



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

(a joint stock limited company incorporated in the People's Republic of China with limited liability)
(Stock Code : 2899)



2013
ANNUAL REPORT



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Corporate Information

EXECUTIVE DIRECTORS

Chen Jinghe (*Chairman*)
Wang Jianhua (*President*) (Jun-Oct 2013 Serving as President,
Nov-Dec 2013 Serving as director & President)
Qiu Xiaohua
Lan Fusheng
Zou Laichang
Lin Hongfu (Appointed on 25 Oct 2013)
Luo Yingnan (Jan-May 2013 Serving as director & President,
Jun-Oct 2013 Serving as director, Resigned on 24 Oct 2013)
Huang Xiaodong (Resigned as director on 24 Oct 2013)

NON-EXECUTIVE DIRECTORS

Li Jian (Appointed on 25 Oct 2013)
Peng Jiaqing (Resigned on 24 Oct 2013)

INDEPENDENT NON-EXECUTIVE DIRECTORS

Lu Shihua (Appointed on 25 Oct 2013)
Ding Shida (Appointed on 25 Oct 2013)
Jiang Yuzhi (Appointed on 25 Oct 2013)
Sit Hoi Wah, Kenneth (Appointed on 25 Oct 2013)
Su Congfu (Resigned on 24 Oct 2013)
Chen Yuchuan (Resigned on 24 Oct 2013)
Lin Yongjing (Resigned on 24 Oct 2013)
Wang Xiaojun (Resigned on 24 Oct 2013)

AUDIT AND INTERNAL CONTROL COMMITTEE

Lu Shihua (Appointed on 25 Oct 2013)
Wang Jianhua (*President*) (Appointed on 25 Oct 2013)
Qiu Xiaohua (Appointed on 25 Oct 2013)
Li Jian (Appointed on 25 Oct 2013)
Ding Shida (Appointed on 25 Oct 2013)
Jiang Yuzhi (Appointed on 25 Oct 2013)
Sit Hoi Wah, Kenneth (Appointed on 25 Oct 2013)
Chen Jinghe (*Chairman*) (Resigned as member of Audit
and Internal Control Committee on 24 Oct 2013)
Lin Yongjing (Resigned on 24 Oct 2013)
Su Congfu (Resigned on 24 Oct 2013)
Chen Yuchuan (Resigned on 24 Oct 2013)
Wang Xiaojun (Resigned on 24 Oct 2013)
Peng Jiaqing (Resigned on 24 Oct 2013)
Luo Yingnan (Resigned on 24 Oct 2013)

AUTHORISED REPRESENTATIVE

Chen Jinghe
Lan Fusheng

SUPERVISORS

Lin Shuiqing
Xu Qiang
Zhang Yumin
Liu Wenhong (Appointed on 25 Oct 2013)
Fan Wensheng (Appointed on 25 Oct 2013)
Lin Xinxi (Resigned on 24 Oct 2013)
Liu Xianhua (Resigned on 24 Oct 2013)

COMPANY SECRETARY

Fan Cheung Man

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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

LEGAL ADDRESS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

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

LEGAL CONSULTANT OF THE COMPANY (HONG KONG LAWS)

Li & Partners

AUDITORS

PRC Auditors:
Ernst & Young Hua Ming LLP

HONG KONG H SHARE REGISTRAR AND TRANSFER OFFICE

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

WEBSITE

www.zjky.cn

STOCK CODE

Hong Kong Stock Exchange: 02899
Shanghai Stock Exchange: 601899

GENERAL

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

In December 2003, the Company was listed on The Stock Exchange of Hong Kong Limited ("Stock Exchange"). The Company was the first Mainland gold production enterprise listed overseas. In 2004, 2005, 2006 and 2007, the Company continuously applied reserves to issue new shares four times and in April 2008, the Company issued 1.4 billion of A shares at RMB7.13 per share and was listed on the Shanghai Stock Exchange on 25 April 2008 at a nominal value of RMB0.1 each. Pursuant to a resolution passed at the 2010 annual general meeting held for the purpose of approving, among other matters, the proposal of conversion of capital reserve into share capital, on the basis of 5 new shares for every 10 existing shares, additional 7,270,654,550 shares have been issued on the basis of total 14,541,309,100 shares in issue at the end of 2010. After the conversion, the total number of share increased to 21,811,963,650 shares. As at 1 January 2013, the registered capital of the Company was RMB2,181,196,365 (21,811,963,650 ordinary shares, nominal value of RMB0.1 each) comprising 6,008,160,000 H Shares, representing about 27.55% of the total issued shares, and 15,803,803,650 A Shares, representing about 72.45% of the total issued shares. 111,806,000 H Shares were repurchased during the period from 21 August 2013 to 31 December 2013, but have not yet been cancelled pending completion of the change of business registration with relevant PRC authorities. After deduction of the repurchased shares, as at 31 December 2013, the registered capital of the Company was RMB2,170,015,765 comprising 5,896,354,000 H Shares, representing about 27.17% of the total issued shares, and 15,803,803,650 A Shares, representing about 72.83% of the total issued shares.

The Company and its subsidiaries (the "Group") are a comprehensive mining conglomerate in the PRC primarily engaged in gold production, and specifically engaged in the exploration, mining, and sale of gold and other non-ferrous metals. The Group produced about 108.54 tonnes of gold (including 31.69 tonnes of mine-produced gold) in year 2013.

As at the end of 2013, the Group owns 245 mining rights with a total area of 844.253 square kilometers and 244 exploration rights with a total area of 3,970.42 square kilometers.

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

Financial Highlights

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

In this annual report, unless otherwise stated, monetary units are denominated in Renminbi.

2013, 2012, 2011 AND 2010 FINANCIAL INFORMATION AS PREPARED IN ACCORDANCE WITH CHINA ACCOUNTING STANDARDS FOR BUSINESS ENTERPRISES ("CAS") AND THE RELATED LAWS AND REGULATIONS, 2009 FINANCIAL INFORMATION AS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS"):

For the year ended 31 December

Currency: RMB

	2013	2012	2011	2010
Operating income	49,771,511,898	48,414,719,206	39,763,915,441	28,539,578,900
Less: Operating costs	40,846,480,113	36,374,864,074	27,536,543,588	18,337,383,129
Taxes and surcharges	719,196,040	541,098,426	382,045,241	352,964,119
Selling expenses	525,665,748	596,860,745	433,256,436	468,769,177
Administrative expenses	2,165,817,191	1,874,254,433	1,609,339,207	1,362,043,598
Financial expenses	733,059,904	803,965,178	496,400,784	190,780,667
Impairment losses on assets	792,141,366	270,720,072	202,878,294	175,688,227
Add: Gains/(losses) on changes in fair value	18,736,057	12,986,146	(57,130,642)	107,325,325
Investment income	13,767,646	639,884,580	561,775,828	207,630,138
Including: Share of profits of associates and joint ventures	117,156,560	242,514,892	205,253,368	137,365,606
Operating profit	4,021,655,239	8,605,827,004	9,608,097,077	7,966,905,446
Add: Non-operating income	223,486,351	220,898,413	134,572,479	99,971,340
Less: Non-operating expenses	410,440,020	270,666,100	466,367,867	735,305,014
Including: Losses on disposal of non-current assets	126,942,650	42,731,004	41,842,806	78,834,417
PROFIT BEFORE TAX	3,834,701,570	8,556,059,317	9,276,301,689	7,331,571,772
Less: Income tax expenses	973,432,498	2,402,806,003	2,365,776,280	1,575,823,347
NET PROFIT	2,861,269,072	6,153,253,314	6,910,525,409	5,755,748,425
Attributable to owners of the parent	2,125,353,823	5,211,208,977	5,712,569,100	4,827,916,726
Non-controlling interests	735,915,249	942,044,337	1,197,956,309	927,831,699
OTHER COMPREHENSIVE INCOME	(91,457,539)	146,597,757	(894,452,113)	344,979,505
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	2,769,811,533	6,299,851,071	6,016,073,296	6,100,727,930
Attributable to:				
Owners of the parent	2,052,125,431	5,357,778,200	4,818,341,189	5,172,154,730
Non-controlling interests	717,686,102	942,072,871	1,197,732,107	928,573,200

Financial Highlights *(continued)*

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

For the year ended 31 December

	2009 RMB'000
Results	
Revenue	20,215,111
Cost of sales	(13,642,427)
Gross profit	6,572,684
Other income and gains	608,982
Selling and distribution costs	(376,971)
Administrative expenses	(717,709)
Other expenses	(968,942)
Finance costs	(168,425)
Share of profits of:	
Associates	79,050
Jointly-controlled entities	16,654
Profit before tax	5,045,323
Income tax	(968,254)
Profit for the year	4,077,069
Attributable to:	
Owners of the parent	3,552,347
Non-controlling interests	524,722
	4,077,069

For the year ended 31 December

	2013 RMB'000	2012 RMB'000	2011 RMB'000	2010 RMB'000	2009 RMB'000
Assets and liabilities					
Total assets	66,898,389	67,354,421	52,320,199	38,401,232	29,646,137
Total liabilities	33,812,937	33,771,455	22,187,522	12,372,562	8,032,671
Non-controlling interests	5,473,194	5,401,377	5,124,066	4,197,100	3,443,285
Equity holders of the parent	27,612,258	28,181,589	25,008,611	21,831,570	18,170,181

LIQUIDITY

	2013 RMB'000	2012 RMB'000	2011 RMB'000	2010 RMB'000	2009 RMB'000
Cash and cash equivalents	4,020,933	6,314,740	4,917,188	3,791,472	2,999,054
Current ratio (%)	89.8	106	110	115	125
Trade receivables turnover (days)	5.04	5.09	5.36	6.92	6.68



Chairman's Statement

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

To all shareholders,

I wish to take this opportunity to express my sincere gratitude for your trust and support to Zijin Mining Group Company Limited*. I am pleased to report herewith the operating results of the Group for the year ended 31 December 2013 as follows:

In 2013, the Group achieved a sales income (turnover) of RMB49,771,511,898, representing an increase of 2.80% over the previous year, and achieved a net profit after tax (attributable to owners of the parent) of RMB2,125,353,823, representing a decrease of 59.22% over the previous year. Earnings per share (basic) was RMB0.1, representing a decrease of 58.33% over the previous year. (The calculation of earnings per share is based on the profit for the year attributable to owners of the parent of RMB2,125,353,823 (2012: RMB5,211,208,977) and the weighted average number of ordinary shares outstanding in the year ended 31 December 2013 of 21,796,121,080 ordinary shares (2012: 21,811,963,650 shares) in issue during the year).

MARKET OVERVIEW

In 2013, the world's economy was in slow recovery but the global mining industry was in low tide which caused a substantial drop in gold price and prices of base metals fluctuated in its low range while costs continuously climbed up. In 2013, the opening price of London spot gold was US\$1,676.49/oz, the highest price was US\$1,697.25/oz and the lowest price was US\$1,180.45/oz. The year-end closing price was US\$1,205.60/oz, representing a decrease of 28.03% over the previous year. The average gold price dropped 15.44% over the previous year. The opening price of major gold product at Shanghai Gold Exchange was RMB332.8/g, the highest price was RMB341/g and the lowest price was RMB235.7/g. The year-end closing price was RMB237.31/g, representing a decrease of 29.02% over the previous year. The average gold price dropped 18.62% over the previous year. The average prices of copper in London and Shanghai dropped 7.85% and 6.85% respectively. The average prices of zinc in London and Shanghai dropped 1.93% and 0.82% respectively.

POSITION IN THE INDUSTRY

According to the latest statistics of the Ministry of Industry and Information Technology of the PRC, the 2013 national gold production in the PRC amounted to 428.2 tonnes (in which 350.9 tonnes was mine-produced gold) representing an increase of 6.2% over the previous year. The PRC was the largest gold production country in the world for 7 consecutive years. In 2013, the Group produced 31.69 tonnes of mine-produced gold, representing approximately 9.03% of mine-produced gold in the PRC. The large scale enterprises in domestic gold industry realized RMB35.97 billion profit in total and the Group realized a total profit of RMB3.835 billion, representing 10.66% of the total profit realized by large scale enterprises in domestic gold industry.

According to the statistics of the National Bureau of Statistics of China, the 2013 national production of mineral product - copper in the PRC amounted to 1,772,915 tonnes (copper metal), the Group produced 125,060 tonnes mine-produced copper, representing 7.05% of national mine-produced copper.

BUSINESS OVERVIEW

During the reporting period, the Group realized turnover of RMB49.772 billion, representing an increase of 2.80% when compared with the same period last year (2012: RMB48.415 billion), and net profit attributable to owners of the parent of RMB2.125 billion, representing a decrease of 59.22% when compared with the same period last year (2012: RMB5.211 billion).

As at the end of 2013, the Group's total assets was RMB66.898 billion, representing a decrease of 0.68% when compared with last year (2012: RMB67.354 billion), and net assets attributable to owners of the parent of RMB27.612 billion, representing a decrease of 2.02% when compared with last year (2012: RMB28.182 billion).

GOLD MINE BUSINESS

During the reporting period, the Group produced a total of 108,540kg (3,489,639 ounces) of gold, representing an increase of 20.16% when compared with same period last year (2012: 90,328kg).

In which, 31,693kg (1,018,953 ounces) of mine-produced gold was produced, representing a decrease of 1.19% when compared with same period last year (2012: 32,075kg); in which 11,742kg (377,513 ounces) was produced from Zijinshan Gold Mine, 1,793kg (57,646 ounces) was produced from Hunchun Zijin, 2,101kg (67,549 ounces) was produced from Guizhou Shuiyindong Gold Mine, 5,373kg (172,745 ounces) was produced from Norton Gold Fields Limited ("Norton") of Australia; 1,617kg (51,988 ounces) was produced from ZGC, 1,399kg (44,979 ounces) was produced from Inner Mongolia Jinzhong Mining and 7,668kg (246,532 ounces) of mine-produced gold was produced from other gold production entities in the Group.

During the reporting period, the Group produced a total of 76,847kg (2,470,687 ounces) of refinery gold, representing an increase of 31.92% over the same period last year (2012: 58,253kg).

Sales income from the gold business of the Group represented about 54.28% (after elimination) of the total annual sales income, and the net profit of the gold business represented about 52.05% of the total consolidated net profit of the Group.

(1 troy ounce = 31.1035g)

COPPER MINE BUSINESS

During the reporting period, the Group produced a total of 332,792 tonnes copper, representing an increase of 53.64% over the same period last year (2012: 216,599 tonnes).

In which, 125,060 tonnes copper was produced from mines (including 14,224 tonnes copper cathodes), representing an increase of 19.56% over the same period last year (2012: 104,603 tonnes). In which, Ashele Copper Mine produced copper concentrates containing copper of 31,514 tonnes; Zijinshan Copper Mine produced 30,678 tonnes copper (including 12,744 tonnes copper cathodes); Qinghai Deerni Copper Mine produced copper concentrates containing copper of 23,858 tonnes; Duobaoshan Copper Mine produced 25,253 tonnes copper (including 1,479 tonnes copper cathodes); Hunchun Zijin produced copper concentrates containing copper of 7,667 tonnes.

The Group produced 207,732 tonnes of copper from refinery plants, representing an increase of 85.48% over the same period last year (2012: 111,996 tonnes).

Sales income from the copper mine business represented 27.54% (after elimination) of the total annual sales income, while it represented about 30.68% of the total consolidated net profit of the Group.

LEAD AND ZINC MINE BUSINESS

During the reporting period, the Group produced zinc of 253,388 tonnes, representing an increase of 37.34% over the same period last year (2012: 184,502 tonnes).

In which, the Group produced zinc concentrates containing zinc of 72,076 tonnes from mines, representing an increase of 97.26% when compared with same period last year (2012: 36,539 tonnes). In which: the newly commenced production entity - Wuqia Jinwang produced 30,684 tonnes; Wulatehouqi Zijin produced zinc concentrates containing zinc of 29,275 tonnes, representing an increase of 14.78% over the same period last year (2012: 25,506 tonnes); Ashele Copper Mine produced zinc concentrates containing zinc of 10,048 tonnes and other entities in the Group produced zinc concentrates containing zinc of 2,069 tonnes.

Zinc bullion from refinery of 181,312 tonnes was produced, representing an increase of 22.54% over the same period last year (2012: 147,963 tonnes).

During the reporting period, the Group produced lead concentrates containing lead of 8,904 tonnes, representing an increase of 85.15% over the same period last year (2012: 4,809 tonnes).

Sales income from lead and zinc mine business represented about 5.21% (after elimination) of the total annual sales income, while net profit from lead and zinc mine business represented about 2.69% of the total consolidated net profit of the Group.

Chairman's Statement *(continued)*

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

IRON MINE, SILVER AND OTHER BUSINESS

During the reporting period, the Group produced silver of 327,506kg, representing an increase of 24.36% over the same period last year (2012: 263,348kg), of which 153,773kg of silver was produced from mines representing an increase of 8.96% over the same period last year (2012: 141,125kg); 173,733kg of silver was produced from refinery as by-product, representing an increase of 42.14% over the same period last year (2012: 122,223kg).

During the reporting period, the Group produced iron concentrates of 2,610,000 tonnes, representing an increase of 12.50% over the same period last year (2012: 2,320,000 tonnes).

Sales income from iron, silver and other mineral products represented about 12.97% (after elimination) of the total annual sales income, which represented about 14.58% of the total net profit attributable to the owners of the parent.

Geological exploration work and status of resources and reserves

During the reporting period, the Group invested RMB450 million in geological exploration in aggregate and the volume of the actual works completed includes the following: 405,000 metres drilling, 36,400 metres tunnel exploration, and 57,200 cubic metres trench exploration, which increased the resources (unaudited) by exploration as follows: 60.5 tonnes of gold, 402,000 tonnes of copper, 1.91 million tonnes of lead and zinc, 32,000 tonnes of molybdenum, 21,000 tonnes of tungsten, 216 tonnes of silver and 23,480,000 tonnes of iron ores.

As at the end of 2013, the Group owns 245 mining rights with a total area of 844.253 square kilometers and 244 exploration rights with a total area of 3,970.42 square kilometers.

The table below sets out the assessed resources/reserves of the Group's major mines at the end of 2013:

Summary of resources/reserves of the Group's major mines in 2013

Type of mine	2013 (grade 333 or above)	2012 (grade 333 or above)	Growth rate over same period last year(%)
Gold (t)	1,072.7	1,077.34	-0.43%
Gold associated with other metals (t)	127.4	114.88	10.90%
Sub-total of Gold (t)	1,200.1	1,192.22	0.66%
Copper (Mt)	13.624	11.7939	15.52%
Silver (t)	1,413.2	1,510.00	-6.41%
Molybdenum (Mt)	0.724	0.4211	71.93%
Zinc (Mt)	9.268	6.3470	46.02%
Lead (Mt)	1.719	1.2842	33.86%
Tungsten (Mt)	0.1699	0.1697	0.12%
Tin (Mt)	0.1399	0.1399	0.00%
Iron (Mt)	236	208	13.46%
Coal (Mt)	489	489	0.00%

During the reporting period, the Company appointed Golder Associates Consulting Limited ("Golder") and SRK Consulting China Ltd. ("SRK") to conduct mineral resources and ore reserves evaluation and update of the mines owned by the Company in accordance with the "NI 43-101" technical standards or JORC technical indication, and submitted the mineral resources disclosure reports signed by the competent persons. As at the reporting date, the mineral resources and ore reserves evaluations of the Group's major mines in accordance with the "NI 43-101" technical standards or JORC technical indication have been completed and 22 resources disclosure reports and 7 reserves disclosure reports have been submitted so far.

Chairman's Statement *(continued)*

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

- (a) The mineral resources amount recognized by "NI 43-101" or JORC technical standards of the 22 mines are as follows:

Serial No.	Name of Mine (Project)	Type of Mine	Unit	Resources identified by "NI 43-101" or JORC CPR			
				Measured+ Indicated	Inferred		
1 Golder	Fujian Zijinshan Gold and Copper Mine	Gold	Ore Volume (Mt)	184	25		
			Grade (g/t)	0.4	0.4		
			Metal Volume (t)	73.6	10		
		Copper	Ore Volume (Mt)	417	118		
			Grade (%)	0.48	0.44		
			Metal Volume (10kt)	200.16	51.92		
2 Golder	Jilin Hunchun Xiaoxinancha Gold and Copper Mine	Gold	Ore Volume (Mt)	131.58	29.89		
			Grade (g/t)	0.43	0.42		
			Metal Volume (t)	56.58	12.55		
		Copper	Ore Volume (Mt)	131.58	29.89		
			Grade (%)	0.17	0.16		
			Metal Volume (10kt)	22.37	4.78		
3 SRK	Xinjiang Ashele Copper Mine	Copper	Ore Volume (Mt)	23.99	11.21		
			Grade (%)	2.03	2.04		
			Metal Volume (10kt)	48.70	22.87		
		Zinc	Ore Volume (Mt)	23.99	11.21		
			Grade (%)	0.95	0.64		
			Metal Volume (10kt)	22.79	7.17		
		Sulfur	Ore Volume (Mt)	23.99	11.21		
			Grade (%)	23.86	34.18		
			Pure Sulfur Volume(10kt)	572.40	383.16		
		4 SRK	Heilongjiang Duobaoshan Copper Mine	Copper	Ore Volume (Mt)	424.19	178.86
					Grade (%)	0.39	0.36
					Metal Volume (10kt)	165.43	64.39
Molybdenum	Ore Volume (Mt)			424.19	178.86		
	Grade (%)			0.011	0.019		
	Metal Volume (10kt)			4.67	3.40		
5 SRK	Hebei Chongli Dongping Gold Mine	Gold	Ore Volume (Mt)	10.93	15.05		
			Grade (g/t)	2.69	2.28		
			Metal Volume (t)	29.40	34.31		

Chairman's Statement *(continued)*

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

Serial No.	Name of Mine (Project)	Type of Mine	Unit	Resources identified by "NI 43-101" or JORC CPR	
				Measured+ Indicated	Inferred
6 Golder	Qinghai Deerni Copper Mine	Copper	Ore Volume (Mt)	20.6	6.8
			Grade (%)	1.16	1.05
			Metal Volume (10kt)	23.90	7.14
		Cobalt	Ore Volume (Mt)	20.6	6.8
			Grade (%)	0.07	0.06
			Metal Volume (10kt)	1.44	0.41
		Zinc	Ore Volume (Mt)	20.6	6.8
			Grade (%)	0.4	0.29
			Metal Volume (10kt)	8.24	1.97
		Sulfur	Ore Volume (Mt)	20.6	6.8
			Grade (%)	30.59	26.79
			Pure Sulfur Volume (10kt)	630.15	182.17
7 Golder	Gansu Dujiagou Gold Mine	Gold	Ore Volume (Mt)	22.6	12.2
			Grade (g/t)	1.43	1.29
			Metal Volume (t)	32.32	15.74
8 SRK	Inner Mongolia Aobao Gold Mine	Gold	Ore Volume (Mt)	30.79	14.2
			Grade (g/t)	0.7	0.62
			Metal Volume (t)	21.55	8.80
9 Golder	Fujian Luoboling Copper and Molybdenum Mine	Copper	Ore Volume (Mt)	379.3	107.9
			Grade (%)	0.33	0.37
			Metal Volume (10kt)	125.17	39.92
		Molybdenum	Ore Volume (Mt)	379.3	107.9
			Grade (%)	0.029	0.021
			Metal Volume (10kt)	11.00	2.27
10 Golder	Fujian Yueyang Silver and Multi-metals Mine	Gold	Ore Volume (Mt)	24.5	32.1
			Grade (g/t)	0.41	0.36
			Metal Volume (t)	10.05	11.56
		Copper	Ore Volume (Mt)	24.5	32.1
			Grade (%)	0.16	0.2
			Metal Volume (10kt)	3.92	6.42
		Silver	Ore Volume (Mt)	24.5	32.1
			Grade (g/t)	51.69	30.67
			Metal Volume (t)	1,266.41	984.51
	Fujian Longjiangting Copper Mine	Copper	Ore Volume (Mt)	30.54	16.63
			Grade (%)	0.37	0.36
			Metal Volume (10kt)	11.30	5.99
		Gold	Ore Volume (Mt)	30.54	16.63
			Grade (g/t)	0.32	0.33
			Metal Volume (t)	9.77	5.49
Silver	Ore Volume (Mt)	30.54	16.63		
	Grade (g/t)	8.97	10.22		
	Metal Volume (t)	273.94	169.96		

Chairman's Statement *(continued)*

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

Serial No.	Name of Mine (Project)	Type of Mine	Unit	Resources identified by "NI 43-101" or JORC CPR	
				Measured+ Indicated	Inferred
11 Golder	Guizhou Shuiyindong Gold Mine	Gold	Ore Volume (Mt)	32.5	17.7
			Grade (g/t)	4.22	4.18
			Metal Volume (t)	137.15	73.99
12 Golder	Guizhou Taipingdong Gold Mine	Gold	Ore Volume (Mt)	16.6	0.6
			Grade (g/t)	2.5	2.82
			Metal Volume (t)	41.50	1.69
13 Golder	Guangdong Dongkeng Gold Mine	Gold	Ore Volume (Mt)	7.1	2.6
			Grade (g/t)	1.78	1.6
			Metal Volume (t)	12.64	4.16
14 SRK	Fujian Gutian Copper and Molybdenum Mine	Copper	Ore Volume (Mt)	48.4	145.71
			Grade (%)	0.18	0.14
			Metal Volume (10kt)	8.71	20.40
		Molybdenum	Ore Volume (Mt)	48.4	145.71
			Grade (%)	0.046	0.038
			Metal Volume (10kt)	2.23	5.54
15 Golder	Yunnan Lannitang Copper Mine	Copper	Ore Volume (Mt)	47	69
			Grade (%)	0.33	0.3
			Metal Volume (10kt)	15.51	20.70
		Gold	Ore Volume (Mt)	47	69
			Grade (g/t)	0.14	0.19
			Metal Volume (t)	6.58	13.11
16 Golder	Yunnan Langdou Copper Mine	Copper	Ore Volume (Mt)		3.97
			Grade (%)		1.92
			Metal Volume (10kt)		7.62
17 Golder	Inner Mongolia Sanguikou Zinc and Lead Mine	Zinc	Ore Volume (Mt)	133	8
			Grade (%)	2.25	1.74
			Metal Volume (10kt)	299.25	13.92
		Lead	Ore Volume (Mt)	133	8
			Grade (%)	0.5	0.36
			Metal Volume (10kt)	66.50	2.88
		Sulfur	Ore Volume (Mt)	133	8
			Grade (%)	8.45	7.25
			Metal Volume (10kt)	1,123.85	58.00
18 Golder	Xinjiang Wulugentashi Zinc and Lead Mine	Zinc	Ore Volume (Mt)	136.4	29.5
			Grade (%)	2.46	2.36
			Metal Volume (10kt)	335.54	69.62
		Lead	Ore Volume (Mt)	136.4	29.5
			Grade (%)	0.48	0.42
			Metal Volume (10kt)	65.47	12.39

Chairman's Statement *(continued)*

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

Serial No.	Name of Mine (Project)	Type of Mine	Unit	Resources identified by "NI 43-101" or JORC CPR	
				Measured+ Indicated	Inferred
19 Golder	Guangdong Yinyan Tin Mine	Tin	Ore Volume (Mt)	17.4	62.6
			Grade (%)	0.29	0.28
			Metal Volume (10kt)	5.05	17.53
		Molybdenum	Ore Volume (Mt)	17.4	57.3
			Grade (%)	0.02	0.013
			Metal Volume (10kt)	0.35	0.74
20 SRK	Yunnan Nanwenhe Tungsten Mine	Tungsten	Ore Volume (Mt)	9.88	16.5
			Grade (%)	0.49	0.55
			Metal Volume (10kt)	4.84	9.08
21 SRK	Xinjiang Fuyun Mengku Iron Mine (East, Middle Sections)	Iron	Ore Volume (Mt)	53.05	21.66
			Grade (%)	33.67	25.13
			Metal Volume (10kt)		
22 Golder	Xinjiang Qitai Heishantou Coal Mine	Coal	Coal(Mt)	372.87	12.64

- (b) There are seven "NI 43-101" technical standards mineral reserves reports which have been completed, the reserves are as follows:

Serial No.	Name of Mine (Project)	Type of Mine	Unit	Resources identified by "NI 43-101" or JORC CPR Measured+				Reserves identified by "NI 43-101" or JORC CPR		
				Measured	Indicated	Indicated	Inferred	Proved	Probable	Total
1 Golder	Fujian Zijinshan Gold and Copper Mine	Gold	Ore Volume (Mt)	67	117	184	25	73	116	189
			Grade (g/t)	0.43	0.38	0.4	0.4	0.38	0.34	0.36
			Metal Volume (t)	28.81	44.46	73.6	10	27.74	39.44	67.18
		Copper	Ore Volume (Mt)	124	294	417	118	142	275	417
			Grade (%)	0.5	0.48	0.48	0.44	0.42	0.37	0.39
			Metal Volume (10kt)	62	141.12	203.12	51.92	59.64	101.75	161.39
2 Golder	Jilin Hunchun Xiaoxinancha Gold and Copper Mine	Gold	Ore Volume (Mt)	53.59	77.99	131.58	29.89	38	48	86
			Grade (g/t)	0.44	0.43	0.43	0.42	0.47	0.47	0.47
			Metal Volume (t)	23.58	33.54	57.12	12.55	17.86	22.56	40.42
		Copper	Ore Volume (Mt)	53.59	77.99	131.58	29.89	38	48	86
			Grade (%)	0.17	0.17	0.17	0.16	0.19	0.18	0.18
			Metal Volume (10kt)	9.11	13.26	22.37	4.78	7.22	8.64	15.86
3 SRK	Xinjiang Ashele Copper Mine	Copper	Ore Volume (Mt)	14.11	9.88	23.99	11.21	13.99	7.62	21.61
			Grade (%)	2.46	1.41	2.03	2.04	2.47	1.55	2.15
			Metal Volume (10kt)	34.71	13.93	48.64	22.87	34.56	11.81	46.37
		Zinc	Ore Volume (Mt)	14.11	9.88	23.99	11.21	13.99	7.62	21.61
			Grade (%)	1.22	0.58	0.96	0.64	1.22	0.78	1.06
			Metal Volume (10kt)	17.21	5.73	22.94	7.17	17.07	5.94	23.01
4 SRK	Heilongjiang Duobaoshan Copper Mine	Copper	Ore Volume (Mt)	149.94	274.25	424.19	178.86	142.63	246.85	389.49
			Grade (%)	0.4	0.38	0.39	0.36	0.38	0.37	0.37
			Metal Volume (10kt)	59.98	104.26	164.24	64.39	54.2	91.33	145.53
		Molybdenum	Ore Volume (Mt)	149.94	274.25	424.19	178.86	142.63	246.85	389.49
			Grade (%)	0.012	0.011	0.011	0.019	0.012	0.011	0.011
			Metal Volume (10kt)	1.8	3.02	4.82	3.4	1.71	2.72	4.43

Chairman's Statement *(continued)*

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

Serial No.	Name of Mine (Project)	Type of Mine	Unit	Resources identified by "NI 43-101" or JORC CPR			Reserves identified by "NI 43-101" or JORC CPR			
				Measured	Indicated	Measured+ Indicated	Inferred	Proved	Probable	Total
5 SRK	Hebei Chongli Dongping Gold Mine	Gold	Ore Volume (Mt)		10.93	10.93	15.05		7.47	7.47
			Grade (g/t)		2.69	2.69	2.28		2.75	2.75
			Metal Volume (t)		29.4	29.4	34.31		20.54	20.54
6 SRK	Inner Mongolia Aobao Gold Mine	Gold	Ore Volume (Mt)		30.79	30.79	14.2		16.256	16.256
			Grade (g/t)		0.7	0.7	0.62		0.73	0.73
			Metal Volume (t)		21.55	21.55	8.8		11.87	11.87
7 SRK	Xinjiang Fuyun Mengku Iron Mine (East, Middle Sections)	Iron	Ore Volume (Mt)		53.05	53.05	21.66		48.37	48.37
			Grade (%)		33.67	33.67	25.13		31.71	31.71
			Metal Volume (10kt)							

Further strengthened safety and environmental protection and concept of civilised ecology construction

The Group insisted on zero accident and zero tolerance as the basic management requirement for safe production and environmental protection, fully implemented the most stringent system requiring the business units to bear all their own responsibilities and supervisory responsibilities and set up and implemented supervisor policy, assessment and management policy and accident (incident) reporting system for safety and environmental protection.

In 2013, the Company established the "Outline of Zijin Mining's development of civilized ecology and creation of green mines plan (2013-2020)" to intensively promote green mines, the concept of ecological mines and construction of civilised ecological mines, and undertook the "Refining gold in hydro-metallurgical way and environmental safety forum" for China Non-ferrous Metal Industry. The Zijinshan gold and copper mine's copper hydrometallurgical plant has resumed production after its environmental rectification reached the standards. Xinjiang Ashele Copper Company Limited ("Xinjiang Ashele") and Guizhou Zijin Mining Company Limited ("Guizhou Zijin") won the titles of "National Green Mines Pilot Units", "Demonstration mine for economical use of mineral resources and comprehensive utilization of application and promotion of advanced applicable technology", and obtained tax incentives. Bayannaer Zijin Non-ferrous Metals Company Limited was awarded a title of "National key industry business model for clean production" by Ministry of Industry and Information Technology.

Strengthened project research, steadily promoted merger and acquisition

The Group embraced the strategic goal of internationalization, focused on overseas project investment and acquisition, targeted on medium-to-large sized in production or advanced exploration projects and seriously carried out research and study on them and put efforts to improve resources reserves and production capacity.

For overseas projects, the Group's subsidiary, Norton (a company listed on the Australian Securities Exchange, "ASX"), successfully acquired 100% equity interest of Kalgoorlie Mining Company Limited ("KMC") of Australia. The Group entered into a share purchase framework agreement with NKWE Platinum Limited ("NKWE") (a company listed on the ASX) and completed the first tranche of convertible bonds transaction for NKWE. The Group jointly established an offshore mining fund with Sprott Inc. ("Sprott") and Americas Now Resources Investment Management Corp. ("Americas Now") (Canadian fund management companies) to try a new model for overseas mining investment. For domestic project, the Group acquired partial equity interests of Shanghang Luoboling copper and molybdenum mine, granting the Group additional copper of 321,500 tonnes and molybdenum of 26,700 tonnes according to the equity interest held.



Chairman's Statement *(continued)*

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Actively promoted the construction of new production projects, strengthened project construction management

During the reporting period, the Group invested RMB4.874 billion in project construction. The constructions of the following projects have been completed and commenced production or trial production: Zijin Copper anode slime comprehensive recovery project, ZGC JV Co., Ltd. 5 tonnes/year gold refinery plant project, Bayannaer residual heat and pressure energy saving innovation project and Longnan Zijin 6,000 tonnes/day floatation processing project. The construction of Xinjiang Jinhao Iron's 1 million tonnes graphite iron project was basically completed.

The Group strictly controlled the construction of non-productive projects, categorized all of the Group's projects by importance, urgency and suspension, strictly controlled the investment in ineffective or inefficient projects, tightened the management of project construction, implemented a sunshine system to cleanse and rectify the outsourced contracting teams and carried out on-site inspections in key projects to rectify construction projects.

Gathered the Group's scientific and technological power, continued strengthening innovation development

The Group focused on the key production enterprises and organized to carry out enhancement and transformation for technological processes like exploring, mining, crushing, grinding, processing, smelting, etc., achieved a major breakthrough for Tajikistan Taror gold mine oxide ore processing technology and successfully completed the stage goal of Zijinshan low grade resources comprehensive utilization demonstration base and obtained central government subsidy of RMB0.18 billion.

The Group completed the assessment of 4 scientific and technological achievements during the reporting period, 3 of which reached the advanced level under international standards; 2 achievements in scientific and technological assessments reached the leading level in the PRC. The Group organized and applied for scientific and technological achievements for assessment and won 3 first prizes from the industry associations. The Group obtained 15 patents (including 10 invention patents) and completed the composition (amendment) task for 5 national/industrial standards including the plasma emission spectroscopy measurement method to determine 8 impurity elements in silver bullion, etc.

Actively fulfilled the social responsibilities

The Group comprehensively promoted the employees' housing project construction; introduced humane caring system and built service facilities for staff to strengthen their sense of belonging and cohesion. The Group continued to actively fulfill social responsibilities, donated RMB0.23 billion this year, continued participating in the "Helping Shanghang senior citizens and orphans" charity project and benefited more than 10,000 people. The Group was ranked the third in 2013 of the corporate social responsibility competitiveness of listed companies of metal industry in China and elected as the Top Ten Charity Enterprise in the 10th China Charity Corporation Ranking launched by the Ministry of Civil Affairs, the Central Comprehensive Social Management Commission, All-China Federation of Trade Unions, etc. The Chairman, Mr. Chen Jinghe was awarded the honorary title of "Fujian Philanthropist" by the Fujian Charity Federation.

PROSPECTS

The Board's discussion and analysis for the Company's future development

(1) Competition pattern and development trend of the industry

In 2014, the world's economy will remain at a slow recovery trend, the international and domestic economic situation remains uncertain. The growth speed of China's economy will have to face continuous and slow downward pressure. Gold price is expected to be adjusted in the bottom range, while bulk commodity price is expected to face a risk of fluctuation in its continuous downward trend. The mining corporations will have to face a grim condition.

Under the mining industry downturn circumstances, it is expected to increase the efforts on corporate and resources mergers, acquisitions and restructuring, there may be an opportunity of significant adjustment and re-shuffle for the industry. The mining corporations have to enhance their competitive strengths in terms of scientific development, resources recycling and utilization, environmental protection and safety, regulated management and corporate social responsibility.

(2) Guiding ideology and development strategies of the Company

By using market force and norms to vigorously promote the comprehensive reform of the Company's systems, the Group will comprehensively and firmly promote a new round of development and ensure to build Zijin Mining as an extra-large scale international mining group with high technology and efficiency by 2030.

The Group will adhere to have gold and copper mining as the principal business and associate them with other metal ores and strictly control the investment in extended business and non-mining projects. Investment in non-mining projects must have significant synergic effect with principal business. The Group will explore the opportunity in new energy mining (shale gas).

(3) Business objectives

The planned production volume of major products of the Company for year 2014: mine-produced gold of approximately 34 tonnes, mine-produced silver of approximately 160 tonnes, mine-produced copper of approximately 140,000 tonnes, mine-produced lead and zinc of approximately 160,000 tonnes, iron concentrates (containing iron calcine) of approximately 2.75 million tonnes; refinery gold of approximately 60 tonnes, refinery silver of approximately 150 tonnes, refinery copper of approximately 220,000 tonnes and refinery zinc of approximately 200,000 tonnes.

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

(4) Business strategies for 2014

Keep the pressure and account for responsibility, build up the Group's safety and environmental protection as the core competitiveness

The Group deeply understands that civilized ecology development and safety and environmental protection are the vital elements for the corporate's survival. The Group will strengthen and implement main responsibility of the corporate, effectively prevent and strictly scotch production safety accident, preclude environmental pollution event, set up a long-term mechanism for safety and environmental protection to achieve a basic safety for production and environment gradually, actively fulfill the social responsibility for environmental protection and conduct credit evaluation for the environment and strive for the highest environmental credit rating.

Strive to improve the corporation's sustainable development through internal integration and external expansion

The Group will carry out assets restructure works comprehensively, integrate and streamline internal management resources, improve assets quality; seize the opportunity to strive to achieve new breakthroughs in significant resources acquisition; actively carry on the works of integrating overseas assets and assets securitization and strive to establish overseas financing and management platform with significant value.



Chairman's Statement *(continued)*

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

Accelerate the pace of project construction, ensure new production capacity to generate benefits as expected

The Group will arrange key production projects and project construction plans properly, work on quality, accelerate the process of attaining production capacity and standards of projects, strengthen the consciousness and level on project optimization, achieve the harmonious advancement of production and construction and ensure new projects to bring benefits as expected.

The Group will ensure Wulatehouqi Sanguikou lead and zinc mine project, Russian Tuva multi-metal mine project (phase one), ZGC Jilao 10,000 tonnes/day processing factory project, Shaanxi Ankang Xiaohe gold mine project, Guizhou Xinhengji Huilong gold mine project, Kyrgyzstan Zuoan gold mine 2,500t/day mining, processing and refining construction, Hunchun Zijin 10,000t/day mullock comprehensive utilization project, Zijin Copper residual heat electricity generation system reformation project to be completed and put into production by the end of 2014 and strive to complete the Zijinshan copper mine 330 the third adit transportation construction and put into production by the end of the year.

Ensure the input in geological exploration, strive for significant progress in prospecting and increase of reserves

The Group will carry out prospecting and exploration works in key exploration areas including copper-polymetallic mine of Zijinshan, Guizhou Zhenfeng-Puan gold mine, Yunnan Shangri-La Gezan copper-polymetallic mine, Shaanxi Shiquan-Xunyang gold mine, the five exploration areas in Malipo tungsten mine, Duobaoshan copper and gold metallogenic belt, Gansu Li County Liba, Dujiagou-Jinshan, the deep and periphery of Xinjiang Ashele copper mine, Xinjiang Fuyun County Mengku iron mine area, Yunnan Yuanyang gold mine and its periphery, Henan Luoning Luyuangou-Honglianggou gold mine and Hunchun gold and copper mine and its periphery.

The Group will intensify the prospecting efforts in new exploration areas, newly acquired projects and the periphery and deep areas of the existing mines which are in production; actively search for new prospecting target areas, strengthen the screening process of overseas projects, strive to achieve substantial breakthroughs in overseas risk exploration works, attain low-costs reserves and build follow-up exploration bases, establish quick assessment and cut-loss mechanism in risk exploration projects, highly focus on the establishment of geological exploration teams, and further optimize the geological exploration management system.

Strengthen the building and management of managerial and talent team

Setting world-class mining companies as a standard, the Group will strengthen learning and exchange, train up and introduce management and technical talents at all levels, continue to carry out applicants' competition for job appointment and quantify work assessment, promote human resources allocation with marketing norms, establish and improve the performance appraisal system and salary system which are beneficial to the development of talents and can bring their strengths into full play.

(5) Future need, usage plan and sources of capital fund

In accordance with the Company's preliminary plan, it is expected that the Company might invest approximately RMB4 billion in project construction, approximately RMB320 million in exploration and development, approximately RMB8 billion of capital expenditures (rough estimation with high uncertainty) in external capital investment such as mining rights investment and equity investment in 2014. All the capital expenditures mentioned above will be financed by the Group's internal resources, bank loans, issuance of mid-term bonds and other feasible financing methods.



Chairman's Statement *(continued)*

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(6) Possible risks

The Group's main source of income is from metal products like gold, copper, zinc, iron, etc. If the price of metals like gold, copper, etc. fluctuates, the Company's operation results will become unstable. The price of gold dropped significantly during 2013, which greatly affected the Company's profitability. If the price of gold, copper, etc. continues declining in the future, greater pressure will be imposed on the Group's operating results. The Group will strengthen cost control through various channels so as to achieve cost control and set low-cost operation as a usual practice, establish long-term competitive advantage for the corporation; the Group will also strengthen the market research and forecast, reinforce the sale of goods in stock while avoid market price fluctuation risk through reasonable hedging simultaneously.

The Group continuously increases the investment in environmental protection and safety to enhance its environmental protection and safety management standard. However, mining is a relatively high risk industry on environmental protection and safety and the possibility of accident exists. The Group treats accident prevention as the main direction, regulated production as the protection measure, technology advancement as the support, seriously implements various measures for safety and environmental protection, tackles the problems in a comprehensive way, gradually achieves the goal of a basic safety for production and environment through untiring efforts.

(7) Status of special purpose vehicle under the Company's control

In order to issue US dollar bonds overseas, the Company set up a wholly-owned subsidiary Zijin International Finance Company Limited ("Zijin International Finance") in Hong Kong in April 2011 as the debt issuer, offered US\$480,000,000 in aggregate principal amount of 4.25 per cent credit enhanced bonds due 2016 to institutional and professional investors outside the United States pursuant to Regulation S under the U.S. Securities Act in June and July 2011 respectively. The bonds are backed by a standby letter of credit issued by Bank of China, Paris Branch. The issue of the U.S. dollar bonds is mainly used for purchase of copper concentrates and other overseas operations.

By order of the Board of Directors

Chen Jinghe

Chairman

Shanghang, Fujian, the PRC

28 March 2014

Management Discussion and Analysis

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

The management of the Group hereby reports the discussion and analysis of 2013 operating results.

OPERATING RESULTS

During the reporting period, the Group recorded operating income of RMB49.772 billion in the year, representing an increase of 2.8% over the previous year (2012: RMB48.415 billion).

The table below sets out the sales by products for the two years ended 31 December 2012 and 2013:

Item Product Name	2013 (Jan – Dec)			2012 (Jan – Dec)			% increase/ decrease in unit price
	Unit price (excluded tax) RMB	Volume	Amount (RMB'000)	Unit price (excluded tax) RMB	Volume	Amount (RMB'000)	
Mine-produced gold	266.09/g	32,050kg	8,528,010	326.95/g	33,160kg	10,841,540	-18.61%
Refinery, processed and trading gold	274.39/g	77,225kg	21,189,880	338.09/g	58,254kg	19,694,800	-18.84%
Mine-produced silver	2.92/g	157,397kg	459,090	4.07/g	138,434kg	562,760	-28.26%
Mine-produced copper	39,422/t	125,571t	4,950,270	42,003/t	106,561t	4,475,910	-6.14%
Refinery copper	45,155/t	209,063t	9,440,210	48,437/t	110,557t	5,354,980	-6.78%
Mine-produced zinc	7,570/t	75,327t	570,200	7,782/t	37,033t	288,180	-2.72%
Refinery zinc	12,881/t	181,228t	2,334,350	12,965/t	154,028t	1,996,920	-0.65%
Iron concentrates	631/t	2.5689Mt	1,621,480	614/t	2.4014Mt	1,475,020	2.77%
Others (Note 1)			7,858,130			8,435,560	
Less: Internal sales			-7,180,110			-4,710,950	
Total			49,771,510			48,414,720	

Note:

1. During the reporting period, other sales income mainly includes: RMB623 million from copper pipe, RMB590 million from copper belts, RMB627 million from refinery and processing silver, RMB639 million from real estates and RMB5.379 billion from other products, intermediate services and other services.

The Group's operating income increased slightly for the year ended 31 December 2013 as compared with same period last year which was mainly attributable to the following reasons: (i) the sales volume of the Company's refinery products increased sharply over the same period last year: the sales volume of refinery, processed and trading gold and refinery copper increased by 32.57% and 89.10% respectively; (ii) the newly acquired or newly commenced production enterprises including Norton (consolidated in August 2012), Duobaoshan Copper, Inner Mongolia Jinzhong Mining, Wuqia Jinwang, etc.

Management Discussion and Analysis *(continued)*

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

AN ANALYSIS OF COST AND GROSS PROFIT MARGIN

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

The table below sets out the details of the unit cost of sales and gross profit margin by products for the two years ended 31 December 2012 and 2013. (Note 1)

Item	Unit cost of sales (RMB)				Gross profit margin (%)	
	2013	2012	Unit	Compared with same period last year %	2013	2012
Year						
Mine-produced gold (Note 2)	152.34	120.82	/g	26.09	42.75	63.05
Refinery, processed and trading gold	275.22	335.03	/g	-17.85	-0.30	0.90
Mine-produced silver	1.76	2.05	/g	-14.15	39.66	49.48
Mine-produced copper	17,908	14,511	/t	23.41	54.57	65.45
Refinery copper	45,861	50,069	/t	-8.40	-1.56	-3.37
Mine-produced zinc	3,862	2,697	/t	43.20	48.98	65.34
Refinery zinc	12,519	13,243	/t	-5.47	2.81	-2.15
Iron concentrates	213	221	/t	-3.62	66.26	63.99
Overall					17.93	24.87
Overall (refinery and processing enterprises excluded)					48.97	64.94

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

Note 2: If the effects of the 2012 acquired project, Norton, and the newly commenced production entities in 2013, Inner Mongolia Jinzhong Mining project and Duobaoshan copper mine project were eliminated, the Group's unit cost of sales of mine-produced gold would be RMB134.76/g, representing an increase of 29.36% over the same period last year. In 2013, the gross profit margin of mine-produced gold was 42.75%, representing a decrease of 20.3 percentage points.

