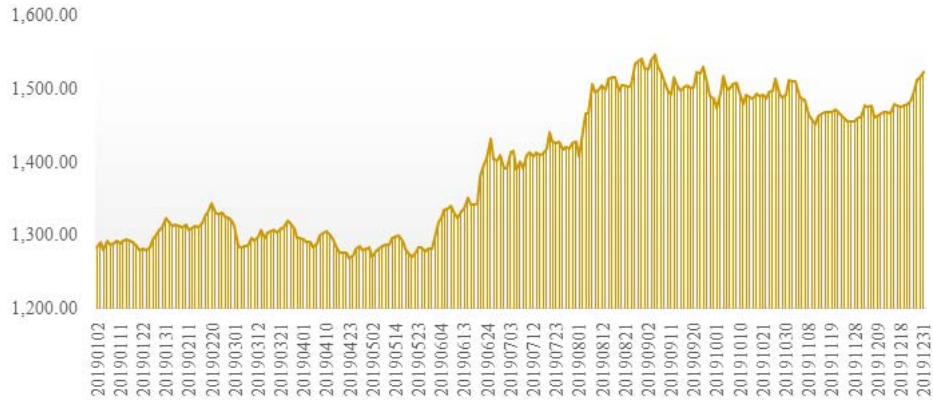
(2) Condition of the industry

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

1. Gold

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

LBMA golds price trend (USD/ounce)



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

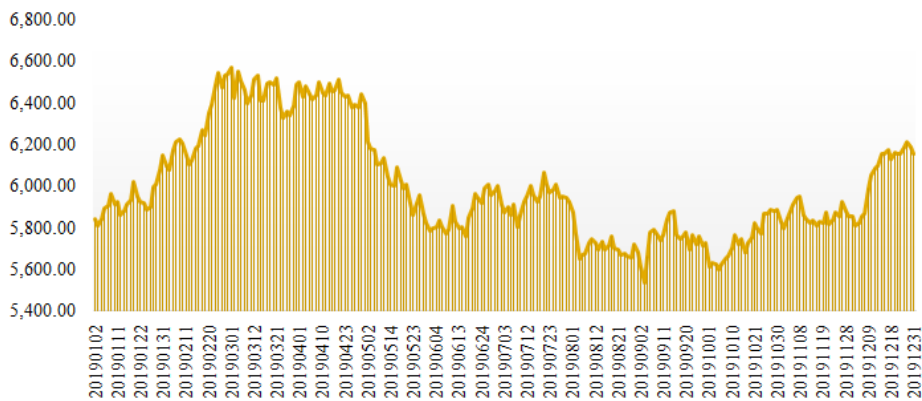
According to the statistics of the China Gold Association, in 2019, the national raw gold production was 380.23 tonnes, ranking first globally for 13 successive years and representing a decrease of 20.89 tonnes or 5.21% compared with the same period last year. In which, 314.37 tonnes were mine-produced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

2. Copper and zinc

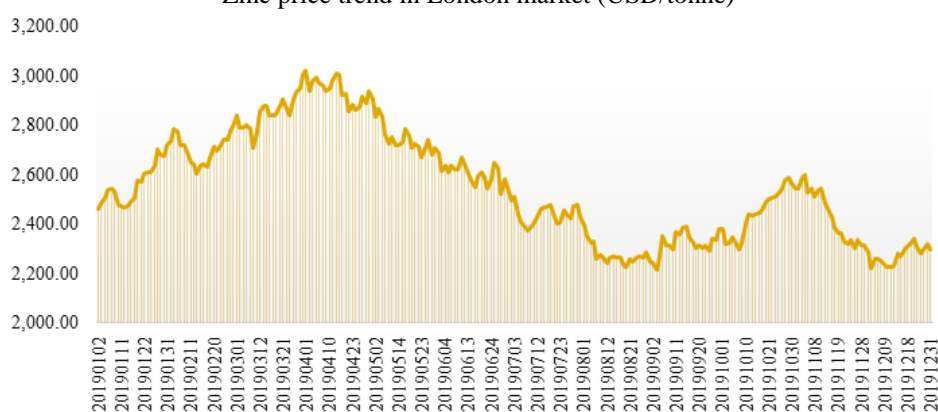
During the reporting period, the highest price of copper in London market reached USD6,609/tonne, while the lowest price hit USD5,518/tonne, and it closed at USD6,149/tonne at the end of the year. The annual average price was USD6,005/tonne, representing a decrease of 8% compared with the same period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

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

Copper price trend in London market (USD/tonne)



Zinc price trend in London market (USD/tonne)



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

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

(3) Business overview

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

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

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

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

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

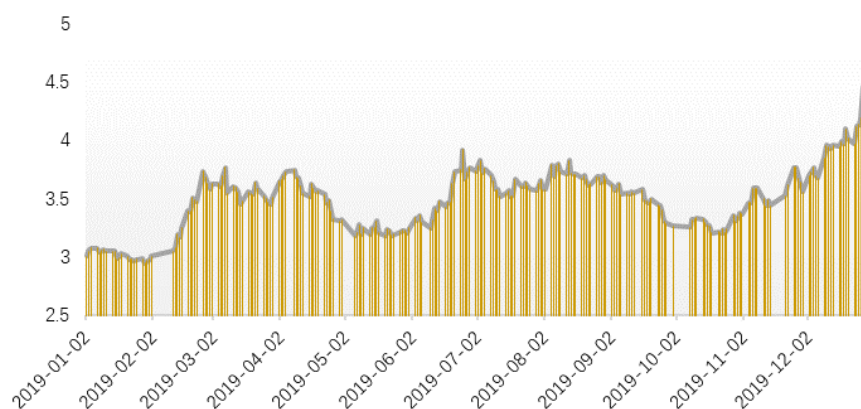
Summary table of retained resources reserve of key mines as at the end of 2019 (Buritacá Gold Mine excluded)

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

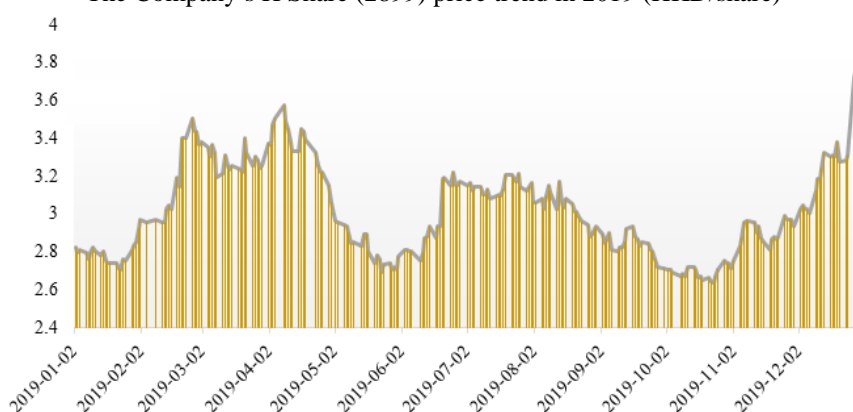
Comparison table of production volumes of the Company's major mineral products for 2017-2019

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

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



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



GOLD MINE BUSINESS

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

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

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

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

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

(1 troy ounce = 31.1035g)

COPPER MINE BUSINESS

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

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

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

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

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

ZINC (LEAD) MINE BUSINESS

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

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

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

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

SILVER, IRON MINE AND OTHER BUSINESSES

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

of mine-produced silver was produced, representing an increase of 19.15% compared with the same period last year (2018: 220,877kg).