The Group's overall gross profit margin was 17.93%, representing a decrease of 6.94 percentage points over the same period last year. It was mainly attributed to the increase in the sales income proportion from refinery, processing and trading sector. The overall gross profit margin of mining products (excluding processed and refined products) was 48.97%, representing a decrease of 15.97 percentage points over the same period last year, which was mainly attributable to the adverse impacts of substantial decrease in selling price and increase in costs.

Management Discussion and Analysis *(continued)*

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

The table below sets out the details of the direct cost structure for the two years ended 31 December 2012 and 2013.

Product	Cost structure	Amount for the current period (RMB'000)	Current amount to total cost (%)	Amount for the same period last year (RMB'000)	Amount for the same period last year to total cost (%)	Changes for current amount over same period last year (%)
Mine-produced gold	Raw materials	2,063,420	42.26	1,832,230	45.74	12.62
	Salary	610,570	12.51	464,710	11.60	31.39
	Depreciation	589,890	12.08	332,840	8.31	77.23
	Energy consumption	341,170	6.99	271,670	6.78	25.58
	Others	1,277,430	26.16	1,104,740	27.58	15.63
Mine-produced silver	Raw materials	146,890	53.03	153,680	54.06	-4.42
	Salary	29,520	10.66	25,940	9.13	13.79
	Depreciation	22,220	8.02	33,590	11.81	-33.85
	Energy consumption	19,840	7.16	19,130	6.73	3.73
	Others	58,540	21.13	51,960	18.28	12.65
Mine-produced copper	Raw materials	834,000	37.09	698,180	45.15	19.45
	Salary	181,530	8.07	122,820	7.94	47.81
	Depreciation	291,830	12.98	134,960	8.73	116.23
	Energy consumption	307,620	13.68	204,970	13.26	50.08
	Others	633,750	28.18	385,420	24.92	64.43
Mine-produced zinc	Raw materials	157,320	54.07	50,320	50.37	212.66
	Salary	27,200	9.35	8,930	8.94	204.53
	Depreciation	39,760	13.67	8,870	8.88	348.44
	Energy consumption	22,570	7.76	9,960	9.97	126.58
	Others	44,070	15.15	21,810	21.84	102.06
Iron concentrates	Raw materials	374,430	68.44	348,750	65.66	7.36
	Salary	21,150	3.87	20,070	3.78	5.39
	Depreciation	29,310	5.36	35,710	6.72	-17.92
	Energy consumption	33,920	6.20	42,390	7.98	-19.99
	Others	88,250	16.13	84,200	15.85	4.82

Note: 1. The cost structure – raw materials include the cost of purchasing raw and auxiliary materials and outsourcing. The major energy consumption is electricity.

2. A large number of engineering works of the exploitation and mining of the corporate's mines were outsourced, in which the outsourcing cost was included in raw materials.

During the reporting period, the effect of the increase of processing low-grade ores, the increase of major raw and auxiliary materials prices, the rise of labour costs, and the increased inputs in safety and environmental protection led to the increase in costs. The unit selling costs of most of the main products including mine-produced gold, mine-produced copper, and mine-produced zinc increased by 26.09%, 23.41% and 43.20% respectively except for the unit selling costs of iron concentrates which decreased by 3.62%.

Management Discussion and Analysis *(continued)*

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

INFORMATION OF MAJOR SUPPLIERS AND CUSTOMERS

During the reporting period, the Group's total purchases from the five largest suppliers amounted to approximately RMB17.64 billion, representing 43.67% of the total purchases of the Group.

Details of the five largest suppliers are as follows

Supplier	Transaction amount in 2013 (RMB'000)	Percentage ratio to total procurement amount (%)
Shanghai Gold Exchange	7,786,540	19.28
Glencore International AG	4,171,580	10.33
MRI Trading AG	3,328,600	8.24
Louis Dreyfus Commodities Metals Trading Co., Ltd.	1,447,040	3.58
Hangzhou Mairen Non-ferrous Metals Co., Ltd.	906,580	2.24
Total	17,640,340	43.67

During the reporting period, the Group's total sales income from the five largest customers amounted to approximately RMB30.425 billion, representing 61.13% of the total sales income of the Group.

Details of the five largest customers are as follows

	Transaction amount in 2013 (RMB'000)	Percentage ratio to operating income (%)
Shanghai Gold Exchange	22,533,570	45.27
Fujian Shanghang Taiyang Copper Company Limited	2,325,560	4.67
Zhejiang Hongda Metal Smelting Company Limited	1,998,900	4.02
Shenzhen Jiangtong Marketing Company Limited	1,844,630	3.71
Guangzhou Jinchuangli Trading & Investing Company Limited	1,722,380	3.46
Total	30,425,040	61.13



Management Discussion and Analysis *(continued)*

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

SELLING EXPENSES

During the reporting period, the Group's selling expenses was RMB525,670,000, representing a decrease of 11.93% over last year (2012: RMB596,860,000). The decrease in selling expenses was mainly due to the decrease of transportation and related expenses; Qinghai West adjusted the sales mode of pyrite during 2013, the unit selling price excluded the delivery charges and the goods were collected by the buyers.

ADMINISTRATIVE EXPENSES

During the reporting period, the Group's administrative expenses amounted to RMB2,165,820,000 which represented an increase of 15.56% over last year (2012: RMB1,874,250,000), of which included controllable administrative expenses of RMB389,880,000, which represented a decrease of 3.22% over last year. The main reasons of the overall increase in administrative expenses were: (1) some enterprises turned from infrastructure phase into production phase, the change of scope of consolidation, etc., which increased the administrative expenses by RMB185,400,000; and (2) the rise of the commodity price and the growth of staff costs.

FINANCIAL EXPENSES

During the reporting period, the Group's financial expenses was RMB733,060,000, representing a decrease of 8.82% over last year (2012: RMB803,970,000). It was mainly due to the Company's issuance of mid-term bonds of RMB2.5 billion during 2013, which replaced part of the short-term borrowings with higher interest rates to reduce the cost of capital.

IMPARIEMENT LOSSES ON ASSETS

During the reporting period, the Group's impairment losses on assets was RMB792,140,000, representing an increase of 192.6% over last year (2012: RMB270,720,000), including: after impairment tests, RMB91,370,000 was provided for impairment loss on intangible assets, RMB67,420,000 was provided for loss in stock valuation, RMB180,200,000 was provided for fixed assets impairment loss, RMB92,010,000 was provided for impairment on available-for-sale investments, RMB189,470,000 was provided for impairment on long-term equity investments, RMB161,830,000 was provided for bad debts and RMB9,840,000 was provided for impairment on construction in progress.

INVESTMENT INCOME

During the reporting period, the investment income of the Group was RMB13,770,000, representing a decrease of RMB626,110,000 over last year (2012: RMB639,880,000). It was mainly due to: (1) the decrease in investment income from associates and joint ventures by RMB125,360,000 over last year; (2) profits realised by the settlement of futures positions of derivative financial instruments decreased by RMB307,830,000 over last year (loss of RMB81,710,000 in 2013, gain of RMB226,120,000 in 2012); (3) the recognized gain on settlement of stock, bond and fund investments which are held-for-trading financial assets decreased by RMB29,760,000 over last year (gain of RMB8,400,000 in 2013, gain of RMB38,160,000 in 2012); and (4) gain on disposal of available-for-sale investments decreased by RMB156,830,000 over last year (in which loss on disposal of available-for-sale investments in 2013 was RMB50,580,000, gain on disposal in 2012 was RMB106,250,000).

DERIVATIVE FINANCIAL INSTRUMENTS IN UNSETTLED POSITIONS

As at 31 December 2013, the future contracts held by the Group incurred an unsettlement loss of RMB54,260,000 (2012: loss of RMB38,580,000).

As at 31 December 2013, the net gain on changes in fair value in unsettled gold leasing and gold future position entered for hedging risk of its price fluctuation was RMB132,740,000 (2012: net loss of RMB57,000,000).

Management Discussion and Analysis *(continued)*

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

WORKING CAPITAL AND SOURCES OF FUND

As at 31 December 2013, the Group's cash and cash equivalents was RMB4,021,000,000, representing a decrease of RMB2,294,000,000 or 36.32% over the same period last year.

During the reporting period, net cash inflow generated from the Group's operating activities was RMB8,842,000,000, representing an increase of RMB3,435,000,000 over the same period last year, in which, the cash inflow generated from operating activities was RMB53,885,000,000, representing an increase of RMB1,146,000,000 over the same period last year; cash outflow in operating activities was RMB45,043,000,000, representing a decrease of RMB2,289,000,000 over the same period last year. The main reasons for the increase in net cash inflow generated from the Group's operating activities were the Group's strengthened management on inventory control, decrease of procurement volume, the proposal of economic inventory level as an assessment indicator and increase in production and sales volume of products during 2013, which led to the increase in net inflow.

During the reporting period, net cash outflow used in the Group's investing activities was RMB8,480,000,000, representing a decrease of RMB1,457,000,000, in which, the main investing expenditures included (1) cash payment of RMB8,621,000,000 for the Group's purchase and construction of fixed assets, intangible assets and other long-term assets; and (2) cash payment of RMB1,424,000,000 for the external investments.

During the reporting period, net cash outflow used in the Group's financing activities was RMB2,595,000,000, representing an increase of outflow of RMB8,530,000,000 over the same period last year. It was mainly due to the decrease in loan financing.

As at 31 December 2013, the Group's total borrowings amounted to RMB23,571,000,000 (31 December 2012: RMB23,269,000,000). Among which, the amount repayable within one year was approximately RMB10,960,000,000, the amount repayable within one to two years was approximately RMB4,801,000,000, the amount repayable within two to five years was approximately RMB6,686,000,000, the amount repayable more than five years was approximately RMB1,124,000,000. The interest rates of all borrowings ranged from 1.16% to 7.80% (2012: ranged from 1.16% to 7.87%).

The Group's daily capital requirements and capital expenditures for maintenance nature can be financed from its internal cash flow. The Group also has loan facilities with no usage restriction of approximately RMB100.5 billion provided by banks.

RESEARCH AND DEVELOPMENT EXPENDITURE

Currency: RMB

Expensed research and development expenditure for the year	86,416,400
Capitalized research and development expenditure for the year	13,042,500
Total research and development expenditure	99,458,900
Percentage of total research and development expenditure to net assets (%)	0.3
Percentage of total research and development expenditure to operating income (%)	0.2

Management Discussion and Analysis *(continued)*

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

OPERATION ANALYSIS BY INDUSTRIES, PRODUCTS OR REGIONS

Currency: RMB'000

By product	Operating income	Operating costs	Gross profit margin (%)	Change of operating income compared with last year (%)	Change of operating costs compared with last year (%)	Change of gross profit margin compared with last year (percentage points)
Mine-produced gold	8,528,010	4,882,480	42.75	-21.34	21.87	-20.30
Refinery, processed and trading gold	21,189,880	21,254,120	-0.30	7.59	8.90	-1.2
Mine-produced silver	459,090	277,010	39.66	-18.42	-2.56	-9.82
Mine-produced copper	4,950,270	2,248,730	54.57	10.60	45.42	-10.88
Refinery copper	9,440,210	9,587,800	-1.56	76.29	73.21	1.81
Mine-produced zinc	570,200	290,920	48.98	97.86	191.24	-16.36
Refinery zinc	2,334,350	2,268,720	2.81	16.90	11.22	4.96
Iron concentrates	1,621,480	547,060	66.26	9.93	3.00	2.27
Others	7,858,130	6,870,140	12.57	-6.85	-4.46	-2.19
Offsetting internal sales	-7,180,110	-7,380,500				
Total	49,771,510	40,846,480	17.93	2.80	12.29	-6.94

Note: The analysis by product is based on the figures before offsetting of internal sales.

REGIONAL INFORMATION OF THE MAIN BUSINESS

Business of the Company is mainly concentrated in the Mainland, and the transactions of gold products, the Group's main product, were conducted and settled through the Shanghai Gold Exchange, information about the ultimate customers is unknown. Therefore, geographical segment information is not disclosed.

Management Discussion and Analysis *(continued)*

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

ANALYSIS OF THE CHANGES IN MAJOR FINANCIAL INFORMATION DURING THE REPORTING PERIOD

During the reporting period, the analysis of the changes in balance sheet of the Group:

Currency: RMB

Item	Amount at the end of 2013	Proportion of amount at the end of 2013 to total assets (%)	Amount at the end of 2012	Proportion of amount at the end of 2012 to total assets (%)	Change in the amount at the end of 2013 compared with end of 2012 (%)	Reasons for the change
Cash and cash equivalents	4,491,737,212	6.71	7,473,400,807	11.1	-39.90	Due to the lower inventory level, decrease of occupation of working capital, repayment of debts and borrowings and increase in investment in technical innovation by the Group during this year
Bills receivable	780,847,129	1.17	575,499,815	0.85	35.68	Due to the increased sales volume to customers using bank bills receivable for settlement during this year
Trade receivables	519,354,631	0.78	841,494,264	1.25	-38.28	Due to the receipts in the trade receivables of the previous years during the year
Available-for-sale investments	343,624,001	0.51	576,013,498	0.86	-40.34	Due to the fall of stock prices of investment entities and disposals of part of the available-for-sale investments during the year
Investment properties	112,444,271	0.17	49,065,516	0.07	129.17	Due to the increase of shops for external lease this year
Construction materials	189,696,519	0.28	136,501,422	0.2	38.97	Due to the increase in equipment pending for installation during this year
Long-term deferred assets	1,093,707,245	1.63	800,104,702	1.19	36.70	Due to the Group's increase in construction area and forest compensation fee for the expansion of production capacity this year
Deferred tax assets	795,179,740	1.19	574,768,328	0.85	38.35	Due to the increase in deferred tax assets generated by deductible loss of subsidiaries, provision in impairment on assets and accrued expenses
Short-term borrowings	2,774,147,375	4.15	6,399,851,000	9.5	-56.65	Due to the repayment in advance for part of the short-term borrowings by the funds obtained from the issuance of bonds in order to improve capital structure and the repayment of bank borrowings which were due by subsidiaries
Advances from customers	577,062,261	0.86	937,554,916	1.39	-38.45	Due to the transfer of receipt in advance from sales of real estates to sales income by the Group's subsidiary, Zijin Real Estate and the corresponding decrease in advances from customers due to decrease in sales of mineral products during this year

Management Discussion and Analysis *(continued)*

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

Currency: RMB

Item	Amount at the end of 2013	Proportion of amount at the end of 2013 to total assets (%)	Amount at the end of 2012	Proportion of amount at the end of 2012 to total assets (%)	Change in the amount at the end of 2013 compared with end of 2012 (%)	Reasons for the change
Taxes payable	1,014,800,781	1.52	1,692,027,264	2.51	-40.02	Due to the decrease of taxes payable because of the substantial decrease in product prices and rise in costs which lowered the total profit
Dividends payable	5,534,343	0.01	57,397,500	0.09	-90.36	Due to the distribution of dividends to non-controlling interests by some subsidiaries this year
Current portion of non-current liabilities	1,377,984,690	2.06	535,867,957	0.8	157.15	Due to the increase in bank borrowings of some subsidiaries for basic infrastructure and technical innovation projects which are repayable within one year
Bonds payable	5,405,880,513	8.08	2,987,766,076	4.44	80.93	Due to the newly issued mid-term bonds amounted to RMB2.5 billion during the year
Long-term payables	309,261,109	0.46	169,472,564	0.25	82.48	Due to the Group's increased injection into Zijin Charity Foundation
Other non-current liabilities	549,332,668	0.82	366,862,124	0.54	49.74	Due to the increase in government grants including Zijinshan low grade resources comprehensive utilization demonstration base during the year
Exchange differences arising from translation of financial statements denominated in foreign currencies	-382,214,854	-0.57	-222,084,649	-0.33	72.10	Due to the fluctuation of exchange rate of RMB during the year

Management Discussion and Analysis *(continued)*

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

During the reporting period, the analysis of the changes in statement of profit or loss of the Group:

Currency: RMB

Item	2013	2012	% Change	Reasons for the change
Operating income	49,771,511,898	48,414,719,206	2.80	Please refer to Management Discussion above
Operating costs	40,846,480,113	36,374,864,074	12.29	Please refer to Management Discussion above
Selling expenses	525,665,748	596,860,745	-11.93	Please refer to Management Discussion above
Administrative expenses	2,165,817,191	1,874,254,433	15.56	Please refer to Management Discussion above
Financial expenses	733,059,904	803,965,178	-8.82	Please refer to Management Discussion above
Research and development expenditure	99,458,900	113,958,190	-12.72	
Taxes and surcharges	719,196,040	541,098,426	32.91	Increase of resources tax due to the newly commenced production mines
Impairment losses on assets	792,141,366	270,720,072	192.61	Please refer to Management Discussion above
Gains/(losses) on changes in fair value	18,736,057	12,986,146	44.28	Due to the changes in fair values of derivative financial instruments for this year
Investment income	13,767,646	639,884,580	-97.85	Please refer to Management Discussion above
Non-operating expenses	410,440,020	270,666,100	51.64	Due to the increase in the Group's donations and losses on disposal of non-current assets
Income tax expenses	973,432,498	2,402,806,003	-59.49	Due to the decrease in the Group's operating results during the year
Net profit for the year attributable to owners of the parent	2,125,353,823	5,211,208,977	-59.22	Due to the decrease in the Group's operating results during the year

During the reporting period, the analysis of the changes in cash flow statements of the Group:

Currency: RMB

Item	2013	2012	% Change	Reasons for the change
Net cash flow from operating activities	8,842,463,564	5,407,581,677	63.52	Please refer to Management Discussion above
Net cash flow from investing activities	-8,479,729,564	-9,936,412,127	-14.66	Please refer to Management Discussion above
Net cash flow from financing activities	-2,594,919,864	5,935,098,242	-143.72	Please refer to Management Discussion above

Management Discussion and Analysis *(continued)*

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

NON-RECURRING PROFIT OR LOSS ITEMS AND THEIR AMOUNTS

Currency: RMB

Non-recurring profit or loss items	Amount in 2013	Note (If applicable)	Amount in 2012	Amount in 2011
Gain or loss on disposal of non-current assets	-118,475,005		-40,896,945	-40,516,191
Government grants recognised in the statement of profit or loss, except for government grants closely related to the Company's normal operations, which are in line with the country's policies, calculated according to certain standards or continuously granted in fixed amount	159,679,631		91,978,060	90,944,316
Gain or loss on changes in fair value from held-for-trading financial assets and financial liabilities, net investment gain or loss on disposal of held-for-trading financial assets and liabilities and available-for-sale investments except for the effective portion of hedge closely related to the Company's normal operations	-105,461,015	Including the losses from investments on changes in fair value of trading stocks, funds and bonds amounted to RMB63,280,631, loss on disposal of stocks amounted to RMB42,180,384.	186,214,066	231,305,017
Other non-operating income and expenses other than the aforesaid items	-228,158,295	Including donations of RMB230,065,888 to charities organisations including the Shanghang Charity Federation and other non-operating net income of RMB1,907,593.	-100,848,802	-382,223,513
Interest income from Glencore convertible bond investment				31,504,500
Impairment loss on available-for-sale investments	-92,013,456			
Impact on non-controlling interests	58,478,116		-2,462,989	2,596,232
Impact on income tax	34,878,918		-64,942,617	58,348,013
Total	-291,071,106		69,040,773	-8,041,626

Management Discussion and Analysis *(continued)*

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

ITEMS MEASURED UNDER FAIR VALUE

Currency: RMB

Item	Beginning of the period	End of the period	Changes during the period	Impact on the profit of the current period
Financial assets at fair value through profit or loss (excluding derivative financial assets)	529,899,154	460,998,410	-68,900,744	-63,280,631
Derivative financial assets	141,044,111	14,943,541	-126,100,570	-125,440,710
Available-for-sale investments	576,013,498	343,624,001	-232,389,497	-17,094,458
Financial liabilities at fair value through profit or loss (excluding derivative financial liabilities)	-6,397,563,828	-5,665,210,229	732,353,599	1,124,808,398
Derivative financial liabilities	-123,871,541	-1,081,524,626	-957,653,085	-917,351,000
Total	-5,274,478,606	-5,927,168,903	-652,690,297	1,641,599

ANALYSIS OF THE CORE COMPETITIVENESS

As a mining corporation, the Company always insists in having mineral resources as the corporate's most important assets and obtains a batch of mining rights with significant value at a relatively lower cost through mergers, acquisitions, restructuring and self-exploration. The Company's owned resources reserves keep growing. As at 31 December 2013, the Company owned resources/reserves of gold of 1,200 tonnes and copper of 13.62 million tonnes, and a relatively large amount of zinc, iron, tungsten and other mineral resources. The Company is one of the corporates owning the largest amount of metal mineral resources in the PRC.

The Company adheres to science and technology as a leading guide, technological innovation has become the core competitiveness to support the Company's development. The Company now has high-level research and development platforms and scientific research and design entities including the state's key laboratory, state-level enterprise technical centre, academicians and experts workstations, postdoctoral workstations, technology companies and design firms, etc., owns a batch of intellectual property rights and scientific research achievements with strong applicability and significant effectiveness which are applicable to its own mines. The Company is a leader within the industry in terms of research capability and industrial application standard in geological exploration, utilization of low-grade resources and refinery of gold in hydrometallurgical way.

Up to the end of 2013, the Group has organized and completed more than 500 various technological projects, in which it took up 12 national projects such as the national science and technology support programs, project 863, project 973, innovation capacity-building, etc., and 23 provincial science and technology projects. Among the technological research results, there are over 100 intellectual property rights obtained. The Group gained 44 scientific and technological awards from provincial ministerial level and above (including: 16 first prize awards). The Group has applied for 184 national patents (124 invention patents), in which 77 patents (including 36 invention patents) were approved. The Group organized and took charge of the organization and drafting of 11 national/industrial standards and participated in the drafting of more than 20 national/industrial standards.

GEARING RATIO

Gearing ratio is defined as the ratio of consolidated total liabilities to consolidated total equity. As at 31 December 2013, the Group's consolidated total liabilities was RMB33,812,937,200 (it was RMB33,771,455,302 as at 31 December 2012), and the Group's consolidated total equity was RMB33,085,451,920 (it was RMB33,582,965,739 as at 31 December 2012). As at 31 December 2013, the Group's gearing ratio was 1.022 (it was 1.006 as at 31 December 2012).

Management Discussion and Analysis *(continued)*

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

PROFITS ATTRIBUTABLE TO OWNERS OF THE PARENT AND EARNINGS PER SHARE

The Group's profits attributable to owners of the parent as at 31 December 2013 was approximately RMB2,125,353,823, representing a decrease of approximately 59.22% over RMB5,211,208,977 in 2012.

For the year ended 31 December 2013, the Group's earnings per share (basic) was RMB0.10, representing a decrease of 58.33% over the previous year (the calculation of earnings per share is based on the profit for the year attributable to owners of the parent of RMB2,125,353,823 (2012: RMB5,211,208,977) and the weighted average number of ordinary shares outstanding in the year ended 31 December 2013 of 21,796,121,080 ordinary shares (2012: 21,811,963,650 shares) in issue during the year).

TAXES

Currency: RMB

	2013	2012
Current tax expenses		
— Mainland China	1,199,556,120	2,497,883,147
— Hong Kong	—	—
Deferred tax expenses	(226,123,622)	(95,077,144)
	973,432,498	2,402,806,003

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

	2013	2012
Profit before tax	3,834,701,570	8,556,059,317
Income tax calculated at the applicable tax rate (Note 1)	958,675,393	2,139,014,829
Effect of different tax rates of certain subsidiaries	(155,990,286)	(84,222,712)
(Over)/under-provision in prior years	(59,119,178)	87,418,802
Income not subject to tax (Note 2)	(99,842,278)	(96,322,880)
Expenses not deductible for tax purposes (Note 3)	40,178,017	56,891,085
Previous tax losses utilised	(20,879,485)	(971,453)
Effect of unrecognised deductible temporary differences and deductible tax losses	310,410,315	300,998,332
Income tax expenses calculated at the Group's effective tax rate	973,432,498	2,402,806,003

Note 1: Provision for the PRC enterprise income tax expenses has been made at applicable tax rates based on the taxable profits. For the year 2013, there was no assessable profit arising in Hong Kong (2012: Nil). Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries/jurisdictions in which the enterprise operates.

Note 2: Included share of profits of long-term equity investments under the equity method of RMB117,156,560 for the year 2013 (2012: RMB242,514,892), share of profits of long-term equity investments under the cost method of RMB18,740,000 for the year 2013 (2012: RMB12,540,344) and the sales revenue which comes from the products that shall be exempted from income tax in line with national industrial policies and regulations of RMB16,482,399 for the year 2013 (2012: RMB12,970,130).

Note 3: Included donations not deductible for tax purposes of RMB118,289,509 for the year 2013 (2012: RMB15,913,590).

Details of the other taxes of the Group are set out in note III to the financial statements.

Management Discussion and Analysis *(continued)*

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

NET CURRENT (LIABILITIES)/ASSETS

	2013	2012
Current assets	17,931,787,510	24,333,698,904
Less: Current liabilities	19,959,966,260	22,978,617,534
Net current (liabilities)/assets	(2,028,178,750)	1,355,081,370

TOTAL ASSETS LESS CURRENT LIABILITIES

	2013	2012
Total assets	66,898,389,120	67,354,421,041
Less: Current liabilities	19,959,966,260	22,978,617,534
Total assets less current liabilities	46,938,422,860	44,375,803,507



Directors, Supervisors and Senior Management

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EXECUTIVE DIRECTORS

Mr. Chen Jinghe, aged 56, graduated from Fuzhou University with a bachelor's degree in geology and obtained an EMBA degree from Xiamen University. He is a professor grade senior engineer, a specialist who enjoys special allowance from the State Council, a delegate to the tenth, eleventh, and twelfth National People's Congress of Fujian Province, the vice-president of the China Gold Association and the chairman of chairman group of China Mining Association. He has been appointed as the chairman of the Company since 2000. From August 2006 to November 2009, he also served as the president of the Company. He also serves as the head of the Company's national key gold laboratory. He was the discoverer and main exploration organizer of Zijinshan gold and copper mine, and is the founder and core leader of the Company.

Mr. Wang Jianhua, aged 57, received tertiary education from the Central Communist Party School, obtained an EMBA degree, is a senior economist and senior accountant. He has served as chairman of Guangtong Group, manager of Shandong Silk Import & Export Corporation, general manager of Shandong Provincial Silk Corporation, and the chairman and secretary of Communist Party committee of Shandong Gold Group Co., Ltd. He retired in February 2013; he was appointed as president of the Company from June 2013 to October 2013. He currently serves as the director and president of the Company.

Mr. Qiu Xiaohua, aged 55, graduated from the Department of Economics of Xiamen University, and received his Ph.D. from Beijing Normal University. He is a senior statistician. He has held several positions including secretary to the Communist Party Committee and chief of National Bureau of Statistics of China, senior researcher for China National Offshore Oil Corporation, part-time professor of Xinhua Business School and the chief economist of Minsheng Securities. He has been appointed as the executive director and vice-chairman of the Company since May 2012.

Mr. Lan Fusheng, aged 49, graduated from Fuzhou University with a bachelor's degree in geology and obtained a master's degree in business administration. He joined the Company in 1994. From August 2000 to August 2006, he was appointed as a director and standing deputy general manager of the Company. He has been serving as a vice-chairman of the Company since August 2006.

Mr. Zou Laichang, aged 45, graduated from Fujian Agriculture and Forestry University Forestry College with a bachelor's degree of engineering in chemistry for forestry and obtained an MBA degree. He is a senior engineer. He joined the Company in March 1996, served as a director and senior vice-president from August 2006 to November 2009 and served as a director and standing vice-president from November 2009 to October 2013. Currently, he is a director and vice-president of the Company.

Mr. Lin Hongfu, aged 39, graduated from Chongqing Steel College majoring in steel and iron alloy smelting with a bachelor's degree. In August 1997, he joined the Company and then has held the positions of plant manager of gold refinery plant, deputy chief of Zijinshan gold mine, general manager and chairman of Bayannaer Zijin Non-ferrous Metals Company Limited, etc. He served as a vice president of the Company from August 2006 to October 2013. He is currently a director and vice president of the Company.

NON-EXECUTIVE DIRECTOR

Mr. Li Jian, aged 37, graduated from Yang-En University majoring in international finance. He has served as the manager, marketing director, deputy general manager of Longyan operation branch and the general manager of Shanghang operation branch of Industrial Securities Co., Ltd. He has been appointed as the general manager of Minxi Xinghang State-owned Assets Investment Company Limited since January 2013. He currently serves as a non-executive director of the Company.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Lu Shihua, aged 62, graduated from Central Communist Party School majoring in economic management specialisation by correspondence, is a non-practicing registered accountant. He currently serves as the president of the Fujian Budget and Accounting Research Society. He has held the positions of director of Gutian Finance Bureau, deputy director of finance office for industrial and transportation enterprises and director of the finance office for cultural, education and administration under the Fujian Finance Department, director of budget office and inspector (deputy departmental head grade) of the Fujian Finance Department. He retired in May 2011. He currently serves as an independent non-executive director of the Company.

Mr. Ding Shida, aged 65, a postgraduate graduated from Economic Research Institute of Xiamen University majoring in business administration, received a doctoral degree in management from the Graduate School of Chinese Academy of Social Sciences, is a senior economist. He was a member of the standing committee of the tenth Chinese People's Political Consultative Conference ("CPPCC") of Fujian and deputy director of the Economic Committee of the tenth CPPCC of Fujian. From 1983 to 1996, he served





Directors, Supervisors and Senior Management *(continued)*

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as a vice county chief of Liancheng, Fujian, deputy director and director of Fujian Longyan Economic Commission, secretary of Shanghang Communist Party Committee, member of the regional Communist Party Committee of Longyan and the secretary of Longyan Communist Party Committee. From 1996 to 2010, he served as the general manager and secretary of Communist Party Committee of Fujian Construction Materials Industry Corporation. At the same time, he also served as the chairman of Fujian Cement Inc. He has also served as the secretary of Communist Party Committee and general manager of Fujian International Trust & Investment Corporation (FITIC) (renamed as Fujian Investment Corporation Group Company later), and the chairman of Min Xin Holdings Limited (listed company in Hong Kong), the chairman of Min Xin Insurance Co., Ltd., vice chairman of Luso International Banking Ltd., and the vice chairman and chairman of Xiamen International Bank. He retired in July 2010. He currently serves as an independent non-executive director of the Company.

Mr. Jiang Yuzhi, aged 66, tertiary educated, is a senior economist. He has served as a standing member of the tenth Fujian Province's Chinese People's Political Consultative Conference and the vice head of its Committee for Handling Proposals. He has served as the head of the office of Fujian Province Geological and Mineral Bureau, the head of the policies and regulations research office and the head of multi-operation office, the vice director of Fujian Geological and Mineral Exploration Development Bureau, the vice officer of Fujian Province Geological and Mineral Office, vice officer of Department of Land Resources of Fujian and at the same time served as the director of Fujian Geological and Mineral Exploration Development Bureau. He retired in July 2010. He currently serves as an independent non-executive director of the Company.

Mr. Sit Hoi Wah, Kenneth, aged 55, graduated from the University of Hong Kong, is a practicing solicitor in Hong Kong. He was admitted as a solicitor in Hong Kong, a solicitor in England and Wales, a solicitor and barrister in Australia, a solicitor in Singapore, a notary public, a member of the Chartered Institute of Arbitrators and a fellow member of the Hong Kong Institute of Arbitrators. He is a partner of Messrs. Kenneth Sit, Solicitors of Hong Kong and a consultant of Messrs. Charles Chu & Kenneth Sit, Solicitors of Hong Kong. He currently serves as an independent non-executive director of the Company.

SUPERVISORS OF SUPERVISORY COMMITTEE

Mr. Lin Shuiqing, aged 49, tertiary educated. He has been a deputy secretary, head of town and secretary of Zhongdu Town of Shanghang County Communist Party Committee, a director of Shanghang County Communist Party Committee Office, a standing member of the Shanghang County Communist Party Committee, director of Shanghang County Tongzhanbu and Secretary of Shanghang County Non State-owned Economic Working Committee. He has been serving as the chairman of the Supervisory Committee of the Company since November 2009.

Mr. Xu Qiang, aged 61, tertiary educated, is a senior accountant, registered CPA, and registered valuer. He has been the deputy director of Fujian Huaxing Certified Public Accountants and the director of Fujian Asset Valuation Centre. He has been appointed as a supervisor of the Company since August 2000. He has been serving as the vice-chairman of the Supervisory Committee of the Company since August 2006.

Mr. Fan Wensheng, aged 45, tertiary educated. He has held positions including secretary and vice director of the Agricultural and Economic Commission of Standing Committee of Shanghang County People's Congress, vice director, chief staff, committee member and party member of office of the Standing Committee of the Shanghang County People's Congress, vice secretary of Gutian Communist Party Committee and town chief of Gutian town, Communist Party Committee secretary of Taibaxiang, Shanghang County, township cadre of Economic and Trading Bureau and the director of the Shanghang Copper Bureau. He currently serves as the supervisor of the Company.

Mr. Liu Wenhong, aged 43, tertiary educated, is an engineer. Mr. Liu joined the Company in 1989. He has held several positions including the office officer, assistant to general manager, standing deputy chief of Zijinshan gold and copper mine, chairman of Zijin Mining Group (Xiamen) Investment Co., Ltd., general manager of the key projects and social responsibility department. He is currently serving as the chairman of the labour union and the supervisor representing workers and staff of the Company.

Mr. Zhang Yumin, aged 62, secondary educated. He joined the Company in 2000 and previously held several positions including assistant finance manager and officer of assets department, etc. He is currently serving as an officer of the supervisory and audit department. He has been serving as the supervisor representing workers and staff of the Company since August 2006.



Directors, Supervisors and Senior Management *(continued)*

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SENIOR MANAGEMENT

Mr. Huang Xiaodong, aged 58, graduated from Hefei University of Technology majoring in computing, and obtained an EMBA degree. He joined the Company in 2005 and served as the chief economist of the Company and standing deputy chief and chief of Zijinshan gold and copper mine. He served as a director and senior vice-president of the Company from August 2006 to November 2009. He served as a director and vice-president of the Company from November 2009 to October 2013. Currently, he is a vice-president of the Company.

Mr. Xie Chengfu, aged 48, graduated from Changchun College of Geology with a bachelor's degree in mine exploration. He is a senior engineer. In 1994, he joined the Company as plant manager of gold refinery plant, and then held the positions of chief of Zijinshan Gold Mine, assistant to general manager and deputy general manager of the Company, chairman and general manager of Hunchun Zijin Mining Company Limited. He has been serving as a vice-president of the Company since August 2006.

Mr. Yang Kaihui, aged 50 with Canadian nationality, graduated from the mining and metallurgy department of Fuzhou University, and was a postgraduate of Institute of Geology Chinese Academy of Geological Sciences and a PhD student of Chinese University of Geosciences (Beijing). He obtained a PhD and is a NI43-101 professional geologist of Canada. He has engaged in research in Institute of Geology Chinese Academy and teaching in Department of Geology in Earth Sciences Centre, University of Toronto, Canada. He has served the positions of geological consultant of Noranda Inc., Canada, senior geological consultant of Barrick Gold Corporation, Canada, senior geological consultant of Falconbridge Limited, Canada, senior geological consultant of Inco Limited, Canada and senior mining industry consultant of the World Bank (Washington). He founded a Canadian listed company, Asia Now Resources Corp. and served as the president in the period from 2003 to 2012. He currently serves as the vice-president of the Company.

Ms. Lin Hongying, aged 45, tertiary educated, is a senior accountant. She joined the Company in 1993 and held the positions of chief accountant, deputy manager and manager of finance department and assistant financial controller, etc. She has been serving as the financial controller of the Company since November 2009.

Ms. Liu Qiang, aged 50, graduated from Beijing Second Foreign Language Institute majoring in English literature, obtained a Master's degree in Literature and is a deputy senior translator. She is the representative of the fifteenth People's Congress in Haidian District of Beijing, and is a member of the National Economy, Social Development and Planning, Finance and Budgeting Audit Committee of the fifteenth People's Congress of Haidian District. She has studied finance, financial management and business administration at the University of International Business and Economics in Beijing and got a post-graduate diploma. She has received trainings on finance and financial management in Hong Kong, served in the finance department of Hong Kong Oriental (Holdings) Company Limited and served as the manager of the finance department of an Australian subsidiary of China National Non-Ferrous Metals Import and Export Corporation, manager of the aluminum department of China National Non-Ferrous Metals Import and Export Corporation; a senior analyst for the aluminum industry and market in China National Non-Ferrous Metals Trading Group and China National Metals and Minerals Import and Export Corporation as well as the deputy manager of the Import and Export Division of China Aluminum International Trading Corporation Limited. She served as the secretary to the board of directors and company secretary of Aluminium Corporation of China Ltd. from October 2003 to May 2013. She currently serves as the secretary to the board of directors of the Company.

Mr. Fan Cheung Man, aged 53, obtained a Master's degree in business administration from the University of New England, Australia. He is an associate member of The Hong Kong Institute of Certified Public Accountants, and a fellow member of The Association of Chartered Certified Accountants, UK. He has been a deputy general manager of Hungtai Electronic Factory and a financial controller of Vigers HK Limited. Mr. Fan has been serving as the company secretary (HK) for the Company since December 2004.

Directors, Supervisors and Senior Management *(continued)*

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

POSITION HELD IN SHAREHOLDER'S COMPANY AND OTHER COMPANIES BY CURRENT DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

1. Position held in shareholder's company

Name	Name of shareholder's company	Position	Date of appointment	Date of cessation
Li Jian	Minxi Xinghang State-owned Assets Investment Co., Ltd.	General Manager	January 2013	January 2017
Fan Wensheng	Minxi Xinghang State-owned Assets Investment Co., Ltd.	Supervisor	October 2013	October 2016

2. Position held in other companies

Name	Name of company	Position	Date of appointment	Date of cessation
Lan Fusheng	China Hanking Holdings Limited	Non-executive director	30 January 2012	30 January 2015
Ding Shida	Fujian Hongbo Printing Co., Ltd.	Independent director	17 April 2013	16 April 2016
Ding Shida	Tianguang Fire-fighting Incorporated Company	Independent director	13 July 2013	12 July 2016
Lu Shihua	Greatown Holdings Ltd.	Independent director	12 April 2012	21 July 2014
Qiu Xiaohua	Minsheng Securities	Chief economist	1 September 2012	30 August 2015
Sit Hoi Wah, Kenneth	Pokfulam Development Company Limited	Independent non-executive director	10 October 2005	31 March 2015
Huang Xiaodong	Gold Eagle Mining Investment Limited	Director	2 April 2012	



Report of the Directors

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

The directors of the Company (“Directors”) hereby submit the Report of the Directors and the audited financial statements of the Group for the year ended 31 December 2013.

PRIMARY BUSINESS

The Company is principally engaged in the exploration, mining, processing, refining and sale of gold and non-ferrous metals and other mineral resources, and is a large mining conglomerate primarily engaged in the production of gold and non-ferrous metals. The Company mainly produces gold bullion of 99.99% and 99.95% purity under the “ZIJIN” brand, copper cathodes and zinc bullion, etc. In 2013, the sales of gold products represented 54.28% (after elimination) of the total sales and other related income, and the net profit of the gold business represented about 52.05% of the total consolidated net profit of the Group. There were no significant changes in the nature of the Group’s principal activities during the reporting period.

Details regarding the key businesses of the Group’s subsidiaries and associates are set out in notes IV.1 and V.10 to the financial statements, respectively.

OPERATING RESULTS

The operating results of the Group for the year ended 31 December 2013 are set out in the financial statements on pages 79 to 264.

Status of projects using non-proceeds funds

RMB billion

Project name	Amount	Progress	Actual		Gains
			Investment for the year	accumulated investment	
Russia Tuva zinc and multi-metals mine	3	Expected to complete the construction and put into production in 2014	0.712	2.881	Planned production capacity is about 90,000 tonnes of zinc a year
Gansu Yate Li County gold mine project (including phase 1 of the 6,000 tonnes/day processing project and the 10,000 tonnes/day mining project at Liba mining area)	1.4	Phase 1 of the 6,000 tonnes/day floatation process project ran a test successfully in September 2013 and put into production in October. Working on preparatory work like road building for mining transportation, waste disposal planning and relocation of residents within mining area for the 10,000 tonnes/day mining project at Liba mining area	0.227	0.386	Planned production capacity is about 5 tonnes of gold a year after completion of all projects
Kyrgyzstan Zuoan gold mine project	1.489	Expected to complete the construction and put into production in 2014	0.488	0.686	Planned production capacity is about 3.7 tonnes of gold a year
Phase 1 of Heilongjiang Duobaoshan Copper project	2.66	Put into production by the end of May 2012	0.199	2.59	Upon meeting production capacity for phase 1, production of about 25,000 tonnes of copper metals a year

Report of the Directors (continued)

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

RMB billion

Project name	Amount	Progress	Actual		Gains
			Investment for the year	accumulated investment	
Technological innovation of ZGC Gold Mine in Tajikistan	1.377	The stripping of infrastructure of Jilao open-pit mine and Taror open-pit mine have been completed for over 90% and 80% respectively. The reformation of industrial pilot production processing technology of Taror oxide ore processing plant has been completed. The Jilao 10,000 tonnes processing plant project entered into civil engineering construction and installation stage.	0.487	1.002	Upon completion of technological innovation, additional production of about 3.5 tonnes of gold a year
Wulatehouqi Zijin Sanguikou Lead and Zinc Mine	1.378	Expected to put into production in 2014	0.498	1.27	Planned production capacity is about 70,000 tonnes of zinc a year
Total	11.304	/	2.611	8.815	/

Analysis of major subsidiaries and associates

Operations status and results analysis of the Company's major subsidiaries

RMB'000

Company name	Major products	Registered			
		capital	Total assets	Net assets	Net profit
Xinjiang Ashele Copper Company Limited	Copper concentrates	250,000	2,136,899.5	1,925,511.6	745,086.0
Xinjiang Jinbao Mining Company Limited	Iron concentrates	50,000	1,278,588.5	616,709.3	522,601.2
Qinghai West Copper Mining Company Limited	Copper concentrates	120,000	1,622,465.7	965,071.2	332,249.6
Heilongjiang Duobaoshan Copper Company Limited	Copper concentrates	800,000	2,850,370.6	1,153,584.1	242,468.8
Hunchun Zijin Mining Company Limited	Copper and gold concentrates	200,000	1,910,979.2	1,698,082.6	201,266.5
Wulatehouqi Zijin Mining Company Limited	Zinc concentrates	150,000	1,632,842.5	557,261.8	173,963.0
Hebei Chongli Zijin Mining Company Limited	Gold	237,500	739,255.9	500,376.9	128,215.7
Wenshan Malipo Zijin Tungsten Company Limited	Tungsten products	1,000,000	1,859,799.3	1,268,575.4	125,513.9
Bayannaer Zijin Non-ferrous Metals Company Limited	Zinc bullion	375,000	3,573,405.8	874,906.7	-117,374.0
Zijin Copper Company Limited	Copper cathode	1,818,300	7,102,293.1	1,227,957.6	-376,699.1

Report of the Directors *(continued)*

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

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

RMB'000

Company name	Total assets	Net assets	Income from main businesses	Profit from main businesses	Net profit
Xinjiang Ashele Copper Company Limited	2,136,899.5	1,925,511.6	1,529,770.6	944,846.9	745,086.0
Xinjiang Jinbao Mining Company Limited	1,278,588.5	616,709.3	1,473,771.2	618,611.0	522,601.2
Qinghai West Copper Mining Company Limited	1,622,465.7	965,071.2	1,087,798.8	442,390.9	332,249.6

MAJOR LITIGATION AND ARBITRATION

Summary and type of event

On 21 September 2010, the collapse of Yinyan Tin Mine Gaoqiling tailing pool dam of Xinyi Zijin was affected by the extreme weather brought by typhoon "Fanapi", resulting in casualties and property damage downstream. Most of the litigations arose from this incident were solved by way of mediation in 2011 and 2012, while only part of the disputed litigations (mainly the 6 hydropower plants including Shihuadi and a water treatment plant made a claim of RMB52,284,733 to Xinyi Zijin for the property damage, Xinyi Zijin has applied to court to carry out technical examination of Shihuadi and Qianfeng power stations and filed a lawsuit to request them to bear the relevant portion of the compensation of RMB49,900,000) are still in progress.

Index for details

For details, please refer to the Company's announcements on HKEx website (<http://www.hkex.com.hk>): dated 9 March 2012 and 13 September 2012.

Currency: RMB'000

During the reporting period:

Plaintiff(s)	Defendant(s)	Jointly and severally liable parties	Type of proceedings (arbitration)	Basic information of proceeding (arbitration)	Amount involved in proceedings (arbitration)	Whether expected liabilities and amount are formed for the proceedings (arbitration)	Progress of proceedings (arbitration)	Hearing results and impacts of proceeding (arbitration)	Enforcement progress of verdict (arbitration)
Zijin Mining Group Company Limited	Zhongxing Henghe Investment Group Company Limited	Nil	Civil	On 28 April 2010, the plaintiff entered into a Share Transfer Framework Agreement with the defendant. Since the defendant failed to refund the deposit on time, the plaintiff filed the claims.	45,000	Fully impaired for the year ended 2012	The verdict in the second hearing requested the respondent to refund RMB45 million to the plaintiff and bear the relevant interest costs and legal fee.	The Company applied to the court to enforce the verdict.	

EXTERNAL EQUITY INVESTMENT

Overall analysis of external equity investment

- (1) The Company, as a sole shareholder, funded the incorporation of Zijin Mining Group Gansu Mining Development Company Limited, in which both the registered capital and the paid-up capital are RMB30 million. The new company was incorporated on 1 February 2013 and is mainly engaged in the development of mining products and mine exploration business.
- (2) Guizhou Zijin Mining Company Limited (“Guizhou Zijin”), the Company’s subsidiary and Southwest Energy and Mineral Resources Corporation Company Limited jointly funded the incorporation of Guizhou Southwest Zijin Gold Sales Company Limited with each holding 50% equity interest. The registered capital of the new company is RMB100 million. The initial capital contribution was RMB20 million and each party contributed RMB10 million, the remaining balance will be paid up in two years. The new company was incorporated on 28 March 2013. As at 31 December 2013, Guizhou Zijin had contributed RMB25 million.
- (3) In order to manage and operate the offshore mining fund, the Company’s wholly owned subsidiary, Jinyu (H.K.) International Mining Co., Ltd. established Gold Mountains Asset Management Limited on 29 April 2013 in Hong Kong. Its authorised capital is HK\$10 million.
- (4) The Company’s associate, Wengfu Zijin Chemical Co., Ltd. increased its registered capital from RMB500 million to RMB782 million in 2013. The enlarged portion was contributed by the Company’s wholly owned subsidiary, Zijin Copper Company Limited with RMB114 million. After the completion of the capital enlargement, Zijin Copper holds 38.87% interest in Wengfu Zijin Chemical Co., Ltd.
- (5) The Company’s associate, Fujian Makeng Mining Company Limited increased its registered capital from RMB520 million to RMB600 million in 2013. The Company contributed RMB25.2 million based on the 31.5% shareholding.
- (6) The Company’s associate, Wancheng Commercial Dongshengmiao Co., Ltd. enlarged its registered capital from RMB12 million to RMB73.44 million in 2013. The enlarged capital will be financed from the conversion of capital reserves to registered capital of RMB29.14 million, the conversion of surplus reserves to registered capital of RMB4.5 million and by cash of RMB27.8 million. Based on the 10% shareholding, the Company contributed RMB2.78 million in cash, RMB2.914 million from capital reserves and RMB450,000 from surplus reserves, in which the Company’s total contribution in the capital enlargement amounted to RMB6.144 million. Based on the 37.5% shareholding, the Company’s subsidiary, Bayannaer Zijin Non-ferrous Metals Company Limited contributed RMB10.425 million in cash, RMB10.9275 million from capital reserves and RMB1.6875 million from surplus reserves, in which Bayannaer Zijin’s total contribution in the capital enlargement amounted to RMB23.04 million.
- (7) Fujian Zijin Investment Company Limited (“Fujian Zijin Investment”), a wholly owned subsidiary of the Company, through bidding, acquired 30% equity interest in Shanghang Jinshan Mining Co., Ltd. (“Shanghang Jinshan”), which was listed for sale by Fujian No. 8 geology division. The parties entered into the share transfer agreement on 12 December 2013, in which Fujian Zijin Investment invested RMB205 million to acquire 30% equity interest in Shanghang Jinshan held by Fujian No. 8 geology division. Originally, Fujian Zijin Investment held 70% equity interest in Shanghang Jinshan, upon completion of the acquisition, Fujian Zijin Investment holds 100% equity interest in Shanghang Jinshan. Shanghang Jinshan owns the exploration right of “Fujian Shanghang Nanshanping mining area Luoboling – Shicao copper mine exploration”. According to the “Report on value evaluation of all shareholders’ equity of Shanghang Jinshan Mining Co., Ltd. involved in the proposed transfer of equity interest owned by Fujian No. 8 geology division” issued by Beijing Jingwei Assets Evaluation Co., Ltd. (Jingwei Pingbaozi (2013) No.280), the assessed value of all the interest of shareholding of Shanghang Jinshan was RMB677.8187 million, the corresponding 30% assessed value of equity was RMB203.3456 million.
- (8) On 7 September 2013, the Company successfully bid for the land use right and development right in respect of a piece of land located in the southern side of Shuanglong Road, east of Longyan Road in Xinluo District, Longyan City, Fujian Province (Zongdihao [2013pai – No.34]) (the “Longyan Shuanglong Road Project”) for a consideration of RMB1.116 billion. The piece of land was then transferred to the project company Longyan Zijin AVIC Real Estate Development Co., Ltd., which is jointly held by Fujian Zijin Real Estate Company Limited (“Zijin Real Estate”), a wholly-owned subsidiary of the Company and Shenzhen CATIC City Investment Ltd. (“CATIC City Investment”) for development. The initial registered capital of the project company was RMB10 million which was injected by Zijin Real Estate and the subsequent increase of registered capital to RMB20,408,163 was injected by CATIC City Investment, in which Zijin Real Estate holds 49% of equity interest and CATIC City Investment holds 51% of equity interest after the capital enlargement. The shareholders of both parties invested the land fee and the relevant capital interest, etc. on shareholding basis in the project company by way of entrusted loans. The subsequent development construction funds of the project would be financed from external financing of the project company, the outstanding balance would be provided by shareholders on shareholding basis by way of shareholder loans.



Report of the Directors *(continued)*

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

ASSET TRANSACTION, CORPORATE MERGERS

Acquisition, disposal of assets and corporate mergers

Summary and type of event

The Company, Sprott Inc. (“Sprott”) (a corporation listed on Toronto Stock Exchange, Canada with stock code of SII) and Americas Now Resources Investment Management Corp. (“Americas Now”) (a company incorporated in Toronto, Canada) entered into a joint venture agreement (“JV Agreement”) on 19 March 2013 to establish an offshore mining fund (the “Fund”). The target size of the Fund is US\$500 million. Pursuant to the JV Agreement, the Company agreed to make capital contributions to the Fund of US\$100 million. Sprott agreed to make initial capital contributions to the Fund of US\$10 million and to continue to invest to match at least 5% of the aggregate capital contributions of the Fund. The Fund will also seek other investors. Under the JV Agreement, Americas Now agreed to provide technical and marketing services to the joint venture. As at the end of the reporting period, the Company has injected US\$100 million to the Fund.

Index for details

For details, please refer to the Company’s announcements on HKEx website (<http://www.hkex.com.hk>): dated 20 March 2013 and 27 September 2013.

Jin Jiang Mining Limited (“Jin Jiang”), an overseas wholly-owned subsidiary of the Company entered into a convertible bond subscription agreement (“CBS Agreement”) with NKWE Platinum Limited (“NKWE”) (a company incorporated in Bermuda and listed on the Australian Securities Exchange “ASX”, stock code “NKP”) on 25 April 2013, pursuant to which Jin Jiang will invest A\$20 million in NKWE by a placement of convertible bonds which, subject to adjustment for certain events, are convertible into 200 million NKWE shares. The first tranche of A\$7 million convertible bonds was completed.

For details, please refer to the Company’s announcements on HKEx website (<http://www.hkex.com.hk>): dated 29 April 2013, 24 June 2013, 15 August 2013, 27 September 2013, 17 December 2013 and 31 December 2013.

In addition to the convertible bond transaction, Jin Jiang entered into a conditional heads of agreement with Genorah, NKWE and other parties (the “Sale Transaction”) on 16 December 2013. Under the terms of the Sale Transaction, Jin Jiang will purchase 145,880,907 ordinary shares in NKWE from Genorah for a total purchase price of A\$18,364,518. The transaction was not completed at the end of the reporting period.

NKWE owns a diversified Platinum Group Metals (PGM) portfolio in South Africa.

Norton Gold Fields Limited (“Norton”, stock code “NGF”, listed on the ASX), a subsidiary of the Company, entered into a bid implementation deed with Kalgoorlie Mining Company Limited (“KMC”, stock code “KMC”, listed on the ASX) on 17 April 2013, pursuant to which Norton will make a friendly off-market takeover offer to acquire all KMC shares at an offer price of 0.054 Norton shares and 0.054 Norton options for each KMC share. Norton also proposed a separate offer to acquire all of the listed KMC options to subscribe for KMC shares at an offer price of 0.024 Norton options for each listed KMC Option.

For details, please refer to the Company’s announcements on HKEx website (<http://www.hkex.com.hk>): dated 17 April 2013, 23 May 2013, 24 July 2013 and 26 August 2013.

Upon acquisition of all KMC’s shares and options, Norton issued 70,270,397 new shares and 72,591,793 options for the transaction. The total value of shares and options issued by Norton for the transaction amounted to RMB66,379,114. The transaction was completed on 26 July 2013.

KMC’s key asset is the wholly-owned Bullant Gold Project, located in Kalgoorlie, Western Australia, which is 28 kilometres west of Norton’s Paddington Operations.

Disposal of assets

On 30 April 2013, the Company’s wholly-owned subsidiary, Zijin International Mining Company Limited, entered into a share transfer agreement with natural person Liu Bing, which Zijin International Mining Company Limited sold the 80% equity interests of Luoyang Jialian Mining Company Limited for a consideration of RMB25 million. Luoyang Jialian Mining Company Limited owned an exploration right of a gold mine. After the completion of the disposal, the Company no longer holds its shares.

MATERIAL CONNECTED TRANSACTIONS

Transactions	Index for details
<p>Fujian Shanghang Ting River Hydropower Co., Ltd. ("Ting River Hydropower") is a subsidiary of Minxi Xinghang State-owned Assets Investment Co., Ltd., the Company's substantial shareholder. Ting River Hydropower is also an associate of the Company's subsidiary, Zijin Mining Group Finance Co., Ltd. ("Zijin Finance"). Zijin Finance provides financial services to Ting River Hydropower. As at the end of the reporting period, Zijin Finance provided loans in the amount of RMB37.30 million to Ting River Hydropower.</p>	<p>For details please refer to the Company's announcement on HKEx news website (http://www.hkex.com.hk) of the Hong Kong Stock Exchange: dated 2 March 2011.</p>
<p>The Company's subsidiary, Xinjiang Ashele Copper Co., Ltd. ("Xinjiang Ashele"), sold copper concentrates to China Non-ferrous Metals Import and Export Xinjiang Company, the wholly owned subsidiary of Xinjiang Non-ferrous Metals Industry (Group) Company Limited, a substantial shareholder of Xinjiang Ashele. Xinjiang Ashele's ordinary business is selling copper concentrates and the contract is entered into under normal commercial terms, which reflects the principle of fairness and reasonableness. As at the end of the reporting period, no copper concentrate was sold to China Non-ferrous Metals Import and Export Xinjiang Company by Xinjiang Ashele.</p>	<p>For details please refer to the Company's announcement on HKEx news website (http://www.hkex.com.hk) of the Hong Kong Stock Exchange: dated 21 March 2013.</p>

Save as disclosed above, the disclosed related party transactions in the auditors' report were not the non-exempt connected transactions defined by Chapter 14A in the Listing Rules.

Accordingly, it is confirmed by the Directors that:

- (a) The connected parties in the above connected transactions have undertaken to the Company and the Stock Exchange to provide adequate access for auditors' inspection of the relevant books and records, in order to review the above connected transactions and prepare the relevant reports.
- (b) The Company has undertaken to the Stock Exchange, if it is aware or has reasons to believe that the independent non-executive directors and/or auditors are unable to confirm that the relevant transactions comply with the Listing Rules and the restrictions under the waiver conditions that the Company must immediately notify the Stock Exchange. The Company may have to comply with the relevant requirements of the Listing Rules to disclose and obtain independent shareholders' approval, or make corrections based on the instructions of the Listing Division of the Stock Exchange.
- (c) Independent directors of the Group have confirmed that all the connected transactions of the Company or its subsidiaries involved in the year 2013 were:
 1. entered into in the ordinary and usual course of business of the Company or its subsidiaries;
 2. entered into on normal commercial terms; or where no comparisons are available, then under terms which are fair and reasonable to the shareholders of the Company;
 3. entered into under the terms of the agreement governing such transactions; or where no such agreement is available, under terms not inferior from those available from or to independent third parties.
- (d) The Group's auditors have reviewed the transactions (details of which are set out in note VI to the financial statements), and confirmed to the Board that:
 1. the transactions have been approved by the Board;
 2. terms of the agreement of the relevant transactions are attached to the connected transactions;
 3. the aggregated amounts of the transactions have not exceeded the respective announced annual caps.

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

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

Report of the Directors *(continued)*

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

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

Save as disclosed above, please refer to the note VI to the financial statements for the details of commodity purchase, service offering and other related party transactions.

THE COMPANY'S CORE TECHNICAL TEAM OR KEY TECHNICIANS

The Company's core technical team is composed of experts from geology, metallurgy, chemical industry, management, and is represented by Chen Jinghe. The Group has different kinds of scientific and technical personnel of 3,315 persons, in which 23 staff are professor grade senior engineers, 1,247 staff have intermediate to senior grade work title, 27 staff have doctoral degree, 237 staff have master's degree and 8 experts receive special allowances from State Council. This forms a research and development team with the professor grade senior engineers as academic leaders, in combination of the elders, middle-aged and the youngsters, reasonable knowledge structure and well equipped with necessary professions, high-quality, and complex technological innovation.

Through signing of tailor-made contracts with the core technical staff by the Group, the stabilization and retention of talents are ensured; through the signing of confidentiality agreement in relation to science and technology, to prevent the loss of core technology of the Company as a result of turnover of staff; core technology is protected by the national law to prevent loss through the active application for intellectual property protection in the forms of patents, secret know-how, etc.

During the reporting period, there was no major change in the Company's core technical team and key technology management personnel and would not have any significant impact on the Company's core competitiveness.

STAFF OF THE COMPANY AND THE MAJOR SUBSIDIARIES

(1) STAFF

The number of current staff of the Company	3,304
The number of current staff of the major subsidiaries	20,579
Total number of current staff	23,883
Retired employees that the Company and the major subsidiaries are responsible for the retirement expenses	219

Profession structure

Classification	Number of Staff
Production	12,196
Sales	316
Technical	5,854
Finance	531
Administration	4,986
Total	23,883

Education

Classification	Number of Staff
Master's degree or above	264
Bachelor's degree	3,150
Tertiary education	4,429
Secondary school or below	16,040
Total	23,883

(2) REMUNERATION POLICY

According to the Company's strategy and the actual development, the Company established an overall salary structure in combination of the basic salary as the main body, supplemented by performance bonuses, allowances and welfares. The Company's remuneration management adopts the strategy of "high pay for elites", which is to provide basic salary with market competitiveness, and at the same time to continuously improve the competence of staff; while implementing performance bonus assessment management system based on improvement in efficiency and management, fully stimulate the potential of staff at all levels. Also, in addition to the payment of social insurance and housing fund for employees in accordance with the law, the Company also provides employees with welfares such as the supplementary medical insurance, paid leaves, festivals allowances, etc. In order to maintain a stable workforce and retain the Company's core and key talents, the Company also implemented mid-to-long-term incentive policy.

(3) TRAINING PROGRAMMES

According to the annual training programme, the Group organized professional mining knowledge training for non-mining staff, training for the improvement of comprehensive competence of the Group's internal trainers, orientation for new employee and other projects. The Group's headquarters and affiliated enterprises carried out training programmes covered knowledge of changing the levy of business tax to value-added tax, execution ability of middle management, safety knowledge, ERP system, etc., further promoted the implementation of excellent management experience and advanced technology and manners in the Group's companies, and improved the vocational skills and comprehensive competence of staff.

OUTSOURCING STATUS

Working hours of outsourcing services	Measured on quantity in mining and striping production
Total outsourcing payment	RMB2,201,976,399

DISCLOSURE OF INTERESTS AND SHORT POSITIONS OF THE DIRECTORS AND SUPERVISORS OF THE COMPANY

As at 31 December 2013, the interests of the Directors or supervisors of the Company in the shares or equity or debt securities of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which the Directors are taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to Section 352 of the SFO to be entered into the register referred to therein; or (c) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies, to be notified to the Company and the Stock Exchange are as follows:

Shareholdings of Directors and supervisors in the Company as at 31 December 2013:

Director	Number of domestic shares / amount of equity interest held	Nature of interest	Long / short positions	Approximate percentage of shareholding in the same class of securities	Approximate percentage of shareholding in the registered capital
Chen Jinghe	132,000,000	Personal	Long	0.84%	0.61%
Lan Fusheng	7,500,000	Personal	Long	0.05%	0.03%
Zou Laichang	1,500,000	Personal	Long	0.01%	0.01%
Lin Hongfu	750,000	Personal	Long	0.01%	0.01%



Report of the Directors *(continued)*

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

Supervisor	Number of domestic shares / amount of equity interest held	Nature of interest	Long / short positions	Approximate percentage of shareholding in the same class of securities	Approximate percentage of shareholding in the registered capital
Liu Wenhong	24,450	Personal	Long	0.01%	0.01%

Save as disclosed above, none of the Directors and supervisors or their associates has any interest in the securities of the Company or its associated corporations (as defined in the SFO) during the reporting period. None of the Directors and supervisors or their spouse or children under the age of 18 years is holding any option to subscribe securities or debentures of the Company, or has exercised any such option.

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

SHARE CAPITAL AND SHAREHOLDERS

CHANGE OF ISSUED SHARES

At the 2012 annual general meeting, the first A Shareholders' class meeting in 2013 and the first H Shareholders' class meeting in 2013 convened by the Company on 28 May 2013, a resolution in relation to the proposal of granting a general mandate to the Board of Directors of the Company to repurchase H shares was approved. According to the authorization, the Company started to implement repurchases of H shares on 21 August 2013. As at 31 December 2013, the number of H shares repurchased was 111,806,000 in aggregate with the total paid amount of HK\$194,676,000 (excluding commission and other expenses). The cancellation of H shares repurchased was completed at Computershare Hong Kong Investor Services Limited, but the change of business registration in the PRC for the cancellation of the repurchased H shares has not been completed yet.

As at 31 December 2013, the details of the Company's issued ordinary shares (with par value of RMB0.1 each) are set out in note V.38 to the financial statements.

Report of the Directors *(continued)*

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

SHAREHOLDING STRUCTURE

As at 31 December 2013, the Company has a total of 860,487 shareholders, of which 1,057 are holders of H shares and 859,430 are holders of domestic shares. By approximate percentage of shareholding in the registered capital, the shareholdings of the Company's top ten shareholders are as follows:

	Shareholders' names	Class of Shares	Number of Shares held	Approximate percentage of shareholding in the registered capital*
1.	Minxi Xinghang State-owned Assets Investment Co., Ltd. (Notes 2 & 3)	Domestic Shares	6,316,353,180	29.11%
2.	HKSCC Nominees Limited (Note 1)	H Shares	5,878,485,929	27.09%
3.	Xinhuadu Industrial Group Co., Ltd.	Domestic Shares	2,417,611,279	11.14%
4.	Shanghang County Jinshan Trading Co., Ltd.	Domestic Shares	256,245,000	1.18%
5.	Xiamen Hengxing Group Co., Ltd.	Domestic Shares	252,591,153	1.16%
6.	Chen Jinghe	Domestic Shares	132,000,000	0.61%
7.	Industrial and Commercial Bank of China – Shangzheng 50 Exchange-traded Funds	Domestic Shares	76,178,753	0.35%
8.	Yunnan International Trust Co., Ltd. – Yunxin Growth 2007-2 Fifth Capital Trust	Domestic Shares	44,508,847	0.21%
9.	Bank of China - Harvest Hushen 300 Exchange Traded Equity Fund	Domestic Shares	42,513,010	0.20%
10.	Bank of Communications Limited – Yi Fonda 50 Index Securities Investment Fund	Domestic Shares	33,581,223	0.15%

Notes:

* Percentage calculation based on 21,700,157,650 shares.

1. HKSCC Nominees Limited is holding 5,878,485,929 H shares in the Company as a nominee, representing 27.09% of the Company's shares in issue. HKSCC Nominees Limited is a member of the Central Clearing and Settlement System, which carries out securities registration and trust business for customers.
2. 208,484,145 A shares of the Company held by Minxi Xinghang State-owned Assets Investment Co., Ltd. has to be transferred to National Council for Social Security Fund, PRC, that part of the stock is frozen.
3. Minxi Xinghang State-owned Assets Investment Co., Ltd. has pledged 2,250,000,000 A shares of the Company.

Report of the Directors *(continued)*

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

SUBSTANTIAL SHAREHOLDERS

So far as the Directors, supervisors and chief executives are aware, as at 31 December 2013, the interests and long/short positions of substantial shareholders (except directors, supervisors and the chief executives of the Company) in the issued share capital of the Company which will be required, pursuant to Section 336 of the Securities and Futures Ordinance ("SFO"), to be entered into the register referred to therein, or holding 5% or above in the issued share capital of the Company which will be required to be notified to the Company are as follows:

Name of shareholders	Class of shares	Number of shares/equity interest held	Approximate percentage of the total number of issued shares*	Approximate percentage of the total number of issued domestic shares	Approximate percentage of the total number of issued H shares**	Long/short positions
Minxi Xinghang State-owned Assets Investment Co., Ltd.	Domestic Shares	6,316,353,180	29.11%	39.97%	—	Long
Xinhua Industrial Group Company Limited	Domestic Shares	2,417,611,279 (Note 1)	11.14%	15.30%	—	Long
Chen Fashu	Domestic Shares	2,432,727,569 (Note 2)	11.21%	15.39%	—	Long
Morgan Stanley	H Shares	527,591,404 (Note 3)	2.43%	—	8.78%	Long
Morgan Stanley	H Shares	481,093,541 (Note 3)	2.22%	—	8.01%	Short
The Bank of New York Mellon Corporation	H Shares	464,146,134 (Note 4)	2.14%	—	7.73%	Long
The Bank of New York Mellon Corporation	H Shares	458,590,664	2.11%	—	7.63%	Lending pool
BlackRock, Inc.	H Shares	370,145,753 (Note 5)	1.71%	—	6.16%	Long
BlackRock, Inc.	H Shares	48,940,000 (Note 5)	0.23%	—	0.81%	Short
Market Vectors ETF - Gold Miners ETF	H Shares	330,340,000 (Note 6)	1.52%	—	5.50%	Long

Notes:

* Percentage calculation based on 21,700,157,650 shares.

** Percentage calculation based on 6,008,160,000 shares H share.

- (1) Xinhua Industrial Group Company Limited holds 2,417,611,279 domestic shares in the Company.
- (2) Mr. Chen Fashu holds 15,116,290 domestic shares in the Company. Mr. Chen Fashu also holds 73.56% interests in the issued share capital of Xinhua Industrial Group Company Limited. Pursuant to Section 316 of the SFO, Mr. Chen Fashu is deemed to be interested in 2,417,611,279 domestic shares in the Company. Therefore, Mr. Chen Fashu is deemed to be interested in 2,432,727,569 domestic shares in the Company.
- (3) Morgan Stanley is interested in 527,591,404 H shares (Long position) of the Company (representing approximately 8.78% of the total issued H shares of the Company) and 481,093,541 H shares (Short position) of the Company (representing approximately 8.01% of the total issued H shares of the Company).

Report of the Directors *(continued)*

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

According to the disclosure form filed by Morgan Stanley on 2 January 2014, the following interests in shares were held by Morgan Stanley in the following capacity:

Capacity	No. of Shares
Corporations controlled by Morgan Stanley	527,591,404 (Long position) 481,093,541 (Short position)

These shares were held by Morgan Stanley through its controlled corporations, the details of which are as follows:

Name of controlled corporation	Address and place of incorporation	Name of controlling shareholder	% control	Direct interest	Number of shares
Morgan Stanley Capital Management, LLC	1585 Broadway, New York, New York, 10036, New York. Place of incorporation: USA	Morgan Stanley	100.00	N	Long position 527,591,404 Short position 481,093,541
Morgan Stanley Domestic Holdings, Inc.	1585 Broadway, New York, New York, 10036, New York. Place of incorporation: USA	Morgan Stanley Capital Management, LLC	100.00	N	Long position 527,591,404 Short position 481,093,541
Morgan Stanley International Incorporated	1585 Broadway, New York, New York, 10036, New York. Place of incorporation: USA	Morgan Stanley	90.00	N	Long position 275,607,600 Short position 146,111,241
Morgan Stanley International Incorporated	1585 Broadway, New York, New York, 10036, New York. Place of incorporation: USA	Morgan Stanley Domestic Holdings, Inc.	10.00	N	Long position 275,607,600 Short position 146,111,241
MSDW Investment Holdings (US) LLC	1585 Broadway, New York, New York, 10036, New York. Place of incorporation: USA	Morgan Stanley International Incorporated	100.00	N	Long position 275,607,600 Short position 146,111,241
Morgan Stanley International Holdings Inc.	1585 Broadway, New York, New York, 10036, New York. Place of incorporation: USA	Morgan Stanley	72.00	N	Long position 275,607,600 Short position 146,111,241
Morgan Stanley International Holdings Inc.	1585 Broadway, New York, New York, 10036, New York. Place of incorporation: USA	Morgan Stanley Domestic Holdings, Inc.	10.00	N	Long position 275,607,600 Short position 146,111,241
Morgan Stanley International Holdings Inc.	1585 Broadway, New York, New York, 10036, New York. Place of incorporation: USA	Morgan Stanley International Incorporated	18.00	N	Long position 275,607,600 Short position 146,111,241
Morgan Stanley International Holdings Inc.	1585 Broadway, New York, New York, 10036, New York. Place of incorporation: USA	MSDW Investment Holdings (US) LLC	0.00	N	Long position 275,607,600 Short position 146,111,241
Morgan Stanley International Limited	25 Cabot Square, Canary Wharf, London, E14 4QA, Place of incorporation: UNITED KINGDOM	Morgan Stanley International Holdings Inc.	99.99	N	Long position 275,229,600 Short position 146,111,241

Report of the Directors *(continued)*

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

Name of controlled corporation	Address and place of incorporation	Name of controlling shareholder	% control	Direct interest	Number of shares	
Morgan Stanley Group (Europe)	20 Bank Street, Canary Wharf, London, E14 4AD, Place of incorporation: UNITED KINGDOM	Morgan Stanley International Limited	100.00	N	Long position Short position	275,229,600 146,111,241
Morgan Stanley Strategic Funding Limited	20 Bank Street, Canary Wharf, London, E14 4AD, Place of incorporation: UNITED KINGDOM	Morgan Stanley International Limited	50.28	N	Long position Short position	275,229,600 146,111,241
Morgan Stanley Strategic Funding Limited	20 Bank Street, Canary Wharf, London, E14 4AD, Place of incorporation: UNITED KINGDOM	Morgan Stanley Group (Europe)	21.55	N	Long position Short position	275,229,600 146,111,241
Morgan Stanley UK Group	25 Cabot Square, Canary Wharf, London, E14 4QA, Place of incorporation: UNITED KINGDOM	Morgan Stanley Group (Europe)	90.00	N	Long position Short position	275,229,600 146,111,241
Morgan Stanley UK Group	25 Cabot Square, Canary Wharf, London, E14 4QA, Place of incorporation: UNITED KINGDOM	Morgan Stanley Strategic Funding Limited	10.00	N	Long position Short position	275,229,600 146,111,241
Morgan Stanley Investments (UK)	20 Bank Street, Canary Wharf, London, E14 4AD, Place of incorporation: UNITED KINGDOM	Morgan Stanley UK Group	100.00	N	Long position Short position	275,229,600 146,111,241
Morgan Stanley & Co. International plc	Legal & Compliance Department, 25 Cabot Square, Canary Wharf, London, E14 4QA, Place of incorporation: UNITED KINGDOM	Morgan Stanley Investments (UK)	100.00	Y	Long position Short position	275,229,600 146,111,241
Morgan Stanley Capital Services LLC	1585 Broadway, New York, New York, 10036, New York. Place of incorporation: USA	Morgan Stanley Domestic Holdings, Inc.	100.00	Y	Long position Short position	195,470,054 81,639,303
Morgan Stanley & Co. LLC	1585 Broadway, New York, New York, 10036, New York. Place of incorporation: USA	Morgan Stanley Domestic Holdings, Inc.	100.00	Y	Long position Short position	56,513,750 253,342,997
Morgan Stanley Latin America Incorporated	1585 Broadway, New York, New York, 10036, New York. Place of incorporation: USA	Morgan Stanley International Incorporated	100.00	N	Long position Short position	378,000 0
MSL Incorporated	1585 Broadway, New York, New York, 10036, New York. Place of incorporation: USA	Morgan Stanley International Holdings Inc.	100.00	N	Long position Short position	378,000 0
Morgan Stanley Capital (Luxembourg) S.A.	19 rue de Bitbourg, BP 593, Luxembourg, Luxembourg, L-1273, Luxembourg. Place of incorporation: LUXEMBOURG	Morgan Stanley Latin America Incorporated	0.01	Y	Long position Short position	378,000 0

Report of the Directors *(continued)*

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

Name of controlled corporation	Address and place of incorporation	Name of controlling shareholder	% control	Direct interest	Number of shares	
Morgan Stanley Capital (Luxembourg) S.A.	19 rue de Bitbourg, BP 593, Luxembourg, Luxembourg, L-1273, Luxembourg. Place of incorporation: LUXEMBOURG	Morgan Stanley International Holdings Inc.	99.99	Y	Long position	378,000
					Short position	0
Morgan Stanley Capital (Luxembourg) S.A.	19 rue de Bitbourg, BP 593, Luxembourg, Luxembourg, L-1273, Luxembourg. Place of incorporation: LUXEMBOURG	MSL Incorporated	0.00	Y	Long position	378,000
					Short position	0

- (4) The Bank of New York Mellon Corporation is interested in 464,146,134 H shares (Long position) of the Company (representing approximately 7.73% of the total issued H shares of the Company) and 458,590,664 H shares (Lending pool) of the Company (representing approximately 7.63% of the total issued H shares of the Company).

According to the disclosure form filed by The Bank of New York Mellon Corporation on 30 December 2013, the following interests in shares were held by The Bank of New York Mellon Corporation in the following capacity:

Capacity	No. of Shares
Corporations controlled by The Bank of New York Mellon Corporation	464,146,134 (Long position)
	458,590,664 (Lending pool)

These shares were held by The Bank of New York Mellon Corporation through its controlled corporations, the details of which are as follows:

Name of controlled corporation	Address and place of incorporation	Name of controlling shareholder	% control	Direct interest	Number of shares	
The Bank of New York Mellon	One Wall Street New York, New York 10286 USA (New York)	The Bank of New York Mellon Corporation	100.00	Y	Long position	464,146,134

- (5) BlackRock, Inc. is interested in 370,145,753 H shares (Long position) of the Company (representing approximately 6.16% of the total issued H shares of the Company) and 48,940,000 H shares (Short position) of the Company (representing approximately 0.81% of the total issued H shares of the Company).

According to the disclosure form filed by BlackRock, Inc. on 2 January 2014, the following interests in shares were held by BlackRock, Inc. in the following capacity:

Capacity	No. of Shares
Corporations controlled by BlackRock, Inc.	370,145,753 (Long position)
	48,940,000 (Short position)

Report of the Directors *(continued)*

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

These shares were held by BlackRock, Inc. through its controlled corporations, the details of which are as follows:

Name of controlled corporation	Address and place of incorporation	Name of controlling shareholder	% control	Direct interest		Number of shares
Trident Merger, LLC	1209 Orange Street, Wilmington DE 19801, United States	Blackrock Inc.	100.00	N	Long position	4,143,250
BlackRock Investment Management, LLC.	1 University Square Drive Princeton, NJ 08540, United States	Trident Merger, LLC	100.00	Y	Long position	4,143,250
BlackRock Holdco 2 Inc.	1209 Orange Street, Wilmington DE 19801, United States	Blackrock Inc.	100.00	N	Long position Short position	366,002,503 48,940,000
BlackRock Financial Management, Inc.	40 East 52nd Street, New York NY 10022, United States	BlackRock Holdco 2 Inc.	100.00	Y	Long position Short position	366,002,503 48,940,000
BlackRock Holdco 4 LLC	40 East 52nd Street, New York, 10022, United States	BlackRock Financial Management, Inc.	100.00	N	Long position Short position	168,681,000 45,696,000
BlackRock Holdco 6 LLC	40 East 52nd Street, New York, 10022, United States	BlackRock Holdco 4 LLC	100.00	N	Long position Short position	168,681,000 45,696,000
BlackRock Delaware Holdings, Inc.	c/o The Corporation Trust Company, 1209 Orange Street, Wilmington, New Castle County, Delaware 19801, United States	BlackRock Holdco 6 LLC	100.00	N	Long position Short position	168,681,000 45,696,000
BlackRock Institutional Trust Company, N.A.	400 Howard St, San Francisco, CA, 94105-2618	BlackRock Delaware Holdings, Inc.	100.00	Y	Long position Short position	77,007,000 45,696,000
BlackRock Fund Advisors	400 Howard Street San Francisco, CA 94105, United States	BlackRock Delaware Holdings, Inc.	100.00	Y	Long position	91,674,000
BlackRock Advisors Holdings Inc.	55 East 52nd Street New York, NY 10055, United States	BlackRock Financial Management, Inc.	100.00	N	Long position Short position	192,047,523 3,244,000
BlackRock Capital Holdings, Inc.	100 Bellevue Parkway, Wilmington, DE 19809, United States	BlackRock Advisors Holdings Inc.	100.00	N	Long position Short position	5,225,731 1,830,000
BlackRock Advisors, LLC	100 Bellevue Parkway, Wilmington, DE 19809, United States	BlackRock Capital Holdings, Inc.	100.00	Y	Long position Short position	5,225,731 1,830,000
BlackRock International Holdings Inc.	55 East 52nd Street New York, NY 10055, United States	BlackRock Advisors Holdings Inc.	100.00	N	Long position Short position	186,821,792 1,414,000
BR Jersey International LP	One Waverley Place, 4th Floor, St. Helier, Jersey, JE1 OBR	BlackRock International Holdings Inc.	100.00	N	Long position Short position	186,821,792 1,414,000
BlackRock Cayco Ltd.	c/o Walkers SPV Limited, P.O. Box 908GT, Walker House, Mary Street, George Town, British West Indies, Cayman Islands	BR Jersey International LP	100.00	N	Long position	2,782,500
BlackRock Trident Holding Company Limited	Taney Hall Eglinton Terrace Dundrum Dublin 14, Ireland	BlackRock Cayco Ltd.	100.00	N	Long position	2,782,500

Report of the Directors *(continued)*

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

Name of controlled corporation	Address and place of incorporation	Name of controlling shareholder	% control	Direct interest	Number of shares	
BlackRock Japan Holdings GK	Marunouchi Trust Tower Main, 1-8-3 Marunouchi, Chiyoda-ku, Tokyo 100-8217	BlackRock Trident Holding Company Limited	100.00	N	Long position	2,782,500
BlackRock Japan Co Ltd	Marunouchi Trust Tower Main, 1-8-3 Marunouchi, Chiyoda-ku, Tokyo 100-8217	BlackRock Japan Holdings GK	100.00	Y	Long position	2,782,500
BlackRock (Institutional) Canada Ltd	250 Yonge Street, Suite 2400, Toronto ON M5B 2M6, Canada	BR Jersey International LP	100.00	N	Long position	894,000
BlackRock Holdings Canada Limited	161 Bay Street, Suite 2500, Toronto, Ontario M5J 2S1, Canada	BlackRock (Institutional) Canada Ltd	100.00	N	Long position	894,000
BlackRock Asset Management Canada Limited	161 Bay Street, Suite 2500, Toronto, Ontario M5J 2S1, Canada	BlackRock Holdings Canada Limited	100.00	N	Long position	894,000
BlackRock Australia Holdco Pty Ltd	Level 26, 101 Collins Street Melbourne VIC 3000 Australia	BR Jersey International LP	100.00	N	Long position	435,500
BlackRock Investment Management (Australia) Limited	Level 26, 101 Collins Street Melbourne VIC 3000 Australia	BlackRock Australia Holdco Pty Ltd	100.00	Y	Long position	435,500
BlackRock HK Holdco Limited	35/F Cheung Kong Center, 2 Queen's Road Central, Hong Kong	BR Jersey International LP	100.00	N	Long position	12,938,728
BlackRock Asset Management North Asia Limited	16/F, Cheung Kong Center, 2 Queen's Road Central, Hong Kong	BlackRock HK Holdco Limited	100.00	Y	Long position	12,938,728
BlackRock Group Limited	12 Throgmorton Avenue. London, EC2N 2DL, United Kingdom	BR Jersey International LP	100.00	N	Long position Short position	169,771,064 1,414,000
BlackRock (Netherlands) B.V.	Rembrandt Tower, 17th floor, Amstelplein, Amsterdam Netherlands	BlackRock Group Limited	100.00	Y	Long position	724,000
Blackrock Advisors (UK) Limited	12 Throgmorton Avenue. London, EC2N 2DL, United Kingdom	BlackRock Group Limited	100.00	Y	Long position	101,430,473
BlackRock International Limited	40 Torphichen Street, Edinburgh, EH3 8JB, United Kingdom	BlackRock Group Limited	100.00	Y	Long position	5,522,000
BlackRock Luxembourg Holdco S.a.r.l.	6D, Route de Trèves, Senningerberg, L-2633, Luxembourg	BlackRock Group Limited	100.00	N	Long position Short position	43,436,341 1,414,000
BlackRock Investment Management Ireland Holdings Ltd	JP Morgan House, International Financial Services Centre, Dublin 1, Ireland	BlackRock Luxembourg Holdco S.a.r.l.	100.00	N	Long position	39,650,341

Report of the Directors *(continued)*

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

Name of controlled corporation	Address and place of incorporation	Name of controlling shareholder	% control	Direct interest		Number of shares
BlackRock Asset Management Ireland Limited	JP Morgan House, International Financial Services Centre, Dublin 1, Ireland	BlackRock Investment Management Ireland Holdings Ltd	100.00	Y	Long position	39,424,200
BlackRock Fund Management Ireland Limited	JPMorgan House, International Financial Services Centre, Dublin 1, Ireland	BlackRock Investment Management Ireland Holdings Ltd	100.00	Y	Long position	226,141
BlackRock (Luxembourg) S.A.	6D, Route de Trèves, Senningerberg, L-2633, Luxembourg	BlackRock Luxembourg Holdco S.a.r.l.	100.00	Y	Long position Short position	3,786,000 1,414,000
BlackRock Investment Management (UK) Ltd	12 Throgmorton Avenue. London, EC2N 2DL, United Kingdom	BlackRock Group Limited	100.00	Y	Long position	18,658,250
BlackRock Fund Managers Ltd	12 Throgmorton Avenue. London, EC2N 2DL, United Kingdom	BlackRock Investment Management (UK) Ltd	100.00	Y	Long position	2,766,250

- (6) Market Vectors ETF - Market Vectors Gold Miners ETF is interested in 330,340,000 H shares (Long position) of the Company (representing approximately 5.50% of the total issued H shares of the Company).

Save as disclosed above and so far as the Directors are aware, as at 31 December 2013, no other person (other than the Directors, supervisors, chief executives or members of senior management of the Company) had an interest or short position in the Company's shares or underlying shares (as the case may be) which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO and as recorded in the register required to be kept under Section 336 of the SFO, or was otherwise a substantial shareholder (as such term is defined in the Listing Rules) of the Company.

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

PROFIT DISTRIBUTION PROPOSAL OR THE PLAN FOR CONVERTING CAPITAL RESERVE TO BONUS SHARES

(1) Formulation, execution or adjustment of profit distribution policy

According to the essence of the Notice in Relation to Further Implementing Cash Dividend Distribution of Listed Companies (Zheng Jian Fa [2012] No.37) issued by China Securities Regulatory Commission and the Notice in Relation to Further Implementing Cash Dividend Distribution (Min Zheng Jian Gongsizi [2012] No.28) issued by China Securities Regulatory Commission Fujian Bureau, in order to improve the decision making of the Company's profit distribution and supervisory mechanism, while considering the Company's production operation and sustainable development and maintaining a reasonable return to investors of the Company, the Board of the Company formulated profit distribution and return plan for the next three years (2012-2014) and made amendments to the Company's articles of association accordingly to clearly define the principle, format, cash dividend conditions of the Company's profit distribution policy, and the procedures for forming profit distribution policy, procedures for amending profit distribution policy, etc. Unless there is a special circumstance, the Company's cumulative profit distribution by way of cash for the latest three years shall not be less than 60% of the average annual distributable profits realized for the last three years. In principle, the Company's annual distribution of cash dividends shall not be less than 15% of the realized distributable profits for the year (excluding the accumulated undistributed profits of last year). The relevant changes were considered and approved at the 2012 annual general meeting.

Report of the Directors *(continued)*

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

The profit distribution proposal for 2012 was considered and approved at the Company's 2012 annual general meeting, based on the total number of shares of 21,811,963,650 as at 31 December 2012, to distribute cash dividends RMB0.10 (including tax) per share to all shareholders. The Company distributed the cash dividends of RMB2,181,196,365 in total. The remaining undistributed profit will be carried forward to the next financial year. The above profit distribution proposal was fully implemented on 12 July 2013. The profit distribution for 2012 was in line with the relevant terms of the articles of association and the Company's profit distribution and return plan for the next three years.

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 2013 prepared in accordance with CAS was RMB2,125,353,823. The Board of the Company proposed to pay the qualified shareholders of the Company the final dividends for the year ended 31 December 2013 of RMB0.08 per share (tax included). The total number of shares of the Company prior to repurchase was 21,811,963,650. The Company repurchased H shares of 166,108,000 in aggregate in the period from 21 August 2013 to 7 February 2014. On the basis of 21,645,855,650 shares after deducting the number of H shares repurchased, the distribution of cash dividends amounted to RMB1,731,668,452. No bonus issue and conversion of capital will be included in this distribution proposal. The remaining balance of undistributed profit will be reserved for further distribution in the next financial year. The proposal of the above-mentioned distribution will be tabled to 2013 annual general meeting for approval. The profit distribution for 2013 is in line with the relevant terms of the articles of association and the Company's profit distribution and return plan for the next three years, fully protects the legitimate rights and interests of minority investors. The independent directors of the Company agreed with the profit distribution proposal and delivered independent opinions.

To further improve the cash distribution policy of the Company, according to "Guidelines of Listed Companies No. 3 – cash dividends of listed companies" of the China Securities Regulatory Commission, the documents issued by China Securities Regulatory Commission Fujian Bureau, combined with the actual situation of the Company, it is proposed to amend the current articles of association of the Company to add cash distribution policy regarding differentiation and submit the amendments to 2013 annual general meeting for consideration and approval.

(2) The Company's profit distribution proposal or plans, conversion of capital reserve into share capital proposal or plan for the latest three years (including year 2013):

Currency: RMB

Year of profit distribution	Dividend for every 10 shares (RMB) (Tax included)	Amount of cash dividend (Tax included)	Net profit attributable to owners of listed company on consolidated financial statement for the dividend distribution year	Percentage of dividends to net profit attributable to shareholders of listed company accounted for in the consolidated financial statements(%)
2013	0.8	1,731,668,452	2,125,353,823	81.48
2012	1	2,181,196,365	5,211,208,977	41.86
2011	1	2,181,196,365	5,712,569,100	38.18



Report of the Directors *(continued)*

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

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

At the 2012 annual general meeting, the first A Shareholders' class meeting in 2013 and the first H Shareholders' class meeting in 2013 convened by the Company on 28 May 2013, a resolution in relation to the proposal of granting a general mandate to the Board of Directors of the Company to repurchase H shares was approved. According to the authorization, the Company started to implement repurchases of H shares on 21 August 2013. As at 31 December 2013, the number of H shares repurchased was 111,806,000 in aggregate with the total paid amount of HK\$194,676,000 (excluding commission and other expenses). The cancellation of H shares repurchased was completed at Computershare Hong Kong Investor Services Limited, but the change of business registration in the PRC for the cancellation of the repurchased H shares has not been completed yet.

Save as disclosed above, for the year ended 31 December 2013, the Board confirmed that neither the Company nor any of its subsidiaries purchased, redeemed, sold or wrote off any of the Company's listed securities.

INDEPENDENT NON-EXECUTIVE DIRECTORS

In compliance with rules 3.10(1) and 3.10(2) of the Listing Rules, which states the Company should appoint a sufficient number of independent non-executive directors and that at least one of them must have appropriate professional qualifications or accounting or related financial management expertise. The Company appointed four independent non-executive directors and one of them possesses accounting and related financial management expertise. Details of the independent non-executive directors have been provided in the Group's 2013 annual report.

SECURITIES TRANSACTIONS BY DIRECTORS OF THE COMPANY

During the reporting period, the Group adopted the required standards set out in the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") in Appendix 10 of the Listing Rules. Having made reasonable inquiries to all directors, the Group confirmed that all directors complied with the Model Code for the 12 months ended 31 December 2013.

APPOINTMENT AND RESIGNATION OF DIRECTOR, SUPERVISOR AND SENIOR MANAGEMENT

Name	Position	Change	Reasons	Effective Date
Luo Yingnan	President	Resignation	Personal and health issue	31 May 2013
Wang Jianhua	President	Appointment	Board of directors' appointment	1 June 2013

Mr. Luo Yingnan confirmed that he has 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 his resignation.

For the constitution of the new term directors, supervisors and senior management, please refer to the Company's announcements dated 25 October 2013 and 2013 annual report.

AUDIT AND INTERNAL CONTROL COMMITTEE

The audit and internal control committee of the board of directors has reviewed the Group's financial report for the 12 months ended 31 December 2013 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 12 months ended 31 December 2013 was in compliance with the applicable accounting standards and relevant laws and regulations and had made sufficient disclosure.

APPOINTMENT AND DISMISSAL OF AUDITORS

According to the approval in the 2010 annual general meeting, the Company decided not to re-appoint international auditors — Ernst & Young since 2011. According to the approval in the 2012 annual general meeting, the Company reappointed Ernst & Young Hua Ming LLP to audit the Company's financial statements in 2013 according to the China Standards on Auditing.

Change of appointment of auditors:	No
Auditors in the mainland	Currently appointed Ernst & Young Hua Ming LLP
Remuneration for auditors this year	RMB7,460,000
Appointment term	Renew once a year
Internal control auditors	Ernst & Young Hua Ming LLP

OTHER SIGNIFICANT MATTERS

At the 2012 annual general meeting, the first A Shareholders' class meeting in 2013 and the first H Shareholders' class meeting in 2013 convened by the Company on 28 May 2013, a resolution in relation to the proposal of granting a general mandate to the Board of Directors of the Company to repurchase H shares was approved. The Board of Directors was authorized to repurchase H shares not exceeding 10% of the total number of H shares of the Company in issue. According to the authorization, the Company implemented the repurchase in the period from 21 August 2013 to 7 February 2014, repurchased 166,108,000 H shares in aggregate with the total paid amount of HK\$285,569,440 (excluding commission and other expenses). In order to apply for changes of registered capital and other business registration, the third meeting of the fifth term of Board of Directors agreed to stop the repurchase of H shares in the period from 8 February 2014 to the convention day of 2013 annual general meeting. The Company will apply for a new general mandate to repurchase H shares at the 2013 annual general meeting, and continues carrying out repurchase of H shares upon the approval of the authorization.

In September 2013, the Company received the "Notice of acceptance of registration" issued by the National Association of Financial Market Institutional Investors, in which the Company was approved to register mid-term bonds which amounted to RMB4 billion and RMB6 billion respectively (in aggregate RMB10 billion). The registered mid-term bonds amounts will be valid for two years commencing from the issue of the "Notice of acceptance of registration". The Company shall issue the mid-term bonds by tranches during the registration period. On 22 October 2013, the Company carried out the first and second batches of mid-term bonds issue which amounted to RMB2.5 billion in total with a term of 5 years. Interests are distributed annually before the maturity of the bonds and the last payment of interests will be distributed together with the principal.

SHARE OPTION SCHEME

As at the date of this report, the Company has not granted nor agreed to grant any option to its directors or supervisors or the employees of the Company or its subsidiaries.

MAJOR SUPPLIERS AND CUSTOMERS

Transactions of the Company's gold products were conducted and settled through the Shanghai Gold Exchange. Information about the ultimate customers is unknown.

The details of the five largest suppliers and the five largest customers are set out on page 21. All transactions between the Company and the related suppliers and customers were entered into under normal commercial terms.

As far as the directors are aware, none of the directors, supervisors, shareholders holding more than 5% equity interest of the Company or their respective associates (as defined in the Listing Rules of the Stock Exchange ("Listing Rules")) had any interest in the above five largest suppliers and customers in the year of 2013.

PRE-EMPTIVE RIGHTS

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



Report of the Directors *(continued)*

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

SERVICE CONTRACTS OF DIRECTORS AND SUPERVISORS

Each of the directors and supervisors of the new term has entered into a service contract with the Company respectively. All these contracts will be started from the date of appointment and ended on 24 October 2016. Pursuant to article 106 of the articles of association of the Company, the terms for directors will be three years (commencing from the date of appointment or re-election), subject to re-appointment. Under the Company Law of the PRC, the term of appointment for supervisors is also three years, and subject to re-election. Remuneration of directors and supervisors of the Company can be amended at annual general meetings.

Save as disclosed above, there are no service contracts entered between the Company and any of the directors or supervisors which requires the Company to make compensation (except statutory compensation) upon termination by the Company within one year.

TERMS OF DIRECTORS AND SUPERVISORS

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

	TERMS
EXECUTIVE DIRECTORS:	
Chen Jinghe	From 25 October 2013 to 24 October 2016
Wang Jianhua	From 25 October 2013 to 24 October 2016
Qiu Xiaohua	From 25 October 2013 to 24 October 2016
Lan Fusheng	From 25 October 2013 to 24 October 2016
Zou Laichang	From 25 October 2013 to 24 October 2016
Lin Hongfu	From 25 October 2013 to 24 October 2016
Luo Yingnan	Resigned on 24 October 2013
Huang Xiaodong	Resigned on 24 October 2013
NON-EXECUTIVE DIRECTORS:	
Li Jian	From 25 October 2013 to 24 October 2016
Peng Jiaqing	Resigned on 24 October 2013
INDEPENDENT NON-EXECUTIVE DIRECTORS:	
Lu Shihua	From 25 October 2013 to 24 October 2016
Ding Shida	From 25 October 2013 to 24 October 2016
Jiang Yuzhi	From 25 October 2013 to 24 October 2016
Sit Hoi Wah, Kenneth	From 25 October 2013 to 24 October 2016
Su Congfu	Resigned on 24 October 2013
Chen Yuchuan	Resigned on 24 October 2013
Lin Yongjing	Resigned on 24 October 2013
Wang Xiaojun	Resigned on 24 October 2013
SUPERVISORS:	
Lin Shuiqing	From 25 October 2013 to 24 October 2016
Xu Qiang	From 25 October 2013 to 24 October 2016
Fan Wensheng	From 25 October 2013 to 24 October 2016
Liu Wenhong	From 25 October 2013 to 24 October 2016
Zhang Yumin	From 25 October 2013 to 24 October 2016
Lin Xinxi	Resigned on 24 October 2013
Liu Xianhua	Resigned on 24 October 2013

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

BRIEF BIOGRAPHY OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Brief biography of directors, supervisors and senior management are set out on pages 32 to 35 in this report.

DIRECTORS' AND SUPERVISORS' INTERESTS IN CONTRACTS

Save for the service contracts of directors and supervisors as disclosed above, there were no significant contracts to which the Company or its controlling company or its subsidiaries were a party to and in which a director or supervisor of the Company had a material interest, either directly or indirectly, subsisting at the end of the year or at any time during the year.

ACQUISITIONS, DISPOSALS AND MERGERS

Save as disclosed from pages 39 to 40 of this report, the Company has no other significant acquisition, disposal or merger of assets during the reporting period.

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

During the year, the articles of association of the Company was amended in the Company's general meeting convened on 28 May 2013. For details, please refer to the Company's notice issued on 12 April 2013.