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

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

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

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

Major measures taken during the reporting period

-Significantly increased resources reserve volumes of gold and copper

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

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

-Fully promoted the Company's internationalised development

The Company's overseas project operating capacity has been improved and the production momentum has been continuously released. The production volumes of mine-produced gold, mine-produced copper and mine-produced zinc of overseas projects accounted for 62.53%, 41.44%, and 52.46% of the respective total volume of the

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

-Public issuance of A Shares optimised financial structure

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

-Adhered to deepening reform and innovation of management system

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

-Cultivated self-owned team of competitive talents

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

-Significantly enhanced corporate awareness in compliance with laws and regulations

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

STATUS OF MAIN BUSINESSES DURING THE REPORTING PERIOD

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

Analysis of main businesses

1. Operating results

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

Item	2019 (January - December)					2018 (January - December)					Increase/ decrease in unit price
Product name	Unit price (Tax excluded)		Sales volume		Amount (RMB'000)	Unit price (Tax excluded)		Sales volume		Amount (RMB'000)	
Mine-produced gold	296.8	RMB/g	39,199	kg	11,634,470	252.06	RMB/g	36,133	kg	9,107,740	17.75%
Refined and processed gold	310.33	RMB/g	260,446	kg	80,823,630	270.59	RMB/g	205,478	kg	55,599,900	14.69%
Mine-produced silver	2.48	RMB/g	265,196	kg	658,470	2.29	RMB/g	220,801	kg	505,160	8.30%
Mine-produced copper cathode	39,925	RMB/t	48,955	t	1,954,510	42,727	RMB/t	19,587	t	836,900	-6.56%
Mine-produced electrolytic copper	41,531	RMB/t	43,831	t	1,820,340	/	RMB/t	/	t	/	/
Mine-produced copper concentrates	33,665	RMB/t	278,288	t	9,368,450	34,725	RMB/t	229,888	t	7,982,750	-3.05%
Refined copper	41,700	RMB/t	501,167	t	20,898,460	43,499	RMB/t	435,964	t	18,964,200	-4.14%
Mine-produced zinc	10,447	RMB/t	372,233	t	3,888,800	14,186	RMB/t	282,805	t	4,011,760	-26.36%
Refined zinc	17,665	RMB/t	228,622	t	4,038,710	20,205	RMB/t	182,591	t	3,689,190	-12.57%
Iron ore (excluding non-subsidiaries of the Company)	619	RMB/t	2.9963	Mt	1,855,770	588	RMB/t	2.4677	Mt	1,451,370	5.27%
Trading income					20,588,010					17,118,880	
Others (Note 1)					17,927,970					13,718,480	
Less: Internal elimination					-39,359,610					-26,992,080	
Total					136,097,980					105,994,250	

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

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

2. Analysis on cost and gross profit margin

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

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

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

Note 1: The gross profit 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 11.40%, representing a decrease of 1.19 percentage points compared with the same period last year. The overall gross profit margin of mineral products (excluding processed and refined products) was 42.63%, representing a decrease of 3.68 percentage points compared with the same period last year, which was mainly owing to the decrease in the prices of mine-produced copper and mine-produced zinc.

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

Currency: RMB

Items	Amount for the current period	Amount for the same period last year	Change (%)
Operating income	136,097,978,018	105,994,246,123	28.40
Operating costs	120,582,627,749	92,651,374,475	30.15
Taxes and surcharges	1,874,141,394	1,598,995,649	17.21
Selling expenses	574,433,782	887,451,338	-35.27
Administrative expenses	3,689,326,869	2,964,964,865	24.43
Research and development expenses	476,341,941	274,380,222	73.61
Financial expenses	1,466,849,459	1,254,241,143	16.95
Investment income	34,406,224	1,060,522,923	-96.76
Share of profits of associates and joint ventures	96,011,495	373,063,390	-74.26
Losses on changes in fair value	-59,752,112	-135,783,729	Not applicable
Impairment losses on assets	-368,381,596	-1,500,399,230	Not applicable
Credit impairment losses	-65,619,609	82,017,400	Not applicable
(Losses)/Gains on disposal of non-current	-23,675,053	84,561,738	Not applicable

assets			
Non-operating income	50,080,938	365,953,586	-86.31
Income tax expenses	1,913,374,082	1,447,503,229	32.18
Net profit attributable to non-controlling interests	776,947,319	588,902,923	31.93
Changes in fair value of other equity instrument investments	1,146,766,336	-1,159,682,051	Not applicable
Hedging costs - forward elements	-65,505,914	61,666,120	Not applicable
Exchange differences arising from translation of financial statements denominated in foreign currencies	123,196,019	-62,020,181	Not applicable
Net cash flows from operating activities	10,665,557,013	10,233,009,701	4.23
Net cash flows used in investing activities	-14,102,830,060	-13,640,210,446	Not applicable
Net cash flows (used in)/from financing activities	-325,810,301	7,655,168,438	Not applicable

- (1) Operating income/Operating costs: Please refer to the previous analysis;
- (2) Taxes and surcharges: Due to the increase in resource tax;
- (3) Selling expenses: Please refer to the analysis in "Expenses";
- (4) Administrative expenses: Please refer to the analysis in "Expenses";
- (5) Research and development expenses: Please refer to the analysis in "Expenses";
- (6) Financial expenses: Please refer to the analysis in "Expenses";
- (7) Investment income: Please refer to the analysis in "Expenses";
- (8) Share of profits of associates and joint ventures: Mainly due to a decrease in profitability of certain associates and joint ventures;
- (9) Losses on changes in fair value: Mainly due to unrealised gains generated from stock investments;
- (10) Impairment losses on assets: Please refer to the analysis in "Expenses";
- (11) Credit impairment losses: Please refer to the analysis in "Expenses";
- (12) (Losses)/Gains on disposal of non-current assets: Mainly due to the gains on disposal of intangible assets of 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, during the same period last year;
- (14) Income tax expenses: Mainly due to strong profitability of certain subsidiaries;
- (15) Net profit attributable to non-controlling interests: Mainly due to an increase in profitability of non-wholly owned subsidiaries compared with the same period last year;
- (16) Changes in fair value of other equity instrument investments: Mainly due to unrealised gains on the stocks at fair value through other comprehensive income during the reporting period, while there was an unrealised loss during the same period last year;
- (17) Hedging costs - forward elements: Due to the implementation of fair value hedge accounting, forward elements were initially identified and recognised in other comprehensive income, and was subsequently transferred from other comprehensive income to profit or loss for the period during which hedging relationship affecting the profit or loss;
- (18) Exchange differences arising from translation of financial statements denominated in foreign currencies: Due to the fluctuation of exchange rate of Renminbi to foreign currencies;
- (19) Net cash flows from operating activities: Please refer to the analysis in "Cash Flows";
- (20) Net cash flows used in investing activities: Please refer to the analysis in "Cash Flows";
- (21) Net cash flows (used in)/from financing activities: Please refer to the analysis in "Cash Flows".