RETAINED EARNINGS

As at 31 December 2013, details of the Company's retained earnings are set out in note V.42 to the financial statements.

ASSETS PLEDGED

As at 31 December 2013, details of the Group's pledged assets are set out in note V.21 to the financial statements.

CURRENCY AND INTEREST HEDGING POLICY

As at 31 December 2013, details of the Group's currency and interest hedging policy are set out in note X.6 to the financial statements.

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

FIXED ASSETS

Details of movements of the fixed assets of the Group for the year ended 31 December 2013 are set out in note V.13 to the financial statements.

SHARE CAPITAL

Details of the movements of the Company's share capital are set out in note V.38 to the financial statements.

BANK AND OTHER BORROWINGS

Details of the Group's bank and other borrowings are set out in notes V.23, 32, and 33 to the financial statements.

CONTINGENT LIABILITIES

Details of contingent liabilities are set out in note VII to the financial statements.

TAXATION

The PRC's corporate income tax rate is 25%, details of the Group's taxation are set out in notes III and V.54 to the financial statements.



Report of the Directors *(continued)*

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

PUBLIC FLOAT

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

POST BALANCE SHEET EVENTS

The details of the Group's events after the balance sheet date are set out in note IX to the financial statements.

By order of the Board of Directors

Chen Jinghe

Chairman

Shanghang, Fujian, the PRC

28 March 2014



Report of the Supervisory Committee

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

To all shareholders,

In accordance with the provisions of the "Company Law of the People's Republic of China", "articles of association of the Company", etc., the supervisory committee of the Company performed their duties earnestly in 2013, and completed their tasks for 2013 satisfactorily.

1. WORKING REPORT OF THE SUPERVISORY COMMITTEE

(1) Meetings convened

No. of supervisory committee meetings	6
Meetings of the supervisory committee	Matters discussed in the supervisory committee meetings
The Fifteenth meeting of the Fourth supervisory committee was convened on 27 March 2013 in the Company's conference room at 20/F., Haifu Centre, Xiamen	"2012 working report of the supervisory committee of the Company", "The Company's annual report and its summary report of 2012", "2012 financial report of the Company", "The Company's profit distribution proposal for the year of 2012", "Specific report of actual use and deposit of the Company's proceeds", "2012 self-assessment report for internal control of the Company", "2012 corporate social responsibility report of the Company", "Proposal of recognition of asset impairment loss provision" and "Proposal on recognition of certain fixed assets stock-take loss and obsolescence loss" were reviewed and approved.
The Sixteenth meeting of the Fourth supervisory committee was convened on 26 April 2013 in the Company's conference room at 20/F., Haifu Centre, Xiamen	"2013 first quarterly report of the Company" was reviewed and approved.
The Seventeenth meeting of the Fourth supervisory committee was convened on 13 August 2013 in the Company's conference room at 20/F., Haifu Centre, Xiamen	"Proposal on provision for impairment on certain assets" and "2013 interim report and its summary report of Zijin Mining Group Co., Ltd.*" were reviewed and approved.
The Eighteenth meeting of the Fourth supervisory committee was convened on 30 August 2013 in the Company's conference room at 10/F., Xiamen Zijin Science & Technology Hotel	"Proposal on election of the Company's supervisory committee" was reviewed and approved.
The Nineteenth meeting of the Fourth supervisory committee was convened on 24 October 2013 in the Company's conference room at 21/F., Headquarters Office Building	"2013 third quarterly report of the Company" was reviewed and approved.
The First meeting of the Fifth supervisory committee was convened on 25 October 2013 in the Company's conference room at 21/F., Headquarters Office Building	"Proposal on election of the chairman and vice chairman of the Company's fifth supervisory committee" was reviewed and approved.



Report of the Supervisory Committee *(continued)*

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

The supervisors of the Company attended the board meetings, the audit and internal control committee meetings, the joint meetings of executive directors and senior management, etc. to understand the decision making process of the Company's significant decisions, grasp the status of the Company's operating results, and perform the supervision and inspection functions of the supervisory committee proactively. The supervisory committee meetings were convened strictly in accordance with the procedures stipulated in the article of association of the Company, meeting procedures of the supervisory committee, etc. A timely disclosure of the relevant conclusion of the meetings was made in accordance with the requirements of the Shanghai Stock Exchange. All supervisors performed diligently in discharging their duties.

- (2) The supervisors of the Company carried out in-depth study and research at the basic level, concerned about the Company's status of production, operation and management proactively. During the reporting period, through arranging time to carry out visits and research on the corporations owned by the Group, the members of the supervisory committee understood, traced and collected information about the production, operation and management situation of the corporations in a timely manner, concerned about the sustainable development capacity and potential risks of the corporations, actively provided rationalized proposals and risk warnings to the board of directors and operation management.
- (3) The supervisory committee of the Company strictly followed the core missions of the Group, strengthened the coordination, planning and guidance of the supervisory system of the Group, proactively promoted the establishment of the 5-in-1 supervisory system integrating "supervisory committee, discipline inspection, supervision, audit and internal control", shared supervision resources together and formed joint forces supervision, and obtained a better results on the Group's works of supervision.

2. INDEPENDENT OPINIONS OF THE SUPERVISORY COMMITTEE UPON RELEVANT MATTERS OF THE COMPANY

(1) Operation of the Company in compliance with laws

During the reporting period, the Company operated in accordance with the relevant provisions of the national law, regulations, listing rules and the articles of association, etc., the operating results were objective and true, the operation decisions and procedures were in accordance with laws and regulations. The board of directors and senior management of the Company discharged their duties diligently. No violation of law, regulations and articles of association or any action which harmed the interests of the shareholders and the Company was found from directors and senior management in discharging their duties.

(2) Inspection of financial reports of the Company

During the reporting period, the periodic financial reports and the related information of the Company reflected the financial positions and operating results of the Company in a true, fair and complete manner. The information stated in the reports did not have any false record, misleading statement or material omission. The Group's 2013 annual financial report was audited by Ernst & Young Hua Ming LLP who issued an independent auditors' report with an unqualified opinion.

(3) Acquisitions and disposals of assets of the Company

During the reporting period, the supervisory committee continuously concerned on the lawfulness, reasonableness and validity of assets acquisitions and disposals, and supervised the procedures of the relevant activities. After verification, the acquisitions and disposals of the Company's assets followed the principle of marketization, the procedures of decision making were in accordance with laws and regulations, no insider dealing or behavior which impaired the interests of the shareholders of the Company and led to loss of the Company's assets was found.

(4) Connected transactions of the Company

During the reporting period, the Company strictly followed the “articles of association”, “Connected Transactions Management Policy” and the listing rules of the Stock Exchange of Hong Kong Limited and the Shanghai Stock Exchange regarding the procedures of approval and information disclosure on connected transactions. The connected transactions were decided prudently, the procedures were legal and regulated, the transaction processes were fair and just, the transaction results were fair, and no insider dealing and activity which could impair the interests of the Company and the shareholders was found.

(5) Supervisory committee’s review on internal control evaluation report

The supervisory committee seriously reviewed the “2013 internal control evaluation report of the Company” and considered that the Company has established an internal control system which is relatively perfect, conforms to the requirements of the relevant national laws and regulations and the needs of the Company’s production, operation and management, the implementation is basically effective. The establishment of the Company’s internal control system played the role of a relatively sound risk prevention and control on the Company’s production, operation and management, ensured that all activities of the Company were conducted orderly and effectively, and protected the interests of the Company and the shareholders. The “2013 internal control evaluation report of the Company” could objectively, accurately and completely reflect the actual situation of the Company’s internal control, no false record, misleading statement or material omission was found. The “2013 internal control evaluation report of the Company” was passed by the supervisory committee.

THE CONCEPTUAL GUIDE FOR 2014 WORKS

In 2014, the supervisory committee of the Company will adhere to the plan of new round of business development of the Company and strictly follow the related provisions of the Company Law of the People’s Republic of China and the articles of association of the Company to discharge their duties seriously, protect the interests of the Company and the shareholders proactively and provide a strong protection for the healthy and fast development of the Company. In 2014, the supervisory works of the Group will mainly focus on the following aspects:

1. The supervisory committee of the Company will discharge their duties in accordance with the laws and regulations, continue to increase the efforts of supervision for the main objectives of the Company, carry out corporate governance and management supervision smoothly, ensure the Company’s operations in compliance with laws and regulations, and protect the interests of the Company and all shareholders.

The supervisory committee will fully exert the roles of supervisory committees in the Group’s subsidiaries and associates, fully strengthen the supervisory works of the companies, especially strengthen the supervisory efforts on logistics and construction areas, strengthen the efforts on the assessment of the assigned supervisors to promote their performance, and encourage the subsidiaries and associates of the Group to carry out the supervisory works.

2. The supervisory committee will strengthen the supervision and inspections on significant events of the Company including acquisitions, disposals of assets and connected transactions, ensure the decision making process of the Company follows rules and regulations, and prevent the behaviours which may cause damage to the interests of the Company and shareholders and loss of the Company’s assets, strengthen the establishment of internal control system and its implementation to have good control and prevention of risk, increase the efforts of study and inspection on subsidiaries and associates of the Group and pay attention to the Company’s production and operation status.
3. The supervisory committee will continue to strengthen its leadership to the Company’s supervisory audit office, further improve the establishment of the 5-in-1 supervisory system of “supervisory committee, discipline inspection, supervision, audit and internal control”, rationalize the working mechanism of the supervisory system, ensure the effective operation of the 3-levels vertical supervisory control system, carry out daily supervisory, audit and internal control evaluation testing tasks effectively, strengthen the supervision and inspection on important management aspects and areas including production and operation, project construction, equipment and materials procurement, financial capital, etc., strengthen process supervision and implement dynamic supervision, continue to strengthen supervision and inspection efforts and promote the implementation of the system.



Report of the Supervisory Committee *(continued)*

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

4. The supervisory committee will strengthen the establishment of supervisory team, enhance comprehensive competence of supervisors and staff of supervisory and audit office, strengthen the improvement of supervisory capacity of supervisory authorities at all levels, reinforce and adjust supervisory team, strengthen the establishment of the team with learning enthusiasm, put more efforts in talents introduction and training, enable the supervisory system and the supervisory team to carry out supervision in any circumstances and levels with good results and positive energy for the Company's healthy development, aim at value-adding achievement in the supervisory process, establish and improve supervisory system key performance indicators (KPI) system and apply it on performance appraisal.

Zijin Mining Group Co., Ltd.*

Supervisory Committee

28 March 2014



Corporate Governance Report

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

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

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

As required by A.1.8 of Appendix 14 Corporate Governance Code and Corporate Governance Report of the Listing Rules, an issuer should arrange appropriate insurance cover in respect of potential legal action against its directors. The Board of Directors currently considers that the Company and the Board of Directors 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 of Directors will review this policy of insurance from time to time and may arrange insurance cover later. As required by F.1.3 of Appendix 14 Corporate Governance Code and Corporate Governance Report of the Listing Rules, an issuer's company secretary should report to the board chairman and/or the chief executive. The Board of Directors considers that the company secretary in Hong Kong should report to the secretary of Board of Directors to meet the management needs of the Group and it enables a unified management of all listing related matters in Hong Kong and mainland. The Corporate Governance Code provision A.5.6 stipulates that the nomination committee (or the board) should have a policy concerning diversity of board members, and should disclose the policy or a summary of the policy in the corporate governance report. The nomination and remuneration committee of the Company would review the board composition from time to time and from a number of aspects, including but not limited to skills, experience, knowledge, expertise, culture, independence, age and gender. It considered that the board diversity is in place and therefore the update of policy is not required. As required by A.6.7 of Appendix 14 Corporate Governance Code and Corporate Governance Report of the Listing Rules, independent non-executive director should attend general meetings. Independent non-executive director Chen Yuchuan had a business trip and could not attend the Company's annual general meeting on 28 May 2013, independent non-executive director Wang Xiaojun had a business trip and could not attend the Company's extraordinary general meeting on 25 October 2013.

Save as disclosed above, for the year ended 31 December 2013, the Board confirmed that the Group has adopted and complied with the provisions of the Corporate Governance Code and Corporate Governance Report and has followed most of its recommended best practices with no deviation.

SECURITIES TRANSACTIONS BY DIRECTORS

The Group has adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") as set out in Appendix 10 of the Listing Rules as the model code for the trading of securities by directors of the Group. The effective date was 23 December 2003. Following enquiries with all directors of the Company, the Group confirmed that all directors have complied with the provisions of the Model Code for the year ended 31 December 2013.

BOARD COMPOSITION AND PRACTICE

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

The Board comprises eleven directors, including six executive directors, one non-executive director and four independent non-executive directors. The executive Directors are Chen Jinghe, Wang Jianhua, Qiu Xiaohua, Lan Fusheng, Zou Laichang and Lin Hongfu, the non-executive Director is Li Jian, and the independent non-executive Directors are Lu Shihua, Ding Shida, Jiang Yuzhi and Sit Hoi Wah, Kenneth. The biographical details of each Director are set out in the section "Directors, Supervisors and Senior Management" on pages 32 to 35. There is no related connections in respect of finance, business or family relations among the members of the Board.

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



Corporate Governance Report *(continued)*

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

For the year ended 31 December 2013, all the non-executive directors of the Company were appointed for 3 years from 25 October 2013 to 24 October 2016. Details are set out in the Report of the Directors.

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

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

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

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

CORPORATE GOVERNANCE, INSIDER REGISTRATION AND MANAGEMENT AND RELEVANT MATTERS

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

SHAREHOLDERS AND SHAREHOLDERS' GENERAL MEETINGS

During the reporting period, the Company convened the 2012 annual general meeting, the first A Shareholders' class meeting in 2013, the first H Shareholders' class meeting in 2013 and the first extraordinary general meeting in 2013. The Company strictly convened and held the shareholders' general meetings following the regulations and requirements of the articles and association of the Company and the rules of the Company's shareholders' general meetings, which ensured all of the Company's shareholders, especially the minority shareholders, could enjoy equal rights and fully exercise their voting rights.

RELATIONS WITH CONTROLLING SHAREHOLDER

The Company and the controlling shareholder is completely independent and separated in terms of assets, personnel, finance, institution and operation; the Company's Board, supervisory committee and internal institutions operate independently, the controlling shareholders does not intervene in the daily operation of the Company; the controlling shareholder of the Company strictly complied with the commitment made to the Company to avoid mutual competition within the industry. During the reporting period, there is no controlling shareholder of the Company using its special status to occupy and prejudice the Company and the interests of the other shareholders.

DIRECTORS AND BOARD OF DIRECTORS

The board of directors of the Company completed the change of term in October 2013, the new board of directors consists of 11 directors, in which there are 4 independent non-executive directors, the number and the composition of the board of directors comply with the relevant laws and regulations. The composition of professions of the member of the board of directors is reasonable. The members of the board of directors possess the knowledge, skills and competence to discharge their duties. The directors timely attended the general meetings and board meetings, discharged their duties seriously, faithfully and diligently, proactively participated in the business training. They understand the relevant laws and regulations well and have clear sense of the rights, obligations and responsibilities as a director. There are four specialized committees under the board of directors including the strategic committee, audit and internal control committee, nomination and remuneration committee and execution and investment committee to further enhance the decision-making mechanism of the board of directors of the Company.

SUPERVISORS AND THE SUPERVISORY COMMITTEE

The supervisory committee of the Company completed the change of term in October 2013, the new supervisory committee of the Company consists of 5 members, including 2 supervisors representing workers and staff, the number and composition of the supervisory committee comply with the relevant laws and regulations. Most of the supervisors have professional knowledge and working experience of accounting, auditing and so on. According to the authority and responsibility conferred by the articles of association of the Company, the supervisory committee regularly convened supervisory committee meetings, conscientiously discharged their duties so as to be responsible to shareholders, supervised and inspected the performance of the directors and senior management personnel and the legal and compliance of the Company's financial issues to fully safeguard the legitimate rights and interests of the Company and shareholders. Under the supervisory committee, there is a supervisory and audit office which is responsible for supervising the legal compliance in the Company's daily business and the regulated financial operations, etc.

AMENDMENT AND PERFECTION OF POLICIES

During the reporting period, according to the relevant laws and regulations, taking into account of the Company's actual situation, the Company issued the "Articles of operation for strategic committee of the board of directors of Zijin Mining Group Co., Ltd.", "Articles of operation for execution and investment committee of the board of directors of Zijin Mining Group Co., Ltd.", "Information disclosure management policy for financial tools of Zijin Mining Group Co., Ltd." and the "Policy for internal accountability of Zijin Mining Group Co., Ltd.".

According to the provisions of the "Notice in Relation to Further Implementing Cash Dividend Distribution of Listed Companies" (Zheng Jian Fa [2012] No.37) issued by China Securities Regulatory Commission and the "Notice in Relation to Further Implementing Cash Dividend Distribution" (Min Zheng Jian Gongsizi [2012] No.28) issued by China Securities Regulatory Commission Fujian Bureau, it was proposed to amend the articles of association of the Company for the terms regarding cash distribution policy and the amendments will be submitted to 2013 annual general meeting for consideration and approval.

According to "Guidelines of Listed Companies No. 3 - cash dividends of listed companies" of the China Securities Regulatory Commission, the documents issued by China Securities Regulatory Commission Fujian Bureau, taking into account the actual situation of the Company, it is proposed to amend the current articles of association of the Company to improve the relevant terms of the cash distribution plan and the amendments will be submitted to 2013 annual general meeting for consideration and approval.

In accordance with the "Notice on the further establishment and improvement of the internal accountability mechanism for violations of rules and regulations of the listed companies within the jurisdiction" issued by China Securities Regulatory Commission Fujian Bureau on 15 April 2013, the internal accountability mechanism of the Company was refined and revised, the governance standard of the Company was enhanced in order to achieve standardization in the Company's operation.

PERFORMANCE EVALUATION AND INCENTIVE AND RESTRICTION MECHANISM OF THE COMPANY

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



Corporate Governance Report *(continued)*

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

INFORMATION DISCLOSURE

The Company strictly followed the listing rules of the PRC and Hong Kong, fulfilled the information disclosure obligations in accordance with laws and complied with the principle of "Fair, Impartial, Open" to disclose relevant information like the periodic reports and ad hoc announcements of the Company truly, accurately, timely and completely; the secretary to the Board is responsible for information disclosure of the Company, the securities department and the investor relations management team of the Company are responsible for the reception of investors for their visits and enquiries to strengthen communication and exchanges with investors.

REGISTRATION AND MANAGEMENT OF INSIDERS

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

RELEVANT PARTIES TO THE COMPANY

The Company fully respected and safeguarded the legitimate rights and interests of the relevant parties, and established good channels of communication to jointly promote the sustainable, healthy and stable development of the Company. The Company actively concerned about the community development, and performed social responsibilities by way of helping, building, donation, etc.

GENERAL MEETINGS

Session of meeting	Convening date	Resolutions for the meeting	Poll results of the resolutions	Date of publishing poll results of the resolutions
2012 annual general meeting	28 May 2013	Special resolutions: The proposal of amendments of the articles of association of the Company, the proposal of the Company's 3-year (2012-2014) profit distribution plan, the proposal of issuance of mid-term bonds of the Company, the proposal of granting general mandate to the Board of Directors of the Company to repurchase H shares, the proposal of the Company to provide guarantee to its overseas subsidiaries for the loans; Ordinary resolutions: Report of the Board of Directors of the Company for 2012, Report of the Independent Directors of the Company for 2012, Report of Supervisory Committee of the Company for 2012, the Company's financial report for the year ended 31 December 2012, the Company's 2012 annual report and its summary report, a profit distribution proposal of the Company for the year ended 31 December 2012, the proposal of remunerations of the Executive Directors and Chairman of Supervisory Committee of the Company for the year ended 31 December 2012, the proposal of reappointment of domestic auditor for the year ended 31 December 2013 and the authorization to the Board of Directors to determine the auditor's 2013 remuneration.	All the tabled resolutions were passed at the 2012 annual general meeting	28 May 2013



Corporate Governance Report *(continued)*

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

Session of meeting	Convening date	Resolutions for the meeting	Poll results of the resolutions	Date of publishing poll results of the resolutions
The first A Shareholders' class meeting in 2013	28 May 2013	The proposal of granting general mandate to the Board of Directors of the Company to repurchase H shares	The special resolution was passed at the first A Shareholders' class meeting in 2013	28 May 2013
The first H Shareholders' class meeting in 2013	28 May 2013	The proposal of granting general mandate to the Board of Directors of the Company to repurchase H shares	The special resolution was passed at the first H Shareholders' class meeting in 2013	28 May 2013
The first extraordinary general meeting in 2013	25 October 2013	The proposal of election of the Board of Directors of the Company, the proposal of election of Supervisors of the Supervisory Committee of the Company, the proposal of the remuneration and assessment policy of Directors and Supervisors of the fifth term of Board and Supervisory Committee	All of the three resolutions were passed at the first extraordinary general meeting in 2013	25 October 2013

Corporate Governance Report *(continued)*

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

THE ATTENDANCE OF DIRECTORS AT THE BOARD MEETINGS AND GENERAL MEETINGS

The Board has convened 21 plenary Board meetings for the year ended 31 December 2013. The attendance of directors at the meetings was as follows:

Name	Independent director	Board meetings						General meetings
		Number of board meetings this year	Attended in person	Attended via tele-communication	Attended by proxy	Absent	Absent in 2 consecutive meetings	Number of meetings attended
Chen Jinghe	No	21	21	13	0	0	No	2
Wang Jianhua	No	2	2	1	0	0	No	1
Luo Yingnan	No	19	18	12	1	0	No	2
Qiu Xiaohua	No	21	21	13	0	0	No	2
Lan Fusheng	No	21	21	13	0	0	No	2
Zou Laichang	No	21	21	13	0	0	No	2
Huang Xiaodong	No	19	19	12	0	0	No	2
Lin Hongfu	No	2	2	1	0	0	No	2
Li Jian	No	2	2	1	0	0	No	2
Peng Jiaqing	No	19	19	13	0	0	No	2
Ding Shida	Yes	2	2	1	0	0	No	1
Lu Shihua	Yes	2	2	1	0	0	No	1
Jiang Yuzhi	Yes	2	2	1	0	0	No	1
Sit Hoi Wah, Kenneth	Yes	2	2	1	0	0	No	1
Lin Yongjing	Yes	19	19	12	0	0	No	2
Su Congfu	Yes	19	19	12	0	0	No	2
Chen Yuchuan	Yes	19	19	15	0	0	No	1
Wang Xiaojun	Yes	19	16	14	3	0	No	1

In 2013, the fourth term of board of directors convened 3 meetings attended in person, 12 meetings via telecommunications and 4 meetings attended in person combined with telecommunications; the fifth term of board of directors convened 1 meeting attended in person and 1 meeting via telecommunications.

Number of board meetings held this year	21
In which, number of meetings attended in person	4
Meetings via telecommunications	13
Meetings attended in person and via telecommunications	4

CORPORATE GOVERNANCE FUNCTIONS

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

- (i) To develop and review the Group's policies and practices on corporate governance and make recommendations;
- (ii) To review and monitor the training and continuous professional development of directors and senior management;
- (iii) To review and monitor the Group's policies and practices on the compliance with all legal and regulatory requirements (where applicable);
- (iv) To develop, review and monitor the code of conduct and compliance manual (if any) applicable to the employees and directors of the Group; and
- (v) To review the Group's compliance with the CG Code and disclosure requirements in the corporate governance report.

CONTINUOUS PROFESSIONAL DEVELOPMENT

The Directors have been informed of the requirement under A.6.5 of the CG Code regarding continuous professional development. In the year ended 31 December 2013, all the Directors participated in the training programs arranged by the Company to develop and refresh the Directors' knowledge and skills as directors of companies listed on the Stock Exchange.

NOMINATION AND REMUNERATION OF DIRECTORS

The new term of the Board established the nomination and remuneration committee. It comprises independent non-executive directors, Mr. Lu Shihua, Mr. Ding Shida, Mr. Jiang Yuzhi, Mr. Sit Hoi Wah, Kenneth, non-executive director, Mr. Li Jian, and chairman of the Board, Mr. Chen Jinghe. Mr. Ding Shida was appointed as the chief commissioner of the nomination and remuneration committee. The nomination and remuneration committee also comprises various working group members. Detailed regulations for the nomination and remuneration committee are amended pursuant to the CG Code and the regulations and the terms of reference of the nomination and remuneration committee are published on the website of the Company.

The major responsibilities of the nomination and remuneration committee are:

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

PROCEDURE AND BASIS FOR DETERMINATION OF REMUNERATION

Pursuant to the articles of association of the Company, the remuneration plan and reward and penalty plan for directors, supervisors and senior management shall be proposed by the nomination and remuneration committee. Remuneration of executive directors and chairman of supervisory committee shall be considered and approved in the general meeting. Remuneration of senior management shall be considered and approved by the Board. Determination of the remuneration of the directors, supervisors and senior management shall be based on the annual operation results of the Company and resolution of the general meeting/Board meeting.

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

During the reporting period, the nomination and remuneration committee of the board of directors has, in accordance with the appraisal working requirements of the Board to the Company's directors, supervisors and senior management personnel, organized and successfully completed the 2012 annual performance assessment of directors, supervisors and senior management personnel.

In the second half of year 2013, the nomination and remuneration committee has taken the lead for the 2013 annual performance assessment of directors, supervisors and senior management personnel of the Company.

During 2013, 3 meetings of the nomination and remuneration committee were held.

Corporate Governance Report *(continued)*

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

THE ATTENDANCE OF NOMINATION AND REMUNERATION COMMITTEE MEETINGS

Name	Number of the committee meetings	Attended in person at meeting venue	Attended via telecommunication	Attended by delegation	Absent
Ding Shida (Chief Commissioner) (Appointed on 25 October 2013)	3	1	0	0	0
Lu Shihua (Appointed on 25 October 2013)	3	1	0	0	0
Jiang Yuzhi (Appointed on 25 October 2013)	3	1	0	0	0
Sit Hoi Wah, Kenneth (Appointed on 25 October 2013)	3	1	0	0	0
Chen Jinghe (Chairman)	3	3	0	0	0
Li Jian (Appointed on 25 October 2013)	3	1	0	0	0
Su Congfu (Chief Commissioner) (Resigned on 24 October 2013)	3	2	0	0	0
Chen Yuchuan (Resigned on 24 October 2013)	3	2	0	0	0
Lin Yongjing (Resigned on 24 October 2013)	3	2	0	0	0
Wang Xiaojun (Resigned on 24 October 2013)	3	2	0	0	0
Peng Jiaqing (Resigned on 24 October 2013)	3	2	0	0	0

Pursuant to the requirements of the articles of association of the Company and the detailed implementation rules of the nomination and remuneration committee, in the meetings, the committee members evaluated and made proposal on the remuneration plan and the reward and penalty plan. The proposal was made by reference to the performance of the directors, the overall performance of the Group, the average salary of the local employees, etc.

DIRECTORS' ANNUAL REMUNERATION

Details are set out in note X.7 to the financial statements.

SUPERVISORS' ANNUAL REMUNERATION

Name	Position	Total remuneration received from the Company in the reporting period (RMB'000) (before tax)
Lin Shuiqing	Chairman of the supervisory committee	864.5
Xu Qiang	Vice-chairman of the supervisory committee	120
Fan Wensheng (Appointed on 25 October 2013)	Supervisor	12
Lin Xinxi (Resigned on 24 October 2013)	Supervisor	60
Liu Xianhua (Resigned on 24 October 2013)	Supervisor representing workers and staff	60
Liu Wenhong (Appointed on 25 October 2013)	Supervisor representing workers and staff	12
Zhang Yumin	Supervisor representing workers and staff	72

AUDITORS' REMUNERATION

For the year ended 31 December 2013, the audit fees charged by the auditors of the Company was RMB7,460,000.

AUDIT AND INTERNAL CONTROL COMMITTEE

The new term of the audit and internal control committee comprises independent non-executive directors, Mr. Lu Shihua, Mr. Ding Shida, Mr. Jiang Yuzhi, Mr. Sit Hoi Wah, Kenneth, non-executive director, Mr. Li Jian, president and executive director, Mr. Wang Jianhua and executive director, Mr. Qiu Xiaohua. The chief commissioner of the committee is Mr. Lu Shihua. During 2013, 4 meetings of the audit and internal control committee were held.

Corporate Governance Report *(continued)*

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

THE ATTENDANCE OF AUDIT AND INTERNAL CONTROL COMMITTEE MEETINGS

Name	Number of the committee meetings	Attended in person at meeting venue	Attended via telecommunication	Attended by delegation	Absent
Lu Shihua (Chief Commissioner) (Appointed on 25 October 2013)	4	0	0	0	0
Ding Shida (Appointed on 25 October 2013)	4	0	0	0	0
Jiang Yuzhi (Appointed on 25 October 2013)	4	0	0	0	0
Sit Hoi Wah, Kenneth (Appointed on 25 October 2013)	4	0	0	0	0
Wang Jianhua (President) (Appointed on 25 October 2013)	4	0	0	0	0
Qiu Xiaohua (Appointed on 25 October 2013)	4	0	0	0	0
Li Jian (Appointed on 25 October 2013)	4	0	0	0	0
Chen Jinghe (Chairman) (Resigned as member of Audit and Internal Control Committee on 24 October 2013)	4	4	0	0	0
Luo Yingnan (Resigned on 24 October 2013)	4	4	0	0	0
Lin Yongjing (Resigned on 24 October 2013)	4	4	0	0	0
Su Congfu (Chief Commissioner) (Resigned on 24 October 2013)	4	4	0	0	0
Chen Yuchuan (Resigned on 24 October 2013)	4	4	0	0	0
Wang Xiaojun (Resigned on 24 October 2013)	4	4	0	0	0
Peng Jiaqing (Resigned on 24 October 2013)	4	4	0	0	0

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

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

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

- To propose hiring or changing of the external audit institution;
- To oversee the Company's internal audit system and its implementation;
- To audit the Company's financial information and its disclosure (including the annual report, the interim report, quarterly reports and any feasible financial review);
- To audit the Company's financial reporting and internal control system and to audit material connected transactions.

The audit and internal control committee has held meetings on a regular basis since its establishment and convened 4 meetings during the reporting period.

In the meetings held in March 2013, the committee reviewed the working report prepared by the supervisory and audit office and reviewed the auditors' report and connected transactions of the Group for the year of 2012, and also submitted its concluding opinions on relevant connected transactions and the audit to the Board.

In the meeting held in April 2013, the committee reviewed the first quarterly report of the Group for the year of 2013 and submitted its concluding opinions on the audit to the Board.

In the meeting held in August 2013, the committee reviewed the interim report and connected transactions of the Group for the year of 2013, and reviewed the effectiveness of the Group's internal control system and also submitted its concluding opinions on the audit to the Board.

In the meeting held in October 2013, the committee reviewed the third quarterly report of the Group for the year of 2013 and submitted its concluding opinions on the audit to the Board.

The audit and internal control committee has communicated with the accounting firm for the focusing issues before they started the audit field work for the year ended 2013, during the audit process and after the drafted audit report was issued respectively. The audit and internal control committee convened a meeting on 27 March 2014, in which it examined and approved the 2013 annual report and considered that: there is no major omission in the 2013 annual financial report issued by Ernst & Young Hua Ming LLP, it presented the financial position of the Company fairly in all material aspects as of 31 December 2013 and the production and operating results of 2013, agreed to submit the aforementioned documents to the Board for consideration.

DIRECTORS' RESPONSIBILITIES IN RESPECT OF FINANCIAL REPORTS

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

The responsibility statement made by the auditors of the Company in respect of financial reports of the Group is set out in the auditors' report on pages 77 to 78.

COMPANY SECRETARY

Fan Cheung Man is the company secretary. Details of the biography of the company secretary are set out in the section headed "Directors, Supervisors and Senior Management" of this annual report. The company secretary took no less than 15 hours of relevant professional training in the year ended 31 December 2013 as required by the Listing Rules.

SHAREHOLDING INTERESTS OF SENIOR MANAGEMENT

The details of shareholding interests of directors and supervisors of the Group are set out in "Disclosure of Interests and Short Positions of Directors and Supervisors of the Company" on pages 43 to 44 of the annual report.

CHANGE IN CONSTITUTIONAL DOCUMENTS

At the general meeting held on 28 May 2013, amendments to the articles of association of the Company were approved by the shareholders of the Company, mainly to bring the articles of the Company in line with the amendments material to its business licence. An updated version of the articles of association of the Company is available on the websites of the Company and the Stock Exchange.

SHAREHOLDERS' RIGHTS

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

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

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



Corporate Governance Report *(continued)*

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

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

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

Voting in a general meeting is by way of poll.

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

OBJECTIONS RAISED BY INDEPENDENT DIRECTORS FOR MATTERS RELATED TO THE COMPANY

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

ESTABLISHMENT, IMPROVEMENT AND MAIN CONTENT OF THE RELEVANT WORKING SYSTEM OF INDEPENDENT DIRECTORS AND PERFORMANCE OF INDEPENDENT DIRECTORS

During the reporting period, the independent non-executive directors of the Company performed their duties seriously and diligently, actively participated in the board meetings and shareholders' general meetings, understood the production, operation, financial situations of the Company timely, raised independent opinions about the Company's periodic reports and connected transactions, provided professional advices for the board of directors' scientific decisions, comprehensively and effectively promoted the establishment of the internal control system of the Company and the evaluation of internal control, participated in various jobs such as the instruction and supervision of the self-investigation activity of accounting policies disclosure organized by the Group, gave full play to the role of the independent non-executive directors and safeguarded the legitimate rights and interests of the Company and the minority shareholders as a whole.

During the reporting period, the fourth term of independent directors of the Company carried out the recommendation of the candidates of the fifth term of the board of the directors, and issued independent opinions. The fifth term of independent directors issued independent opinions on the appointment of senior management for the new term.

During the reporting period, the independent directors carried out on-site visits and research in the key projects of the Group including Zijinshan gold and copper mine, Hunchun Zijin, Bayannaer Zijin 200,000 tonnes zinc refinery factory, Wulatehouqi Zijin, Guizhou Zijin, 200,000 tonnes copper refinery project. The independent directors provided professional guidance and opinions on the ideas of corporate development, investment decisions, major technical solutions, production and management, cost reduction, energy conservation and pollution reduction, safety and environmental protection, strengthening of corporate governance, fulfillment of social responsibility, etc.

THE IMPORTANT OPINIONS AND SUGGESTIONS FROM THE SPECIALIZED COMMITTEES UNDER THE BOARD OF DIRECTORS IN THE PERFORMANCE OF DUTIES DURING THE PERIOD

During the reporting period, the audit and internal control committee of the board of directors received the reports from the Company's management regarding the Company's production and operating status, investment and financing activities and other significant events in the year, and reviewed the Company's annual report 2012, first quarterly report 2013, interim report 2013 and third quarterly report 2013 according to the relevant articles of operation and fully performed their duties. The audit and internal control committee communicated with the auditor before the field-works of the 2013 annual audit, during the audit process and after issuance of the first draft of audit report, and exchanged their opinions on key issues for audit. The audit and internal control committee convened a meeting on 27 March 2014 and approved the Company's annual report 2013, and considered that there was no material omission in the 2013 financial statements issued by Ernst and Young Hua Ming LLP, it presented the financial position of the Company fairly in all material aspects as at 31 December 2013 and the production and operating results of 2013. The audit and internal control committee agreed to pass the above documents to the Company's board of directors for consideration.

During the reporting period, the fourth term of nomination and remuneration committee of the board of directors organized and carried out the recommendation of the candidates of the fifth term of the board of the directors. The fifth term of nomination and remuneration committee carried out review on the remuneration of the Company's directors and senior management based on the 2013 operating results, and submitted the proposal to the board of directors and general meeting for approval.

During the reporting period, the fourth term of strategic and execution committee of the board of directors carried out reviews for the matters inside its authorized scope including disposals of assets, transfers of equity interests and deregistrations of subsidiaries, and carried out reviews and provided guidance and opinions on the appointment, dismissal and recommendation of the directors, supervisors, senior management and other staff of the associate companies of the Company. The fifth term of strategic committee of the board of directors revised the Company's development strategies, researched and formulated the targets of the new round of business development.

During the reporting period, the fourth term of investment committee of the board of directors completed the reviews on the Company's external investments and other matters according to the authorization of the board of directors. The fifth term of execution and investment committee of the board of directors, being the standing organization during the adjournment of the board of directors of the Company, completed the reviews on the Company's external investments, transfers of equity interests, assets disposals and other matters following the authorization of the board of directors. It also provided guidance and opinions on the appointment, dismissal and recommendation of part of the Company's middle management, the directors, supervisors, senior management and other staff of the associate companies of the Company.

RISKS IN THE COMPANY DISCOVERED BY THE SUPERVISORY COMMITTEE

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

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

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

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

In accordance with the "Remuneration and review policy for senior management of operation of the fourth term" passed in the first meeting of the fourth term of board of directors and the "Remuneration and review policy for senior management of operation of the fifth term" passed in the first meeting of the fifth term of board of directors, the nomination and remuneration committee of the board of directors approved the total amount of the remuneration of senior management according to the status of completion of the 2013 production and operation of the Company, and submitted the proposal to the board of directors for consideration.

INVESTOR RELATIONS

The Board fully recognises that effective communication with investors is a key to build investors' confidence and attract new investors.

The Group held press conferences and/or briefings to investment analysts immediately following the announcements of its annual and interim results. Senior management such as the chairman of the Board and the financial controller of the Group presented to analyse the performance of the Group during the relevant period, expound the business development of the Group and answer queries raised by investors. After the issue of A shares, the Group also issued results announcements on 26 April 2013 for the first quarter of year 2013 and on 24 October 2013 for the third quarter of year 2013.

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

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



Corporate Governance Report *(continued)*

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

During the year, the Company convened the 2012 annual general meeting on 28 May 2013 and the first extraordinary general meeting in 2013 on 25 October 2013. Details are set out in this report.

As at 28 March 2014, 166,108,000 H Shares were repurchased during the period from 21 August 2013 to 7 February 2014, but have not yet been cancelled pending completion of the change of business registration with relevant PRC authorities. After deduction of the repurchased shares, the registered capital of the Company will be RMB2,164,585,565 comprising 5,842,052,000 H Shares listed on the Hong Kong Stock Exchange, representing about 26.99% of the total issued shares, and 15,803,803,650 A Shares listed on the Shanghai Stock Exchange, representing about 73.01% of the total issued shares. The total listed shares in these two stock exchanges represented 100% of the total issued shares of the Company.

INTERNAL CONTROL

RESPONSIBILITY STATEMENT OF INTERNAL CONTROL AND ESTABLISHMENT OF INTERNAL CONTROL SYSTEM

It is the responsibility of the board of directors of the Company to establish a sound and effective internal control system following the regulations of the internal control of the corporation, evaluate its effectiveness and truthfully disclose the internal control evaluation report. The supervisory committee carries out supervision on the establishment and implementation of internal control of the board of directors. The management is responsible for organizing and leading the daily operation of the corporation's internal control.

The Board followed the "Basic norms of internal control", its supporting guidelines and the relevant laws and regulatory requirements, through the establishment of a sound and effective internal control system, to ensure that the Company operated legally, with assets safety and true and complete financial reports and relevant information, enhance operation efficiency and results, and promote the realization of the development strategy. Since constraints exist in the internal control, the above targets could only be rationally guaranteed. In addition, since changes in the situation may make the internal control become improper, or decrease the levels of policy control and the follow of procedures, there are certain risks in predicting the effectiveness of internal control in the future based on the evaluation results of the internal control.

In 2013, the Group further improved the structure of internal control and the responsibility system. The design of the top level of the Company was improved through change of term of the board of directors, deep investigation on the development strategies, etc. Through improvement on the three-level management and control system framework, the Group fine-tuned and improved the internal control of the business process like budget planning, investing activities, production and operation, project construction, management of geological resources, performance appraisal, remuneration and incentive, financial management, purchase and sales, etc.; strengthened the optimization and construction of information system, and enhanced each of the fundamental management. In 2013, the Company treated risk as a direction and internal control targets as guidance, based on the changes in the internal and external environments and the requirements of the Company's development, 58 system documents were revised or newly issued at the Group level, which were effective to the establishment of internal control system.

The Company's supervisory and audit office organized and carried out evaluation on the internal control. The process of evaluation on internal control, the decided scope of internal control and the methods of evaluation were proper, the evidences obtained for the evaluation were sufficient, the works of evaluation on internal control were standard and ordered. The board of directors considered that based on the results of identifying important defects of internal control, on 31 December 2013, no important defect of internal control related to financial reporting was discovered by the Company and during the internal control self-assessment process, no important defect of internal control related to non-financial reporting was discovered by the Company. During the period from 31 December 2013 to the date of issue of the internal control evaluation report, there was no factor of the Company which would affect the conclusion on the evaluation of the effectiveness of the internal control. Please refer to "2013 Internal Control Evaluation Report" which was issued by the Company on the same day for details.

EXECUTION OF THE ACCOUNTABILITY SYSTEM FOR MATERIAL ERROR ON ANNUAL REPORT

According to relevant law, regulations and rules, the Company added the "accountability system on periodic reporting of material error" into the "information disclosure management system", put efforts to increase the accountability of the person-in-charge for the information disclosure in annual report, and enhanced the quality and transparency of the information disclosure in annual report.

There is no material accounting error, supplementary for material omissions of information and amendment for results forecast.

1. No material accounting error to be corrected during the reporting period;
2. No material omission of information to be supplemented during the reporting period;
3. No amendment for results forecast during the reporting period.



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Ernst & Young Hua Ming (2014) Shen Zi No. 60468092_G01

To the shareholders of Zijin Mining Group Company Limited:

We have audited the accompanying financial statements of Zijin Mining Group Company Limited, which comprise the consolidated and company balance sheets as at 31 December 2013, and the consolidated and company statements of profit or loss and other comprehensive income, statements of changes in owners' equity and statements of cash flows for the year then ended, and notes to the financial statements.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements. This responsibility includes: (1) preparing and fairly presenting the financial statements in accordance with Accounting Standards for Business Enterprises; (2) designing, implementing and maintaining internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the China Standards on Auditing. Those standards require that we comply with the Code of Ethics for Chinese Certified Public Accountants and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control relevant to the entity's preparation and fair presentation of financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Auditors' Report *(continued)*

OPINION

In our opinion, the financial statements present fairly, in all material aspects, the consolidated and company's financial position of the Company as at 31 December 2013 and the consolidated and company's financial performance and cash flows for the year then ended in accordance with Accounting Standards for Business Enterprises.

Ernst & Young Hua Ming LLP

Chinese Certified Public Accountant: Huang Yin

Beijing, the People's Republic of China

Chinese Certified Public Accountant: Zhong Ye

28 March 2014

Note: The notes to the financial statements with "*" are additionally or more detailedly disclosed in accordance with the rules governing the listing of securities on The Stock Exchange of Hong Kong Limited and Hong Kong Companies Ordinance.

Consolidated Balance Sheet

As at 31 December 2013

RMB

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

ASSETS	Note V	2013	2012
CURRENT ASSETS			
Cash and cash equivalents	1	4,491,737,212	7,473,400,807
Financial assets at fair value through profit or loss	2	475,941,951	670,943,265
Bills receivable	3	780,847,129	575,499,815
Trade receivables	4	519,354,631	841,494,264
Prepayments	5	921,089,268	957,976,115
Other receivables	6	1,791,576,506	1,524,884,888
Inventories	7	8,200,028,550	11,602,493,132
Other current assets	8	751,212,263	687,006,618
Total current assets		17,931,787,510	24,333,698,904
NON-CURRENT ASSETS			
Available-for-sale investments	9	343,624,001	576,013,498
Long-term equity investments	11	5,034,150,419	4,410,652,450
Investment properties	12	112,444,271	49,065,516
Fixed assets	13	19,353,330,551	15,595,461,755
Construction in progress	14	9,986,200,612	8,394,603,506
Construction materials	15	189,696,519	136,501,422
Intangible assets	16	8,498,320,317	8,535,917,880
Goodwill	17	496,758,705	496,758,705
Long-term deferred assets	18	1,093,707,245	800,104,702
Deferred tax assets	19	795,179,740	574,768,328
Other non-current assets	20	3,063,189,230	3,450,874,375
Total non-current assets		48,966,601,610	43,020,722,137
TOTAL ASSETS		66,898,389,120	67,354,421,041

Consolidated Balance Sheet *(continued)*

As at 31 December 2013

RMB

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

LIABILITIES AND OWNERS' EQUITY	Note V	2013	2012
CURRENT LIABILITIES			
Short-term borrowings	23	2,774,147,375	6,399,851,000
Financial liabilities at fair value through profit or loss	24	6,746,734,855	6,521,435,369
Bills payable	25	281,648,206	313,152,032
Trade payables	26	4,593,524,531	4,174,006,563
Advances from customers	27	577,062,261	937,554,916
Employee benefits payable	28	321,424,528	318,116,747
Taxes payable	29	1,014,800,781	1,692,027,264
Dividends payable	30	5,534,343	57,397,500
Other payables	31	2,267,104,690	2,029,208,186
Current portion of non-current liabilities	32	1,377,984,690	535,867,957
Total current liabilities		19,959,966,260	22,978,617,534
NON-CURRENT LIABILITIES			
Long-term borrowings	33	6,997,843,844	6,654,629,747
Bonds payable	34	5,405,880,513	2,987,766,076
Long-term payables	35	309,261,109	169,472,564
Provision	36	147,115,898	167,021,572
Deferred tax liabilities	19	443,536,908	447,085,685
Other non-current liabilities	37	549,332,668	366,862,124
Total non-current liabilities		13,852,970,940	10,792,837,768
TOTAL LIABILITIES		33,812,937,200	33,771,455,302
EQUITY			
Share capital	38	2,170,015,765	2,181,196,365
Capital reserve	39	7,424,785,017	7,770,714,175
Special reserve	40	101,948,305	98,196,798
Surplus reserve	41	1,319,401,104	1,319,401,104
Retained earnings	42	16,978,322,418	17,034,164,960
Exchange differences arising from translation of financial statements denominated in foreign currencies		(382,214,854)	(222,084,649)
Equity attributable to owners of the parent		27,612,257,755	28,181,588,753
Non-controlling interests	43	5,473,194,165	5,401,376,986
TOTAL EQUITY		33,085,451,920	33,582,965,739
TOTAL LIABILITIES AND OWNERS' EQUITY		66,898,389,120	67,354,421,041

The financial statements were signed by the followings:

Legal representative:

Principal in charge of accounting:

Head of accounting department:

Chen Jinghe

Lin Hongying

Wu Honghui

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2013

RMB

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

	Note V	2013	2012
Operating income	44	49,771,511,898	48,414,719,206
Less: Operating costs	44	40,846,480,113	36,374,864,074
Taxes and surcharges	45	719,196,040	541,098,426
Selling expenses	46	525,665,748	596,860,745
Administrative expenses	47	2,165,817,191	1,874,254,433
Financial expenses	48	733,059,904	803,965,178
Impairment losses on assets	49	792,141,366	270,720,072
Add: Gains/(losses) on changes in fair value	50	18,736,057	12,986,146
Investment income	51	13,767,646	639,884,580
Including: Share of profits of associates and joint ventures		117,156,560	242,514,892
Operating profit		4,021,655,239	8,605,827,004
Add: Non-operating income	52	223,486,351	220,898,413
Less: Non-operating expenses	53	410,440,020	270,666,100
Including: Losses on disposal of non-current assets		126,942,650	42,731,004
PROFIT BEFORE TAX		3,834,701,570	8,556,059,317
Less: Income tax expenses	54	973,432,498	2,402,806,003
NET PROFIT		2,861,269,072	6,153,253,314
Attributable to:			
Owners of the parent		2,125,353,823	5,211,208,977
Non-controlling interests		735,915,249	942,044,337
Earnings per share			
Basic earnings per share	55	0.10	0.24
OTHER COMPREHENSIVE INCOME			
Other comprehensive income to be reclassified to profit or loss upon satisfactions of specified conditions in subsequent periods			
Changes in fair value of available-for-sale investments		86,901,813	149,535,677
Exchange differences arising from translation of financial statements denominated in foreign currencies		(178,359,352)	(2,937,920)
Other comprehensive income for the year, net of tax	56	(91,457,539)	146,597,757
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		2,769,811,533	6,299,851,071
Attributable to:			
Owners of the parent		2,052,125,431	5,357,778,200
Non-controlling interests		717,686,102	942,072,871

Consolidated Statement of Changes in Owners' Equity

For the year ended 31 December 2013

RMB

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

	Attributable to owners of the parent							Total equity	
	Share capital	Capital reserve	Special reserve	Surplus reserve	Retained earnings	Exchange differences arising from translation of financial statements denominated in foreign currencies	Subtotal		Non-controlling interests
I. Closing balance of the preceding year and opening balance of the current year	2,181,196,365	7,770,714,175	98,196,798	1,319,401,104	17,034,164,960	(222,084,649)	28,181,588,753	5,401,376,986	33,582,965,739
II. Changes for the year									
(i) Net profit	—	—	—	—	2,125,353,823	—	2,125,353,823	735,915,249	2,861,269,072
(ii) Other comprehensive income #	—	86,901,813	—	—	—	(160,130,205)	(73,228,392)	(18,229,147)	(91,457,539)
Subtotal of comprehensive income	—	86,901,813	—	—	2,125,353,823	(160,130,205)	2,052,125,431	717,686,102	2,769,811,533
(iii) Owners' contributions and reductions in capital									
1. Repurchase H Shares	(11,180,600)	(143,149,886)	—	—	—	—	(154,330,486)	—	(154,330,486)
2. Others #	—	(289,681,085)	—	—	—	—	(289,681,085)	72,105,000	(217,576,085)
(iv) Profit distributions									
1. Distributions to owners	—	—	—	—	(2,181,196,365)	—	(2,181,196,365)	(740,074,356)	(2,921,270,721)
(v) Special reserve									
1. Transfer to special reserve in the current year	—	—	677,165,644	—	—	—	677,165,644	96,672,703	773,838,347
2. Amount utilised in the current year	—	—	(673,414,137)	—	—	—	(673,414,137)	(74,572,270)	(747,986,407)
Subtotal of (i) to (v)	(11,180,600)	(345,929,158)	3,751,507	—	(55,842,542)	(160,130,205)	(569,330,998)	71,817,179	(497,513,819)
III. Closing balance of the current year	2,170,015,765	7,424,785,017	101,948,305	1,319,401,104	16,978,322,418	(382,214,854)	27,612,257,755	5,473,194,165	33,085,451,920

Details are disclosed in Note V 39.

Consolidated Statement of Changes in Owners' Equity

For the year ended 31 December 2012

RMB

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

	Attributable to owners of the parent							Total equity	
	Share capital	Capital reserve	Special reserve	Surplus reserve	Retained earnings	Exchange differences arising from translation of financial statements denominated in foreign currencies	Subtotal		Non-controlling interests
I. Closing balance of the preceding year and opening balance of the current year	2,181,196,365	7,689,487,793	33,491,518	1,319,401,104	14,004,152,348	(219,118,195)	25,008,610,933	5,124,066,024	30,132,676,957
II. Changes for the year									
(i) Net profit	—	—	—	—	5,211,208,977	—	5,211,208,977	942,044,337	6,153,253,314
(ii) Other comprehensive income #	—	149,535,677	—	—	—	(2,966,454)	146,569,223	28,534	146,597,757
Subtotal of comprehensive income	—	149,535,677	—	—	5,211,208,977	(2,966,454)	5,357,778,200	942,072,871	6,299,851,071
(iii) Owners' contributions and reductions in capital									
1. Others #	—	(68,309,295)	—	—	—	—	(68,309,295)	348,985,628	280,676,333
(iv) Profit distributions									
1. Distributions to owners	—	—	—	—	(2,181,196,365)	—	(2,181,196,365)	(1,018,401,973)	(3,199,598,338)
(v) Special reserve									
1. Transfer to special reserve in the current year	—	—	577,858,732	—	—	—	577,858,732	64,979,366	642,838,098
2. Amount utilised in the current year	—	—	(513,153,452)	—	—	—	(513,153,452)	(60,324,930)	(573,478,382)
Subtotal of (i) to (v)	—	81,226,382	64,705,280	—	3,030,012,612	(2,966,454)	3,172,977,820	277,310,962	3,450,288,782
III. Closing balance of the current year	2,181,196,365	7,770,714,175	98,196,798	1,319,401,104	17,034,164,960	(222,084,649)	28,181,588,753	5,401,376,986	33,582,965,739

Details are disclosed in Note V 39.

Consolidated Statement of Cash Flows

For the year ended 31 December 2013

RMB

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

	Note V	2013	2012
I CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from sale of goods and rendering of services		53,396,720,868	52,739,313,342
Other cash receipts relating to operating activities	57	488,773,880	—
Sub-total of cash inflows from operating activities		53,885,494,748	52,739,313,342
Cash payments for goods purchased and services received		(37,320,035,917)	(39,058,205,885)
Cash payments to and on behalf of employees		(2,056,233,096)	(1,617,461,871)
Payments of various types of taxes		(4,234,484,779)	(5,189,351,534)
Other cash payments relating to operating activities	57	(1,432,277,392)	(1,466,712,375)
Sub-total of cash outflows used in operating activities		(45,043,031,184)	(47,331,731,665)
Net cash flows from operating activities	58	8,842,463,564	5,407,581,677
II CASH FLOWS FROM INVESTING ACTIVITIES			
Cash receipts from investment income		175,219,855	122,150,839
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets		102,049,752	425,268,873
Cash receipts from disposals and recovery of investments		1,045,323,031	654,030,876
Net cash receipts from disposals of subsidiaries and other business units	58	22,378,140	9,729,055
Other cash receipts relating to investing activities	57	288,046,283	85,090,485
Sub-total of cash inflows from investing activities		1,633,017,061	1,296,270,128
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets		(8,620,922,740)	(7,995,940,182)
Cash payments to acquire investments		(1,423,893,403)	(2,227,926,413)
Cash receipts/(payments) for acquisitions of subsidiaries and other business units	58	136,723	(822,815,660)
Other cash payments relating to investing activities	57	(68,067,205)	(186,000,000)
Sub-total of cash outflows used in investing activities		(10,112,746,625)	(11,232,682,255)
Net cash flows used in investing activities		(8,479,729,564)	(9,936,412,127)

Consolidated Statement of Cash Flows *(continued)*

For the year ended 31 December 2013

RMB

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

	Note V	2013	2012
III CASH FLOWS FROM FINANCING ACTIVITIES			
Cash receipts from capital contributions		130,714,613	258,094,320
<i>Including: Cash receipts from capital contributions from non-controlling shareholders of subsidiaries</i>		130,714,613	258,094,320
Cash receipts from borrowings		4,565,318,402	12,684,141,313
Cash receipts from gold leasing business		6,844,969,796	7,052,194,253
Cash receipts from issue of bonds		2,500,000,000	—
Other cash receipts relating to financing activities	57	836,570,035	1,157,692,845
Sub-total of cash inflows from financing activities		14,877,572,846	21,152,122,731
Cash repayments of borrowings		(7,008,490,031)	(5,772,528,200)
Cash repayments of gold leasing business		(6,417,818,475)	(4,646,118,516)
Cash payments for distribution of dividends or profits or settlement of interest expenses		(3,686,986,618)	(4,035,312,183)
<i>Including: Payments for distribution of dividends or profits to non-controlling shareholders of subsidiaries</i>		(740,074,356)	(1,018,401,973)
Other cash payments relating to financing activities	57	(359,197,586)	(763,065,590)
Sub-total of cash outflows used in financing activities		(17,472,492,710)	(15,217,024,489)
Net cash flows (used in)/from financing activities		(2,594,919,864)	5,935,098,242
IV EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		(61,621,090)	(8,715,682)
V NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(2,293,806,954)	1,397,552,110
Add: Opening balance of cash and cash equivalents		6,314,739,975	4,917,187,865
VI CLOSING BALANCE OF CASH AND CASH EQUIVALENTS	58	4,020,933,021	6,314,739,975

Balance Sheet

As at 31 December 2013

RMB

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

ASSETS	Note XI	2013	2012
CURRENT ASSETS			
Cash and cash equivalents		3,858,328,024	4,976,508,980
Financial assets at fair value through profit or loss		135,738,802	77,693,529
Bills receivable		83,734,355	57,125,545
Trade receivables	1	1,166,401,878	845,731,755
Prepayments		74,528,015	111,984,106
Dividends receivable		24,257,500	10,462,500
Other receivables	2	8,083,561,546	6,378,294,553
Inventories		408,499,205	441,620,300
Other current assets		66,518,178	168,695,397
Total current assets		13,901,567,503	13,068,116,665
NON-CURRENT ASSETS			
Available-for-sale investments	3	192,648,928	415,865,890
Long-term equity investments	4	11,402,322,693	11,880,390,250
Fixed assets	5	3,114,611,380	2,311,443,365
Construction in progress	6	455,097,581	920,743,009
Construction materials		6,064,431	2,392,156
Intangible assets	7	302,634,555	322,638,199
Long-term deferred assets	8	176,801,483	77,263,141
Deferred tax assets		211,403,875	188,791,180
Other non-current assets	9	4,324,814,636	2,192,619,193
Total non-current assets		20,186,399,562	18,312,146,383
TOTAL ASSETS		34,087,967,065	31,380,263,048

Balance Sheet *(continued)*

As at 31 December 2013

RMB

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

LIABILITIES AND OWNERS' EQUITY	Note XI	2013	2012
CURRENT LIABILITIES			
Short-term borrowings		518,236,500	813,470,239
Financial liabilities at fair value through profit or loss		4,510,524,854	4,904,091,049
Trade payables	12	372,302,808	184,606,100
Advances from customers		1,183,110	6,453,832
Employee benefits payable		131,886,635	181,366,530
Taxes payable		323,431,678	827,610,817
Other payables		564,995,521	573,408,596
Current portion of non-current liabilities		380,806,634	31,880,000
Other current liabilities		67,884,216	52,807,386
Total current liabilities		6,871,251,956	7,575,694,549
NON-CURRENT LIABILITIES			
Long-term borrowings		646,271,400	472,364,000
Bonds payable	13	2,500,000,000	—
Long-term payables	14	276,247,534	133,426,004
Other non-current liabilities		522,095,056	380,193,126
Total non-current liabilities		3,944,613,990	985,983,130
TOTAL LIABILITIES		10,815,865,946	8,561,677,679
EQUITY			
Share capital		2,170,015,765	2,181,196,365
Capital reserve		8,747,266,358	8,864,346,593
Special reserve		16,589	16,021
Surplus reserve		1,090,812,600	1,090,812,600
Retained earnings		11,263,989,807	10,682,213,790
TOTAL EQUITY		23,272,101,119	22,818,585,369
TOTAL LIABILITIES AND OWNERS' EQUITY		34,087,967,065	31,380,263,048

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2013

RMB

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

	Note XI	2013	2012
Operating income	15	9,644,136,088	12,242,529,425
Less: Operating costs	15	7,286,114,794	7,519,871,250
Taxes and surcharges		222,930,994	183,618,028
Selling expenses		3,071,098	18,585,095
Administrative expenses		546,233,393	529,035,626
Financial expenses	16	(86,910,528)	(48,375,474)
Impairment losses on assets	17	328,078,990	163,094,469
Add: (Losses)/gains on changes in fair value		(8,439,692)	56,431,517
Investment income	18	1,754,089,559	1,999,590,874
Including: Share of profits of associates		54,011,880	64,655,526
Operating profit		3,090,267,214	5,932,722,822
Add: Non-operating income		58,629,529	13,016,125
Less: Non-operating expenses		78,945,810	165,506,482
Including: Losses on disposal of non-current assets		12,120,781	4,684,505
PROFIT BEFORE TAX		3,069,950,933	5,780,232,465
Less: Income tax expenses		306,978,551	968,997,907
NET PROFIT		2,762,972,382	4,811,234,558
OTHER COMPREHENSIVE INCOME			
Other comprehensive income to be reclassified to profit or loss upon satisfactions of specified conditions in subsequent periods			
Changes in fair value of available-for-sale investments		26,069,651	150,107,003
Other comprehensive income for the year, net of tax		26,069,651	150,107,003
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		2,789,042,033	4,961,341,561

Statement of Changes in Owners' Equity

For the year ended 31 December 2013

RMB

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

	Share capital	Capital reserve	Special reserve	Surplus reserve	Retained earnings	Total equity
I. Closing balance of the preceding year and opening balance of the current year	2,181,196,365	8,864,346,593	16,021	1,090,812,600	10,682,213,790	22,818,585,369
II. Changes for the year						
(I) Net profit	—	—	—	—	2,762,972,382	2,762,972,382
(II) Other comprehensive income	—	26,069,651	—	—	—	26,069,651
Subtotal of comprehensive income	—	26,069,651	—	—	2,762,972,382	2,789,042,033
(III) Owners' contributions and reductions in capital						
1. Repurchase H Shares	(11,180,600)	(143,149,886)	—	—	—	(154,330,486)
(IV) Profit distributions						
1. Distributions to owners	—	—	—	—	(2,181,196,365)	(2,181,196,365)
(V) Special reserve						
1. Transfer to special reserve in the current year	—	—	272,212,302	—	—	272,212,302
2. Amount utilised in the current year	—	—	(272,211,734)	—	—	(272,211,734)
Subtotal of (I) to (V)	(11,180,600)	(117,080,235)	568	—	581,776,017	453,515,750
III. Closing balance of the current year	2,170,015,765	8,747,266,358	16,589	1,090,812,600	11,263,989,807	23,272,101,119

For the year ended 31 December 2012

RMB

	Share capital	Capital reserve	Special reserve	Surplus reserve	Retained earnings	Total equity
I. Closing balance of the preceding year and opening balance of the current year	2,181,196,365	8,714,239,590	16,021	1,090,812,600	8,052,175,597	20,038,440,173
II. Changes for the year						
(I) Net profit	—	—	—	—	4,811,234,558	4,811,234,558
(II) Other comprehensive income	—	150,107,003	—	—	—	150,107,003
Subtotal of comprehensive income	—	150,107,003	—	—	4,811,234,558	4,961,341,561
(III) Profit distributions						
1. Distributions to owners	—	—	—	—	(2,181,196,365)	(2,181,196,365)
(IV) Special reserve						
1. Transfer to special reserve in the current year	—	—	292,710,115	—	—	292,710,115
2. Amount utilised in the current year	—	—	(292,710,115)	—	—	(292,710,115)
Subtotal of (I) to (IV)	—	150,107,003	—	—	2,630,038,193	2,780,145,196
III. Closing balance of the current year	2,181,196,365	8,864,346,593	16,021	1,090,812,600	10,682,213,790	22,818,585,369

Statement of Cash Flows

For the year ended 31 December 2013

RMB

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

	Note XI	2013	2012
I CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from sale of goods and rendering of services		9,582,637,918	12,387,408,678
Other cash receipts relating to operating activities		453,156,364	—
Sub-total of cash inflows from operating activities		10,035,794,282	12,387,408,678
Cash payments for goods purchased and services received		(6,686,649,357)	(7,427,787,755)
Cash payments to and on behalf of employees		(445,651,745)	(423,167,409)
Payments of various types of taxes		(1,351,094,803)	(1,227,011,431)
Other cash payments relating to operating activities		(321,838,590)	(475,040,269)
Sub-total of cash outflows used in operating activities		(8,805,234,495)	(9,553,006,864)
Net cash flows from operating activities	19	1,230,559,787	2,834,401,814
II CASH FLOWS FROM INVESTING ACTIVITIES			
Cash receipts from disposals and recovery of investments		1,544,782,916	616,114,704
Cash receipts from investment income		1,720,011,193	1,865,581,211
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets		471,890,071	22,129,378
Other cash receipts relating to investing activities		171,990,308	310,400,598
Sub-total of cash inflows from investing activities		3,908,674,488	2,814,225,891
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets		(791,706,555)	(1,124,415,322)
Cash payments to acquire investments		(920,724,170)	(1,930,380,007)
Other cash payments relating to investing activities		(4,404,499,517)	—
Sub-total of cash outflows used in investing activities		(6,116,930,242)	(3,054,795,329)
Net cash flows used in investing activities		(2,208,255,754)	(240,569,438)

Statement of Cash Flows *(continued)*

For the year ended 31 December 2013

RMB

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

	Note XI	2013	2012
III CASH FLOWS FROM FINANCING ACTIVITIES			
Cash receipts from borrowings		1,774,100,603	1,500,834,239
Cash receipts from gold leasing business		4,573,735,822	5,562,270,111
Cash receipts from issue of bonds		2,500,000,000	—
Other cash receipts relating to financing activities		598,380,980	228,249,449
Sub-total of cash inflows from financing activities		9,446,217,405	7,291,353,799
Cash repayments of borrowings		(1,503,171,761)	(1,133,268,384)
Cash repayments of gold leasing business		(4,920,632,790)	(4,210,075,128)
Cash payments for distribution of dividends or profits or settlement of interest expenses		(2,347,652,569)	(2,344,915,236)
Other cash payments relating to financing activities		(208,744,481)	(1,511,392,819)
Sub-total of cash outflows used in financing activities		(8,980,201,601)	(9,199,651,567)
Net cash flows from/(used in) financing activities		466,015,804	(1,908,297,768)
IV EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		(4,913,910)	(4,284,999)
V NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(516,594,073)	681,249,609
Add: Opening balance of cash and cash equivalents		3,372,140,093	2,690,890,484
VI CLOSING BALANCE OF CASH AND CASH EQUIVALENTS	19	2,855,546,020	3,372,140,093



Notes to Financial Statements

For the year ended 31 December 2013

RMB

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

I. CORPORATE INFORMATION

Zijin Mining Group Company Limited (“the Company”) is a joint stock liability limited company, registered in Fujian Province of the People’s Republic of China (“PRC”) on 6 September 2000, under the “Company Law of the People’s Republic of China” (“the Company Law”). The Company’s business registration number is 3500001002192.

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

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

The 1,050,000,000 IPO A shares issued through the internet became publicly floating on the Shanghai Stock Exchange on 25 April 2008. The 350,000,000 IPO A shares issued through other ways became publicly floating on the Shanghai Stock Exchange on 25 July 2008. Except for 4,210,902,100 shares held by Minxi Xinghang with a lockup period of 36 months, the aggregate of 4,924,966,980 shares held by other holders of domestic shares had a lockup period of 12 months. From the date when the IPO A shares were listed to 27 April 2009, these restricted shares floated publicly, representing a total proportion of 33.87% of issued capital. Up to 31 December 2013, all the Company’s issued shares are publicly floating.

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



Notes to Financial Statements *(continued)*

For the year ended 31 December 2013

RMB

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

I. CORPORATE INFORMATION *(continued)*

On 28 May 2013, the Company held the 2012 Annual General Meeting, the first A Shareholders' class meeting in 2013 and the first H Shareholders' class meeting in 2013. A resolution in relation to the proposal of granting a general mandate to the board of directors of the Company to repurchase H shares was approved. The Company carried out repurchases of H shares on 21 August 2013, 13 November 2013, 4 December 2013, 10 December 2013, 16 December 2013, 18 December 2013 and 23 December 2013, respectively. As at 31 December 2013, the aggregate number of repurchased H shares reached 111,806,000. Details are disclosed in Note V 38.

The Company's scope of business includes: exploration of mineral resources (for permitted items and the permitted periods, please refer to the permits for exploration of mineral resources); open pit mining (limited to branches) of copper and gold; processing and refining of gold and copper mines; sale of mineral products and research, production and sale of ordinary machinery and equipment; retailing of gold products; information technology services; sales of industrial production information (excluding 9-seat or below vehicles); and chemical products (excluding hazardous chemical items); hydro power; investment in mining business, hotel business, mine construction; and foreign trade. (The above activities may include permitted operating items which require the approval of the relevant governmental bodies before operation.)

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

The financial statements were approved by the Company's board of directors on 28 March 2014. In compliance with the Articles of the Association of the Company, the financial statements will be proposed for approval at the forthcoming Shareholders' General Meeting.

II. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

1. Basis of preparation of financial statements

The financial statements were prepared in accordance with the Basic Standard and the Specific Standards of the Accounting Standards for Business Enterprises ("ASBE") issued by the Ministry of Finance in February 2006, and Application Guidance for ASBE, interpretations and other relevant regulations issued and revised thereafter (hereafter referred to as "CAS").

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

Except for certain financial instruments, the financial statements have been prepared using historical cost as the principal of measurement in financial statements. Where assets are impaired, provisions for asset impairment are made in accordance with the relevant requirements.

As at 31 December 2013, the Group recorded current assets of RMB17,931,787,510 and current liabilities of RMB19,959,966,260. The balance of the current assets was less than that of the current liabilities. In view of these circumstances, the directors of the Company have given consideration to the future liquidity and performance of the Group and its available sources of finance in assessing whether the Group will have sufficient financial resources to continue as a going concern. The Company was approved by the National Association of Financial Market Institutional Investors to register mid-term bonds which amounted to RMB10 billion with a term of 5 years. The Company issued RMB2.5 billion of the mid-term bonds in October 2013. The rest of the mid-term bonds which amounted to RMB7.5 billion will be issued before 22 September 2015 depending on the financial condition. The directors of the Company believe that the Group has adequate resources to continue operation and fulfill the due financial responsibility in the foreseeable future. The directors of the Company therefore are of the opinion that it is appropriate to adopt the going concern basis in preparing the consolidated financial statements.



Notes to Financial Statements *(continued)*

For the year ended 31 December 2013

RMB

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

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

2. Early adoption of certain revised/new accounting standards

In January and February 2014, the Ministry of Finance promulgated "Accounting Standards for Business Enterprises No.39 – Fair Value Measurement", "Accounting Standards for Business Enterprises No.40 – Joint Arrangements", and revised "Accounting Standards for Business Enterprises No.30 – Presentation of Financial Statements", "Accounting Standards for Business Enterprises No.9 – Employee Benefits" and "Accounting Standards for Business Enterprises No.33 – Consolidated Financial Statements". The above five accounting standards will become effective on 1 July 2014 for entities adopting ASBE and early adoption was encouraged for overseas listed entities. As an A and H shares listed company, the Company has early adopted the above five accounting standards and applied relevant transitional provision in the preparation of the 2013 consolidated financial statements.

In respect of these financial statements, the Company has applied relevant transitional provision for the above early adoption which triggered the changes in the Company's accounting policies. There was no need to make retrospective adjustments to the comparative figures.

3. Statement of compliance with CAS

The financial statements have been prepared in accordance with CAS, and presented truly and completely the Company's and consolidated financial position as at 31 December 2013, and the Company's and consolidated financial performance and cash flows for the year then ended.

4. Accounting period

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

5. Functional currency

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

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

6. Business combination

A business combination refers to a transaction or event bringing together two or more separate enterprises into one reporting entity. Business combinations are classified into business combinations involving enterprises under common control and business combinations not involving enterprises under common control.

Business combinations involving enterprises under common control

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

Assets and liabilities obtained shall be measured at their respective carrying amounts as recorded by the combining entities at the date of the combination. The difference between the carrying amount of the net assets obtained and the carrying amount of the consideration paid for the combination/the aggregate face value of shares issued as consideration is adjusted as share premium in capital reserve. If the share premium is not sufficient to absorb the difference, any excess shall be adjusted against retained earnings.

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

6. Business combination *(continued)*

Business combinations not involving enterprises under common control

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

The acquiree's identifiable assets, liabilities and contingent liabilities, acquired by the acquirer in a business combination, that meet the recognition criteria shall be measured at fair value at the acquisition date.

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

7. Consolidation of financial statements

The scope of consolidation in the consolidated financial statements is determined on the basis of control. The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 December 2013. A subsidiary is a structured entity (including an entity, a separable part of an investee, and the structural entities controlled by the Company, etc.) which is under the control of the Company.

Where the accounting policies or accounting periods adopted by subsidiaries are inconsistent with those of the Company, appropriate adjustments are made to the subsidiaries' financial statements in accordance with the accounting policies or accounting periods of the Company. All intra-group assets, liabilities, equity, income, expenses and cash flows are eliminated on consolidation.

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

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

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

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

Acquisition of non-controlling interests or disposal of an interest in a subsidiary that does not result in the loss of control over the subsidiary is accounted for as an equity transaction.



Notes to Financial Statements *(continued)*

For the year ended 31 December 2013

RMB

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

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

8. Cash and cash equivalents

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

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

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

A foreign currency transaction is recorded in the functional currency on initial recognition, by applying the prevailing exchange rate on the date of transaction or the average exchange rate through the transaction period. At the balance sheet date, foreign currency monetary items are translated into the functional currency using the spot exchange rates at the balance sheet date. Exchange differences arising from the differences between the spot exchange rates prevailing at the balance sheet date and those on initial recognition or at the previous balance sheet date, except that exchange differences related to a specific-purpose borrowing denominated in foreign currency that qualify for capitalisation are capitalised as part of the cost of the qualifying asset during the capitalisation period, are recognised in profit or loss for the period. Foreign currency non-monetary items measured at fair value are re-translated at the spot exchange rate on the date the fair value is determined. Differences between the re-translated functional currency amount and the original functional currency amount are treated as changes in fair value and are recognised in profit or loss or as other comprehensive income.

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

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

10. Financial instruments

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

Recognition and derecognition of financial instruments

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

The Group derecognises a financial asset, part of a financial asset or group of financial assets, i.e. offset from the accounts and balance sheet, if one of the following conditions is satisfied:

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

II. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)***10. Financial instruments** *(continued)***Recognition and derecognition of financial instruments** *(continued)*

The Group derecognises a financial liability only when the underlying present obligation is settled, discharged or expires. An agreement between the Group (an existing borrower) and an existing lender to replace the original financial liability with a new financial liability with substantially different terms, or to modify the original financial liability's terms substantially, is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid should be recognised in profit or loss for the current period.

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales of financial assets are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace. Trade date is the date that the Group commits to purchase or sell the financial asset.

Classification and measurement of financial assets

On initial recognition, the Group's financial assets are classified into one of the categories including: financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables, and available-for-sale investments. Financial assets are initially measured at fair value. For financial assets at fair value through profit or loss, transaction costs are immediately recognised in profit or loss. For other financial assets, transaction costs are included in their initial recognised amounts.

Subsequent measurement of financial instruments is determined on the classification.

Financial assets at fair value through profit or loss ("FVTPL")

The Group's financial assets at FVTPL are all financial assets held for trading. A financial asset is classified as held for trading if one of the following conditions is satisfied: (1) it has been acquired principally for the purpose of selling in the near term; or (2) on initial recognition, it is part of a portfolio of identified financial instruments that the Group manages together and there is objective evidence that the Group has a recent actual pattern of short-term profit-taking; or (3) it is a derivative that is not designated and effective hedging instrument, or a financial guarantee contract, or a derivative that is linked to and must be settled by delivery of an unquoted equity instrument (without a quoted price in an active market) whose fair value cannot be reliably measured. The above financial instruments are subsequently measured at fair value, realised and unrealised profit or loss is recognised when incurred. Dividends or interest income from financial assets at FVTPL is recognised as profit or loss.

An entity shall not reclassify any financial assets out of the fair value through profit or loss category if upon initial recognition it was designated by the entity as at fair value through profit or loss; and an entity shall not reclassify any financial assets into the fair value through profit or loss category after initial recognition.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity dates that the Group's management has the positive intention and ability to hold to maturity. Held-to-maturity investments are subsequently measured at amortised cost using the effective interest method. Gains or losses arising from derecognition, impairment or amortisation are recognised in profit or loss.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are subsequently measured at amortised cost using the effective interest method. Gains or losses arising from impairment or amortisation are recognised in profit or loss.



Notes to Financial Statements *(continued)*

For the year ended 31 December 2013

RMB

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

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

10. Financial instruments *(continued)*

Classification and measurement of financial assets *(continued)*

Available-for-sale investments

Available-for-sale investments include non-derivative financial assets that are designated on initial recognition as available for sale, and financial assets that are not classified as financial assets at fair value through profit or loss, loans and receivables or held to maturity investments. Available-for-sale investments are subsequently measured at fair value. The discounted or premium amount of available-for-sale investments is amortised using the effective interest method and the amortisation is recognised as an interest income or expense. Except for impairment losses and exchange differences arising from foreign currency monetary financial assets are recognised as profit or loss, available-for-sale investments are subsequently measured at fair value, and gains or losses arising from changes in the fair value are recognised as other comprehensive income and included in capital reserve. Accumulated gains or losses arising from changes in the fair value are classified as profit or loss on derecognition or when impairment arises. Dividends and interest earned from available-for-sale investments are recognised in profit or loss.

An equity investment instrument without a quoted price in an active market, whose fair value cannot be reliably measured, is recognised and subsequently measured at cost.

Classification and measurement of financial liabilities

On initial recognition, financial liabilities are classified into financial liabilities at fair value through profit or loss and other financial liabilities. For financial liabilities at fair value through profit or loss, transaction costs are immediately recognised in profit or loss. For other financial liabilities, transaction costs are included at their initial recognised amounts.

Subsequent measurement of financial liabilities is determined on the classification.

Financial liabilities at fair value through profit or loss

Financial liabilities at FVTPL consist of financial liabilities held for trading. A financial liability is classified as held for trading if one of the following conditions is satisfied: (1) it has been acquired principally for the purpose of repurchasing in the near term; or (2) on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and there is objective evidence that the Group has a recent actual pattern of short-term profit-taking; or (3) it is a derivative, except for a derivative that is a designated and effective hedging instrument, or a financial guarantee contract, or a derivative that is linked to and must be settled by delivery of an unquoted equity instrument (without a quoted price in an active market) whose fair value cannot be reliably measured. Financial liabilities at FVTPL are subsequently measured at fair value. Any realised and unrealised gains or losses to the financial liabilities are recognised in profit or loss.

An entity shall not reclassify any financial liabilities out of the FVTPL category if upon initial recognition they were designated by the entity as at FVTPL; and an entity shall not reclassify any financial liabilities into the FVTPL category after initial recognition.

Other financial liabilities

Other financial liabilities are subsequently measured at amortised cost using the effective interest method.

II. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)***10. Financial instruments** *(continued)***Financial guarantee contracts**

A financial guarantee contract is a contract by which the guarantor and the lender agree that the guarantor would settle the debts or bear obligations in accordance with terms of the contract in case the borrower fails to settle the debts. Financial guarantee contracts are measured at fair value on initial recognition. Subsequent to initial recognition, financial guarantee contracts that are not designated as financial liabilities at fair value through profit or loss are measured at the higher of: (a) the amount of the best estimate of the expenditure required to settle the present obligation at the end of the reporting period; and (b) the amount initially recognised less cumulative amortisation recognised in accordance with the principles of revenue recognition.

Derivatives

The Group uses derivative financial instruments, such as forward commodity purchase contracts for hedging price fluctuation risk. Derivatives are initially measured at fair value at the date when the derivative contracts are entered into and are subsequently measured at fair value. Derivatives are recognised as assets when the fair value is positive and as liabilities when the fair value is negative. For investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured, and derivative financial assets that are linked to and must be settled by delivery of such unquoted equity instruments are measured at cost.

Except for the effective cash flow hedging which is recorded in other comprehensive income, and later reclassified to profit or loss when the hedged item affects profit or loss, changes in fair value on derivatives are recognised as profit or loss.

Impairment of financial assets

The Group assesses the carrying amount of financial assets at each balance sheet date. If there is objective evidence that a financial asset is impaired, the Group determines the amount of any impairment loss. Objective evidence that a financial asset is impaired is evidence that, arising from one or more events that occurred after the initial recognition of the asset, the estimated future cash flows of the financial asset, which can be reliably measured, have been affected.

Financial assets measured at amortised cost

If a financial asset measured at amortised cost is impaired, the carrying amount of the financial asset is reduced to the present value of estimated future cash flows (excluding future credit losses that have not been incurred). The reduced amount is recognised in profit or loss. The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate (the effective interest rate upon initial recognition), and the value of the relevant guaranty should also be taken into account.

For a financial asset that is individually significant, the Group assesses the asset individually for impairment. If any objective evidence indicates that it has been impaired, the impairment losses are recognised in profit or loss for the current period. For a financial asset that is not individually significant, the Group assesses the asset individually for impairment or includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset (whether significant or not), it includes the asset in a group of financial assets with similar credit risk characteristics and collectively reassesses them for impairment. Assets for which an impairment loss is individually recognised are not included in a collective assessment of impairment.

If, subsequent to the recognition of an impairment loss on financial assets carried at amortised cost, there is objective evidence of a recovery in value of the financial assets which can be related objectively to an event occurring after the impairment is recognised, the previously recognised impairment loss is reversed in profit or loss for the current period. However, the reversal is made to the extent that the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.



Notes to Financial Statements *(continued)*

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

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

10. Financial instruments *(continued)*

Impairment of financial assets *(continued)*

Available-for-sale investments

If there is objective evidence that an available-for-sale investment is impaired, the cumulative loss arising from decline in fair value previously recognised directly in other comprehensive income is reclassified to profit or loss. The reclassified amount of the cumulative loss that is the difference between the acquisition cost (net of any principal repayment and amortisation) and the current fair value, less any impairment losses on that financial asset previously recognised in profit or loss.

Objective evidence that an available-for-sale equity instrument investment is impaired includes the significant or prolonged decline in the fair value below its cost. The decline is recognised as significant decline if the fair value of an individual available-for-sale equity instrument investment declines 30% below its cost. The decline is recognised as a prolonged decline if the time period on the decline in the fair value exceeds one year. The amount of reversal of impairment losses on available-for-sale equity instrument is recognised as other comprehensive income.

If, subsequent to the recognition of an impairment loss on an available-for-sale debt instrument, there is objective evidence of a recovery in value of the financial asset, the previously recognised impairment loss is reversed and recognised in profit or loss.

Financial assets measured at cost

If there is objective evidence that financial asset measured at cost is impaired, the carrying amount of the financial asset is reduced to the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. The amount of reduction is recognised as an impairment loss in profit or loss. The impairment loss on such financial asset is not reversed once it is recognised.

For long-term equity investments accounted for using the cost method in accordance with the requirements of "Accounting Standards for Business Enterprises No. 2 – Long-term Equity Investments" and which is not quoted in an active market and its fair value cannot be measured reliably, impairment is accounted for in accordance with the above principle.

Transfer of financial assets

The Group derecognises a financial asset when substantially all the risks and rewards of ownership of the financial asset is transferred to the transferee; The Group does not derecognise those financial assets transferred while retains all the risk and rewards of the ownership.

The Group neither transfers nor retains substantially all the risk and rewards of ownership of financial assets and related accounting treatments are as follows: the Group derecognises financial assets when it retains no control on them, and associated assets and liabilities are recognised at the same time. If the Group retains control of the financial asset, it recognises the financial asset to the extent of its continuing involvement in the transferred financial asset and recognises an associated liability.

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

11. Hedge accounting

Hedging activities of the Group include fair value hedges.

Fair value hedges refer to hedging of exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment (except for foreign currency risk).

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting, the risk management objective and its strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the Group will assess the hedging instrument's effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Designated effective hedge accounting for hedges through fair value will be recorded as follows:

A gain or loss arising from a change in fair value of a derivative that is designated and qualifies as a fair value hedge is recognised in profit or loss. A gain or loss on the hedged item attributable to the hedged risk is recognised in profit or loss, with a corresponding adjustment to the carrying amount of the hedged item.

Hedge accounting is discontinued when the Group revokes the hedging relationship, the hedging instrument expires or is sold (except for replacement or extension), terminated, exercised, or no longer qualifies for hedge accounting.

12. Receivables

(1) Receivables that are individually significant and for which bad debt provision has been assessed individually

A receivable that exceeds RMB10,000,000 is deemed as an individually significant receivable by the Group. If there is objective evidence that an impairment loss has been incurred on the receivable, the carrying amount of the receivable is reduced to the present value of estimated future cash flows. The amount of reduction is recognised as an impairment loss in profit or loss. Objective evidence that a receivable is impaired is evidence that, arising from one or more events that occurred subsequent to the initial recognition of the asset, the estimated future cash flows of the receivable, which can be reliably measured, have been affected.

(2) Receivables that are not individually significant and for which bad debt provision has been assessed individually

For receivables that are not significant individually, if an impairment loss has been incurred, the carrying amount of the receivable is reduced to the present value of estimated future cash flows. The amount of reduction is recognised as an impairment loss in profit or loss.

13. Inventories

The Group's inventories mainly include raw materials, work in progress, finished goods, development costs of properties and consumable materials, etc.

Inventories are initially measured at cost. Cost of inventories comprises all costs of purchase, costs of conversion, cost of land, cost of construction and other expenditures incurred in bringing the inventories to their present location and condition. The actual cost of inventories upon delivery is calculated using the moving weighted average method and weighted average method. Consumable materials included low value consumption and packing materials, which is recorded at cost in full upon delivery. Some spare parts and materials directly related to production are amortised periodically (for example, steel ball is depreciated using the units-of-production method, for some spare parts with a great value such as anode plate, lining board, are amortised over their actual useful lives). For property development business, all relevant costs of development will be allocated by apportionment of saleable areas at the completion stage. Cost for unsold area is recorded as development properties.

The perpetual inventory system is maintained for the stock system.



Notes to Financial Statements *(continued)*

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

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

13. Inventories *(continued)*

At the balance sheet date, inventories are measured at the lower of cost and net realisable value. If the net realisable value is below the cost of inventories, a provision for decline in value of inventories is made and recorded in profit or loss. After the provision for decline in value of inventories is made, if the circumstances that previously caused inventories to be written down below cost no longer exist so that the net realisable value of inventories is higher than their cost, the original provision for decline in value is reversed and the reversal is included in profit or loss for the period.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion, the estimated costs necessary to make the sale and relevant taxes. For finished goods, provision for decline in value is made on an item-by-item basis; for raw materials, provision for decline in value is made based on the categories of inventories.

14. Long-term equity investments

Long-term equity investments includes equity investments in subsidiaries, joint ventures, associates and long-term equity investments over which the Group does not have control, joint control or significant influence and, without quoted prices in an active market that fair values cannot be reliably measured.

The long-term equity investment is initially measured at its cost. For a long-term equity investment involving enterprises under common control, the investment cost of the long-term equity investment is the attributable share of the carrying amount of the owners' equity of the acquiree at the date of combination. For a long-term equity investment acquired through business combination not involving enterprises under common control, the investment cost of a long-term equity investment is the cost of acquisition. For a long-term equity investment acquired through business combination not involving enterprises under common control and achieved in stages, the investment cost of the long-term equity investment is the aggregate of the carrying amount of the equity interest held in the acquiree prior to the acquisition date and the cost of the additional investment at the acquisition date. The investment cost is the aggregate of the fair values, at the acquisition date, of the assets given, liabilities incurred or assumed, and equity securities issued by the acquirer in exchange for control of the acquiree. The costs of the investments acquired other than business combination are recognised as follows: a) acquired by cash, the investment is initially recognised at the actual consideration paid plus the expenses, taxes and other required expenditures directly attributable to the acquisition; b) acquired through issuing equity securities, the investment is initially recognised at the fair value of issuing equity instruments; and c) acquired through investment by investors, the investment is initially recognised at the consideration pertaining to the investment contract or agreement unless the value is unfair; and d) acquired through exchange of non-monetary assets, the cost of investment is initially recognised in accordance with the requirements of "Accounting Standards for Business Enterprises No. 7 – Exchange of Non-monetary Assets".

For long-term equity investments over which the Group does not have joint control or significant influence and without quoted prices in an active market, whose fair values cannot be reliably measured, the Group accounts for such long-term equity investments using the cost method. For long-term equity investments over which the Company has control are accounted for using the cost method in the Company's separate financial statements. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Under the cost method, a long-term equity investment is measured at initial investment cost. Except for cash dividends or profits already declared but not yet paid that are included in the price or consideration actually paid upon acquisition of the long-term equity investment, investment income is recognised in the period in accordance with the attributable share of cash dividends or profit distributions declared by the investee. The long-term equity investment is reviewed for determination of impairment according to related accounting policy.

For long-term equity investments over which the Group has joint control or significant influence, the Group accounts for such long-term equity investments using the equity method. Joint control is the contractually agreed sharing of control over an arrangement, which exists only when the decisions about the relevant activities require the unanimous consent of the parties sharing control. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

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

14. Long-term equity investments *(continued)*

Under the equity method, where the initial investment cost of a long-term equity investment exceeds the Group's share of the fair value of the investee's identifiable net assets at the time of acquisition, no adjustment is made to the initial investment cost. Where the initial investment cost is less than the Group's share of the fair value of the investee's identifiable net assets at the time of acquisition, the difference is recognised in profit or loss for the period, and the cost of the long-term equity investment is adjusted accordingly.

Under the equity method, the Group recognises its share of the net profit or loss of the investee for the period as investment income or loss for the period and adjusts the carrying amount of the long-term equity investments. The Group recognises its share of the investee's net profit or loss based on the fair value of the investee's individual separately identifiable assets, etc. at the acquisition date after making appropriate adjustments to conform with the Group's accounting policies and accounting period. Unrealised profits or losses resulting from the Group's transactions with its associates and joint ventures are recognised as investment income or loss to the extent that those attributable to the Group's equity interest are eliminated. However, unrealised losses resulting from the Group's transactions with its associates and joint ventures which represent impairment losses on the transferred assets are not eliminated. The Group shall reduce the carrying amount of the long-term equity investment for shares of dividends declared of the invested enterprise. However, the share of net loss is only recognised to the extent that the carrying value of the investment is reduced to zero, except to the extent that the Group has incurred obligations to assume additional losses. Changes in owners' equity of the investee other than net profit or loss are correspondingly adjusted to the carrying amount of the long-term equity investment, and recognised in the shareholders' equity.

On disposal of a long term equity investment, the difference between the proceeds actually received and receivable and the carrying amount is recognised in profit or loss for the period. For a long-term equity investment accounted for using the equity method, the amount included in the shareholders' equity attributable to the proportion interest disposed is transferred to profit or loss for the period.

More details about the method of impairment assessment and determination of the provision for impairment losses on investments in subsidiaries, associates and joint ventures are disclosed in Note II 27. Details about the method of impairment assessment and provision for impairment losses on long-term equity instruments that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured, are disclosed in Note II 10.

15. Investment properties

An investment property is a property held to earn rentals or for capital appreciation or both. It includes a land use right that is leased out, a land use right or a leased-out building held for transfer upon capital appreciation.

An investment property is measured initially at cost. Subsequent expenditures incurred for such investment properties are included in the cost of the investment properties when it is probable that economic benefits associated with an investment property will flow to the Group and the subsequent expenditures can be measured reliably. Other subsequent expenditures are recognised in profit or loss in the period in which they are incurred.

The Group uses the cost model for subsequent measurement of investment properties, and adopts a depreciation policy for the investment properties which are consistent with that for buildings.

Details of impairment provision for investment properties measured at cost are given in Note II 27.

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

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

16. Fixed assets

A fixed asset is recognised only when it is probable that economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. Subsequent expenditures incurred for the fixed asset are included in the cost of the fixed asset and if it is probable that economic benefits associated with the asset will flow to the Group and the subsequent expenditures can be measured reliably. At the same time, the carrying amount of the replaced part is derecognised. Other subsequent expenditures are recognised in profit or loss in the period in which they are incurred.

Fixed assets are initially measured at cost and the effect of any expected costs of abandoning the asset at the end of its use is considered. The cost of a fixed asset is the aggregate cost of purchase price, related taxes and any directly attributable expenditure for bring the asset to its working condition for its intended use. When the Company was incorporated, the used fixed assets invested by shareholders were recorded based on valuation using the replacement cost approach.

A mining asset (included in Note V 13 Mining assets) is depreciated over its designated estimated production using the units-of-production method or the depreciation is recognised according to the accrued amount of work safety fund and production maintenance fund. Other fixed assets are depreciated over their useful lives using the straight-line method. The annual depreciation rate which is decided with the useful life, estimated net residual value rate and annual depreciation rate of each category of fixed assets are as follows:

Category	Depreciation period (years)	Residual value rate	Annual depreciation rate
Buildings	8-50 years	0%-5%	1.90-12.50%
Power generating and transmission equipment	8-30 years	0%-5%	3.17-12.50%
Plant, machinery and equipment	5-15 years	0%-5%	6.33-20.00%
Leasehold improvements	5 years	0%-5%	19.00-20.00%
Furniture and fixtures	3-10 years	0%-5%	9.50-33.33%
Motor vehicles	6 years	0%-5%	15.83-16.67%

The Group reviews the useful life and estimated net residual value of a fixed asset and the depreciation method applied at least once at each financial year-end, and accounts for any change as a change in an accounting estimate.

Details on the method for impairment test and provision of fixed assets are disclosed in Note II 27.

17. Construction in progress

Construction in progress is measured at its actual cost. The actual cost includes various construction expenditures during the construction period, borrowing costs capitalised before it is ready for intended use and other relevant costs.

Construction in progress is transferred to a fixed asset when it is ready for its intended use.

Details on the method for impairment test and provision of construction in progress are disclosed in Note II 27.

18. Borrowing costs

Borrowing costs refer to interest and other related costs incurred by the Group in connection with the borrowing of funds. Borrowing costs include interest, amortisation of discounts or premiums, ancillary expenses and exchange differences arising from foreign currency borrowings.

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised when expenditures for such assets fulfill the conditions of capitalisation, whereas other borrowing costs are recorded in profit or loss. Qualifying assets are assets (fixed assets, investment properties and inventories, etc.) that necessarily take a substantial period of time for acquisition, construction or production to get ready for their intended use or sale.

II. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)***18. Borrowing costs** *(continued)*

The capitalisation of borrowing costs can commence only when all of the following conditions are satisfied:

- (1) Expenditures for the asset are being incurred;
- (2) Borrowing costs are being incurred; and,
- (3) Activities relating to the acquisition, construction or production of the asset that are necessary to bring the asset for its intended use or sale has commenced.

Capitalisation of borrowing costs ceases when the qualifying asset being acquired, constructed or produced becomes ready for its intended use or sale. The actual amounts of any borrowing costs subsequently incurred shall be recognised in profit or loss in the period in which they are incurred.

During the capitalisation period, the amount of interest to be capitalised for each accounting period shall be determined as follows:

- (1) Where funds are borrowed under a specific-purpose borrowing for the acquisition, the amount of interest to be capitalised shall be the actual interest expense less any bank interest earned from depositing the borrowed funds or any investment income on the temporary investment of these funds; or
- (2) Where funds are borrowed under general-purpose borrowings and are utilised for the acquisition, the Company shall determine the amount of interest to be capitalised on such borrowings by applying a capitalisation rate to the weighted average of the excess amounts of cumulative expenditures on the asset over and above the amounts of specific-purpose borrowings.

Capitalisation of borrowing costs shall be suspended during periods in which the acquisition, construction or production of qualifying assets is interrupted abnormally for a continuous period of more than three months. The borrowing costs incurred during these periods shall be recognised in profit or loss for the current period until the acquisition, construction or production is resumed.

19. Intangible assets

Intangible assets are recognised and measured on initial recognition at cost only if the related economic benefits will probably flow into the Group and their costs can be measured reliably. However, the intangible assets acquired through business combination should be measured at fair value separately as intangible assets when their fair values can be reliably measured.

The useful life of the intangible assets shall be assessed according to the estimated beneficial period expected to generate economic benefits. An intangible asset shall be regarded as having an indefinite useful life when there is no foreseeable limit to the period over which the asset is expected to generate economic benefits for the Group.

An exploration and mining right (included in Note V 16 Intangible assets) is amortised over its designated estimated production using the units-of-production method. Other intangible assets are amortised over their useful lives using the straight-line method. The estimated useful life of each category of intangible assets are as follows:

Categories	Useful lives
Land use rights	Beneficial lives (30-50 years)
Exclusive fishing rights	Beneficial lives (50 years)
Membership of Shanghai Gold Exchange	Beneficial lives (10 years)

Land use rights obtained by the Group are accounted for as intangible assets. As for the construction of plants, factories and other buildings of the Group, the related land use rights, plants, factories and other buildings were accounted for as intangible assets and fixed assets, respectively. Purchase costs of land use rights and buildings were recognised as intangible assets and fixed assets separately. Purchase costs were recognised as cost of fixed assets, only if the separation was impracticable.



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

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

19. Intangible assets *(continued)*

Intangible assets with a finite useful life are amortised over their estimated useful lives using the straight-line method or other reasonable systematic methods. For an intangible asset with a finite useful life, the Group reviews the useful life and amortisation method at the end of the financial year, and makes adjustments when necessary.

Intangible assets with indefinite useful lives are tested for impairment annually, irrespective of whether there is any indication that the assets may be impaired. Intangible assets with indefinite useful lives may not be amortised. The Group reviews the service life of intangible assets with indefinite useful lives at the end of the financial year. Where there is evidence to prove that the intangible assets have a finite service life, the intangible assets can be amortised according to the accounting standards for intangible assets with a finite useful life.