4. Analysis on sales and costs

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

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

Unit: RMB'000

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	11,634,470	6,769,390	41.82	27.74	8.3	Increased by 10.45 percentage points
Refined, processed and trading gold	80,823,630	80,376,190	0.55	45.37	44.93	Increased by 0.30 percentage point
Mine-produced silver	658,470	377,200	42.71	30.35	-1.35	Increased by 18.4 percentage points
Mine-produced copper cathode	1,954,510	1,238,200	36.65	133.54	122.58	Increased by 3.12 percentage points
Mine-produced electrolytic copper	1,820,340	1,359,350	25.32	/	/	/
Mine-produced copper concentrates	9,368,450	5,101,970	45.54	17.36	32.24	Decreased by 6.13 percentage points
Refined copper	20,898,460	20,225,150	3.22	10.2	10.57	Decreased by 0.32 percentage point
Mine-produced zinc	3,888,800	2,411,430	37.99	-3.07	73.42	Decreased by 27.35 percentage points
Refined zinc	4,038,710	3,669,860	9.13	9.47	2.76	Increased by 5.93 percentage points
Iron ore	1,855,770	575,400	68.99	27.86	36.91	Decreased by 2.05 percentage points
Others	38,515,980	36,180,280	6.06	24.90	25.65	Decreased by 0.56 percentage point
Less: Internal elimination	-39,359,610	-37,701,790				
Total	136,097,980	120,582,630	11.40	28.40	30.15	Decreased by 1.19 percentage points
Status of main businesses by region						
By region	Operating income	Operating costs	Gross profit margin (%)	Changes in operating income compared with last year (%)	Changes in operating costs compared with last year (%)	Changes in gross profit margin compared with last year (percentage point)
Mainland China	144,500,900	134,382,650	7.00	20.92	22.79	Decreased by 1.42 percentage points
Outside Mainland China	30,956,690	23,901,890	22.79	129.59	150.72	Decreased by 6.51 percentage points
Less: Internal elimination	-39,359,610	-37,701,790				
Total	136,097,980	120,582,630	11.40	28.40	30.15	Decreased by 1.19 percentage points

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

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

(2) Table of analysis on production and sales volume

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

Explanations on the status of production and sales volume

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

(3) Table of cost analysis

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

Unit: RMB million

Status of product						
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	2,428.94	35.88	2,651.79	42.42	-8.40
	Salary	954.86	14.11	738.13	11.81	29.36
	Depreciation	1,199.36	17.72	1,270.70	20.33	-5.61
	Energy consumption	900.88	13.31	682.65	10.92	31.97
	Others	1,285.35	18.98	907.31	14.52	41.67
Mine-produced silver	Raw materials	164.03	43.49	196.99	51.52	-16.73
	Salary	48.25	12.79	38.42	10.05	25.59
	Depreciation	83.26	22.07	69.39	18.15	19.99
	Energy consumption	41.84	11.09	39.47	10.32	6.00
	Others	39.82	10.56	38.08	9.96	4.57

Mine-produced copper	Raw materials	3,277.44	42.57	1,808.23	40.96	81.25
	Salary	1,090.05	14.16	332.38	7.53	227.95
	Depreciation	1,401.57	18.20	785.45	17.79	78.44
	Energy consumption	1,095.42	14.23	538.21	12.19	103.53
	Others	835.03	10.84	950.00	21.53	-12.10
Mine-produced zinc	Raw materials	930.54	38.59	584.04	42.00	59.33
	Salary	189.80	7.87	113.14	8.14	67.76
	Depreciation	665.09	27.58	444.01	31.93	49.79
	Energy consumption	316.49	13.12	139.04	10.00	127.63
	Others	309.51	12.84	110.29	7.93	180.63
Iron ore	Raw materials	284.89	49.51	235.81	56.11	20.81
	Salary	53.34	9.27	32.59	7.75	63.67
	Depreciation	53.47	9.29	47.00	11.18	13.77
	Energy consumption	43.44	7.55	30.07	7.15	44.46
	Others	140.26	24.38	74.82	17.81	87.46
Refined copper	Raw materials	19,234.75	95.10	17,605.10	96.24	9.26
	Salary	192.01	0.95	120.58	0.66	59.24
	Depreciation	303.00	1.50	244.56	1.34	23.90
	Energy consumption	299.61	1.48	100.13	0.55	199.22
	Others	195.78	0.97	221.89	1.21	-11.77
Refined zinc	Raw materials	3,055.30	83.25	3,018.83	84.53	1.21
	Salary	131.43	3.58	111.41	3.12	17.97
	Depreciation	104.35	2.84	99.49	2.79	4.88
	Energy consumption	347.46	9.47	310.56	8.70	11.88
	Others	31.32	0.86	30.99	0.86	1.06

Other explanations on the analysis of costs

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. Mining corporations of the Group mostly adopted outsourcing of works. Such outsourcing cost was included in raw materials.

(4) Information on major customers and suppliers

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

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

Other information

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

5. Expenses

Selling expenses

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

Administrative expenses (research and development expenses included)

During the reporting period, the Group's administrative expenses amounted to RMB4.16567 billion, representing an increase of 28.60% compared with the same period last year (2018: RMB3.23935 billion). It was mainly due to the

newly acquired enterprises being included in the scope of consolidation and research and development expenses.

Financial expenses

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

Impairment losses on assets/Credit impairment losses

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

Investment income

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

Losses on changes in fair value

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

6. Research and development expenditure

Table of research and development expenditure

Unit: RMB

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

7. Cash flows

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

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

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

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

As at 31 December 2019, the Group's total borrowings amounted to RMB45.071 billion (31 December 2018: RMB47.148 billion). Among which, the amount repayable within one year was approximately RMB19.293 billion, the amount repayable within one to two years was approximately RMB9.872 billion, the amount repayable within two to five years was approximately RMB15.151 billion, and the amount repayable in more than five years was approximately

RMB755 million. The interest rates of all the abovementioned borrowings ranged from 1.2% to 5.68% per annum.