Exploration and development expenditure is recognised at cost less impairment. Exploration and development expenditure includes cost of geological prospecting for technical consultancy and commercial development of feasibility study which incurred on the surroundings, outer ring and deep areas of the existing mineral properties or the newly acquired exploration rights, costs of drilling and other associated activities. Such expenditures may be capitalised when the mineral properties are proved to be commercially available and recognise in intangible assets which will be amortised under the units of production method. If any construction was abandoned in the development phase or the productive exploration, all costs shall be written off and recognised in profit or loss.

Details on the methods of impairment test and provision of intangible assets are disclosed in Note II 27.

20. Long-term deferred assets

Long-term deferred assets represent expenses incurred that should be borne and amortised over the current and subsequent periods (together of more than one year). Long-term deferred assets are amortised using the straight-line method over the expected periods in which benefits are derived. Land compensation costs are amortised over the estimated beneficial useful lives of 5 to 50 years, whereas other long-term deferred assets are amortised over estimated useful life.

21. Contingent liabilities

Except for contingent consideration and contingent liabilities arising from business combinations, contingent liabilities are recognised when the Group has an obligation related to a contingency, which meets all of the following conditions:

- (i) It is a present obligation related to a contingency;
- (ii) it is probable that an outflow of economic benefits will be required to settle the obligation; and,
- (iii) the amount of the obligation can be measured reliably.

The amount recognised as a contingent liability is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account factors pertaining to a contingency such as the risks, uncertainties and time value of money. A contingent liability is reviewed at the balance sheet date. Where there is objective evidence that the recognised amount does not reflect the best estimation of the contingency, the contingent liability would be adjusted according to the best estimated amount.

22. Share repurchase

The considerations and transaction costs occurred in reacquiring own equity instruments are deducted from equity. No gain or loss is recognised in the statement of profit or loss on the issue, repurchase, sale, or cancellation of the Group's own equity instruments.

II. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)***23. Revenue**

Revenue is recognised when it is probable that the economic benefits will flow into the Group, the amount can be measured reliably and all of the following conditions are satisfied.

Revenue from sale of goods

Sales of goods are recognised when the significant risks and rewards of ownership have been transferred to the buyer, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold and the relevant amounts of costs can be measured reliably. The amount of sale of goods is determined by the contract or agreed price received or receivable from the buyer, except that the received or receivable contract or agreed price is unfair. Transaction based on contracted deferred payment, which embedded a contract of financing, and the revenue should be measured by the fair value of the contracted price.

Revenue from the rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably at the balance sheet date, revenue associated with the transaction shall be recognised using the proportion of completion method. Otherwise, revenue shall be recognised to the extent of costs incurred that are expected to be recoverable. The outcome of a transaction involving the rendering of services can be estimated reliably when all of the following conditions are satisfied: (i) the amount of revenue can be measured reliably; (ii) it is probable that the associated economic benefits will flow to the Company; (iii) the stage of completion of the transaction can be measured reliably and (iv) the costs incurred and to be incurred for the transaction can be measured reliably. The Group determines the stage of completion of a transaction by the proportion of services performed to date to the total services to be performed. The amount of service income is determined by the contracted or agreed consideration received or receivable, except that the received or receivable contract or agreed price is unfair.

When the Group enters into a contract which contains sale of goods and rendering of services, if the portions of revenue in relation to the sale of goods and rendering of services can be measured separately and individually, the revenue for sale of goods and rendering of services should be accounted for separately. Otherwise, the entire revenue should be accounted for as sale of goods.

Interest income

Interest income is recognised on a time proportion basis taking into account the principal outstanding and the effective interest rate applicable.

Rental income

Revenue from operating leases is recognised on the straight-line basis over the lease terms. Contingent rents are credited to profit or loss in the period in which they are actually incurred.

24. Government grants

A government grant is recognised only when the Group can comply with the conditions attaching to the grant and the Group will receive the grant. If a government grant is in the form of a transfer of a monetary asset, it is measured at the amount received or receivable. If a government grant is in the form of a non-monetary asset, it is measured at fair value. If the fair value cannot be reliably determined, it is measured at a nominal amount.

Asset-related government grants are recognised when the government document designates that the government grants are used for constructing or forming long-term assets. If the government document is inexplicit, the Company should make a judgement based on the basic conditions to obtain the government grants, and recognises them as asset-related government grants if the conditions are constructing or forming long-term assets. Otherwise, the government grants should be income-related.



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

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

24. Government grants *(continued)*

For a government grant related to income, if the grant is a compensation for related expenses or losses to be incurred in subsequent periods, the grant is recognised as deferred income, and recognised in profit or loss over the periods in which the related costs are recognised. If the grant is a compensation for related expenses or losses already incurred, the grant is recognised immediately in profit or loss for the period. A government grant related to an asset is recognised as deferred income, and evenly amortised to profit or loss over the useful life of the related asset. A government grant measured at a nominal amount is recognised immediately in profit or loss for the period.

25. Income tax

The income tax expenses include current income tax and deferred tax. Current and deferred tax expenses or income are recognised in profit or loss for the period, except when they arise from transactions or events that are directly recognised in owners' equity, in which case they are recognised in owners' equity; and when they arise from business combinations, in which case they adjust the carrying amount of goodwill.

At the balance sheet date, current income tax liabilities (or assets) for the current and prior periods are measured at the amount expected to be paid (or recovered) according to the requirements of tax laws.

At the balance sheet date, for temporary differences between the carrying amounts of certain assets or liabilities and their tax base, or between nil carrying amount of items that are not recognised as assets or liabilities and their tax base that can be determined according to tax laws, deferred tax assets and liabilities are recognised using the balance sheet liability method.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- (1) That the deferred tax liability arises from: the initial recognition of goodwill or the initial recognition of an asset or liability in transactions that are not business combinations and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and,
- (2) In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

For deductible temporary differences, deductible losses and tax credits that can be carried forward, deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the deductible losses and tax credits can be utilised, except:

- (1) Where the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in transactions that are not business combinations and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- (2) In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

At the balance sheet date, deferred tax assets and liabilities are measured at related tax rates according to the requirements of tax laws during the period that the assets are expected to be recovered or the liability expected to be paid off. The recognition of deferred tax assets and liabilities also take the recovery or the repayment terms into account.

At the balance sheet date, the carrying amount of deferred tax assets is reviewed and reduced if it is no longer probable that sufficient taxable profits will be available in the future to allow the benefit of deferred tax assets to be utilised. At the balance sheet date, the carrying amount of deferred tax assets is reviewed and recognised to the extent that available taxable profits in the future will allow the benefit of deferred tax assets to be utilised.

When the Group has a legal right to settle current tax assets and liabilities on a net basis, and deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity, deferred tax assets and deferred tax liabilities are offset and presented on a net basis.

II. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(continued)***26. Operating leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

As lessee under operating leases

Operating lease payments are recognised on the straight-line basis over the term of the relevant lease, and are either included in the cost of related asset or charged to profit or loss for the period. Contingent rents are charged to profit or loss in the period in which they are actually incurred.

As lessor under operating leases

Rental income from operating leases is recognised in profit or loss on the straight-line basis over the term of the relevant lease. Contingent rents are credited to profit or loss in the period in which they are actually incurred.

27. Impairment of assets

Impairment of assets other than inventories, deferred tax assets, financial assets and long-term equity investments measured at cost which have no quoted market prices in an active market and the fair value cannot be reliably measured is recognised based on the following method:

The Group assesses at each balance sheet date whether there is any indication that the assets may be impaired. If there is any indication that such assets may be impaired, recoverable amounts are estimated for such assets. Goodwill arising in a business combination and an intangible asset with an indefinite useful life shall be assessed for impairment annually, irrespective of whether there is any indication incurred. Impairment tests of intangible assets should be performed at each year end, even if they are not ready for use.

The recoverable amount of an asset is the higher of fair value less costs to sell and the present value of the future cash flows expected to be derived from the asset. The recoverable amount is estimated on an individual basis. If it is not practical to estimate the recoverable amount of an individual asset, the recoverable amount of the asset group to which the asset belongs will be estimated. Identification of an asset group shall be based on whether there are major cash inflows which are independent from other assets or asset groups.

If the recoverable amount of an asset or asset group is less than its carrying amount, the carrying amount shall be reduced to its recoverable amount. The reduction is recognised as an impairment loss and charged to profit or loss. A provision for impairment losses of the asset is recognised accordingly.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is so allocated represents those are expected to benefit from the synergies of the combination and is not larger than a reported segment by the Group.

In testing an asset group or a set of asset groups to which goodwill has been allocated for impairment, the Group shall first test the asset group or the set of asset groups excluding the amount of goodwill allocated for impairment. It shall determine and compare the recoverable amount with the related carrying amount and recognise any impairment loss. After that, the Group shall test the asset group or set of asset groups including the goodwill for impairment. The carrying amount is compared to its recoverable amount. If the carrying amount of the asset group or set of asset groups is lower than its recoverable amount, an impairment loss on goodwill shall be recognised. Firstly, the impairment loss shall be allocated to reduce the carrying amount of any goodwill allocated to the asset group or set of asset groups. Then, the impairment loss shall be allocated to the other assets of the asset group or set of asset groups on the basis of the carrying amount of each asset in the asset group or set of asset groups.

Once an impairment loss is recognised, it shall not be reversed in any subsequent period.



Notes to Financial Statements *(continued)*

For the year ended 31 December 2013

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

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

28. Employee benefits

Employee benefits are all types of benefits given by the Group in exchange for the services rendered by employees and termination of employment. Employee benefits include short-term salaries, post-employment benefits, termination benefits and other long-term benefits that are provided to the employees, their spouses, children, dependents, late employee's family members and other beneficiaries.

The employees in the Group participate in the local government's administrated social insurance scheme, including pension insurance, medical insurance, unemployment insurance, etc. and housing funds. The related expenditures are recorded in cost of related assets or profit or loss in the period when they are incurred.

The Group recognises a liability and charged to profit or loss for termination benefits at the earlier of the following dates: a) when the Group can no longer withdraw from the termination plan or the redundancy offer; and b) when the Group recognises costs or expense for a restructuring plan which involves the payment of termination benefits.

29. Profits distribution

Cash dividends of the Company are recognised as a liability after they are approved by the shareholders in a general meeting.

30. Work safety fund and production maintenance fund

The work safety fund and production maintenance fund accrued pursuant to regulations are recognised as cost of relevant products or profit or loss in the period, and are stated as special reserves. For the utilisation of the fee to pay for safety relevant expenses, the special reserves shall be reversed directly. Capitalised expenditure shall be recognised in fixed assets when the asset is ready for its intended use. The actual expenditure shall be offset with the balance of special reserves and full depreciation is provided for the asset at the same amount.

31. Fair value measurement

The Group measures its derivative financial instruments and listed equity investments at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

31. Fair value measurement *(continued)*

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation at the end of each reporting period.

32. Interests in joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group recognises in relation to its interest in a joint operation:

- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;
- its revenue from the sale of its share of the output arising from the joint operation;
- its share of the revenue from the sale of the output by the joint operation; and
- its expenses, including its share of any expenses incurred jointly.

33. Significant accounting judgement, accounting estimates and estimation uncertainty

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts and disclosure of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Operating lease commitments as lessor

The Group has entered into commercial property leases on its investment properties portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, that it retains all the significant risks and rewards of ownership of these properties which are leased out on operating leases.

Classification between investment properties and fixed assets

The Group has entered into contracts for buildings under commercial leases. The Group determined that according to rental agreements and the management's objective in holding the building the leased out building is held to earn rentals or for capital appreciation or both and is accounted for as investment properties.



Notes to Financial Statements *(continued)*

For the year ended 31 December 2013

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

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

33. Significant accounting judgement, accounting estimates and estimation uncertainty *(continued)*

Judgements *(continued)*

Income tax

As a result of the fact that certain matters relating to the income taxes have not been confirmed by the local tax bureau, objective estimates and judgements based on currently enacted tax laws, regulations and other related policies are required in determining the provision of income tax expenses to be made. Where the final tax outcome of these matters is different from the amounts originally recorded, the differences will be accounted in the income tax expenses in the period in which the differences are realised.

Joint venture arrangements—the investments in the off-shore mining fund by the Group

The Group has determined that although the Group holds 90.9% participants shares of Sprott-Zijin Mining Fund (“Sprott Fund”), based on the co-operation agreement between the Group and Sprott Inc. (a fund management company incorporated in Canada, “Sprott”), investments decision-making was controlled by the investment committee of Sprott Fund, and the Group and Sprott have joint control over the investment committee. As such, the Group recognised its investment in the Sprott Fund as an investment in a joint venture. Details are disclosed in Note V 10 (Note 3).

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are discussed below.

Impairment of available-for-sale investments

When an available-for-sale investment is impaired, the impairment losses and cumulative losses arising from decline in fair value previously recognised directly in equity is reclassified from equity to profit or loss. The impairment loss is the cost of an available-for-sale investment less any repayments. A provision for impairment will be made for available-for-sale investments when there has been a significant or prolonged decline in the fair value below its cost or where other objective evidence of impairment exists. The determination of “significant” or “prolonged” requires judgement. The Group also assesses other related factors, e.g., fluctuation of stock prices. Reversal of impairment losses of available-for-sale investments should be recognised in equity rather than profit or loss.

Impairment of non-current assets other than financial assets (excluding goodwill)

The Group assesses whether there are any indicators of impairment for non-current assets other than financial assets at the end of financial year. Intangible assets with an indefinite life are tested for impairment annually and at other times when such an indicator exists. Other non-current assets other than financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The calculation of the fair value less costs to sell is based on available data from binding sales transactions in an arm’s length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

Useful lives of property, plant and equipment

Management determines the estimated useful lives of the Group’s property, plant and equipment. This estimation is based on the actual useful lives of property, plant and equipment with similar nature and functions and the historical experience. Management will increase the depreciation charge where useful lives are less than previously estimated lives, and will write off or write down technically obsolete or non-strategic assets that have been abandoned.

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

33. Significant accounting judgement, accounting estimates and estimation uncertainty *(continued)*

Estimation uncertainty *(continued)*

Impairment of goodwill

Goodwill is tested for impairment at least at the end of each year. For the purpose of impairment testing, the present value of cash flows, which are generated from sets of assets or asset groups considered together with goodwill, is estimated. The Group estimates the present value of cash flows from sets of assets or asset groups by forecasting the related cash flow and selecting a suitable discount rate. Details are disclosed in Note V 17.

Exploration and development expenditures

Determination of the capitalisation amount of exploration and development expenditures requires estimation of future cash flows, choosing a suitable discount rate and estimation of beneficial useful lives in order to calculate the present value.

Bad debt provision for receivables

Bad debt provision for receivables is estimated according to objective evidence (i.e., the possibility of bankruptcy or serious financial difficulties of debtors) which will affect the recoverable amount of receivables. Bad debt provision is reviewed at least at every financial year end for re-estimation.

Inventory provision determined on net realisable value

Inventory provision is provided for those slow-moving inventories or inventories with a carrying amount higher than net realisable value. At the balance sheet date, inventory provision is reviewed individually for slow-moving items or inventories whose carrying amount exceeds the net realisable amount.

Proved mineral reserves

According to above accounting policies, mining assets and mining rights are depreciated and amortised using the units of production method according to proved mineral reserves. Proved mineral reserves are estimated based on professional knowledge, experience and industrial practice. Most of the time, the estimation basis on probing and estimation could not be accurate. The estimation of reserves is updated in accordance with new technologies and new information. The update of estimation mineral reserves will result in changes of or impact on the Group's operation and development program, and the Group's operating results.

Deferred tax assets

To the extent that it is probable that the deferred tax assets will ultimately be realised, deferred tax assets shall be recognised. Judgement regarding the timing and amount of future taxable profit, and considerations for tax planning strategies, are needed when estimating the amount of deferred tax assets.

Estimated compensation

The Group is involved in a number of litigations. The estimated compensation is based on management's understanding of the litigation and the opinions of legal counsels or legal representatives. These estimations are likely to be updated according to the progress of litigation. This may affect the Group's operation and results.

Rehabilitation provision

Pursuant to the regulation of the Australian government, the Group recognises restoration and rehabilitation provision of the mine located in Australia. The amount of provision is an estimate based upon the life of mined tenement, as well as the future timing and cost of such rehabilitation, which depends on an overall judgement of management.



Notes to Financial Statements *(continued)*

For the year ended 31 December 2013

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

III. TAX

1. Major taxes and tax rates

Value-added tax ("VAT")	<p>Sales of final gold products and carrying-gold minerals are exempted from VAT. The VAT rate for mining and processing of non-ferrous metals such as iron concentrates, gold concentrates, copper concentrates, zinc concentrates, and copper cathodes, zinc bullion, material sales and processing is 17%. The taxpayer is required to remit the VAT it collects to the tax authority, but may deduct the VAT it has paid on eligible purchases.</p> <p>Pursuant to the Notice of the Ministry of Finance and the State Administration of Tax on the Implementation of the Pilot Policy in respect of Changing the Levy of Business Tax to Value-added Tax for Transportation Industry and Certain Modern Service Industries in the Eight Provinces and Municipalities including Beijing (Cai Shui [2012] No.71), from 1 November 2012, VAT tax rate for transportation service income derived in Fujian Province is 11%, and that for trademark royalty income and technical service income derived in Fujian Province is 6%. Small-scale taxpayer's VAT tax rate for all the income mentioned above is 3%.</p> <p>Pursuant to the Notice of the Ministry of Finance and the State Administration of Tax on the Implementation of the Pilot Policy in respect of Changing the Levy of Business Tax to Value-added Tax for Transportation Industry and Certain Modern Service Industries Nationwide (Cai Shui [2013] No.37), from 1 August 2013, VAT tax rate for transportation service income derived nationwide is 11%, and that for trademark royalty income and technical service income derived nationwide is 6%. Small-scale taxpayer's VAT tax rate for all the income mentioned above is 3%.</p>
Business tax	<p>Business tax rate for rental income and hotel service revenue is 5%, and that for construction labor income is 3%. From 1 November 2012, the incomes of transportation service, trademark royalty and technical service derived in Fujian Province and originally subject to business tax are levied under VAT. From 1 August 2013, the levy of business tax for transportation service and certain modern service industries in the whole country was changed to be levied under VAT in pilot run, the incomes of transportation service, trademark royalty and technical service derived nationwide and originally subject to business tax are levied under VAT.</p>
City construction and maintenance tax	<p>Levied on actual payment of turnover tax at rates ranging from 1% to 7%.</p>
Resource tax	<p>Tax rates for gold resources ranged from RMB2 to RMB8.5 (2012: RMB2 to RMB8.5) per tonne depending on the gold ore quantity; tax rates for copper resources ranged from RMB6 to RMB7 (2012: RMB6 to RMB7) per tonne depending on the copper ore quantity; tax rate for iron resource was RMB9.52 (2012: RMB9.52) per tonne according to the ore quantity; tax rate for zinc-lead resources was RMB20 (2012: RMB20) per tonne according to the ore quantity.</p>
Resource compensation fee	<p>The resource compensation fee is calculated according to a certain proportion of mineral sales revenue. The formula is: Mineral sales revenue x Resource compensation rate x Coefficient of mining recovery. Resource compensation rates range from 2% to 4%.</p>
Enterprise income tax	<p>Provision for the PRC income tax has been made at the rate of 25% based on the taxable profits except for certain companies in the Group which are further mentioned below. Provision for Hong Kong profits tax has been made at the rate of 16.5% on the assessable profits arising in Hong Kong for the year. Provision for Australian profits tax has been made at the rate of 30% on the assessable profits arising in Australia for the year. Provision for Tajikistan profits tax has been made at the rate of 15% on the assessable profits arising in Tajikistan for the year.</p>



Notes to Financial Statements *(continued)*

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

III. TAX *(continued)*

2. Tax incentives and approvals

Pursuant to the Notice of the Ministry of Finance, the General Administration of Customs and the State Administration of Tax on the Issues of Preferential Taxation Policies for Further Implementing the Western Development Strategy (Cai Shui [2011] No.58), from 1 January 2011 to 31 December 2020, the enterprises in the western region, which engaged in encouraged industries as indicated in the Catalogue of Encouraged Industries of Western Region and which derive 70% of their income from the encouraged industries could apply for a tax incentives. After in-charge tax bureau approving, those enterprises could enjoy a reduced Corporate income tax ("CIT") rate of 15%. In 2013, the following subsidiaries got in-charge tax bureau approval and granted a reduced CIT rate of 15%.

- (1) Pursuant to the Notice of Tax Issue (Ha Di Shui Tong [2013] No.585) issued by the Xinjiang Autonomous Region Habahe County Local Tax Bureau on 5 August 2013, Xinjiang Ashele Copper Company Limited ("Xinjiang Ashele") enjoyed a tax concession of Western Development at a preferential CIT rate of 15% in 2013.
- (2) Pursuant to the Notice of Tax Issue (Fu Di Shui Tong [2013] No.54) issued by the Xinjiang Autonomous Region Fuyun County Local Tax Bureau on 18 December 2013, Xinjiang Jinbao Mining Company Limited ("Xinjiang Jinbao") enjoyed a tax concession of Western Development at a preferential CIT rate of 15% in 2013.
- (3) Pursuant to the Notice in relation to Relevant Matters about Enterprise Income Tax on the Enterprises including Hunchun Zijin Mining Company Limited (Ji Guo Shui Suo Bian Han [2012] No.35) issued by the Jilin Provincial State Tax Bureau on 26 October 2012, Hunchun Zijin Mining Company Limited ("Hunchun Zijin") enjoyed a tax concession of Western Development at a preferential CIT rate of 15% in 2013.

Notes to Financial Statements (continued)

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

IV. SCOPE OF CONSOLIDATION

1. PRINCIPAL SUBSIDIARIES OF THE COMPANY: (INCLUDING SUBSIDIARIES INDIRECTLY HELD)

(1) Principal subsidiaries established or acquired through investments

Company name	Type of entities	Place of registration/ principal place of business	Legal representative	Principal activities	Paid-in capital/ registered capital RMB	Capital contribution of the Group RMB	Proportion of ownership interest Directly	Indirectly	Proportion of voting rights	Organisation code	Non-controlling interests in the consolidated balance sheet reduced by non-controlling interests in the consolidated statement of profit or loss RMB
Gold Mountains (H.K.) International Mining Company Limited ("Gold Mountains H.K.")	Limited liability company	Hong Kong	Not applicable ("N/A")	Investment	HKD838,500,001/ HKD1,000,000,000	HKD838,500,001	100%	—	100%	N/A	—
Bayanacer Zijin Non-ferrous Metal Company Limited ("Bayanacer Zijin")	Limited liability company	Bayanacer City, Inner Mongolia	Liao Yuanhang	Zinc refinery	375,000,000	252,000,000	67.2%	—	67.2%	76786644-0	56,051,795
Hunchun Zijin	Limited liability company	Hunchun City, Jilin Province	Jiang Cheng	Mining, refining and processing of gold, copper and other non-ferrous metals, mineral resources and geological exploration and its information technology services	200,000,000	200,000,000	96.63%	3.37%	100%	74456685-9	—
Xinyi Zijin Mining Company Limited ("Xinyi Zijin")	Limited liability company	Xinyi City, Guangdong Province	Lin Rongping	Refining, processing and sales of tin and gold; mineral resources technology support	200,000,000	200,000,000	100%	—	100%	66498436-4	—
Qinghai West Copper Company Limited ("Qinghai West")	Limited liability company	Maqin County, Guo Luo State, Qinghai Province	He Pingtao	Exploration and exploitation of copper mines, and technical support	120,000,000	120,000,000	100%	—	100%	71052565-3	—
Fujian Zijin Real Estate Company Limited ("Zijin Real Estate")	Limited liability company	Xiamen City, Fujian Province	Li Shuhua	Real estate development	500,000,000	500,000,000	60%	40%	100%	67193079-4	—
Zijin International Finance Company Limited ("International Finance")	Limited liability company	Hong Kong	N/A	Bond issuance	HKD1	HKD1	—	100%	100%	N/A	—

Notes to Financial Statements *(continued)*

For the year ended 31 December 2013

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

IV. SCOPE OF CONSOLIDATION *(continued)*

1. PRINCIPAL SUBSIDIARIES OF THE COMPANY: (INCLUDING SUBSIDIARIES INDIRECTLY HELD) *(continued)*

(1) Principal subsidiaries established or acquired through investments *(continued)*

Company name	Type of entities	Place of registration/ principal place of business	Legal representative	Principal activities	Paid-in capital/ registered capital RMB	Capital contribution of the Group RMB	Proportion of ownership interest Directly	Proportion of Indirectly	Proportion of voting rights	Organisation code	Non-controlling interests in the consolidated balance sheet reduced by non-controlling interests in the consolidated statement of profit or loss RMB
Zijin Mining Group Finance Company Limited ("Finance Company")	Limited liability company	Shanghang County, Longyan City, Fujian Province	Lin Hongying	Financing advisory to member units; credit verification and related advisory; agent services; assist member units to settle payments; approved insurance agent services; guarantee provision to member units; entrusted loans and investment among member units; bill acceptance and honour among member units; internal account settlement and clearing among member units; acceptance of deposits from member units; application for loans and financial leasing; inter-company borrowings; underwriting corporate bond; equity investment in financial institutions; investment in securities (excluding stocks traded in the secondary market) and business approved by China Banking Regulatory Commission in accordance with relevant laws, administrative regulations and other regulations, as stated in the approval documents.	531,557,000	504,979,150	95%	—	95%	68437785-6	—

Notes to Financial Statements (continued)

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

IV. SCOPE OF CONSOLIDATION (continued)

1. PRINCIPAL SUBSIDIARIES OF THE COMPANY: (INCLUDING SUBSIDIARIES INDIRECTLY HELD) (continued)

(2) Principle subsidiaries acquisition not involving enterprises under common control

Company name	Type of entities	Place of registration/ principal place of business	Legal representative	Principal activities	Paid-in capital/ registered capital	Capital contribution of the Group	Proportion of ownership interest		Proportion of voting rights	Organisation code	Non-controlling interests in the consolidated balance sheet reduced by non-controlling interests in the consolidated statement of profit or loss
							Directly	Indirectly			
Xinjing Ashele	Joint stock liability limited company	Aleai City, Xinjiang	Peng Shiqun	Research and exploration of geological resources; production, processing and sales of mineral products; technological and transportation services of geological mining; environmental protection and development of tourism	250,000,000 RMB	127,500,000 RMB	51%	—	51%	71296508-X	—
Norton Gold Fields Ltd. ("Norton Gold Fields")	Joint stock liability limited company	Australia	N/A	Production of gold, geological resource exploration and related information and technological services	Australian dollar ("AUD") 176,651,533	AUD157,484,842	—	82.43%	82.43%	N/A	6,481,019
Zijin Copper Company Limited ("Zijin Copper")	Limited liability company	Shanghang County, Longyan City, Fujian Province	Wu Jianhui	Refinery and sales of copper cathodes, gold and silver; production and sales of vitriol	1,818,300,000 RMB	1,818,300,000 RMB	100%	—	100%	68508216-7	—
Luoyang Yinhu Gold Refinery Company Limited ("Luoyang Yinhu")	Limited liability company	Luoyang City, Henan Province	Fan Dayou	Refinery of gold and silver; purchase of gold ore; gold transaction agency, sales of mineral products and mining pit design and research	150,000,000 RMB	105,000,000 RMB	70%	—	70%	71911452-7	—

The above principal subsidiaries are included in the scope of consolidation. As at 31 December 2013 and 31 December 2012, there were no other items which in substance formed part of the Group's net investments in the above principal subsidiaries.

The management of the Company considered that fund transfers from the subsidiaries to the Company are without restriction.

Notes to Financial Statements *(continued)*

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

IV. SCOPE OF CONSOLIDATION *(continued)*

2. CHANGES IN THE SCOPE OF CONSOLIDATION

The scope is consistent with the previous year, except for the newly established subsidiaries and the changes stated in Note IV. 3, 4 and 5.

3. NEW ENTITIES THAT HAVE BEEN CONSOLIDATED AND CONSOLIDATED ENTITIES THAT ARE EXCLUDED FROM CONSOLIDATION IN THE CURRENT YEAR

New entities that have been consolidated in 2013:

Company name	Notes	Net loss from the acquisition date/date of incorporation to	
		Net assets at 31 December 2013	31 December 2013
Gold Mountains Asset Management Limited ("Gold Mountains Asset Management")	(i)	4,304,739	(3,588,050)
Tumen Xinwang Mining Company Limited ("Tumen Xinwang")	(ii)	4,694,183	(92,759)
Zijin Mining Group Gansu Mining Development Company Limited ("Gansu Mining Development")	(iii)	29,840,795	(159,205)
Kalgoorlie Mining Company Limited ("KMC")	(Note IV.4)	60,715,832	(2,822,871)
		99,555,549	(6,662,885)

- (i) Gold Mountains Asset Management was established on 29 April 2013 with an initial registered capital of HKD10,000,000. Jinyu (H.K.) International Mining Company Limited ("Jinyu H.K."), a subsidiary of the Group, injected capital of HKD100 in cash, holding a 100% equity interest in Gold Mountains Asset Management. Jinyu H.K. made further investments of HKD2,999,900, HKD1,500,000 and HKD5,500,000 on 16 August 2013, 31 October 2013 and 28 November 2013, respectively. As at 31 December 2013, the registered capital and the paid-in capital of Gold Mountains Asset Management was HKD10,000,000, and Jinyu H.K. held a 100% equity interest in Gold Mountains Asset Management. As such, Gold Mountains Asset Management was included in the scope of consolidation.
- (ii) Tumen Xinwang was established together by Hunchun Zijin, a subsidiary of the Group, and Jinlin The Fifth Geological Survey, with an initial registered capital of RMB1,000,000. Hunchun Zijin injected RMB750,000, holding a 75% equity interest in Tumen Xinwang. In July 2013, the registered capital of Tumen Xinwang increased from RMB1,000,000 to RMB4,786,942. Hunchun Zijin paid RMB2,840,206 in proportion to its shareholdings in Tumen Xinwang. As at 31 December 2013, the registered capital and the paid-in capital of Tumen Xinwang was RMB4,786,942 and Hunchun Zijin held a 75% equity interest in Tumen Xinwang. As such, Tumen Xinwang was included in the scope of consolidation.
- (iii) Gansu Mining Development was established on 1 February 2013 with an initial registered capital of RMB30,000,000. The Company injected capital of RMB30,000,000 in cash, holding a 100% equity interest in Gansu Mining Development. As at 31 December 2013, the Company held a 100% equity interest in Gansu Mining Development. As such, Gansu Mining Development was included in the scope of consolidation.

Notes to Financial Statements *(continued)*

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

IV. SCOPE OF CONSOLIDATION *(continued)*

3. NEW ENTITIES THAT HAVE BEEN CONSOLIDATED AND CONSOLIDATED ENTITIES THAT ARE EXCLUDED FROM CONSOLIDATION IN THE CURRENT YEAR *(continued)*

Entities that are excluded from the consolidation in 2013:

	Notes	Net assets/(liabilities) on disposal date	Net profit/(loss) from the beginning of 2013 to the disposal date
Wenshan Yuntong Huaxi Mining Company Limited ("Wenshan Yuntong")	(Note IV.5(i))	5,605,514	(82,968)
Luoyang Jialian Company Limited ("Luoyang Jialian")	(Note IV.5(ii))	24,756,438	(13,620,542)
Jin Tai Investments Limited ("Jin Tai Investments")	(Note IV.5(iii))	(10,388)	—
Eagle Victory Holdings Limited ("Eagle Victory Holdings")	(Note IV.5(iii))	(207,721)	(307)
Jovial Ray Limited ("Jovial Ray")	(Note IV.5(iii))	(10,388)	—
Golden Rock Mining (BVI) Limited ("Golden Rock Mining")	(Note IV.5(iii))	(8,371)	—
Gansu Longjin Mining Resources Company Limited ("Gansu Longjin")		—	(44,057)
Gansu Longao Mining Company Limited ("Gansu Longao")		—	(56,022)
Golden Champion Mining (BVI) Limited ("Golden Champion Mining")	(Note IV.5(iv))	(1,248,259)	7,788,636
		28,876,825	(6,015,260)

4. BUSINESS COMBINATIONS NOT INVOLVING ENTERPRISES UNDER COMMON CONTROL

On 17 April 2013, Norton Gold Fields signed a Takeover Bid Implementation Deed with KMC pursuant to which Norton Gold Fields acquired all of the ordinary shares and options of KMC at a consideration of 70,270,397 ordinary shares of Norton Gold Fields and 72,591,793 options of Norton Gold Fields, with the total value of RMB66,379,114. The share acquisition was completed on 26 July 2013. As at 31 December 2013, Norton Gold Fields held a 100% equity interest in KMC. As such, KMC was included in the scope of consolidation.

The fair value of the identifiable assets and liabilities of the acquired subsidiary mentioned above on acquisition date are as follows:

Current assets	757,674
Non-current assets	84,147,433
Current liabilities	(10,351,085)
Non-current liabilities	(8,174,908)
Subtotal	66,379,114
Non-controlling interests	—
Total equity attributable to the Group	66,379,114
Consideration for the combination	66,379,114

Notes to Financial Statements *(continued)*

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

IV. SCOPE OF CONSOLIDATION *(continued)*

4. BUSINESS COMBINATIONS NOT INVOLVING ENTERPRISES UNDER COMMON CONTROL *(continued)*

The carrying amount of the identifiable assets and liabilities of the acquired subsidiary mentioned above on acquisition date are as follows:

Current assets	757,674
Non-current assets	31,867,899
Current liabilities	(10,351,085)
Non-current liabilities	(8,083,759)
Subtotal	14,190,729
Non-controlling interests	—
Total equity attributable to the Group	14,190,729

The cash flows and operating results of the acquired subsidiary mentioned above accumulated from the acquisition date to the end of 2013:

Revenue	—
Net loss	(2,822,871)
Net cash inflows	48,146

The net cash flows of the acquired subsidiary mentioned above:

Consideration for the acquisition of the subsidiary	66,379,114
Cash and cash equivalents paid for acquisition of the subsidiary	—
Less: Cash and cash equivalents held by the subsidiary on acquisition date	136,723
Net cash inflows upon acquisition of the subsidiary	(136,723)

Notes to Financial Statements *(continued)*

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

IV. SCOPE OF CONSOLIDATION *(continued)*

5. SUBSIDIARIES REDUCED IN CURRENT YEAR DUE TO THE DISPOSAL OF EQUITY INTEREST WHICH RESULTED IN A LOSS OF CONTROL

Company name	Registered address	Principal Activities	Proportion of equity attributable to the Group	Proportion of voting rights attributable to the Group	Reasons for deconsolidation	Disposal/ de-registration date	Notes
Wenshan Yuntong	The second floor, State Land and Resources Bureau Office, Xiufeng Road, Wenshan County, Yunnan Province	Sales of mineral products; geological exploration advisory service	51%	51%	De-registration	30 April 2013	(i)
Luoyang Jialian	Luoling Village, Luoling Town, Luoning County, Luoyang City	Exploration of low-grade, refractory of gold mine	80%	80%	Disposal	14 May 2013	(ii)
Jin Tai Investments	British Virgin Islands	Investment	100%	100%	De-registration	31 May 2013	(iii)
Eagle Victory Holdings	British Virgin Islands	Investment	100%	100%	De-registration	31 May 2013	(iii)
Jovial Ray	British Virgin Islands	Investment	100%	100%	De-registration	31 May 2013	(iii)
Golden Rock Mining	British Virgin Islands	Investment	100%	100%	De-registration	31 May 2013	(iii)
Gansu Longjin	Dongxin East Road, Li County, Longnan City, Gansu Province	Mining resources exploration within the mining right areas	90%	90%	De-registration	31 March 2013	
Gansu Longao	Dongxin East Road, Li County, Longnan City, Gansu Province	Mining resources exploration within the mining right areas	87%	87%	De-registration	31 March 2013	
Golden Champion Mining	British Virgin Islands	Investment	100%	100%	De-registration	30 November 2013	(iv)

(i) Wenshan Yuntong was de-registered on 30 April 2013. As such, Wenshan Yuntong was excluded from the scope of consolidation.

(ii) Pursuant to the Share Transfer Agreement entered into between Zijin International Mining Company Limited ("Zijin International") and natural person Liu Bing, Zijin International transferred its 80% equity interest in Luoyang Jialian at a consideration of RMB25,000,000. As such, Luoyang Jialian was excluded from the scope of consolidation.

(iii) Jin Tai Investments, Eagle Victory Holdings, Jovial Ray and Golden Rock Mining were all de-registered on 31 May 2013. As such, they were excluded from the scope of consolidation.

(iv) Golden Champion Mining was de-registered on 30 November 2013. As such, Golden Champion Mining was excluded from the scope of consolidation.

Notes to Financial Statements *(continued)*

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

IV. SCOPE OF CONSOLIDATION *(continued)*

5. SUBSIDIARIES REDUCED IN CURRENT YEAR DUE TO THE DISPOSAL OF EQUITY INTEREST WHICH RESULTED IN A LOSS OF CONTROL *(continued)*

The financial information of disposed subsidiaries on disposal dates:

	Wenshan Yuntong	Luoyang Jialian	Jin Tai Investments	Eagle Victory Holdings	Jovial Ray	Golden Rock Mining	Gansu Longjin*	Gansu Longao*	Golden Champion Mining	Total
Current assets	5,577,924	6,874,216	—	—	—	—	—	—	14,550,205	27,002,345
Non-current assets	36,155	21,743,880	—	—	—	—	—	—	—	21,780,035
Current liabilities	(8,565)	(3,861,658)	(10,388)	(207,721)	(10,388)	(8,371)	—	—	(15,798,464)	(19,905,555)
Non-current liabilities	—	—	—	—	—	—	—	—	—	—
	5,605,514	24,756,438	(10,388)	(207,721)	(10,388)	(8,371)	—	—	(1,248,259)	28,876,825
Non-controlling interests	2,746,702	2,691,781	—	—	—	—	—	—	—	5,438,483
	2,858,812	22,064,657	(10,388)	(207,721)	(10,388)	(8,371)	—	—	(1,248,259)	23,438,342
Gains/(losses) on disposal	(347,275)	2,935,343	10,388	207,721	10,388	8,371	—	—	1,248,259	4,073,195
Consideration of disposal	2,511,537	25,000,000	—	—	—	—	—	—	—	27,511,537

* Pursuant to the merger agreement entered into on 3 September 2012 among Gansu Yate Mining Company Limited ("Gansu Yate"), Gansu Longjin and Gansu Longao, subsidiaries of the Group, the assets and liabilities of Gansu Longjin and Gansu Longao would be transferred to Gansu Yate. The merger was completed on 31 March 2013, after which Gansu Longjin and Gansu Longao were de-registered. Before de-registration, all of the assets and liabilities of Gansu Longjin and Gansu Longao had been transferred to Gansu Yate and Gansu Yate was renamed as Longnan Zijin Mining Company Limited ("Longnan Zijin").

Financial information of the disposed subsidiaries as at 31 December 2012:

	Wenshan Yuntong	Luoyang Jialian	Jin Tai Investments	Eagle Victory Holdings	Jovial Ray	Golden Rock Mining	Gansu Longjin	Gansu Longao	Golden Champion Mining	Total
Current assets	5,661,430	6,408,523	—	—	—	6	655,094	4,158,482	6	16,883,541
Non-current assets	40,513	25,663,338	—	—	—	—	152,819,065	85,867,663	—	264,390,579
Current liabilities	(13,463)	(18,752,136)	(10,582)	(211,290)	(10,582)	(8,527)	(33,154,484)	(5,402,882)	(9,192,964)	(66,756,910)
Non-current liabilities	—	—	—	—	—	—	(34,974,282)	—	—	(34,974,282)
	5,688,480	13,319,725	(10,582)	(211,290)	(10,582)	(8,521)	85,345,393	84,623,263	(9,192,958)	179,542,928
Non-controlling interests	2,787,355	4,612,249	—	—	—	—	8,534,539	11,001,024	—	26,935,167
Equity attributable to the Group	2,901,125	8,707,476	(10,582)	(211,290)	(10,582)	(8,521)	76,810,854	73,622,239	(9,192,958)	152,607,761

The operating results of subsidiaries, disposed in the current year, from 1 January 2013 to the disposal date:

	Wenshan Yuntong	Luoyang Jialian	Jin Tai Investments	Eagle Victory Holdings	Jovial Ray	Golden Rock Mining	Gansu Longjin	Gansu Longao	Golden Champion Mining	Total
Revenue	6,500	—	—	—	—	—	—	—	—	6,500
Cost of sales	1,817	—	—	—	—	—	—	—	—	1,817
Net profit/(loss)	(82,968)	(13,620,542)	—	(307)	—	—	(44,057)	(56,022)	7,788,636	(6,015,260)

Notes to Financial Statements *(continued)*

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

IV. SCOPE OF CONSOLIDATION *(continued)*

5. SUBSIDIARIES REDUCED IN CURRENT YEAR DUE TO THE DISPOSAL OF EQUITY INTEREST WHICH RESULTED IN A LOSS OF CONTROL *(continued)*

Net cash flows in respect of disposal of the subsidiaries listed above:

	Wenshan Yuntong	Luoyang Jialian	Jin Tai Investments	Eagle Victory Holdings	Jovial Ray	Golden Rock Mining	Gansu Longjin	Gansu Longao	Golden Champion Mining	Total
Consideration of disposal	2,511,537	25,000,000	—	—	—	—	—	—	—	27,511,537
Cash and cash equivalents received upon disposal of subsidiaries	2,511,537	25,000,000	—	—	—	—	—	—	—	27,511,537
Less: Cash and cash equivalent held by subsidiaries upon disposal	4,862,352	271,000	—	—	—	—	—	—	45	5,133,397
Net inflow/(outflow) of cash and cash equivalents in respect of the disposal of subsidiaries	(2,350,815)	24,729,000	—	—	—	—	—	—	(45)	22,378,140

6. EXCHANGE RATE USED FOR FOREIGN OPERATIONS

	Average exchange rate		Closing exchange rate	
	2013	2012	2013	2012
United States dollar ("USD")	6.1956	6.3124	6.0969	6.2855
HKD	0.7988	0.8137	0.7862	0.8108
Russian ruble ("RUB")	0.1934	0.2030	0.1852	0.2061
AUD	5.9975	6.5326	5.4301	6.5363

Notes to Financial Statements *(continued)*

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. CASH AND CASH EQUIVALENTS

	2013			2012		
	Original amount	Exchange Rate	RMB	Original amount	Exchange Rate	RMB
Cash						
RMB	7,136,797	1.0000	7,136,797	6,792,520	1.0000	6,792,520
Bank deposit						
RMB	2,988,179,690	1.0000	2,988,179,690	5,055,232,601	1.0000	5,055,232,601
HKD	234,837,357	0.7862	184,629,130	454,863,141	0.8108	368,803,035
USD	56,442,183	6.0969	344,122,344	69,307,165	6.2855	435,630,187
Great British Pound ("GBP")	10,123,794	10.0556	101,800,821	191,529	10.1611	1,946,142
Canadian dollar ("CAD")	2,490,212	5.7259	14,258,703	4,717,221	6.3184	29,805,287
AUD	41,917,932	5.4301	227,618,565	11,917,858	6.5363	77,898,697
RUB	9,398,272	0.1852	1,740,560	64,793,222	0.2061	13,353,883
Others	N/A	N/A	4,816,018	N/A	N/A	40,618,594
Other monetary funds						
RMB (Note 1)	613,439,283	1.0000	613,439,283	1,006,315,489	1.0000	1,006,315,489
USD (Note 2)	655,300	6.0969	3,995,301	69,525,793	6.2855	437,004,372
			4,491,737,212			7,473,400,807

Note 1: As at 31 December 2013, other monetary funds in RMB mainly included: (1) Land restoration and environmental rehabilitation costs of RMB62,736,364 (31 December 2012: RMB54,334,604). Pursuant to the rules of Longyan Municipal Government, the Company provided land restoration and environmental rehabilitation costs and deposited the funds in a specified bank account. The fund was restricted to the use of land restoration and environmental rehabilitation. (2) No security fund for short-term borrowings (31 December 2012: RMB105,000,000). (3) No time deposits as security fund for short-term borrowings (31 December 2012: RMB200,000,000). (4) Deposit for donation of RMB70,813 (31 December 2012: RMB41,027,667), which was restricted to use. (5) Guarantee deposits of RMB66,207,179 (31 December 2012: RMB49,696,860), which were restricted to use. (6) Time deposits with maturity for more than three months of RMB337,794,534 (31 December 2012: RMB269,727,329). (7) No deposit for bank acceptance bills (31 December 2012: RMB1,870,000). (8) Deposit in the Shanghai Gold Exchange of RMB146,630,393 (31 December 2012: RMB284,659,029).

Note 2: As at 31 December 2013, other monetary funds in USD mainly included: (1) No security fund for short-term borrowings (31 December 2012: USD41,645,118, approximately RMB261,760,389). (2) Time deposits with maturity for more than three months of USD655,300, approximately RMB3,995,301 (31 December 2012: USD27,880,675, approximately RMB175,243,983).

As at 31 December 2013, cash and cash equivalents of RMB678,861,179 (31 December 2012: RMB642,328,812) was deposited outside Mainland China.

Current deposits earn interest at the rate based on current deposit interest rates. Maturities of short-term time deposits range from 7 days to 12 months depending on the fund arrangement of the Group. Time deposit earns interest at the relevant rates with different maturities.

Notes to Financial Statements *(continued)*

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

2. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2013	2012
Derivative financial assets (Note 1)	14,943,541	134,717,063
Held-for-trading equity investments (Note 2)	288,536,824	477,930,012
Held-for-trading debt investments	—	7,769,400
Fair value hedges – provisional price arrangements	—	6,327,047
Others (Note 3)	172,461,586	44,199,743
	475,941,951	670,943,265

Note 1: The Group has entered into gold forward contracts in accordance with the quantity, specification and repayment terms of gold to be returned to banks for the purpose of hedging certain risks arising from gold price fluctuation from gold leasing business. As at 31 December 2013, losses on changes in fair value arising from gold forward contracts were recognised as financial liabilities at fair value through profit or loss (31 December 2012: gains on changes in fair value arising from the undue derivative financial assets of RMB121,618,801).

Note 2: The investments in stocks aimed at making short-term profits.

Note 3: The Group has purchased money market funds in overseas markets through ICBC Credit Suisse Asset Management International Company Limited. As at 31 December 2013, gains on changes in fair value arising from the money market funds were RMB5,376,205 (31 December 2012: Nil). The Group has purchased the funds through securities companies and the domestic secondary market. As at 31 December 2013, losses on changes in fair value arising from the funds were RMB315,542 (31 December 2012: gains of RMB497,697).

The management considered that the recoverability of financial assets at fair value through profit or loss was not restricted significantly as at 31 December 2013 and 31 December 2012.

3. BILLS RECEIVABLE

	2013	2012
Bank acceptance bills	774,567,488	546,999,815
Commercial acceptance bills	6,279,641	28,500,000
	780,847,129	575,499,815

As at 31 December 2013, there were no bills receivable (31 December 2012: Nil) due from shareholders holding at least 5% of the Company's shares with voting powers. As at 31 December 2013, bills receivable with carrying amount of RMB18,250,000 was pledged as security (31 December 2012: Nil). As at 31 December 2013, bank acceptance bills of RMB68,533,000 (31 December 2012: RMB76,278,853) were discounted for short-term borrowings. As at 31 December 2013, no commercial acceptance bills were discounted for short-term borrowings (31 December 2012: Nil).

As at 31 December 2013 and 31 December 2012, there were no bills receivable which were converted to account receivables due to the drawer's inability to settle the note on maturity.

As at 31 December 2013, the Group endorsed certain bills receivable accepted by banks in the PRC (the "Derecognised Bills"), to certain of its independent suppliers in order to settle the trade payables due to such suppliers with a carrying amount in aggregate of RMB157,587,329 (31 December 2012: RMB74,445,575). In accordance with the Law of Negotiable Instruments in the PRC, the holders of the Derecognised Bills have a right of recourse against the Group if the PRC banks default (the "Continuing Involvement"). In the opinion of the directors, the Group has transferred substantially all risks and rewards relating to the Derecognised Bills. Accordingly, it has derecognised the full carrying amounts of the Derecognised Bills and the associated trade payables. The maximum exposure to loss from the Group's Continuing Involvement in the Derecognised Bills and the undiscounted cash flows to repurchase these Derecognised Bills equals to their carrying amounts. In the opinion of the directors, the fair value of the Group's Continuing Involvement in the Derecognised Bills is not significant.

Notes to Financial Statements *(continued)*

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

3. BILLS RECEIVABLE *(continued)*

During the relevant periods, the Group has not recognised any gains or losses on the date of transferring the Derecognised Bills. No gain or loss was recognised from the Continuing Involvement, both during the year or cumulatively.

Top five entities with the largest balance of bills receivable endorsed by the Group to other parties which were not yet due at 31 December 2013:

Name of drawer	Date of issuance	Maturity date	Amount
Xinjiang Xinggangxing Trading Company Limited	18 July 2013	18 January 2014	8,000,000
Xinjiang Yingtong Steel Company Limited	16 July 2013	16 January 2014	5,000,000
Tianjin Bridge Group Xinjiang Welding Material Company Limited	5 July 2013	5 January 2014	5,000,000
Xinjiang Yingtong Steel Company Limited	16 July 2013	16 January 2014	5,000,000
China BCEL Engineering Co., Ltd. Xiamen	25 September 2013	25 March 2014	5,000,000
			28,000,000

Top five entities with the largest balance of bills receivable endorsed by the Group to other parties which were not yet due at 31 December 2012:

Name of drawer	Date of issuance	Maturity date	Amount
TCL Air-conditioning (Wuhan) Company Limited	27 December 2012	27 June 2013	10,000,000
Zhangzhou Guangcheng Household Appliances Company Limited	5 September 2012	4 March 2013	6,000,000
TCL Air-conditioning (Zhongshan) Company Limited	29 November 2012	29 May 2013	4,000,000
TCL Air-conditioning (Zhongshan) Company Limited	29 November 2012	29 May 2013	4,000,000
TCL Air-conditioning (Zhongshan) Company Limited	29 November 2012	29 May 2013	4,000,000
			28,000,000

4. TRADE RECEIVABLES

Trade receivables are interest-free with a credit period of one month in general. The credit period for major customers may be extended up to four months.

An ageing analysis of the trade receivables is as follows:

	2013	2012
Within 1 year	498,591,771	810,228,920
Over 1 year but within 2 years	12,565,676	26,405,155
Over 2 years but within 3 years	7,575,162	11,514,683
Over 3 years	8,065,554	739,441
	526,798,163	848,888,199
Less: Bad debt provision	7,443,532	7,393,935
	519,354,631	841,494,264

Notes to Financial Statements *(continued)*

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

4. TRADE RECEIVABLES *(continued)*

The sales of gold bullion are settled on the transaction dates. The credit periods on the sales of other products such as copper cathodes, zinc bullion and ore concentrates range from 30 to 120 days. Each customer is granted a maximum credit limit. The Group maintains strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management. As mentioned above and the fact that the Group's trade receivables were related to a large number of diversified customers, there is no significant concentration of credit risk.

The movements of bad debt provision of the trade receivables:

	At 1 January	Additions	Reductions		At 31
	2013		Reversal	Write-off	December
2013	7,393,935	49,597	—	—	7,443,532

	At 1 January	Additions	Reductions		At 31
	2012		Reversal	Write-off	December
2012	167,565	7,226,370	—	—	7,393,935

	2013				2012			
	Carrying amount		Bad debt provision		Carrying amount		Bad debt provision	
	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Proportion (%)
Individually significant and for which bad debt provision has been assessed individually	352,453,338	66.90	—	—	738,548,166	87.00	—	—
Others insignificant	174,344,825	33.10	7,443,532	4.27	110,340,033	13.00	7,393,935	6.70
	526,798,163	100	7,443,532	1.41	848,888,199	100	7,393,935	0.87

As at 31 December 2013, the Group's trade receivables denominated in AUD amounted to AUD8,240,211, approximately RMB44,745,170, the exchange rate used was AUD1 to RMB5.4301. As at 31 December 2012, the Group's trade receivables denominated in AUD amounted to AUD13,968,256, approximately RMB91,300,709, the exchange rate used was AUD1 to RMB6.5363.

There were no trade receivables for which full or comparatively large proportion of bad debt provision have been made prior to the end of the reporting period, but are reversed or received, or received by restructuring during the current year (2012: Nil).

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

4. TRADE RECEIVABLES *(continued)*

Top five entities with the largest balances of trade receivables:

31 December 2013:

Name of entity	Relationship with the Group	Amount	Ageing	Proportion of trade receivables (%)
Xining Special Steel Co., Ltd.	Third party	45,954,449	Within 1 year	8.72
WESTERN AUSTRALIAN MINT	Third party	39,006,583	Within 1 year	7.41
Fujian Jinye Copper Pipe Accessory Company Limited	Third party	25,678,911	Within 1 year	4.87
Xinjiang Bayi Steel Group Company Limited ("Bayi Steel")	Third party	22,347,491	Within 1 year	4.24
Jiangxi Jutong Industry Company Limited	Third party	16,729,593	Within 1 year	3.18
		149,717,027		28.42

31 December 2012:

Name of entity	Relationship with the Group	Amount	Ageing	Proportion of trade receivables (%)
State Bureau of Material Reserve	Third party	160,037,289	Within 1 year	18.85
Xiamen Baotuo Resource Company Limited	Third party	148,840,021	Within 1 year	17.53
Jinchuan Group Company Limited ("Jinchuan Group")	Third party	66,063,809	Within 1 year	7.78
WESTERN AUSTRALIAN MINT	Third party	58,641,481	Within 1 year	6.91
Xiamen Tungsten Joint Stock Company Limited	Third party	38,011,774	Within 1 year	4.48
		471,594,374		55.55

As at 31 December 2013, there were no trade receivables (31 December 2012: Nil) due from shareholders holding at least 5% of the Group's shares with voting powers. As at 31 December 2013, trade receivables included balances due from related parties of RMB22,973,984, accounting for 4.36% (31 December 2012: RMB2,073,154 accounting for 0.24%) of the total amount of trade receivables. Further information is disclosed in Note VI RELATED PARTY RELATIONSHIPS AND TRANSACTIONS.

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

5. PREPAYMENTS

Ageing analysis of the prepayments:

	2013		2012	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	794,452,437	86.08	847,975,866	88.52
Over 1 year but within 2 years	93,835,922	10.17	92,314,829	9.64
Over 2 years but within 3 years	20,481,030	2.22	10,671,763	1.11
Over 3 years	14,167,934	1.53	7,013,657	0.73
	922,937,323	100	957,976,115	100
Less: Bad debt provision	1,848,055		—	
	921,089,268		957,976,115	

As at 31 December 2013, there were no prepayments with significant balances aged over one year (31 December 2012: Nil).

Top five entities with the largest balances of prepayments at 31 December 2013:

Name of entity	Relationship with the Group	Amount	Prepayment term	Reason for unsettlement
Wancheng Commercial Dongshengmiao Company Limited ("Wancheng Commercial")	An associate of the Group	115,710,717	Within 1 year	Transaction not yet completed
Shenzhen Penavico Logistics Company Limited, Tianjin Branch	Third party	57,076,391	Within 1 year	Transaction not yet completed
Kunlun International Trading Company Limited	Third party	32,909,382	Within 1 year	Transaction not yet completed
PRC Dongdu Customs	Third party	32,333,852	Within 1 year	Transaction not yet completed
Xiamen Zijin Zhonghang Real Estate Company Limited ("Xiamen Zijin Zhonghang")	A joint venture of the Group	27,629,530	Within 1 year	Transaction not yet completed
Total		265,659,872		

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

5. PREPAYMENTS *(continued)*

Top five entities with the largest balances of prepayments at 31 December 2012:

Name of entity	Relationship with the Group	Amount	Prepayment term	Reason for unsettlement
Fujian Minnan Construction Engineering Company Limited ("Minnan Construction")	Third party	40,000,000	Within 1 year	Transaction not yet completed
Mrs Zhao Meiguang	Third party	25,000,000	Within 1 year	Transaction not yet completed
Xiamen Zijin Zhonghang	A joint venture of the Group	23,430,925	Within 1 year	Transaction not yet completed
Shenzhen Penavico Logistics Company Limited, Tianjin Branch	Third party	19,564,605	Within 1 year	Transaction not yet completed
Dongshengmiao Mining Company Limited	Third party	18,656,969	Within 1 year	Transaction not yet completed
Total		126,652,499		

As at 31 December 2013, there were no prepayments (31 December 2012: Nil) due from shareholders holding at least 5% of the Company's shares with voting powers. As at 31 December 2013, the prepayments to related parties amounted to RMB143,340,247 (31 December 2012: RMB35,177,891), accounting for 15.53% of total prepayments (31 December 2012: 3.67%). Further information is disclosed in Note VI RELATED PARTY RELATIONSHIPS AND TRANSACTIONS.

As at 31 December 2013, the Group's prepayments denominated in USD amounted to USD15,982,407, approximately RMB97,443,137, the exchange rate used was USD1 to RMB6.0969, prepayments denominated in HKD amounted to HKD312,064, approximately RMB245,345, the exchange rate used was HKD1 to RMB0.7862, and prepayments denominated in Euro ("EUR") amounted to EUR43,421, approximately RMB365,557, the exchange rate used was EUR1 to RMB8.4189. As at 31 December 2012, the Group's prepayments denominated in USD amounted to USD17,241,689, approximately RMB108,372,634, the exchange rate used was USD1 to RMB6.2855, and prepayments denominated in AUD amounted to AUD2,370,353, approximately RMB15,493,338, the exchange rate used was AUD1 to RMB6.5363.

Notes to Financial Statements *(continued)*

For the year ended 31 December 2013

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

6. OTHER RECEIVABLES

Ageing analysis of the other receivables:

	2013	2012
Within 1 year	1,389,263,416	975,278,024
Over 1 year but within 2 years	245,734,384	158,905,913
Over 2 years but within 3 years	88,059,076	97,491,761
Over 3 years	234,275,416	303,085,419
	1,957,332,292	1,534,761,117
Less: Bad debt provision	165,755,786	9,876,229
	1,791,576,506	1,524,884,888

Movements in bad debt provision of other receivables:

	At 1 January	Additions	Reductions		At 31 December
			Reversal	Write-off	
2013	9,876,229	159,934,354	—	(4,054,797)	165,755,786
2012	9,877,854	600	(2,225)	—	9,876,229

	2013				2012			
	Carrying amount		Bad debt provision		Carrying amount		Bad debt provision	
	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Proportion (%)
Individually significant and for which bad debt provision has been assessed individually	1,307,242,955	66.79	150,992,416	11.55	1,112,468,392	72.48	632,250	0.06
Others insignificant	650,089,337	33.21	14,763,370	2.27	422,292,725	27.52	9,243,979	2.19
	1,957,332,292	100	165,755,786	8.47	1,534,761,117	100	9,876,229	0.64

Notes to Financial Statements *(continued)*

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

6. OTHER RECEIVABLES *(continued)*

Top five entities with the largest balances of other receivables:

31 December 2013

Name of entity	Relationship with the Group	Amount	Ageing	Proportion of other receivables (%)
Finance Bureau of Longyan City Fujian Province (Note 1)	Third party	334,800,000	Within 1 year	17.10
Land Reserve Center of Longyan City (Note 1)	Third party	223,200,000	Within 1 year	11.40
Land and Resources Bureau of Longyan City, Fujian Province (Note 1)	Third party	149,560,000	Within 1 year	7.64
Xiamen Zijin Tongguan Investment Development Company Limited ("Zijin Tongguan") (Note 2)	An associate of the Company	149,647,992	Within 1 year and over 1 year but within 2 years	7.65
Mr. He Maoxiong (Note 3)	Third party	100,000,000	Over 3 years	5.11
		957,207,992		48.90

31 December 2012

Name of entity	Relationship with the Group	Amount	Ageing	Proportion of other receivables (%)
Land Reserve Center of Longyan City (Note 1)	Third party	480,000,000	Within 1 year	31.28
Mr. He Maoxiong (Note 3)	Third party	178,000,000	Over 3 years	11.60
Zijin Tongguan (Note 2)	An associate of the Company	118,353,084	Within 1 year	7.71
Chongli Finance Bureau State-owned Assets Management Center	Third party	60,120,000	Within 1 year	3.92
Land and Resources Bureau of Longyan City, Fujian Province	Third party	48,000,000	Over 1 year but within 2 years	3.13
		884,473,084		57.64

Note 1: In June 2012, a Land Development Agreement was entered into between the Group, the Longyan Municipal Government and the Land Reserve Center of Longyan City for the Block D, Shuanglong Road, Longyan City. A development fund amounted to RMB480,000,000 was paid in advance by the Group, and the related development works were to be conducted by the Longyan Municipal Government and the Land Reserve Centre of Longyan City. The development fund bore a guaranteed return at a rate of 15% per annum, which was monthly calculated and quarterly paid to the Group by the Land Reserve Centre of Longyan City. In 2013, the total development fund had been recovered. In September 2013, Land and Resources Bureau of Longyan City, Fujian Province announced to transfer the Block D. On 7 September 2013, the Block D was bidden by the Group at a consideration of RMB1,116,000,000. Then the Group paid RMB223,200,000 (regarded as the land transfer fees) to the Land Reserve Center of Longyan City as a deposit for bidding and paid RMB149,560,000 to Land and Resources Bureau of Longyan City, Fujian Province as a deposit to develop and design the Block D. Pursuant to the Land Use Right Transfer Agreement entered into between the Group and Land and Resources Bureau of Longyan City, Fujian Province for transferring land use right of national construction land on 23 September 2013, the Group paid land transfer fees amounted to RMB334,800,000. The Group had paid RMB558,000,000 in total for the Block D (including deposit paid to the Land Reserve Center of Longyan City amounted to RMB223,200,000 and land transfer fees paid to the Land and Resources Bureau of Longyan City, Fujian Province amounted to RMB334,800,000). The remaining land transfer fees amounted to RMB558,000,000 will be paid in 2014.

Notes to Financial Statements *(continued)*

For the year ended 31 December 2013

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

6. OTHER RECEIVABLES *(continued)*

Note 2: The balance was mainly borrowings due from Zijin Tongguan offered by the Company in 2012 and 2013. In 2012, the Company offered two borrowings amounted to RMB118,350,000 in total to Zijin Tongguan. The borrowings were due in April and June 2013, which had no pledge and were interest-free. In 2013, the Company offered another two interest-free borrowings amounted to RMB22,500,000 in total to Zijin Tongguan for their smooth operation. However, Monterrico Metals Plc., a subsidiary of Zijin Tongguan, was temporarily unable to be developed because of the unsettled community relationship problems. Consequently, the management of the Group made a bad debt provision for the borrowings due from Zijin Tongguan amounted to RMB140,850,000.

Note 3: In December 2009, Zijin Mining Group Qinghai Company Limited ("Qinghai Zijin"), a subsidiary of the Group, planned to acquire the shares of Lenghu Bindi Potash Fertiliser Company Limited from an individual shareholder, Mr. He Maoxiong, and prepaid RMB198,000,000 as the deposit for share acquisition. In 2011, the management of the Group decided to terminate the share acquisition plan, thus the deposit was reclassified from other non-current assets to other receivables. Part of the deposit amounted to RMB20,000,000 and RMB78,000,000 were repaid by Mr. He Maoxiong to Qinghai Zijin in 2012 and 2013, respectively. The management expected the rest of the deposit would be recovered in 2014.

As at 31 December 2013, there were no other receivables (31 December 2012: Nil) due from shareholders holding at least 5% of the Company's shares with voting powers. As at 31 December 2013, the balance of other receivables due from related parties amounted to RMB170,445,714 (31 December 2012: RMB222,613,547), the proportion to an aggregate total amount of other receivables in the balance was 8.71% (31 December 2012: 14.50%), further information is disclosed in Note VI RELATED PARTY RELATIONSHIPS AND TRANSACTIONS.

As at 31 December 2013, the Group's other receivables denominated in USD amounted to USD939,878, approximately RMB5,730,343, the exchange rate used was USD1 to RMB6.0969; other receivables denominated in HKD amounted to HKD27,674,392, approximately RMB21,757,607, the exchange rate used was HKD1 to RMB0.7862. As at 31 December 2012, the Group's other receivables denominated in USD amounted to USD343,906, approximately RMB2,161,620, the exchange rate used was USD1 to RMB6.2855; other receivables denominated in HKD amounted to HKD19,534,139, approximately RMB15,838,280, the exchange rate used was HKD1 to RMB0.8108; other receivables denominated in AUD amounted to AUD11,925,424, approximately RMB77,948,147, the exchange rate used was AUD1 to RMB6.5363.

7. INVENTORIES

	2013			2012		
	Carrying amount	Inventory provision	Net book value	Carrying amount	Inventory provision	Net book value
Raw materials	2,655,205,272	(76,180,762)	2,579,024,510	5,798,024,352	(54,027,114)	5,743,997,238
Work in progress	3,126,969,301	(1,772,330)	3,125,196,971	3,715,102,166	(2,265,501)	3,712,836,665
Finished goods	1,037,829,445	(12,286,322)	1,025,543,123	1,109,037,682	(5,637,058)	1,103,400,624
Property under development	1,463,900,648	—	1,463,900,648	1,039,505,086	—	1,039,505,086
Reusable materials	6,363,298	—	6,363,298	2,753,519	—	2,753,519
	8,290,267,964	(90,239,414)	8,200,028,550	11,664,422,805	(61,929,673)	11,602,493,132

Notes to Financial Statements *(continued)*

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

7. INVENTORIES *(continued)*

The movements of inventory provision are as follows:

2013	At		Reductions		At 31 December
	1 January	Additions	Reversal	Write-off	
Raw materials	54,027,114	71,303,031	(45,947,727)	(3,201,656)	76,180,762
Work in progress	2,265,501	5,140,406	(479,056)	(5,154,521)	1,772,330
Finished goods	5,637,058	38,705,981	(1,300,883)	(30,755,834)	12,286,322
Total	61,929,673	115,149,418	(47,727,666)	(39,112,011)	90,239,414

2012	At		Reductions		At 31 December
	1 January	Additions	Reversal	Write-off	
Raw materials	20,298,711	51,011,712	(15,727,838)	(1,555,471)	54,027,114
Work in progress	—	2,265,501	—	—	2,265,501
Finished goods	55,863,842	4,270,028	—	(54,496,812)	5,637,058
Total	76,162,553	57,547,241	(15,727,838)	(56,052,283)	61,929,673

2013	Basis of making provision of inventories	Reasons for reversal	Proportion of amount of reversal for the period to the closing balance of the relevant category of inventories
Raw materials	Defective and obsolete/ Decrease in market price of finished goods	Increase in market price of finished goods	0.186%
Work in progress	Decrease in market price of finished goods	Increase in market price of finished goods	0.015%
Finished goods	Decrease in market price	Increase in market price	1.253%

Notes to Financial Statements *(continued)*

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

7. INVENTORIES *(continued)*

2012	Basis of making provision of inventories	Reasons for reversal	Proportion of amount of reversal for the period to the closing balance of the relevant category of inventories
Raw materials	Defective and obsolete/ Decrease of market price of finished goods	Increase in market price of finished goods	0.271%
Work in progress	Decrease in market price of finished goods	—	—
Finished goods	Decrease in market price	—	—

As at 31 December 2013, inventories with a carrying amount of RMB575,977,286 (31 December 2012: Nil) were pledged as collateral. Details are disclosed in Note V 21.

8. OTHER CURRENT ASSETS

	2013	2012
Deposit for forward contracts	187,652,816	216,534,083
Deposit for gold transactions	7,094,787	127,868,263
Liquid cash for forward contracts	34,682,361	61,731,578
Deductible taxes (Note 1)	445,835,700	247,108,002
Others	75,946,599	33,764,692
	751,212,263	687,006,618

Note 1: Balance represented the recoverable amount of value-added tax and corporate income tax prepaid by the Group.

Notes to Financial Statements *(continued)*

For the year ended 31 December 2013

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

9. AVAILABLE-FOR-SALE INVESTMENTS

	2013	2012
Convertible bond investments of listed companies, at fair value Nkwe Platinum Limited ("NKWE")	38,099,842	—
Equity investments of listed companies, at fair value Hong Kong:		
China Hanking Holdings Limited	95,341,909	120,792,649
G-Resources Group Limited	—	31,372,378
	95,341,909	152,165,027
Other regions:		
Aquarius Platinum Limited	3,985,829	5,405,331
Jayden Resources Inc.	—	1,731,531
Equitas Resources Corp.	2,064,175	851,132
NKWE	11,483,318	—
Glencore International Corp.	192,648,928	415,860,477
	210,182,250	423,848,471
	343,624,001	576,013,498

	2013			2012		
	Available-for-sale equity instruments	Available-for-sale debt instruments	Total	Available-for-sale equity instruments	Available-for-sale debt instruments	Total
Cost of equity instruments/amortised cost of debt instruments	459,306,431	38,099,842	497,406,273	809,776,860	—	809,776,860
Fair value	305,524,159	38,099,842	343,624,001	576,013,498	—	576,013,498
Accumulated changes in fair value recognised as other comprehensive income	(22,712,755)	—	(22,712,755)	(119,788,303)	—	(119,788,303)
Carrying amount of accumulated impairment provision	(131,069,517)	—	(131,069,517)	(113,975,059)	—	(113,975,059)
Impairment provision at 1 January	(113,975,059)	—	(113,975,059)	—	—	—
Additions	(92,013,456)	—	(92,013,456)	(113,975,059)	—	(113,975,059)
<i>Including: transfer from other comprehensive income</i>	(92,013,456)	—	(92,013,456)	(113,975,059)	—	(113,975,059)
Reductions	74,918,998	—	74,918,998	—	—	—
<i>Including: reversal of impairment losses due to recovery of fair value</i>	—	—	—	—	—	—
Impairment provision at 31 December	(131,069,517)	—	(131,069,517)	(113,975,059)	—	(113,975,059)

Notes to Financial Statements *(continued)*

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

10. INVESTMENTS OF JOINT VENTURES AND ASSOCIATES

2013

Name of entity	Type of entities	Place of incorporation/ registration	Legal representative	Principal activities	Registered capital	Proportion of equity interest	Proportion of voting powers	Proportion of profit sharing	Organisation code
JOINT VENTURES									
Shandong Guoda Gold Company Limited ("Shandong Guoda") (Note 1)	Joint stock liability limited company	Zhaoyuan City, Shandong Province	Xu Yongxiang	Production and sales of gold, silver, copper cathode and vitriol	173,430,000	30.05%	30.05%	30.05%	26714066-X
Xiamen Zijin Zhonghang	Limited liability company	Xiamen City, Fujian Province	Zhao Shiyong	Operation and management of real estate development, property management, business information consulting services, marketing and technology consulting	250,000,000	50%	50%	50%	58128530-6
Gold Eagle Mining Investment Company Limited ("Gold Eagle Mining") (Note 2)	Limited liability company	Hong Kong	N/A	Trading and investment	HKD10,000	45%	45%	45%	N/A
Guizhou Southwest Zijin Gold Development Company Limited ("Southwest Zijin Gold")	Limited liability company	Zhenfeng County, Guizhou Province	Chen Henshui	Research and development of manufacturing technology, design and processing, wholesale, retail, acquisitions, repurchases, consulting services of precious metals and jewellery products	100,000,000	50%	50%	50%	06575645-8
Gold Mountains Sprott Capital Management Limited ("Gold Mountains Sprott") (Note 3)	Limited liability Company	Cayman Islands, England	N/A	Fund management	HKD50,000	60%	50%	60%	N/A
Sprott-Zijin Mining Fund ("Sprott Fund") (Note 3)	Limited liability company	Cayman Islands, England	N/A	Fund raising and investment	HKD50,000	90.9%	50%	90.9%	N/A
Fujian Longhu Fishery Ecological Development Co., Ltd. ("Fujian Longhu Fishery") (Note 4)	Limited liability company	Longyan City, Fujian Province	Chen Lunan	Ecological aquaculture, fishing, aquatic products processing, recreational fishing, tourism, tourism real estate development	21,500,000	51%	51%	51%	08164974-0
ASSOCIATES									
Fujian Makeng Mining Joint Stock Company Limited ("Longyan Makeng")	Joint stock liability limited company	Longyan City, Fujian Province	Jiang Yifeng	Iron and molybdenum mining	600,000,000	31.5%	31.5%	31.5%	15783021-3
Shanghang Tingjiang Hydro Power Company Limited ("Tingjiang Hydro Power")	Limited liability company	Shanghang County, Fujian Province	Zhang Huaming	Hydroelectric power	69,000,000	49%	49%	49%	76179780-0
Tibet Yulong Copper Joint Stock Company Limited ("Tibet Yulong")	Joint stock liability limited company	Changdu County, Changdu Prefecture, Tibet Autonomous Region	Wang Shangzhen	Copper mining and geological studies	625,000,000	22%	22%	22%	74192416-3

Notes to Financial Statements *(continued)*

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

10. INVESTMENTS OF JOINT VENTURES AND ASSOCIATES *(continued)*

2013 *(continued)*

Name of entity	Type of entities	Place of incorporation/ registration	Legal representative	Principal activities	Registered capital	Proportion of equity interest	Proportion of voting powers	Proportion of profit sharing	Organisation code
ASSOCIATES <i>(continued)</i>									
Fujian Province Wuping Zijin Hydro Power Company Limited ("Wuping Zijin Hydro power")	Limited liability Company	Wuping County, Fujian Province	Chen Jiayuan	Hydroelectric power and investment in hydro power industry	60,000,000	48%	48%	48%	77290454-4
Zijin Tongguan	Limited liability company	Xiamen City, Fujian Province	Huang Xiaodong	Investment holding of mining companies, wholesale and retail of mineral products	1,350,000,000	45%	45%	45%	79125452-4
Fujian Haixia Technology Joint Stock Company Limited ("Haixia Technology")	Joint stock liability limited company	Yongan City, Fujian Province	Chen Rongguang	Production of dynamite	231,500,000	28%	28%	28%	66508896-7
Hunchun Jindi Mining Company Limited ("Hunchun Jindi")	Joint stock liability limited company	Hunchun City, Yanbian Korean Autonomous Prefecture	Liu Shouhua	Analysis and testing of mineral geology exploration, technology development, consulting and transfer, sales of mineral products	100,000,000	40%	40%	40%	66428790-5
Songpan County Zijin Industrial and Trading Company Limited ("Songpan Zijin")	Limited liability company	Songpan County, Ngawa Tibetan and Qiang Autonomous Prefecture	Lv Shigui	Sales of industrial materials, equipment and instruments, development and sales of general machinery	80,000,000	34%	34%	34%	77296409-6
Yanbianzhou SMEs Credit Security Investment Company Limited ("Yanbian Credit Security")	Limited liability company	Yanbian Korean Autonomous Prefecture	Ning Xin	Provide loan guarantees for SMEs and individuals	200,000,000	25%	25%	25%	66425741-5
Luoyang Huayin Guarantee Investment Company Limited ("Luoyang Huayin")	Limited liability company	Luoyang City, Henan Province	Ma Yinshuan	Providing guarantee for financing, bill discounted acceptance and performance	10,000,000	20%	20%	20%	66094514-9
Shanghang Xinyuan Water Company Limited ("Shanghang Xinyuan")	Limited liability company	Shanghang County, Fujian Province	Qiu Zhiqiang	Pipe water supply	300,000,000	38%	38%	38%	77066619-1
Wancheng Commercial	Limited liability company	Urad Rear Banner, Bayannur City, Inner Mongolia	Shi Mingliang	Mining, processing and sales of zinc, lead, vitriol, copper and iron	73,440,000	47.5%	47.5%	47.5%	72018822-4
Xiamen Modern Terminals Company Limited ("Xiamen Modern Terminals")	Limited liability company	Xiamen City, Fujian Province	Zhang Shuili	Logistics services (operated with approved license), storage, dock construction	355,580,000	25%	25%	25%	77604426-2
Xinjiang Wuxin Copper Company Limited ("Wuxin Copper")	Limited liability company	Fukang City, Xinjiang	Sun Baohui	Sales, processing and refinery of copper, gold, silver and other non-ferrous metals	830,000,000	34%	34%	34%	68959791-8
Xinjiang Buerjin County Kanas Travel Company Limited ("Xinjiang Kanas")	Joint stock liability limited company	Buerjin County, Xinjiang	Wu Jiangyong	Catering and travel services	107,000,000	25%	25%	25%	23094142-0
Xinjiang Tianlong Mining Company Limited ("Xinjiang Tianlong")	Joint stock liability limited company	Fukang City, Xinjiang	Liu kaiwen	Limestone mining, cement production, intensive processing and refining of non-ferrous metals	868,935,192	17.16%	17.16%	17.16%	72235510-2

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

10. INVESTMENTS OF JOINT VENTURES AND ASSOCIATES *(continued)*

2013 *(continued)*

Name of entity	Type of entities	Place of incorporation/ registration	Legal representative	Principal activities	Registered capital	Proportion of equity interest	Proportion of voting powers	Proportion of profit sharing	Organisation code
ASSOCIATES <i>(continued)</i>									
Wengfu Zijin Chemical Industry Company Limited ("Wengfu Zijin")	Joint stock liability limited company	Shanghang County, Fujian Province	He Qin	Production of monoammonium phosphate, diammonium hydrogen phosphate, gypsum block, and cement additive (under development)	782,000,000	38.87%	38.87%	38.87%	55508854-4
Qinghai Copper Company Limited ("Qinghai Copper")	Limited liability company	Xining City, Qinghai Province	Liu Zhaoheng	Refinery of copper	800,000,000	30%	30%	30%	56493886-2
Kuitun Yutong Logistics Company Limited ("Kuitun Yutong")	Limited liability company	Kuitun City, Xinjiang	Dong Fenglin	Logistics and transportation service	5,000,000	20%	20%	20%	58933582-2
Longyan Zijin AVIC Real Estate Development Company Limited ("Longyan Zijin AVIC")	Limited liability company	Longyan City, Fujian Province	Li Shuhua	Operation and management of real estate development, property management, parking service	10,000,000	49%	49%	49%	08740342-6

2012

Name of entity	Type of entities	Place of incorporation/ registration	Legal representative	Principal activities	Registered capital	Proportion of equity interest	Proportion of voting powers	Proportion of profit sharing	Organisation code
JOINT VENTURES									
Shandong Guoda (Note 1)	Joint stock liability limited company	Zhaoyuan City, Shandong Province	Xu Yongxiang	Production and sales of gold, silver, copper cathode and vitriol	173,430,000	30.05%	30.05%	30.05%	26714066-X
Xiamen Zijin Zhonghang	Limited liability Company	Xiamen City, Fujian Province	Zhao Shiyong	Operation and management of real estate development, property management, business information consulting services, marketing and technology consulting	250,000,000	50%	50%	50%	58128530-6
Xinjiang Aletai Zijin Tebian Company Limited ("Zijin Tebian")	Limited liability company	Altay City, Xinjiang	Zhang Duanping	Sales and processing of ferrous metals and non-ferrous metals	40,000,000	50%	50%	50%	58023132-2
Gold Eagle Mining (Note 2)	Limited liability Company	Hong Kong	N/A	Trading and investment	HKD10,000	45%	45%	45%	N/A

Notes to Financial Statements *(continued)*

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

10. INVESTMENTS OF JOINT VENTURES AND ASSOCIATES *(continued)*

2012 *(continued)*

Name of entity	Type of entities	Place of incorporation/ registration	Legal representative	Principal activities	Registered capital	Proportion of equity interest	Proportion of voting powers	Proportion of profit sharing	Organisation code
ASSOCIATES									
Longyan Makeng	Joint stock liability limited company	Longyan City, Fujian Province	Jiang Yifeng	Iron and molybdenum mining	520,000,000	31.5%	31.5%	31.5%	15783021-3
Tingjiang Hydro Power	Limited liability company	Shanghang County, Fujian Province	Zhang Huaming	Hydroelectric power	69,000,000	49%	49%	49%	76179780-0
Tibet Yulong	Joint stock liability limited company	Changdu County, Changdu Prefecture, Tibet Autonomous Region	Wang Shangzhen	Copper mineral and geological studies	625,000,000	22%	22%	22%	74192416-3
Wuping Zijin Hydro Power	Limited liability company	Wuping County, Fujian Province	Chen Jiayuan	Hydroelectric power and investment in hydro power industry	60,000,000	48%	48%	48%	77290454-4
Zijin Tongguan	Limited liability company	Xiamen City, Fujian Province	Huang Xiaodong	Investment holding of mining companies, wholesale and retail of mineral products	1,350,000,000	45%	45%	45%	79125452-4
Haixia Technology	Joint stock liability limited company	Yongan City, Fujian Province	Chen Rongguang	Production of dynamite	231,500,000	28%	28%	28%	66508896-7
Hunchun Jindi	Joint stock liability limited company	Hunchun City, Yanbian Korean Autonomous Prefecture	Liu Shouhua	Analysis and testing of mineral geology exploration, technology development and transfer, sales of mineral products	100,000,000	40%	40%	40%	66428790-5
Songpan Zijin	Limited liability company	Songpan County, Ngawa Tibetan and Qiang Autonomous Prefecture	Lv Shigui	Sales of industrial materials, equipment and instruments, development and sales of general machinery	80,000,000	34%	34%	34%	77296409-6
Yanbian Credit Security	Limited liability Company	Yanbian Korean Autonomous Prefecture	Ning Xin	Provide loan guarantees for SMEs and individuals	200,000,000	25%	25%	25%	66425741-5
Luoyang Huayin	Limited liability company	Luoyang City, Henan Province	Ma Yinshuan	Providing guarantee for financing, bill discounted acceptance and performance	10,000,000	20%	20%	20%	66094514-9
Shanghang Xinyuan	Limited liability company	Shanghang County, Fujian Province	Qiu Zhiqiang	Pipe water supply	300,000,000	38%	38%	38%	77066619-1
Wancheng Commercial	Limited liability company	Urad Rear Banner, Bayannur City, Inner Mongolia	Shi Mingliang	Mining, processing and sales of zinc, lead, vitriol, copper and iron	12,000,000	47.5%	47.5%	47.5%	72018822-4

Notes to Financial Statements *(continued)*

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

10. INVESTMENTS OF JOINT VENTURES AND ASSOCIATES *(continued)*

2012 *(continued)*

Name of entity	Type of entities	Place of incorporation/ registration	Legal representative	Principal activities	Registered capital	Proportion of equity interest	Proportion of voting powers	Proportion of profit sharing	Organisation code
ASSOCIATES <i>(continued)</i>									
Xiamen Modern Terminals	Limited liability company	Xiamen City, Fujian Province	Zhang Shuili	Logistics services (operated with approved license), storage, dock construction	355,580,000	25%	25%	25%	77604426-2
Wuxin Copper	Limited liability company	Fukang City, Xinjiang	Sun Baohui	Sales, processing and refinery of copper, gold, silver and other non-ferrous metals	790,000,000	34%	34%	34%	68959791-8
Xinjiang Kanas	Joint stock liability limited company	Buerjin County, Xinjiang	Wu Jianguo	Catering and travel services	107,000,000	25%	25%	25%	23094142-0
Xinjiang Tianlong	Joint stock liability limited company	Fukang City, Xinjiang	Liu Kaiwen	Limestone mining, cement production, intensive processing and refining of non-ferrous metals	752,824,956	23.0335%	23.0335%	23.0335%	72235510-2
Wengfu Zijin	Joint stock liability limited company	Shanghang County, Fujian Province	He Qin	Production of monoammonium phosphate, diammonium hydrogen phosphate, gypsum block, and cement additive (under development)	500,000,000	38%	38%	38%	55508854-4
Casa Mining Ltd. ("Casa Mining") (Note 5)	Associates	British Virgin Islands	N/A	Mining, refinery and sales of mineral products	USD50,000	21.9%	21.9%	21.9%	N/A
Solantera Resources Ltd. ("Solantera Resources") (Note 5)	Associates	Mauritius	N/A	Mining, refinery and sales of mineral products	USD8,874	30%	30%	30%	N/A
Qinghai Copper	Limited liability Company	Xining City, Qinghai Province	Liu Zhaoheng	Refinery of copper	800,000,000	30%	30%	30%	56493886-2
Kuitun Yutong	Limited liability company	Kuitun City, Xinjiang	Dong Fenglin	Logistics and transportation service	5,000,000	20%	20%	20%	58933582-2

Notes to Financial Statements *(continued)*

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

10. INVESTMENTS OF JOINT VENTURES AND ASSOCIATES *(continued)*

2013

	Proportion of equity interest	Proportion of voting powers	Total assets 31 December 2013	Total liabilities 31 December 2013	Total net assets 31 December 2013	Operating income Year 2013	Net profit/(loss) Year 2013
Joint ventures							
Shandong Guoda (Note 1)	30.05%	30.05%	1,071,031,984	462,563,495	608,468,489	2,073,687,860	56,059,877
Xiamen Zijin Zhonghang	50%	50%	861,394,544	629,858,268	231,536,276	11,773,776	(16,905,006)
Gold Eagle Mining (Note 2)	45%	45%	3,110,171,469	498,720,861	2,611,450,608	—	(47,388,465)
Southwest Zijin Gold	50%	50%	47,465,796	620,639	46,845,157	430,387,477	(3,154,843)
Gold Mountains Sprott (Note 3)	60%	50%	3,072,256	1,224,759	1,847,497	3,280,725	1,841,349
Sprott Fund (Note 3)	90.90%	50%	642,993,008	2,270,236	640,722,772	668,080	(31,030,782)
Fujian Longhu Fishery (Note 4)	51%	51%	21,275,021	540	21,274,481	—	(225,519)
Associates							
Longyan Makeng	31.50%	31.50%	2,924,186,186	2,140,339,818	783,846,368	631,768,353	105,276,537
Tingjiang Hydro Power	49%	49%	224,691,397	135,656,744	89,034,653	16,570,480	8,002,374
Tibet Yulong	22%	22%	3,525,681,871	3,072,458,812	453,223,059	116,396,794	78,580,763
Wuping Zijin Hydro Power	48%	48%	131,550,411	47,384,873	84,165,538	27,542,631	9,882,514
Zijin Tongguan	45%	45%	1,081,105,096	360,451,158	720,653,938	—	(27,649,781)
Haixia Technology	28%	28%	1,129,643,157	433,640,000	696,003,157	1,071,660,000	143,763,000
Hunchun Jindi	40%	40%	88,459,756	66,240	88,393,516	107,533	(2,485,509)
Songpan Zijin	34%	34%	78,394,329	1,531,096	76,863,233	—	(159,183)
Yanbian Credit Security	25%	25%	459,041,181	208,097,406	250,943,775	38,679,366	18,465,287
Luoyang Huayin	20%	20%	10,642,260	1,461,000	9,181,260	—	(354)
Shanghang Xinyuan	38%	38%	580,710,291	280,605,977	300,104,314	8,745,577	27,482
Wancheng Commercial	47.50%	47.50%	274,116,963	127,288,064	146,828,899	420,593,922	169,649,601
Xiamen Modern Terminals	25%	25%	1,050,868,447	570,647,667	480,220,780	111,708,131	11,179,173
Wuxin Copper	34%	34%	3,803,681,876	3,005,384,767	798,297,109	8,817,194	(22,305,851)
Xinjiang Kanas	25%	25%	249,707,995	51,574,278	198,133,717	69,377,195	2,728,056
Xinjiang Tianlong	17.16%	17.16%	4,263,050,721	1,872,741,683	2,390,309,038	1,754,755,131	(44,163,810)
Wengfu Zijin	38.87%	38.87%	2,623,930,689	1,841,836,529	782,094,160	—	—
Qinghai Copper	30%	30%	626,101,006	466,101,006	160,000,000	—	—
Kuitun Yutong	20%	20%	12,679,699	8,632,009	4,047,690	4,476,945	(278,347)
Longyan Zijin AVIC	49%	49%	10,000,000	—	10,000,000	—	—

Notes to Financial Statements *(continued)*

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

10. INVESTMENTS OF JOINT VENTURES AND ASSOCIATES *(continued)*

2012

	Proportion of equity interest	Proportion of voting powers	Total assets 31 December 2012	Total liabilities 31 December 2012	Total net assets 31 December 2012	Operating income Year 2012	Net profit/(loss) Year 2012
Joint ventures							
Shandong Guoda (Note 1)	30.05%	30.05%	1,154,636,426	562,783,844	591,852,582	2,235,196,971	74,993,005
Xiamen Zijin Zhonghang	50%	50%	376,451,728	128,010,446	248,441,282	12,700,000	(742,882)
Zijin Tebian	50%	50%	36,959,012	165,092	36,793,920	—	(2,579,696)
Gold Eagle Mining (Note 2)	45%	45%	3,149,150,099	490,309,217	2,658,840,882	—	(29,796,055)
Associates							
Longyan Makeng	31.5%	31.5%	2,829,976,852	2,141,927,367	688,049,485	461,850,961	99,037,885
Tingjiang Hydro Power	49%	49%	187,797,791	106,765,512	81,032,279	20,753,629	10,609,239
Tibet Yulong	22%	22%	3,337,364,041	2,488,931,434	848,432,607	18,956,670	(2,286,004)
Wuping Zijin Hydro Power	48%	48%	132,691,274	58,408,249	74,283,025	25,844,523	8,316,843
Zijin Tongguan	45%	45%	1,642,332,114	311,427,543	1,330,904,571	—	19,324,392
Haixia Technology	28%	28%	978,430,000	334,670,000	643,760,000	961,860,000	126,000,000
Hunchun Jindi	40%	40%	91,052,731	169,837	90,882,894	—	(2,120,996)
Songpan Zijin	34%	34%	78,243,871	455,907	77,787,964	—	(91,102)
Yanbian Credit Security	25%	25%	354,590,192	119,408,750	235,181,442	29,192,628	17,386,532
Luoyang Huayin	20%	20%	10,642,260	1,461,000	9,181,260	—	—
Shanghang Xinyuan	38%	38%	574,069,758	274,096,948	299,972,810	8,413,138	26,650
Wancheng Commercial	47.5%	47.5%	338,518,332	226,884,323	111,634,009	525,385,899	248,461,686
Xiamen Modern Terminals	25%	25%	978,658,199	602,853,828	375,804,371	101,155,333	613,235
Wuxin Copper	34%	34%	1,736,535,716	957,379,356	779,156,360	868,872	(7,141,306)
Xinjiang Kanas	25%	25%	266,438,246	59,704,743	206,733,503	174,394,280	32,007,832
Xinjiang Tianlong	23.0335%	23.0335%	3,387,782,207	1,420,849,377	1,966,932,830	659,740,615	75,999,677
Wengfu Zijin	38%	38%	2,103,221,239	1,603,221,239	500,000,000	—	—
Casa Mining (Note 5)	21.9%	21.9%	124,584,896	6,002,653	118,582,243	—	(47,046,968)
Solantera Resources (Note 5)	30%	30%	6,970,620	125,716	6,844,904	—	(182,262)
Qinghai Copper	30%	30%	621,345,474	461,345,474	160,000,000	—	—
Kuitun Yutong	20%	20%	6,841,226	2,482,592	4,358,634	—	(641,366)

Notes to Financial Statements *(continued)*

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

10. INVESTMENTS OF JOINT VENTURES AND ASSOCIATES *(continued)*

Note 1: Pursuant to the Articles of Association of Shandong Guoda, the board of directors consists of five directors, including two appointed by the Group and three appointed by Zhaojin Group Zhaoyuan Gold Refinery Company Limited. The operating decisions of Shandong Guoda are effective only when approved by over two thirds of the directors. Therefore, the management considers that the Group has joint control over Shandong Guoda, and still accounts for it as a joint venture.

Note 2: Pursuant to the Shareholders' Agreement, Gold Eagle Mining's board of directors consists of five directors, including two appointed by the Group and three appointed by Jinchuan Group. The operating decisions of Gold Eagle Mining are effective only when approved by over two-thirds of the directors. Therefore, the management considers that the Group has joint control over Gold Eagle Mining, and accounted for it as a joint venture.

Note 3: On 19 March 2013, the Group entered into the Joint Venture Agreement relating to the establishment and management of Sprott-Zijin Mining Fund with Sprott. Pursuant to the Joint Venture Agreement, Jinyu (H.K.) International Mining Company Limited ("Jinyu H.K."), a wholly-owned subsidiary of the Company, and Sprott Asia L.P. ("Sprott Asia"), an affiliated enterprise of Sprott, jointly invested to establish Gold Mountains Sprott on 13 June 2013, in the respective shareholding ratios of 60% and 40%. Sprott Fund was established on the same day. The management has determined that although the Group holds a 60% equity interest in Sprott Fund, according to the joint venture agreement, the board of directors must act upon the operation plans and budget approved by both parties, and any changes or issues that exceed operation plans or budget should be approved by both parties as well. Therefore, the management considers that the Group could not unilaterally control the operations and decision-making of Gold Mountains Sprott, which requires the unanimous consent of the two parties. Gold Mountains Sprott is under joint control of the Group and Sprott Asia. As such, the Group accounts for Gold Mountains Sprott as a joint venture. Pursuant to the Joint Venture Agreement and the Article of Association, the management considers that the Group and Sprott Asia have common voting powers over Sprott Fund, and enjoy investment gains jointly. Meanwhile, any party cannot execute its power to influence the gains unless both parties reach a consensus. As such, the Group accounts for Sprott Fund as a joint venture.

Note 4: On 20 November 2013, Yongding Zijin Longhu Ecological Industry Development Co.,Ltd. ("Zijin Longhu"), a subsidiary of the Group, and Fujian Haixia Kejia Investment & Development Group Co.,Ltd. jointly funded the establishment of Fujian Longhu Fishery, Zijin Longhu invested RMB11,000,000, holding a 51% equity interest in Fujian Longhu Fishery. Pursuant to the Articles of Association of Fujian Longhu Fishery, the board of directors consists of three directors, including two appointed by the Group and one appointed by Fujian Haixia Kejia Investment & Development Group Co.,Ltd. The operating decisions are effective only when approved by over two-thirds (excluding two-thirds) of the directors. Therefore, the management considers that the Group has joint control over Fujian Longhu Fishery, and accounts for it as a joint venture.

Note 5: In 2013, Casa Mining and Solantera Resources issued new shares, and the total number of shares increased from 1,215,869 and 887,138 to 3,293,339 and 4,700,134, respectively. The Group did not increase its investment in proportion. As such the equity interests held by the Group were diluted from 21.9% and 30% to 8.09% and 5.67%, respectively. The Group does not have significant influence on Casa Mining and Solantera Resources. Therefore, the management changes the accounting methods for the investments in Casa Mining and Solantera Resources from the equity method to the cost method.

The significant joint ventures of the Group include Shandong Guoda, Xiamen Zijin Zhonghang and Gold Eagle Mining, which are accounted for using the equity method.