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

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

Gearing Ratio

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

Key quarterly financial data for the year 2019

Unit: RMB

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

Non-recurring profit or loss items and their amounts

Unit: RMB

Non-recurring profit or loss items	2019	Note (if applicable)	2018
Losses on disposal of non-current assets	-116,181,910		-53,907,034
Government grants recognised in the statement of profit or loss for the current period, except for government grants which are closely related to the Company's normal business operations, and in line with the country's policies, calculated according to certain standards or continuously granted in fixed amount	290,839,484		227,613,533
Capital utilisation fee received from non-financial enterprises recognised in profit or loss for the current period	417,164,084		341,735,525
Gains arising from the investment costs being smaller than the shared amount of fair value of the identifiable net assets of investees including subsidiaries, associate and joint ventures at the acquisition date			44,990,444
Gains or losses on changes in fair value arising from held for trading financial assets, derivative financial assets, held for trading financial liabilities and derivative financial liabilities, investment gains or losses on disposal of held for trading financial assets, derivative financial assets, held for trading financial liabilities, derivative financial liabilities and debt investments except for the effective portion of hedging closely related to the Company's business operations	-178,823,455	Including losses on changes in fair values of trading stocks, funds and currency swaps amounting to RMB105,424,899 and losses on disposal of stocks, funds, currency swaps and wealth management products amounting to RMB73,398,556	79,791,238
Reversal of impairment provision for receivables and contract assets individually	15,153,129		140,992,416

subject to impairment test			
Non-operating income and expenses other than the aforesaid items	-175,288,539		42,287,044
Other profit or loss items which meet the definition of non-recurring profit or loss	-4,964,011		455,628,328
Impact on the non-controlling interests	56,608,714		-26,515,531
Impact on income tax	-17,307,368		-220,092,858
Total	287,200,128		1,032,523,105

Items measured at fair value

Unit: RMB

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

ANALYSIS OF ASSETS AND LIABILITIES

Status of assets and liabilities

Unit: RMB

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

financial assets						bonds of Continental Gold.
Investment properties	130,373,389	0.11	608,221,789	0.54	-78.56	Mainly due to the change of use of certain properties from rental purpose to self-use purpose and reclassified as fixed assets.
Right-of-use assets	354,772,381	0.29	-	-	Not applicable	Implementation of the New ASBE on Leases and is not comparable.
Other non-current assets	11,444,009,515	9.24	8,198,537,946	7.26	39.59	Mainly due to the increases in borrowings to joint ventures and prepayments for land use rights.
Held for trading financial liabilities	326,139,054	0.26	242,482,582	0.21	34.50	Mainly due to increase in gold leasing not comprehensively quoted in Renminbi.
Bills payable	420,860,145	0.34	160,733,506	0.14	161.84	Mainly due to increase in payments by bills payable.
Held for sale liabilities	-	-	68,739,751	0.06	Not applicable	Mainly due to completion of disposal of Chongli Zijin in 2019, which was held for sale.
Current portion of non-current liabilities	5,768,840,060	4.66	9,707,089,022	8.60	-40.57	Mainly due to repayment of bonds payable due within one year.
Other current liabilities	500,000,000	0.40	-	-	Not applicable	Mainly due to issuance of ultra short-term financing bonds during the reporting period.
Bonds payable	11,966,468,687	9.66	8,879,453,693	7.87	34.77	Mainly due to increase in issuance of mid-term notes during the reporting period.
Lease liabilities	282,347,122	0.23	-	-	Not applicable	Implementation of the New ASBE on Leases and is not comparable.
Long-term payables	1,201,391,669	0.97	733,077,872	0.65	63.88	Mainly due to reclassification of payables for acquisition of equity interests from provision to long-term payables.
Capital reserve	18,690,342,400	15.09	11,094,766,390	9.83	68.46	Mainly due to increase in share premium caused by the proceeds raised in the public issuance of Renminbi-denominated ordinary shares (A Shares) during the reporting period.
Other comprehensive income	-473,929,209	-0.38	-1,575,973,065	-1.40	Not applicable	Mainly due to unrealised gains arising from stocks at fair value through other comprehensive income held by the Group.

ANALYSIS ON THE OPERATING INFORMATION OF THE INDUSTRY

1. Material changes in industrial policies during the reporting period

(1) On 14 April 2019, the General Office of the Communist Party of China and the General Office of the State Council issued the Guiding Opinions for the Reform on Coordinating and Promoting a Property Right System for Natural Resources Assets, which requires “focusing on the improvement of the property right system for natural resources assets, and the implementation of property right as the key” and “enhancing the property right system for natural resources assets, and further promoting ecological civilisation development”.

(2) On 17 December 2019, the Ministry of Natural Resources of the People’s Republic of China issued the Opinions on Exploring the Use of Market-oriented Ways to Promote Mine Ecological Restoration, so as to provide policy support in terms of encouraging the comprehensive restoration and utilisation of mine land, implementing differentiated land supply, revitalising the existing land for mine construction, etc.

2. Material changes in tax policies during the reporting period

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

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

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

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

4. Resource tax rate and tax incentives

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

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

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

ANALYSIS ON OPERATING INFORMATION OF NON-FERROUS METAL INDUSTRY

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

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

Basic information of self-owned mines

Name of mine	Major type	Total retained resources volume (including basic reserves volume)		Basic reserves volume		Extractable reserves volume (111)		Remaining resources mining year	Effective period of permit/mining right	Standard for calculation of resources reserve volume	Risk warning	Explanation on extractable reserves volume (111)
		Metal volume	Grade	Metal volume	Grade	Metal volume	Grade					
Porgera Gold Mine	Gold	314,311	4.22	153,009	4.81	153,009	4.81	Open-pit mining: 9 years Underground mining: 11 years	Application for extension of mining right (17 August 2019) in advance has been accepted for consideration	For cutoff grade, the reserve volume is based on gold price of USD1,200/ounce, resource volume is based on gold price of USD1,500/ounce, calculated by software	N/A	Proved + probable reserves volume
Paddington Operations	Gold	342,200	1.27	25,618	1.01	25,618	1.01	4	167 mining rights and 17 exploration permits (all within effective period)	Cutoff grade of open-pit mine: 0.5-0.8g/t, cutoff grade of underground mine: 1.5-3.0g/t, calculated by software	Proportion of reserves volume is comparatively low	Proved + probable reserves volume
Taldybulak Levoberezhny Gold Mine	Gold	64,082	5.91	32,070	5.23	0	-	14	2 mining rights (5 January 2026)	Cutoff grade of 0.5g/t, industrial grade of 2g/t, calculated by software	Grade C1: 32,070kg	
Jilau, Taror Gold mines	Gold	102,381	2.05	68,015	2.54	8,453	2.17	4 (Jilau), 23 (Taror)	2 mining rights (27 January 2021) 2 mining rights (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: 1.2g/t and 2.51g/t respectively, calculated by software	N/A	Grade B reserves volume
Shuguang Gold and Copper mine	Gold	26,050	0.44	15,295	0.49	179	0.88	7	Mining right (August 2025) Mining right (May 2023)	Cutoff grade of gold equivalent of 0.45g/t, industrial grade of gold equivalent of 0.6g/t, calculated by software	N/A	Grade 111b x designated percentage extraction
	Copper	113,975	0.19	65,151	0.21	689	0.34					
Zijinshan Gold and Copper Mine	Gold	8,237	0.35	86	0.30	74	0.3	22	Mining right (13 June 2043)	Cutoff grade and industrial grade of gold of 0.2g/t and 0.5 g/t respectively, cutoff grade and industrial	Proportion of basic reserves volume of gold mine is comparatively	
	Copper	1,609,180	0.51	471,048	0.67	137,591	0.73					

										grade of copper of 0.25% and 0.40% respectively, calculated by software	low	
Ashele Copper Mine	Copper	379,394	2.12	353,661	2.59	310,324	2.85	6.5	Mining right (2 February 2031)	Cutoff grade of 0.3%, industrial grade of 0.5%, calculated by horizontal parallel cross-section method	N/A	Grade 111b x designated percentage extraction
Duobaoshan Copper Mine	Copper	2,522,434	0.4	533,963	0.5	0	-	26	Mining right (10 April 2026)	Cutoff grade of 0.2%, industrial grade of 0.4%, calculated by vertical parallel cross-section method	Grade 122b basic resources volume: 533,963 tonnes	
Kolwezi Copper Mine	Copper	1,269,594	4.2	456,338	4.6	0	-	12	2 mining rights (4 March 2024)	Cutoff grade of 0.5%, industrial grade of 1.0%, calculated by software		
Bor Copper Mine	Copper	10,183,983	0.40	4,632,645	0.38	1,690,200	0.39	17 (Southern pit of MS) 19 (Northern pit of MS) 21 VK 19 NC 20 JM	5 mining rights (permanent)	Cutoff grade of 0.1%, calculated by traditional ore block method	N/A	Extractable reserves volume of the mine reported to the State Reserve Bureau
Kamoa Copper Mine	Copper	43,690,000	2.53	11,340,000	4.63	11,340,000	4.63	37	Mining right (19 August 2042) Exploration right (10 May 2020)	Cutoff grade of 1%, calculated by software	N/A	Proved+ probable reserves volume
Upper Zone of the Timok Copper and Gold Mine Project	Copper	1,280,000	3.00	890,000	3.28	890,000	3.28	11	Exploration right (19 April 2022)	Cutoff grade by NSR, resources volume: USD35/tonne and reserves volume of USD35/tonne	N/A	Proved+ probable reserves volume
	Gold	81,491	1.91	55,986	2.07	55,986	2.07					
Lower Zone of the Timok Copper and Gold Mine Project	Copper	14,300,000	0.86	0	-	0	-	At the present, feasibility study has not been conducted yet	Exploration right (19 April 2022)	Cutoff grade by NSR, resources volume: USD25/tonne	All are inferred resources volume	
	Gold	298,593	0.18	0	-	0	-					
Bisha Copper and Zinc Mine	Zinc	3,173,252	4.85	830,976	5.41	830,976	5.41	8	Mining right (25 May 2028) Mining right (4 July 2022)	NSR is value of ore per tonne after deduction of refining costs, mining areas with different	N/A	Proved + probable reserves volume
	Copper	663,797	1.02	144,384	0.94	144,384	0.94					

									Exploration right (24 July 2021) Exploration right (24 July 2026)	resources volume USD98.4/tonne, USD60.8/tonne, USD39.7/tonne, USD43.45/tonne, USD105/tonne, USD38.5/tonne, mining areas with different reserves volume USD105.9/tonne, USD70.13/tonne		
Kyzyl-Tash Turk Zinc and Polymetallic Mine	Zinc	887,377	9.67	706,305	9.83	94,230	9.85	13	Mining right (1 January 2025)	Industrial grade of DZn>5% (DZN=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	1,863,888	2.39	1,498,195	2.38	0	-	22	Mining right (6 June 2042) Exploration right (7 December 2019)	Cutoff grade of 0.5%, industrial grade of 1.6%, calculated by geological ore block method	Grade 121b basic reserves volume: 406,398 tonnes	
Wulagen Lead and Zinc Mine	Zinc	3,874,426	2.17	22,520	3.29	21,361	3.12	20	Mining right (3 July 2022) Mining right (27 February 2023) Exploration right (8 October 2020) Exploration right (20 March 2021) Exploration right (3 December 2020) Exploration right (26 November 2021)	Oxidised ore: cutoff grade of 2%, industrial grade of 6%; sulphide ore: cutoff grade of 1%, industrial grade of 2%, calculated by SURPAC software	Basic reserves volume is comparatively low	Grade 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 Operations, Kamoia Copper Mine, Upper Zone of the Timok Copper and Gold Mine Project, Lower Zone of the Timok Copper and Gold Mine Project and Bisha Copper and Zinc Mine is extracted from NI 43-101 report, and proved + probable reserves volumes are reported as the extractable reserves volume (Grade 111).

3. Former Soviet Union standards are used for the Taldybulak Levoberezhny Gold Mine, Jilau and Taror Gold Mines, Bor Copper Mine and Kyzyl-Tash Turk Zinc and Polymetallic Mine; grade B reserves volume is reported as extractable reserves volume (Grade 111), and Grade B + Grade C1 are reported as basic reserves volume.

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 basic reserves volume (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 “Discussion and Analysis On Operating Performance”.

Analysis on investment status

Overall analysis on external equity investment

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

Key equity investments

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

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

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

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

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

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

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

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

Key non-equity investments

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

of the Timok Copper and Gold Mine		application of approval for exploration shaft construction permit, SPSP area plan and other licenses and permits of the project were completed, and project design and application of mining permit are pushed forward orderly; levelling of land for processing plant commenced.			and reaching designated production capacity, the annual production will be approximately 79.6 thousand tonnes of copper metal and 2 tonnes of gold metal
Construction of the Kamoia Copper Mine phase 1	USD1.472 billion (Note)	Periodic equipment tendering and ordering were completed, tenders, negotiations and contract signing for major contracts such as underground mining contracts were completed. For shaft development, main slope and southern slope excavation were completed, while cross-vein drift has arrived at the high-grade deposits; for facilities on the land surface, processing plant, electricity facilities, etc. are under construction.	2,624	3,957	After completion of construction of phase 1 and reaching designated production capacity, the annual production will be copper concentrate containing approximately 300 thousand tonnes of copper

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

Financial assets measured at fair value

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

Material asset and equity interest disposals

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

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

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	3,320,470	1,898,930	2,795,970	526,740
Hunchun Zijin Mining Co., Ltd.	Shuguang Gold Mine	100%	8.94 million tonnes	2,062,350	1,776,510	1,376,020	473,510
Norton Gold Fields Pty Limited	Paddington Operations	100%	3.73 million tonnes	2,056,750	1,274,500	1,762,300	316,810
Altynken Limited Liability Company	Taldybulak Levoberezhny Gold Mine	60%	630 thousand tonnes	2,198,040	330,480	1,197,420	269,510
Joint Venture Zeravshan Limited Liability Company	Jilau, Taror Gold Mines	70%	2.77 million tonnes	2,559,580	-401,780	1,196,740	147,580
Zijin Mining Group Company Limited* (Note 2)	Zijinshan Gold Mine	100%	10.34 million tonnes	-	-	-	-
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 Co., Ltd.	Ashele Copper Mine	51%	2.25 million tonnes	2,941,470	1,869,740	1,827,030	656,620
Heilongjiang Duobaoshan Copper Industry Inc.	Duobaoshan Copper Mine	100%	22.27 million tonnes	6,900,520	3,378,240	3,020,770	608,170
La Compagnie Minière de Musonoie Global Société par Actions Simplifiée	Kolwezi Copper Mine	72%	2.57 million tonnes	4,067,740	1,019,590	3,015,830	454,600
Hunchun Zijin Mining Co., Ltd.	Shuguang Copper Mine	100%	8.94 million tonnes	2,062,350	1,776,510	1,376,020	473,510
Serbia Zijin Bor Copper doo Bor	MS/VK/NC/JM	63%	18.15 million tonnes	6,056,590	3,548,150	3,678,280	229,350
Zinc segment							
Company name	Mine	Interest held by the Group	Annual processing capacity	Total assets	Net assets	Operating income	Net profit
Xinjiang Zijin Zinc Co., Ltd.	Wulagen Lead and Zinc Mine	100%	4.02 million tonne	2,496,620	1,641,480	1,055,840	377,230
Bisha Mining Share Company	Bisha Copper and Zinc Mine	55%	2.4 million tonne	4,002,850	3,354,770	2,294,460	210,360
Longxing Limited Liability Company	Kyzyl-Tash Turk Zinc and Polymetallic mine	70%	1.2 million tonne	3,557,100	1,489,880	1,039,050	178,730

Urad Rear Banner Zijin Mining Co., Ltd.	Miaogou-Sanguikou Lead and Zinc Mine	95%	3.84 million tonne	2,137,980	1,440,190	1,061,650	117,760
Refining segment							
Company name	Major product	Interest held by the Group	Annual processing capacity	Total assets	Net assets	Operating income	Net profit
Zijin Copper Co., Ltd.	Refined copper	100%	300 thousand tonnes of copper cathode	9,158,190	3,328,730	17,610,890	353,720
Bayannur Zijin Non-ferrous Metals Co., Ltd.	Zinc bullion	87.2%	200 thousand tonnes of zinc bullion	2,926,250	1,171,770	4,265,630	229,600
Jilin Zijin Copper Co., Ltd.	Refined copper	100%	150 thousand tonnes of copper cathode	3,135,530	1,085,810	7,604,390	13,060
Other segments							
Company name	Major product	Interest held by the Group	Annual processing capacity	Total assets	Net assets	Operating income	Net profit
Xinjiang Jinbao Mining Co., Ltd.	Iron ore	56%	5.5 million tonnes	1,572,140	1,213,590	1,858,050	884,990
Fujian Makeng Mining Co., Ltd.	Iron ore	41.5%	2.9 million tonnes	4,928,660	1,315,390	1,158,620	101,360

Notes:

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.

DISCUSSION AND ANALYSIS ON THE COMPANY'S FUTURE DEVELOPMENT

(I) Landscape and development trend in the industry

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

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

Forecast on price trends of main metal products

1. Gold: gold price shall maintain an uptrend. As the disease is continuously spreading, various risks emerge around the globe. Geopolitics and geopolitical conflicts intensify, and financial market experiences turbulence. Major central banks around the globe tend to adopt loose or pro-loose policies. In addition, the first contraction of economic activities has occurred in the United States since the financial crisis. Service industry seriously suffers and uncertainties in presidential election further invigorates. Risk aversion sentiment maintains high in the market. As a result, it is likely that gold, being a valuable safety asset, will experience an upsurge in price.

2. Copper: copper price may remain weak for the short term, while the uptrend may stay for the medium to long term. Copper price will be subject to insufficient overseas risk appetite. The disease outbreak together with the plunge in oil price arouse market anxiety, lead to a weak copper price trend. However, due to a small number of newly commenced projects around the globe in recent years and strong support as a result of the costs of copper, the overall price downtrend is limited. The supply and demand of copper enter into the tight-balance period. After the disease outbreak ends, copper price is expected to regain an uptrend.

3. Zinc: influenced by disease outbreak, international situation, the plunge in crude oil price and other macro issues, zinc price may be dragged down. It is expected that zinc price will fluctuate in a relatively weak trend in the short term. However, as the accumulated domestic zinc bullion inventory is limited and overseas zinc inventory is gradually decreasing, it is estimated that zinc price may show a downtrend in a resistant manner.

(II) Development strategies of the Company

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

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

1. Mining

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

Note:

1. The production volume of mine-produced gold in 2020 includes that of the Buriticá gold mine in Colombia newly acquired;
2. The production volume of iron ore includes the production volume on equity basis of Fujian Makeng Mining Company Limited, in which the Company owns 41.5% interest.

2. Refining

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

(III) Business plan

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

Specific business strategies for 2020

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The Company shall strengthen enterprise culture development. Zijin's enterprise culture shall be passed down and promoted, and combine well with the locality of the project sites under objective and practical situation, in order to form an innovative Zijin team with ideals, beliefs and strong competitiveness. A high-handed posture of anti-corruption shall

be kept. The Company shall fully strengthen and improve the supervisory work, insist on the relative independence of the supervisory system, fortify the effectiveness of supervision and innovate the supervisory work mechanism to achieve precise supervision. Supervisory work shall focus on fighting against dereliction of duty, excuse-making, mediocrity and laziness in management.

(IV) Possible risks

1. Risk management system of the Company

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

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

2. Possible risks in 2020

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

(1) Metal price risks

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

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

(2) Financial market risks

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

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

(3) Country and community risks

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

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

(4) Safety and environmental protection risks

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

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

(V) Others

Plan for capital expenditures

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

SIGNIFICANT MATTERS

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

Formulation, execution or adjustment of cash dividend distribution policy

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

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 last three years shall not be less than 75% of the average annual distributable profits realised for the last 3 years. In principle, the Company’s annual distribution of cash dividends shall not be less than 25% of the realised distributable profits for the year (excluding the undistributed profits of last year).

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

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

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

Unit: RMB

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

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 businesses or main products within or outside the PRC, including investing, acquiring, merging or entrusting to operate and manage locally or globally a company, business or other economic association which main business or product is the same with or similar to that of the Company. If the Company develops any new business segment in the future, the Company will have the priority to enter that business industry while Minxi Xinghang and its other wholly-owned or controlling enterprises will not develop the same business segment.	The undertaking was made by Minxi Xinghang in 2008 when the A Shares of the Company were listed. The undertaking is valid so long as Minxi Xinghang is the substantial shareholder of the Company	Yes	Yes
Undertaking relating to re-finance	Others	The Company	The Company undertakes that the Company and its subsidiaries will not engage in business relating to real estate development in the future.	The undertaking was made on 26 July 2019	Yes	Yes

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

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

Summary of the event	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.

Material connected transactions

Connected transactions related to daily business operation

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

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

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

Changes in ordinary share capital

Table on changes in ordinary share capital

Unit: shares

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

2. Overseas-listed foreign invested shares	5,736,940,000	24.91	0	0	0	0	0	5,736,940,000	22.61
III. Total number of ordinary shares	23,031,218,891	100.00	+2,346,041,055	0	0	0	+2,346,041,055	25,377,259,946	100.00

Changes in ordinary shares

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

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

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

Issuance and listing of securities

Issuance of securities during the reporting period

Unit: Share Currency: RMB

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

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

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

Information of corporate bonds

Basic information of corporate bonds

Unit: RMB billion

Name of bond	Abbreviation	Code	Date of issuance	Date of maturity	Outstanding balance	Interest rate (%)	Payment of principal and interest	Listing place
2016 Corporate Bonds (the First Tranche) (Type One) of Zijin Mining Group Co., Ltd.*	16 Zijin 01	136304	18 March 2016	18 March 2021	0.30253	2.99	Interest to be paid annually, principal to be repaid in full at maturity.	Shanghai Stock Exchange
2016 Corporate Bonds (the First Tranche) (Type Two) of Zijin Mining Group Co., Ltd.*	16 Zijin 02	136305	18 March 2016	18 March 2021	2	3.37	Interest to be paid annually, principal to be repaid in full at maturity.	Shanghai Stock Exchange
2016 Corporate Bonds (the	16 Zijin 03	136549	15 July 2016	15 July 2021	0.044001	3.05	Interest to be paid	Shanghai Stock

Second Tranche) (Type One) of Zijin Mining Group Co., Ltd.*							annually, principal to be repaid in full at maturity.	Exchange
2016 Corporate Bonds (the Second Tranche) (Type Two) of Zijin Mining Group Co., Ltd.*	16 Zijin 04	136550	15 July 2016	15 July 2021	1.2	3.45	Interest to be paid annually, principal to be repaid in full at maturity.	Shanghai Stock Exchange
2017 Renewable Corporate Bonds (the First Tranche) of Zijin Mining Group Co., Ltd.* (publicly issued)	17 Zijin Y1	143917	12 September 2017	The base period is 3 years. At the end of the base period and the end of each renewal period, the Company has a right to exercise the renewal option to renew the bonds for one more period (i.e., 3 years). The renewable corporate bonds will mature when the Company does not exercise the renewal option and redeems the bonds in full amount.	0.5	5.17	When the Company does not exercise the option to delay interest payment, the interest shall be paid annually.	Shanghai Stock Exchange
2018 Renewable Corporate Bonds (the First Tranche) of Zijin Mining Group Co., Ltd.* (publicly issued)	18 Zijin Y1	136951	16 October 2018	The base period is 3 years. At the end of the base period and the end of each renewal period, the Company has a right to exercise the renewal option to renew the bonds for one more period (i.e., 3 years). The renewable corporate bonds will mature when the Company does not exercise the renewal option and redeems the bonds in full amount.	4.5	5.17	When the Company does not exercise the option to delay interest payment, the interest shall be paid annually.	Shanghai Stock Exchange

Settlement of interests and principals of the corporate bonds

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

Other information relating to the corporate bonds

The sell-back date of 2016 Corporate Bonds (the First Tranche) (Type One) of Zijin Mining Group Co., Ltd.* ("16 Zijin

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

Use of proceeds raised from corporate bonds

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

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

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

Accounting data and financial indicators of the Company as at the end of the reporting period for the recent 2 years

Unit: RMB

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

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

Name	Position	Change	Reasons for the change
Lan Fusheng	President	Resignation	Resigned from the position of president due to change of term
Zou Laichang	President	Appointment	Appointed to the position of president due to change of term
Fang Qixue	Director and vice-president	Resignation	Resigned from the position of Director and vice-president due to change of term
Lin Hongying	Financial controller (concurrent)	Resignation	Resigned from the position of financial controller due to change of term

Xie Xionghui	Director	Election	Elected to the position of Director due to change of term
Mao Jingwen	Independent Director	Election	Elected to the position of independent Director due to change of term
Li Changqing	Independent Director	Election	Elected to the position of independent Director due to change of term
He Fulong	Independent Director	Election	Elected to the position of independent Director due to change of term
Suen Man Tak	Independent Director	Election	Elected to the position of independent Director due to change of term
Lu Shihua	Independent Director	Resignation	Resigned from the position of independent Director due to change of term
Sit Hoi Wah, Kenneth	Independent Director	Resignation	Resigned from the position of independent Director due to change of term
Cai Meifeng	Independent Director	Resignation	Resigned from the position of independent Director due to change of term
Cao Sanxing	Supervisor representing workers and staff	Election	Elected to the position of Supervisor representing workers and staff due to change of term
Lan Liying	Supervisor representing workers and staff	Resignation	Resigned from the position of Supervisor representing workers and staff due to change of term
Shen Shaoyang	Vice-president	Appointment	Appointed to the position of vice-president due to change of term
Long Yi	Vice-president	Appointment	Appointed to the position of vice-president due to change of term
Que Chaoyang	Vice-president	Appointment	Appointed to the position of vice-president due to change of term
Wu Honghui	Financial controller	Appointment	Appointed to the position of financial controller due to change of term
Jiang Kaixi	Chief engineer	Appointment	Appointed to the position of chief engineer due to change of term
Zheng Youcheng	Secretary to the Board	Appointment	Appointed to the position of secretary to the Board due to change of term
Liu Qiang	Secretary to the Board	Resignation	Resigned from the position of secretary to the Board due to change of term
Guo Xianjian	Chief engineer	Resignation	Resigned from the position of chief engineer due to change of term

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

For the composition of the Directors, Supervisors and senior management, please refer to the Company's 2019 annual report.

Details of the shareholders' general meetings

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

The second extraordinary general meeting in 2019 of the Company	30 December 2019	www.hkexnews.hk	30 December 2019
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Purchase, sale or redemption of listed securities of the Company

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

Corporate Governance

As required by provision A.1.8 of Appendix 14 Corporate Governance Code and Corporate Governance Report to the Listing Rules (the "CG Code"), an issuer should arrange appropriate insurance cover in respect of potential legal action against its directors. The Board currently considers that the Company and the Board have adopted sufficient measures to prevent Directors from committing errors and 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. As required by provision A.6.7 of the CG Code, independent non-executive director should attend general meetings. Independent non-executive Director Mr. Cai Meifeng had work appointment and could not attend the Company's first extraordinary general meeting in 2019, the first A Shareholders' class meeting in 2019 and the first H Shareholders' class meeting in 2019 on 12 April 2019, 2018 annual general meeting on 24 May 2019 and the second extraordinary general meeting in 2019 on 30 December 2019.

Save as disclosed above, for the year ended 31 December 2019, the Board confirmed that the Group has adopted and complied with the provisions of the CG Code and has followed most of its recommended best practices with no deviation (for details, please refer to the Company's 2019 annual report).

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 five independent non-executive Directors and one of them possesses accounting or related financial management expertise. Brief biographies of the independent non-executive Directors have been provided in the Company's 2019 annual report.

Securities transactions by the Directors and Supervisors

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

Shareholdings of the Directors and Supervisors in the Company

As at 31 December 2019, Mr. Chen Jinghe, an executive Director and the chairman of the Board, held 112,050,000 A Shares and 15,000,000 H Shares; Mr. Lan Fusheng, an executive Director and vice-chairman, held 7,730,510 A Shares; Mr. Zou Laichang, an executive Director and president, held 1,623,050 A Shares; Mr. Lin Hongfu, an executive Director, held 978,938 A Shares; Ms. Lin Hongying, an executive Director, held 227,000 A Shares; Mr. Xie Xionghui, an executive Director, held 149,000 A Shares; Mr. Lin Shuiqing, a Supervisor, held 300,000 A Shares; Mr. Liu Wenhong, a Supervisor, held 26,450 A shares and 10,000 H Shares; and Mr. Cao Sanxing, a Supervisor, held 124,000 A Shares.

Audit and internal control committee

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

Appointment and dismissal of auditors

Unit: RMB million

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

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

Important events after reporting period

1. The Group's subsidiary, Zijin America, entered into the arrangement agreement with Continental Gold on 2 December 2019 and proposed an acquisition arrangement to acquire all of the currently issued common shares and dilutive instruments of Continental Gold in cash at a consideration of CAD5.50 per common share. The total number of shares to be acquired was approximately 215,599,073 and the total consideration was approximately CAD1.33 billion. As at 27 February 2020, all domestic and overseas approvals or filing formalities required for the acquisition of equity interest were completed. On 3 March 2020, Zijin America settled the consideration amounted to CAD1,336,500,000 (approximately equivalent to RMB6,971,584,950) in cash. The acquisition of equity interest was completed on 5 March 2020. Since then, Zijin America owns 100% equity interest in Continental Gold. After completion of the acquisition, Continental Gold was officially delisted from the Toronto Stock Exchange of Canada and OTCQX International of the United States.
2. The Group used Zijin America as the principal of the transactions relating to Continental Gold, and introduced cooperation partners to subscribe for certain equity interest in Zijin America. Gold Mountains (H.K.) ultimately owned approximately 68.766% of Zijin America's equity interest after such subscription. All shareholders of Zijin America invested a total of USD1.378 billion (approximately equivalent to RMB9,619,955,800) in cash in proportion to their respective shareholding percentage. The abovementioned fund for capital increase was settled on 2 March 2020.
3. From the beginning of 2020 to the date of this announcement, as a result of the impact of novel coronavirus pneumonia outbreak, downward pressure on global economy was obviously heightened, giving rise to the fluctuation risk of non-ferrous metal prices. In response to the continued spreading of the disease outbreak, the Board will further enhance the countermeasures, strengthen the tracking and forecast on the prices of bulk commodities and metals, strive to ensure steady production and operation, and minimise the negative impact of the disease outbreak on the Company's production and operation as much as possible.

Save as disclosed above, there is no important event affecting the Group which has occurred after the reporting period and up to the date of this announcement.

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

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

Definition

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

A Share(s)	The domestic share(s) issued by the Company to domestic investors with a nominal value of RMB0.10 each, which are listed on the Shanghai Stock Exchange
Altynken	Altynken Limited Liability Company, a subsidiary of the Company
Bayannur Zijin	Bayannur Zijin Non-ferrous Metals Co., Ltd., a subsidiary of the Company
BNL	Barrick (Niugini) Limited, a company under joint operation of the Company
Board, Board of Directors	The board of Directors of the Company
CAD	Canadian dollar, the lawful currency of Canada
Chongli Zijin	Chongli Zijin Mining Co., Ltd.
COMMUS	La Compagnie Minière de Musonoie Global Société par Actions Simplifiée, a subsidiary of the Company
Company, Zijin, Zijin Mining	Zijin Mining Group Co., Ltd.*
Continental Gold	Continental Gold Inc.
CSRC	China Securities Regulatory Commission
Director(s)	The director(s) of the Company

DR Congo	The Democratic Republic of the Congo
Guizhou Zijin	Guizhou Zijin Mining Co., Ltd., a subsidiary of the Company
H Share(s)	The overseas-listed foreign invested share(s) in the Company's share capital, with a nominal value of RMB0.10 each, which are listed on the Hong Kong Stock Exchange
HKD	Hong Kong dollar, the lawful currency of Hong Kong
Hong Kong	the Hong Kong Special Administrative Region of the PRC
Hong Kong Stock Exchange, Stock Exchange	The Stock Exchange of Hong Kong Limited
Ivanhoe	Ivanhoe Mines Ltd.
Listing Rules	The Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
Longnan Zijin	Longnan Zijin Mining Co., Ltd., a subsidiary of the Company
Longxing	Longxing Limited Liability Company, a subsidiary of the Company
Malipo Zijin Tungsten	Wenshan Malipo Zijin Tungsten Group Co., Ltd., a subsidiary of the Company
Minxi Xinghang	Minxi Xinghang State-owned Assets Investment Company Limited, a substantial shareholder of the Company
Norton, Norton Gold Fields	Norton Gold Fields Pty Limited, a wholly-owned subsidiary of the Company
Nevsun	Nevsun Resources Ltd., a wholly-owned subsidiary of the Company
PRC	The People's Republic of China but for the purpose of this announcement, excludes Hong Kong SAR, Macau SAR and Taiwan
Rakita	Rakita Exploration d.o.o. Bor, a wholly-owned subsidiary of the Company
RMB	Renminbi, the lawful currency of the PRC
Shanxi Zijin	Shanxi Zijin Mining Co., Ltd., a wholly-owned subsidiary of the Company
Supervisor(s)	The supervisor(s) of the Company
USD	United States dollar, the lawful currency of the United States of America
Xinjiang Zijin Non-ferrous	Xinjiang Zijin Non-ferrous Metals Co., Ltd., a wholly-owned subsidiary of the Company
Zeravshan	Joint Venture Zeravshan Limited Liability Company, a subsidiary of the Company
Zijin America	Zijin (America) Gold Mining Company Limited, a subsidiary of the Company
Zijin Bor	Serbia Zijin Bor Copper doo Bor, a subsidiary of the Company
Zijin Commercial Services	Fujian Zijin Commercial Services Co., Ltd., a wholly-owned subsidiary of the Company
Zijin Copper	Zijin Copper Co., Ltd., a wholly-owned subsidiary of the Company
Zijin Zinc	Xinjiang Zijin Zinc Co., Ltd. a subsidiary of the Company

As at the date of this announcement, the Board of Directors of the Company comprises Messrs. Chen Jinghe (Chairman), Lan Fusheng, Zou Laichang, Lin Hongfu, Ms. Lin Hongying and Mister Xie Xionghui as executive directors, Mister Li Jian as non-executive director, and Messrs. Zhu Guang, Mao Jingwen, Li Changqing, He Fulong and Suen Man Tak as independent non-executive directors.

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

20 March 2020, Fujian, the PRC

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