Notes to Financial Statements *(continued)*

For the year ended 31 December 2013

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

10. INVESTMENTS OF JOINT VENTURES AND ASSOCIATES *(continued)*

The financial information of the above joint ventures is as follows, which was adjusted to book value as the consolidated financial statements in accordance with the Group's accounting policies:

2013

	Shandong Guoda	Xiamen Zijin Zhonghang	Gold Eagle Mining
Cash and cash equivalents	122,804,680	468,359,579	151,122,986
Other current assets	535,334,031	392,412,397	45,211,342
Total current assets	658,138,711	860,771,976	196,334,328
Total non-current assets	412,893,273	622,568	2,913,837,141
Financial liabilities, excluding trade payables and other payables	(380,193,694)	—	—
Other current liabilities	(73,554,652)	(569,476,061)	(433,443,492)
Total current liabilities	(453,748,346)	(569,476,061)	(433,443,492)
Total non-current liabilities	(8,815,149)	(60,382,207)	(65,277,369)
Net assets	608,468,489	231,536,276	2,611,450,608
Net assets, excluding goodwill	608,468,489	231,536,276	2,611,450,608
Adjusted to the Group's equity interest in the joint venture:			
Proportion of equity interest	30.05%	50%	45%
Share of net assets, excluding goodwill	182,844,781	115,768,138	1,175,152,774
Goodwill arising on acquisition (except accumulated impairment)	—	—	—
Book value of equity investments	182,844,781	115,768,138	1,175,152,774
Operating income	2,073,687,860	11,773,776	—
Interest Income	—	2,167,696	2,860,683
Depreciation and amortisation expenses	34,846,213	149,361	1,974,271
Interest expenses	20,768,807	19,431	12,445,055
Income tax expenses	17,782,798	95,516	—
Net profit/(loss)	56,059,877	(16,905,006)	(47,388,465)
Other comprehensive income	—	—	—
Total comprehensive income/(loss)	56,059,877	(16,905,006)	(47,388,465)
Dividends received	—	—	—

Notes to Financial Statements *(continued)*

For the year ended 31 December 2013

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

10. INVESTMENTS OF JOINT VENTURES AND ASSOCIATES *(continued)*

The financial information of the above joint ventures is as follows, which was adjusted to book value as the consolidated financial statements in accordance with the Group's accounting policies *(continued)*:

2012

	Shandong Guoda	Xiamen Zijin Zhonghang	Gold Eagle Mining
Cash and cash equivalents	120,329,014	90,681,521	274,872,326
Other current assets	588,153,563	285,157,864	8,870,279
Total current assets	708,482,577	375,839,385	283,742,605
Total non-current assets	406,835,829	612,343	2,865,407,494
Financial liability, excluding trade payables and other payables	(403,193,694)	—	—
Other current liabilities	(149,325,303)	(9,768,946)	(486,636,837)
Total current liabilities	(552,518,997)	(9,768,946)	(486,636,837)
Total non-current liabilities	(10,264,847)	(118,241,500)	(3,672,380)
Net assets	552,534,562	248,441,282	2,658,840,882
Net assets, excluding goodwill	552,534,562	248,441,282	2,658,840,882
Adjusted to the Group's equity interest in the joint venture:			
Proportion of equity interest	30.05%	50%	45%
Share of net assets, excluding goodwill	166,036,636	124,220,641	1,196,478,397
Goodwill arising on acquisition (except accumulated impairment)	—	—	—
Book value of equity investments	166,036,636	124,220,641	1,196,478,397
Operating income	2,235,196,971	12,700,000	—
Interest Income	—	9	71,358
Depreciation and amortisation expenses	34,902,026	111,060	1,838,315
Interest expenses	25,869,447	—	7,594,213
Income tax expenses	25,106,726	—	—
Net profit/(loss)	74,993,005	(742,882)	(29,796,055)
Other comprehensive income	—	—	—
Total comprehensive income	74,993,005	(742,882)	(29,796,055)
Dividends received	—	—	—

The following table illustrates the aggregate financial information of the Group's joint ventures that are not individually material:

	2013	2012
Share of net losses of joint ventures	(28,794,608)	(1,289,848)
Share of other comprehensive income of joint ventures	—	—
Share of total comprehensive loss of joint ventures	(28,794,608)	(1,289,848)
Aggregate book value of the Group's investments in joint ventures	617,833,061	18,710,152

Notes to Financial Statements *(continued)*

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

10. INVESTMENTS OF JOINT VENTURES AND ASSOCIATES *(continued)*

The significant associates of the Group include Haixia Technology, Longyan Makeng, Tibet Yulong, Zijin Tongguan, Xiamen Modern Terminals, Wuxin Copper, Xinjiang Tianlong and Wengfu Zijin, which are accounted for using the equity method.

The financial information of the above associates is as follows, which was adjusted to book value as the consolidated financial statements in accordance with the Group's accounting policies:

2013

	Longyan Makeng	Tibet Yulong	Zijin Tongguan	Haixia Technology	Xiamen Modern Terminals	Wuxin Copper	Xinjiang Tianlong	Wengfu Zijin
Cash and cash equivalents	144,147,264	126,936,892	39,582,362	155,420,000	38,774,837	251,365,180	35,305,717	46,230,411
Other current assets	175,957,910	142,825,912	2,078,812	336,790,000	13,338,413	1,083,811,972	927,965,876	389,926,118
Total current assets	320,105,174	269,762,804	41,661,174	492,210,000	52,113,250	1,335,177,152	963,271,593	436,156,529
Total non-current assets	2,604,081,012	3,255,919,067	1,039,443,922	637,433,157	998,755,197	2,468,504,724	3,299,779,128	2,187,774,160
Financial liability, excluding trade payables and other payables	(642,668,587)	(7,054,620)	—	(167,000,000)	—	(731,384,093)	(849,503,153)	(309,860,758)
Other current liabilities	(137,947,469)	(1,255,181,633)	(335,857,678)	(206,850,000)	(43,207,667)	(428,997,674)	(425,025,800)	(405,468,790)
Total current liabilities	(780,616,056)	(1,262,236,253)	(335,857,678)	(373,850,000)	(43,207,667)	(1,160,381,767)	(1,274,528,953)	(715,329,548)
Total non-current liabilities	(1,359,723,762)	(1,810,222,559)	(24,593,480)	(59,790,000)	(527,440,000)	(1,845,003,000)	(598,212,730)	(1,126,506,981)
Net assets	783,846,368	453,223,059	720,653,938	696,003,157	480,220,780	798,297,109	2,390,309,038	782,094,160
Net assets, excluding goodwill	783,846,368	453,223,059	720,653,938	696,003,157	480,220,780	798,297,109	2,390,309,038	782,094,160
Adjusted to the Group's equity interest in the associate:								
Proportion of equity interest	31.5%	22%	45%	28%	25%	34%	17.16%	38.87%
Share of net assets, excluding goodwill	246,911,606	99,709,073	324,294,272	194,880,884	120,055,195	271,421,017	410,177,031	304,000,000
Goodwill arising on acquisition (except accumulated impairment)	—	—	—	—	—	—	—	—
Book value of equity investments	246,911,606	99,709,073	324,294,272	194,880,884	120,055,195	271,421,017	410,177,031	304,000,000
Operating income	631,768,353	116,396,794	—	1,071,660,000	111,708,131	8,817,194	1,754,755,131	—
Interest Income	1,013,656	—	13,115,861	358,685	1,129,358	927,232	749,358	—
Depreciation and amortisation expenses	98,633,888	37,002,968	—	45,766,898	23,141,723	1,264,629	605,299,430	2,864,414
Interest expenses	43,713,221	153,617,645	—	10,558,514	33,646,626	4,540,914	48,623,756	—
Income tax expenses	35,722,244	—	—	36,777,000	122,436	—	971,474	—
Net profit/(loss)	105,276,537	78,580,763	(27,649,781)	143,763,000	11,179,173	(22,305,851)	(44,163,810)	—
Other comprehensive income	—	—	—	—	—	—	—	—
Total comprehensive income/(loss)	105,276,537	78,580,763	(27,649,781)	143,763,000	11,179,173	(22,305,851)	(44,163,810)	—
Dividends received	25,200,000	—	—	9,660,495	—	—	—	—

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

10. INVESTMENTS OF JOINT VENTURES AND ASSOCIATES *(continued)*

The financial information of the above associates is as follows, which was adjusted to book value as the consolidated financial statements in accordance with the Group's accounting policies *(continued)*:

2012

	Longyan Makeng	Tibet Yulong	Zijin Tongguan	Haixia Technology	Xiamen Modern Terminals	Wuxin Copper	Xinjiang Tianlong	Wengfu Zijin
Cash and cash equivalents	368,834,045	267,193,137	10,606,215	147,570,000	55,526,370	67,491,698	345,574,474	192,079,987
Other current assets	114,241,195	69,952,116	5,703,751	278,630,000	19,793,778	136,770,833	643,314,746	171,713,968
Total current assets	483,075,240	337,145,253	16,309,966	426,200,000	75,320,148	204,262,531	988,889,220	363,793,955
Total non-current assets	2,337,421,959	2,526,428,476	1,405,104,816	521,932,686	996,575,289	1,532,194,840	2,248,131,451	1,739,427,283
Financial liability, excluding trade payables and other payables	(536,800,000)	(100,000,000)	—	(177,800,000)	—	(204,117,209)	(591,506,858)	(20,000,000)
Other current liabilities	(244,245,755)	(1,912,938,086)	(287,921,597)	(139,610,000)	(52,853,829)	(285,659,147)	(310,423,524)	(203,106,140)
Total current liabilities	(781,045,755)	(2,012,938,086)	(287,921,597)	(317,410,000)	(52,853,829)	(489,776,356)	(901,930,382)	(223,106,140)
Total non-current liabilities	(1,360,881,612)	(475,993,348)	(23,505,947)	(17,260,000)	(550,000,000)	(467,603,000)	(518,918,995)	(1,380,115,098)
Net assets	678,569,832	374,642,295	1,109,987,238	613,462,686	469,041,608	779,078,015	1,816,171,294	500,000,000
Net assets, excluding goodwill	678,569,832	374,642,295	1,109,987,238	613,462,686	469,041,608	779,078,015	1,816,171,294	500,000,000
Adjusted to the Group's equity interest in the associate:								
Proportion of equity interest	31.5%	22%	45%	28%	25%	34%	23.0335%	38%
Share of net assets, excluding goodwill	213,749,497	82,421,305	499,494,257	171,769,552	117,260,402	264,886,525	418,327,815	190,000,000
Goodwill arising on acquisition (except accumulated impairment)	—	—	—	—	—	—	—	—
Book value of equity investments	213,749,497	82,421,305	499,494,257	171,769,552	117,260,402	264,886,525	418,327,815	190,000,000
Operating income	461,850,961	18,956,670	—	961,860,000	101,155,333	868,872	659,740,615	—
Interest Income	178,654	—	6,310,742	816,835	74,831	1,301,925	330,195	—
Depreciation and amortisation expenses	66,952,807	29,979,072	—	37,067,760	22,050,025	499,674	467,078,622	1,065,820
Interest expenses	11,227,962	117,068,716	—	11,939,850	33,792,165	—	6,447,582	—
Income tax expenses	—	—	—	—	—	—	—	—
Net profit/(loss)	99,037,885	(2,286,004)	19,324,392	126,000,000	613,235	(7,141,306)	75,999,677	—
Other comprehensive income	—	—	—	—	—	—	—	—
Total comprehensive income/(loss)	99,037,885	(2,286,004)	19,324,392	126,000,000	613,235	(7,141,306)	75,999,677	—
Dividends received	—	—	—	9,660,495	—	—	—	—

The following table illustrates the aggregate financial information of the Group's associates that are not individually material:

	2013	2012
Share of net profits of associates	93,453,043	128,203,020
Share of other comprehensive income of associates	—	—
Share of total comprehensive income of associates	93,453,043	128,203,020
Aggregate book value of the Group's investments in associates	616,110,104	639,802,707

Notes to Financial Statements *(continued)*

For the year ended 31 December 2013

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

11. LONG-TERM EQUITY INVESTMENTS

2013

	Investment cost	At 1 January 2013	Additions	Reductions	Including: cash dividends received	At 31 December 2013
Long-term equity investments under the equity method:						
Joint ventures	2,038,304,784	1,517,796,681	664,896,491	(78,743,563)	—	2,103,949,609
Associates	2,551,395,497	2,597,712,060	348,635,494	(196,030,788)	(116,567,495)	2,750,316,766
Long-term equity investments under the cost method	354,992,483	307,494,564	74,208,342	—	—	381,702,906
Less: Provision for impairment of long-term equity investments		12,350,855	189,468,007	—	—	201,818,862
		4,410,652,450	898,272,320	(274,774,351)	(116,567,495)	5,034,150,419

2012

	Investment cost	At 1 January 2012	Additions	Reductions	Including: cash dividends received	At 31 December 2012
Long-term equity investments under the equity method:						
Joint ventures	1,412,611,095	406,393,674	1,228,890,566	(117,487,559)	—	1,517,796,681
Associates	2,438,648,651	2,513,616,505	235,099,865	(151,004,310)	(109,610,495)	2,597,712,060
Long-term equity investments under the cost method	307,494,564	304,494,564	6,500,000	(3,500,000)	—	307,494,564
Less: Provision for impairment of long-term equity investments		20,571,332	—	(8,220,477)	—	12,350,855
		3,203,933,411	1,470,490,431	(263,771,392)	(109,610,495)	4,410,652,450

Notes to Financial Statements *(continued)*

For the year ended 31 December 2013

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

11. LONG-TERM EQUITY INVESTMENTS *(continued)*

Movements of provision for impairment losses of long-term equity investments:

2013	At	Additions for	Reductions		At
	1 January		the year	Reversal	Write-off
Joint venture – Shandong Guoda	12,350,855	—	—	—	12,350,855
Associates – Zijin Tongguan	—	162,757,584	—	—	162,757,584
Long-term equity investments under the cost method					
– Luoyang Yongning Gold and Lead Refinery Company Limited (“Yongning Gold and Lead”)	—	20,099,100	—	—	20,099,100
– Wulatehouqi Ruifeng Lead Refinery Company Limited (“Wulatehouqi Ruifeng”)	—	6,611,323	—	—	6,611,323
	—	26,710,423	—	—	26,710,423
	12,350,855	189,468,007	—	—	201,818,862

2012	At	Additions for	Reductions		At
	1 January		the year	Reductions	Write-off
Joint venture – Shandong Guoda	20,571,332	—	—	(8,220,477)	12,350,855

Notes to Financial Statements (continued)

For the year ended 31 December 2013

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

11. LONG-TERM EQUITY INVESTMENTS (continued)

Long-term equity investments under the equity method

2013

	Equity changes											
	Investment cost	At 1 January 2013	Changes in investment cost for the year	Equity changes			Other equities		Equity dilution	Provision for impairment losses		
				Changes for the year	Cash dividends	Accumulated changes	Changes for the year	Accumulated changes	Transfer to equity investments under cost method	Changes for the year	At 31 December 2013	At 31 December 2013
Joint ventures												
Shandong Guoda	57,724,473	166,036,636	—	16,808,145	—	137,471,163	—	—	—	—	(12,350,855)	182,844,781
Xiamen Zijin Zhonghang	125,000,000	124,220,641	—	(8,452,503)	—	(9,231,862)	—	—	—	—	—	115,768,138
Zijin Tebian	—	18,710,152	(20,000,000)	1,289,848	—	—	—	—	—	—	—	—
Gold Eagle Mining	1,209,886,622	1,196,478,397	—	(21,325,623)	—	(34,733,848)	—	—	—	—	—	1,175,152,774
Southwest Zijin Gold	25,000,000	—	25,000,000	(1,577,422)	—	(1,577,422)	—	—	—	—	—	23,422,578
Gold Mountains Sprott	3,689	—	3,689	1,104,809	—	1,104,809	—	—	—	—	—	1,108,498
Sprott Fund	609,690,000	—	609,690,000	(27,273,000)	—	(27,273,000)	—	—	—	—	—	582,417,000
Fujian Longhu Fishery	11,000,000	—	11,000,000	(115,015)	—	(115,015)	—	—	—	—	—	10,884,985
Subtotal	2,038,304,784	1,505,445,826	625,693,689	(39,540,761)	—	65,644,825	—	—	—	—	(12,350,855)	2,091,598,754
Associates												
Tingjiang Hydro Power	33,810,000	39,807,084	—	3,921,163	—	9,918,247	—	—	—	—	—	43,728,247
Wuping Zijin Hydro Power	32,095,000	38,372,041	—	4,743,607	—	11,020,648	—	—	—	—	—	43,115,648
Qinghai Copper	48,000,000	48,000,000	—	—	—	—	—	—	—	—	—	48,000,000
Haixia Technology	64,400,000	171,769,552	—	32,771,827	(9,660,495)	130,480,884	—	—	—	—	—	194,880,884
Shanghai Xinyuan	114,000,000	114,042,512	—	10,443	—	52,955	—	—	—	—	—	114,052,955
Hunchun Jindi	40,000,000	36,100,369	—	(246,570)	—	(4,146,201)	—	—	—	—	—	35,853,799
Yanbian Credit Security	50,000,000	59,882,746	—	2,614,006	(1,000,000)	11,496,752	—	—	—	—	—	61,496,752
Xinjiang Karas	48,870,000	63,693,219	—	432,156	(3,510,000)	11,745,375	—	—	—	—	—	60,615,375
Longyan Makeng	57,060,000	213,749,497	25,200,000	33,162,109	(25,200,000)	187,397,356	—	2,454,250	—	—	—	246,911,606
Songpan Zijin	39,400,000	39,249,785	—	—	—	(150,215)	—	—	—	—	—	39,249,785
Wancheng Commercial	180,100,356	146,290,458	13,205,000	74,892,622	(77,197,000)	(22,909,276)	—	—	—	—	—	157,191,080
Tibet Yulong	137,500,000	82,421,305	—	17,287,768	—	(37,790,927)	—	—	—	—	—	99,709,073
Xinjiang Tianlong	379,653,678	418,327,815	—	(8,150,784)	—	30,523,353	—	—	—	—	—	410,177,031
Wuxin Copper	282,200,000	264,886,525	13,600,000	(7,065,508)	—	(10,778,983)	—	—	—	—	—	271,421,017
Luoyang Huayin	1,806,463	1,806,463	—	—	—	—	—	—	—	—	—	1,806,463
Xiamen Modern Terminals	120,000,000	117,260,402	—	2,794,793	—	55,195	—	—	—	—	—	120,055,195
Casa Mining	—	42,142,585	—	—	—	(11,700,124)	—	—	(42,142,585)	—	—	—
Solantera Resources	—	9,415,445	—	(1,643,688)	—	(1,643,688)	—	—	(7,771,757)	—	—	—
Wengfu Zijin	304,000,000	190,000,000	114,000,000	—	—	—	—	—	—	—	—	304,000,000
Zijin Tongguan	607,500,000	499,494,257	—	(12,442,401)	—	(96,687,583)	—	(23,760,561)	—	(162,757,584)	(162,757,584)	324,294,272
Kuitun Yutong	1,000,000	1,000,000	—	—	—	—	—	—	—	—	—	1,000,000
Longyan Zijin AVIC	10,000,000	—	10,000,000	—	—	—	—	—	—	—	—	10,000,000
Subtotal	2,551,395,497	2,597,712,060	176,005,000	143,081,543	(116,567,495)	206,883,768	—	(21,306,311)	(49,914,342)	(162,757,584)	(162,757,584)	2,587,559,182
Total	4,589,700,281	4,103,157,886	801,698,689	103,540,782	(116,567,495)	272,528,593	—	(21,306,311)	(49,914,342)	(162,757,584)	(175,108,439)	4,679,157,936

Notes to Financial Statements (continued)

For the year ended 31 December 2013

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

11. LONG-TERM EQUITY INVESTMENTS (continued)

Long-term equity investments under the equity method (continued)

2012

	Investment cost	At 1 January 2012	Changes in investment cost for the year	Equity changes					Provision for impairment losses		At 31 December 2012	At 31 December 2012
				Changes for the year	Cash dividends	Accumulated changes	Changes for the year	Accumulated changes	Changes for the year	At 31 December 2012		
Joint ventures												
Shandong Guoda	57,724,473	240,822,342	(102,010,127)	19,003,944	—	120,663,018	—	—	8,220,477	(12,350,855)	166,036,636	
Xiamen Zijin Zhonghang	125,000,000	125,000,000	—	(779,359)	—	(779,359)	—	—	—	—	124,220,641	
Zijin Tebian	20,000,000	20,000,000	—	(1,289,848)	—	(1,289,848)	—	—	—	—	18,710,152	
Gold Eagle Mining	1,209,886,622	—	1,209,886,622	(13,408,225)	—	(13,408,225)	—	—	—	—	1,196,478,397	
Subtotal	1,412,611,095	385,822,342	1,107,876,495	3,526,512	—	105,185,586	—	—	8,220,477	(12,350,855)	1,505,445,826	
Associates												
Tingjiang Hydro Power	33,810,000	34,608,557	—	5,198,527	—	5,997,084	—	—	—	—	39,807,084	
Wuping Zijin Hydro Power	32,095,000	34,379,956	—	3,992,085	—	6,277,041	—	—	—	—	38,372,041	
Haixia Technology	64,400,000	140,729,198	—	40,700,849	(9,660,495)	107,369,552	—	—	—	—	171,769,552	
Shanghai Xinyuan	114,000,000	114,032,385	—	10,127	—	42,512	—	—	—	—	114,042,512	
Hunchun Jindi	40,000,000	37,322,584	—	(1,222,215)	—	(3,899,631)	—	—	—	—	36,100,369	
Yanbian Credit Security	50,000,000	55,034,955	—	5,347,791	(500,000)	9,882,746	—	—	—	—	59,882,746	
Wancheng Commercial	166,895,356	132,672,792	—	110,367,666	(96,750,000)	(20,604,898)	—	—	—	—	146,290,458	
Songpan Zijin	39,400,000	39,249,785	—	—	—	(150,215)	—	—	—	—	39,249,785	
Tibet Yulong	137,500,000	82,009,103	—	412,202	—	(55,078,695)	—	—	—	—	82,421,305	
Longyan Makeng	31,860,000	182,552,563	—	31,196,934	—	179,435,247	—	2,454,250	—	—	213,749,497	
Zijin Tongguan	607,500,000	491,294,035	—	8,200,222	—	(84,245,182)	—	(23,760,561)	—	—	499,494,257	
Xiamen Modern Terminals	120,000,000	117,107,093	—	153,309	—	(2,739,598)	—	—	—	—	117,260,402	
Luoyang Huayin	1,806,463	2,000,000	(193,537)	—	—	—	—	—	—	—	1,806,463	
Wuxin Copper	268,600,000	267,216,860	—	(2,330,335)	—	(3,713,475)	—	—	—	—	264,886,525	
Xinjiang Kanas	48,870,000	57,942,389	—	8,450,830	(2,700,000)	14,823,219	—	—	—	—	63,693,219	
Xinjiang Tianlong	379,653,678	407,673,937	—	10,653,878	—	38,674,137	—	—	—	—	418,327,815	
Wengfu Zijin	190,000,000	200,000,000	(10,000,000)	—	—	—	—	—	—	—	190,000,000	
Casa Mining	53,842,709	69,790,313	(15,947,604)	(11,700,124)	—	(11,700,124)	—	—	—	—	42,142,585	
Solantera Resources	9,415,445	—	9,415,445	—	—	—	—	—	—	—	9,415,445	
Qinghai Copper	48,000,000	48,000,000	—	—	—	—	—	—	—	—	48,000,000	
Kuitun Yutong	1,000,000	—	1,000,000	—	—	—	—	—	—	—	1,000,000	
Subtotal	2,438,648,651	2,513,616,505	(15,725,696)	209,431,746	(109,610,495)	180,369,720	—	(21,306,311)	—	—	2,597,712,060	
	3,851,259,746	2,899,438,847	1,092,150,799	212,958,258	(109,610,495)	285,555,306	—	(21,306,311)	8,220,477	(12,350,855)	4,103,157,886	

Notes to Financial Statements (continued)

For the year ended 31 December 2013

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

11. LONG-TERM EQUITY INVESTMENTS (continued)

Long-term equity investments under the cost method

	Investment cost	31 December 2011	Proportion of equity interest in the investee (%)	Current year additions	Current year reductions	Accumulated changes	Provision for impairment	31 December 2012	Proportion of equity interest in the investee (%)	Current year additions	Current year reductions	Accumulated changes	Provision for impairment	31 December 2013	Proportion of equity interest in the investee (%)	Proportion of voting powers in the investee (%)
Sichuan Liuwu Copper Company Limited ("Liuwu Copper")	19,850,000	19,850,000	5.77%	—	—	—	—	19,850,000	5.77%	—	—	—	—	19,850,000	5.77%	5.77%
Nanjing China Net Communication Company Limited ("Nanjing China Net")	25,000,000	25,000,000	8.62%	—	—	—	—	25,000,000	8.62%	—	—	—	—	25,000,000	8.62%	8.62%
Muli County Rongda Mining Company Limited ("Muli Rongda")	62,017,517	45,797,517	12.00%	3,000,000	—	3,000,000	—	48,797,517	12.00%	13,220,000	—	13,220,000	—	62,017,517	12.00%	12.00%
Hunan Nonferrous Metals Company Limited ("Hunan Nonferrous Metals")*	30,000,000	30,000,000	1.37%	—	—	—	—	30,000,000	1.37%	—	—	—	—	30,000,000	1.37%	1.37%
Xinjiang Xinmin Mining Industry Company Limited*	18,314,097	18,314,097	3.77%	—	—	—	—	18,314,097	3.77%	—	—	—	—	18,314,097	3.77%	3.77%
Yongling Gold and Lead	19,900,900	40,000,000	10%	—	—	—	—	40,000,000	10%	—	—	—	(20,099,100)	19,900,900	10%	10%
Luoyang Commercial Bank	1,000,000	1,000,000	0.24%	—	—	—	—	1,000,000	0.24%	—	—	—	—	1,000,000	0.24%	0.24%
Shanghai Rural Commercial Bank	89,900,000	89,900,000	10%	—	—	—	—	89,900,000	10%	—	—	—	—	89,900,000	10%	10%
Wulabotouqi Ruifeng	3,888,677	7,000,000	7%	3,500,000	—	3,500,000	—	10,500,000	7%	—	—	—	(6,611,323)	3,888,677	3%	3%
Xinjiang Taishan Railway Company Limited	19,200,000	19,200,000	12%	—	—	—	—	19,200,000	12%	—	—	—	—	19,200,000	12%	12%
Zhenfeng Rural Credit Cooperative Union	11,074,000	—	—	—	—	—	—	—	—	11,074,000	—	11,074,000	—	11,074,000	9.8%	9.8%
Casa Mining	42,142,585	—	—	—	—	—	—	—	—	42,142,585	—	42,142,585	—	42,142,585	8.09%	8.09%
Solentara Resources	7,771,757	—	—	—	—	—	—	—	—	7,771,757	—	7,771,757	—	7,771,757	5.67%	5.67%
Others	4,932,950	8,432,950	N/A	—	(3,500,000)	(3,500,000)	—	4,932,950	N/A	—	—	—	—	4,932,950	N/A	N/A
Total	354,992,483	304,494,564	N/A	6,500,000	(3,500,000)	3,000,000	—	307,494,564	N/A	74,208,342	—	74,208,342	(26,710,423)	354,992,483		

The proportion of the voting powers of the above investees was the same with the proportion of the relevant equity interest held by the Group.

There was no restriction on the investees to transfer funds to the Group.

* Investment in listed company.

Notes to Financial Statements *(continued)*

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

12. INVESTMENT PROPERTIES

Buildings subsequently measured at cost:

	2013	2012
Cost:		
At 1 January	62,627,049	62,627,049
Additions	66,443,275	—
Disposals	—	—
At 31 December	129,070,324	62,627,049
Accumulated depreciation:		
At 1 January	13,561,533	11,570,474
Depreciation for the year	3,064,520	1,991,059
At 31 December	16,626,053	13,561,533
Provision for impairment loss		
At 1 January and 31 December	—	—
Net book value:		
At 31 December	112,444,271	49,065,516
At 1 January	49,065,516	51,056,575

The investment properties were leased to third parties under operating leases.

* The Group's investment properties are situated in Mainland China and are held under medium-term leases.

There are no investment properties for which certificates of title have not been obtained as at 31 December 2013 (31 December 2012: Nil).

Notes to Financial Statements *(continued)*

For the year ended 31 December 2013

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

13. FIXED ASSETS

2013

	Buildings	Mining assets	Power generating and transmission equipment	Plant, machinery and equipment	Leasehold improvements	Furniture and fixtures	Motor vehicles	Total
Cost								
At 1 January 2013	4,352,897,141	8,643,740,303	766,916,338	6,085,689,935	42,251,548	210,511,919	712,917,250	20,814,924,434
Purchase additions and acquisition of subsidiaries	313,046	70,129,000	71,555,455	231,674,084	13,008,358	50,267,949	102,604,403	539,552,295
Transfer from construction in progress	1,239,040,795	1,885,228,706	104,317,637	2,250,637,470	186,825	16,708,787	—	5,496,120,220
Disposals	(34,977,155)	(118,173,179)	(12,098,731)	(150,604,479)	(1,837)	(10,309,889)	(48,034,168)	(374,199,438)
At 31 December 2013	5,557,273,827	10,480,924,830	930,690,699	8,417,397,010	55,444,894	267,178,766	767,487,485	26,476,397,511
Accumulated depreciation								
At 1 January 2013	588,418,381	1,964,637,516	262,362,887	1,793,415,454	20,145,872	115,227,325	338,417,037	5,082,624,472
Depreciation for the year	291,371,167	641,430,135	80,456,026	743,641,167	2,644,567	34,379,928	93,735,790	1,887,658,780
Disposals	(7,094,748)	(66,002,420)	(7,825,901)	(49,919,962)	—	(9,558,028)	(23,791,168)	(164,192,227)
At 31 December 2013	872,694,800	2,540,065,231	334,993,012	2,487,136,659	22,790,439	140,049,225	408,361,659	6,806,091,025
Impairment								
At 1 January 2013	776,559	106,697,149	—	29,364,499	—	—	—	136,838,207
Impairment provided for the year	42,028,272	99,594,440	2,460,845	32,617,591	—	999,448	2,496,440	180,197,036
Disposals	—	—	—	(59,308)	—	—	—	(59,308)
At 31 December 2013	42,804,831	206,291,589	2,460,845	61,922,782	—	999,448	2,496,440	316,975,935
Net book value								
At 31 December 2013	4,641,774,196	7,734,568,010	593,236,842	5,868,337,569	32,654,455	126,130,093	356,629,386	19,353,330,551
At 1 January 2013	3,763,702,201	6,572,405,638	504,553,451	4,262,909,982	22,105,676	95,284,594	374,500,213	15,595,461,755

Notes to Financial Statements *(continued)*

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

13. FIXED ASSETS *(continued)*

2012

	Buildings	Mining assets	Power generating and transmission equipment	Plant, machinery and equipment	Leasehold improvements	Furniture and fixtures	Motor vehicles	Total
Cost								
At 1 January 2012	3,149,726,275	5,411,953,495	652,200,698	4,241,106,415	25,434,919	176,559,986	646,691,507	14,303,673,295
Purchase additions and acquisition of subsidiaries	161,429,117	294,487,936	70,213,289	635,588,942	8,936,779	43,656,018	143,504,088	1,357,816,169
Transfer from construction in progress	1,064,101,399	3,104,815,409	71,337,992	1,327,660,034	8,728,305	7,430,505	7,416,389	5,591,490,033
Disposals	(22,359,650)	(167,516,537)	(26,835,641)	(118,665,456)	(848,455)	(17,134,590)	(84,694,734)	(438,055,063)
At 31 December 2012	4,352,897,141	8,643,740,303	766,916,338	6,085,689,935	42,251,548	210,511,919	712,917,250	20,814,924,434
Accumulated depreciation								
At 1 January 2012	466,783,799	1,601,409,124	210,398,660	1,340,199,053	13,522,244	93,815,834	300,737,833	4,026,866,547
Depreciation for the year	134,102,135	445,494,943	62,747,348	549,863,248	7,207,560	33,674,180	86,909,418	1,319,998,832
Disposals	(12,467,553)	(82,266,551)	(10,783,121)	(96,646,847)	(583,932)	(12,262,689)	(49,230,214)	(264,240,907)
At 31 December 2012	588,418,381	1,964,637,516	262,362,887	1,793,415,454	20,145,872	115,227,325	338,417,037	5,082,624,472
Impairment								
At 1 January 2012	776,559	100,372,191	—	30,336,436	—	—	—	131,485,186
Impairment provided for the year	—	34,009,858	—	876,007	—	—	—	34,885,865
Disposals	—	(27,684,900)	—	(1,847,944)	—	—	—	(29,532,844)
At 31 December 2012	776,559	106,697,149	—	29,364,499	—	—	—	136,838,207
Net book value								
At 31 December 2012	3,763,702,201	6,572,405,638	504,553,451	4,262,909,982	22,105,676	95,284,594	374,500,213	15,595,461,755
At 1 January 2012	2,682,165,917	3,710,172,180	441,802,038	2,870,570,926	11,912,675	82,744,152	345,953,674	10,145,321,562

Notes to Financial Statements *(continued)*

For the year ended 31 December 2013

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

13. FIXED ASSETS *(continued)*

Fixed assets that are fully depreciated but still in use are as follows:

	2013		2012	
	Cost	Net book value	Cost	Net book value
Buildings	8,074,145	909,572	6,645,619	199,369
Mining assets	556,501,523	2,309,133	472,012,929	—
Power generating and transmission equipment	23,102,314	2,735,989	9,343,681	280,310
Plant, machinery and equipment	167,283,439	7,220,156	58,511,882	1,755,356
Leasehold improvements	9,569,569	604,374	7,955,204	238,656
Furniture and fixtures	46,085,840	3,314,389	12,249,194	367,476
Motor vehicles	47,622,760	4,900,289	20,664,900	619,947
Total	858,239,590	21,993,902	587,383,409	3,461,114

Fixed assets that are temporarily idle are as follows:

2013

	Cost	Accumulated depreciation	Impairment	Net book value
Buildings	14,074,510	(5,774,951)	—	8,299,559
Mining assets	6,883,165	(3,999,902)	—	2,883,263
Plant, machinery and equipment	43,433,984	(18,715,969)	(13,975,503)	10,742,512
Furniture and fixtures	196,926	(113,975)	—	82,951
Power generating and transmission equipment	1,436,023	(496,500)	—	939,523
Total	66,024,608	(29,101,297)	(13,975,503)	22,947,808

2012

	Cost	Accumulated depreciation	Impairment	Net book value
Plant, machinery and equipment	8,880,113	(3,773,820)	—	5,106,293
Motor vehicles	270,120	(256,614)	—	13,506
Furniture and fixtures	86,886	(53,429)	—	33,457
Power generating and transmission equipment	43,630	(24,869)	—	18,761
Total	9,280,749	(4,108,732)	—	5,172,017

There were no fixed assets of the Group leased or leased out under finance leases.

Notes to Financial Statements *(continued)*

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

13. FIXED ASSETS *(continued)*

Fixed assets of which certificates of title have not been obtained as at 31 December 2013 are as follows:

Item	Net book value	Reasons why certificates of title have not been obtained	Expected timing of obtaining certificates of title
Buildings	630,048,059	In the process of applying	2014
Mining assets	855,424,041	In the process of applying	2014
	1,485,472,100		

Fixed assets of which certificates of title have not been obtained as at 31 December 2012 are as follows:

Item	Net book value	Reasons why certificates of title have not been obtained	Expected timing of obtaining certificates of title
Buildings	1,263,563,466	In the process of applying	2013
Mining assets	586,587,205	In the process of applying	2013
	1,850,150,671		

14. CONSTRUCTION IN PROGRESS

2013

	Budget	At 1 January 2013	Additions	Transfer to fixed assets	Other reductions	At 31 December 2013	Source of funds	Contribution in budget	Progress of construction
Russia Longxing infrastructure project	2,520,000,000	1,294,843,599	797,646,490	—	—	2,092,490,089	Loan/Equity Fund	83%	87%
Jinhao Iron infrastructure project	2,134,312,300	454,165,965	1,429,303,407	(230,036,862)	—	1,653,432,510	Equity Fund	123%	94%
Wulate Zijin infrastructure project	1,231,000,000	754,881,043	492,356,438	(10,690,955)	—	1,236,546,526	Loan/Equity Fund	140%	92%
ZGC infrastructure project	1,411,800,000	656,671,359	1,061,495,030	(780,984,199)	(23,020,361)	914,161,829	Offering Fund/ Equity Fund	75%	99%
Bayannaocer Zijin infrastructure project	1,350,000,000	500,959,975	271,189,853	(134,330,122)	—	637,819,706	Loan/Equity Fund	158%	99%
Others	17,837,718,745	4,824,551,118	3,266,690,003	(4,340,078,082)	(198,104,443)	3,553,058,596	Loan/Offering Fund/ Equity Fund	N/A	N/A
	26,484,831,045	8,486,073,059	7,318,681,221	(5,496,120,220)	(221,124,804)	10,087,509,256			
Impairment		(91,469,553)				(101,308,644)			
		8,394,603,506				9,986,200,612			

Notes to Financial Statements (continued)

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

14. CONSTRUCTION IN PROGRESS (continued)

2012

	Budget	At 1 January 2012	Additions	Transfer to fixed assets	Other reductions	At 31 December 2012	Source of funds	Contribution in budget	Progress of construction
Russia Longxing infrastructure project	2,304,000,000	572,887,156	721,956,443	—	—	1,294,843,599	Loan/Equity Fund	56%	60%
Zijinshan Gold and Copper Mine joint open pit mining project	730,684,117	1,473,570,135	662,719,074	(1,298,673,162)	(5,304,835)	832,311,212	Offering Fund/ Equity Fund	110%	88%
Zijin Copper infrastructure project	2,614,095,800	1,745,243,387	896,705,261	(1,886,568,748)	—	755,379,900	Equity Fund/Loan/ Offering Fund	100%	86%
Wulate Zijin infrastructure project	914,448,500	415,226,752	407,988,944	(68,334,653)	—	754,881,043	Loan/Equity Fund	135%	87%
Xinjiang Ashele infrastructure project	1,129,800,000	360,833,713	407,584,685	(54,960,676)	—	713,457,722	Equity Fund/Loan	110%	80%
ZGC infrastructure project	1,305,345,000	346,606,560	310,064,799	—	—	656,671,359	Offering Fund/ Equity Fund	58%	90%
Bayannaer Zijin infrastructure project	1,350,000,000	162,433,862	340,107,513	(1,581,400)	—	500,959,975	Loan/Equity Fund	138%	99%
Jinhao Iron infrastructure project	1,464,306,400	104,186,408	368,911,391	(18,931,834)	—	454,165,965	Equity Fund	55%	44%
Others	10,235,489,474	2,809,006,747	2,001,159,261	(2,262,439,560)	(24,324,164)	2,523,402,284	Equity Fund/Loan/ Offering Fund	N/A	N/A
	22,048,169,291	7,989,994,720	6,117,197,371	(5,591,490,033)	(29,628,999)	8,486,073,059			
Impairment		(91,469,553)				(91,469,553)			
		7,898,525,167				8,394,603,506			

Movements in capitalised borrowing cost:

2013

	At 1 January 2013	Capitalised interest for the year	Transfer out for the year	At 31 December 2013	Interest rate of capitalisation
Zijin Copper infrastructure project	109,278,317	—	(109,278,317)	—	—
Wuping Zijin infrastructure project	18,876,558	1,830,770	—	20,707,328	6.00%
Wulate Zijin infrastructure project	19,529,760	50,836,544	—	70,366,304	5.30%-6.44%
Heilongjiang Duobaoshan infrastructure project	65,249,461	—	(65,249,461)	—	—
Bayannaer Zijin infrastructure project	18,419,001	23,136,104	—	41,555,105	6.52%
Guizhou Zijin infrastructure project	—	13,960,608	—	13,960,608	6.31%
Longnan Zijin infrastructure project	—	14,931,076	—	14,931,076	5.84%-6.00%
Altynken infrastructure project	—	28,026,566	—	28,026,566	6.00%
Liancheng Zijin infrastructure project	—	388,747	—	388,747	6.10%
Xinyi Zijin infrastructure project	—	116,000	—	116,000	6.00%
Ankang Jinfeng infrastructure project	—	5,797,237	—	5,797,237	6.46%-6.77%
Xinjiang Jinneng infrastructure project	—	1,291,817	—	1,291,817	5.56%-6.89%
ZGC infrastructure project	—	94,731,934	—	94,731,934	8.00%-10.00%
Jinhao Iron infrastructure project	—	9,071,747	(472,857)	8,598,890	6.00%
Russia Longxing infrastructure project	20,476,712	137,092,106	—	157,568,818	5.56%-8.00%
Xinjiang Ashele infrastructure project	14,687,875	21,736,814	(36,424,689)	—	5.70%-6.68%
	266,517,684	402,948,070	(211,425,324)	458,040,430	

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

14. CONSTRUCTION IN PROGRESS *(continued)*

2012

	At 1 January 2012	Capitalised interest for the year	Transfer out for the year	At 31 December 2012	Interest rate of capitalisation
Zijin Copper infrastructure project	83,053,773	26,224,544	—	109,278,317	1.31%-7.54%
Wuping Zijin infrastructure project	13,485,404	6,939,241	(1,548,087)	18,876,558	4.91%-7.87%
Wulate Zijin infrastructure project	11,316,589	8,213,171	—	19,529,760	5.08%-7.54%
Heilongjiang Duobaoshan infrastructure project	18,791,889	46,457,572	—	65,249,461	6.00%-7.61%
Bayannaer Zijin infrastructure project	1,838,553	16,580,448	—	18,419,001	5.13%-7.54%
Wuqia Jinwang infrastructure project	—	28,991,719	(28,991,719)	—	6.90%-7.87%
Russia Longxing infrastructure project	—	20,476,712	—	20,476,712	5.79%
Xinjiang Ashele infrastructure project	—	14,687,875	—	14,687,875	6.10%-7.05%
	128,486,208	168,571,282	(30,539,806)	266,517,684	

Movements in impairment provision of construction in progress:

2013	At 1 January 2013		Reversal	Other reductions	At 31 December 2013		Reasons for provision
	At 1 January 2013	Additions			31 December 2013	Reasons for provision	
Chongli Zijin infrastructure project	—	227,165	—	—	227,165	Expected recoverable amount less than carrying amount	
Longkou Jintai infrastructure project	91,469,553	—	—	—	91,469,553	Note 1	
Xinjiang Jinbao infrastructure project	—	3,649,228	—	—	3,649,228	Cannot complete according to the original plan	
Hunchun Zijin infrastructure project	—	5,250,107	—	—	5,250,107	Expected recoverable amount less than carrying amount	
Others	—	712,591	—	—	712,591	Expected recoverable amount less than carrying amount	
	91,469,553	9,839,091	—	—	101,308,644		

2012	At 1 January 2012		Reversal	Other reductions	At 31 December 2012		Reasons for provision
	At 1 January 2012	Additions			31 December 2012	Reasons for provision	
Longkou Jintai infrastructure project	91,469,553	—	—	—	91,469,553	Note 1	

Note 1: Pursuant to the exploration results, part of the underground tunnels in mines could not be used for profit making. Thus, an impairment provision was made by the Group for the relevant parts.

Notes to Financial Statements *(continued)*

For the year ended 31 December 2013

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

15. Construction materials

2013

	At 1 January 2013	Additions	Reductions	At 31 December 2013
Dedicated materials	52,896,630	269,846,739	(262,072,902)	60,670,467
Dedicated equipment	83,604,792	344,762,949	(299,341,689)	129,026,052
	136,501,422	614,609,688	(561,414,591)	189,696,519

2012

	At 1 January 2012	Additions	Reductions	At 31 December 2012
Dedicated materials	170,678,252	539,749,866	(657,531,488)	52,896,630
Dedicated equipment	163,175,970	535,356,417	(614,927,595)	83,604,792
	333,854,222	1,075,106,283	(1,272,459,083)	136,501,422

Notes to Financial Statements *(continued)*

For the year ended 31 December 2013

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

16. INTANGIBLE ASSETS

2013

	At 1 January 2013	Additions	Disposals	At 31 December 2013
Exploration and mining rights	8,868,481,838	181,398,141	(14,331,698)	9,035,548,281
Land use rights	1,122,664,668	208,462,735	—	1,331,127,403
Membership of Shanghai Gold Exchange and others	146,430,259	25,844,979	(1,730,000)	170,545,238
Total cost	10,137,576,765	415,705,855	(16,061,698)	10,537,220,922
Exploration and mining rights	923,444,682	305,313,115	(4,809,048)	1,223,948,749
Land use rights	102,679,090	45,082,882	—	147,761,972
Membership of Shanghai Gold Exchange and others	15,466,886	284,753	—	15,751,639
Total accumulated amortisation	1,041,590,658	350,680,750	(4,809,048)	1,387,462,360
Exploration and mining rights	7,945,037,156	(123,914,974)	(9,522,650)	7,811,599,532
Land use rights	1,019,985,578	163,379,853	—	1,183,365,431
Membership of Shanghai Gold Exchange and others	130,963,373	25,560,226	(1,730,000)	154,793,599
Total book value	9,095,986,107	65,025,105	(11,252,650)	9,149,758,562
Exploration and mining rights (Note 1)	532,253,227	44,014,711	—	576,267,938
Membership of Shanghai Gold Exchange and others (Note 2)	27,815,000	47,355,307	—	75,170,307
Total impairment	560,068,227	91,370,018	—	651,438,245
Exploration and mining rights	7,412,783,929	(167,929,685)	(9,522,650)	7,235,331,594
Land use rights	1,019,985,578	163,379,853	—	1,183,365,431
Membership of Shanghai Gold Exchange and others	103,148,373	(21,795,081)	(1,730,000)	79,623,292
Total net book value	8,535,917,880	(26,344,913)	(11,252,650)	8,498,320,317

Notes to Financial Statements *(continued)*

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

16. INTANGIBLE ASSETS *(continued)*

2012

	At 1 January 2012	Additions	Disposals	At 31 December 2012
Exploration and mining rights	7,939,056,040	1,045,667,898	(116,242,100)	8,868,481,838
Land use rights	522,871,005	612,194,826	(12,401,163)	1,122,664,668
Membership of Shanghai Gold Exchange and others	131,181,641	19,252,818	(4,004,200)	146,430,259
Total cost	8,593,108,686	1,677,115,542	(132,647,463)	10,137,576,765
Exploration and mining rights	722,798,692	200,645,990	—	923,444,682
Land use rights	77,959,161	26,281,632	(1,561,703)	102,679,090
Membership of Shanghai Gold Exchange and others	5,661,407	10,502,479	(697,000)	15,466,886
Total accumulated amortisation	806,419,260	237,430,101	(2,258,703)	1,041,590,658
Exploration and mining rights	7,216,257,348	845,021,908	(116,242,100)	7,945,037,156
Land use rights	444,911,844	585,913,194	(10,839,460)	1,019,985,578
Membership of Shanghai Gold Exchange and others	125,520,234	8,750,339	(3,307,200)	130,963,373
Total book value	7,786,689,426	1,439,685,441	(130,388,760)	9,095,986,107
Exploration and mining rights	648,495,327	—	(116,242,100)	532,253,227
Membership of Shanghai Gold Exchange and others	—	27,815,000	—	27,815,000
Total Impairment	648,495,327	27,815,000	(116,242,100)	560,068,227
Exploration and mining rights	6,567,762,021	845,021,908	—	7,412,783,929
Land use rights	444,911,844	585,913,194	(10,839,460)	1,019,985,578
Membership of Shanghai Gold Exchange and others	125,520,234	(19,064,661)	(3,307,200)	103,148,373
Total net book value	7,138,194,099	1,411,870,441	(14,146,660)	8,535,917,880

Note 1: Pursuant to the exploration results in 2013, the mineral reserve of Mongolia Tianhong Mining Company Limited probably cannot be exploited continuously. Thus, an impairment provision of RMB44,014,711 was provided for mining rights.

Note 2: The expected proceeds relating to the exclusive fishing rights of Yongding Zijin Longhu Ecological Industry Development Company Limited decreased. As a result, an impairment provision was provided for the exclusive fishing rights.

As at 31 December 2013, no intangible assets of the Group were restricted (31 December 2012: Nil).

* Land use rights are situated in Mainland China and held under medium-term leases.

Notes to Financial Statements *(continued)*

For the year ended 31 December 2013

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

17. GOODWILL

2013

	At 1 January 2013	Additions	Reductions	At 31 December 2013	Impairment provision
Xinjiang Ashele	12,906,890	—	—	12,906,890	—
Qinghai West	455,874	—	—	455,874	—
Hunchun Zijin	71,099,520	—	—	71,099,520	—
Yunnan Huaxi Mineral Resources Company Limited ("Yunnan Huaxi")	33,161,050	—	—	33,161,050	—
Zijin Mining Group (Xiamen) Investment Company Limited ("Xiamen Zijin")	1,241,101	—	—	1,241,101	—
Shanxi Zijin Mining Company Limited ("Shanxi Zijin")	2,503,610	—	—	2,503,610	—
Longkou Jintai Gold Company Limited ("Longkou Jintai")	14,291,025	—	—	14,291,025	(14,291,025)
Xinyi Zijin	44,319,632	—	—	44,319,632	(44,319,632)
Longkou Jinye	3,106,883	—	—	3,106,883	(3,106,883)
Shandong Longkou Jinfeng Company Limited ("Longkou Jinfeng")	5,550,718	—	—	5,550,718	(5,550,718)
Norton Gold Fields	157,778,981	—	—	157,778,981	—
Wulatehouqi Zijin Mining Company Limited ("Wulate Zijin")	119,097,944	—	—	119,097,944	—
Bayannaer Zijin	14,531,538	—	—	14,531,538	—
Zijin Copper	4,340,000	—	—	4,340,000	—
Sino Trend Hydro Power Investment Limited ("Sino Trend Hydro Power")	79,642,197	—	—	79,642,197	—
	564,026,963	—	—	564,026,963	(67,268,258)

Notes to Financial Statements *(continued)*

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

17. GOODWILL *(continued)*

2012

	At 1 January 2012	Additions	Reductions	At 31 December 2012	Impairment provision
Xinjiang Ashele	12,906,890	—	—	12,906,890	—
Qinghai West	455,874	—	—	455,874	—
Hunchun Zijin	71,099,520	—	—	71,099,520	—
Yunnan Huaxi	33,161,050	—	—	33,161,050	—
Xiamen Zijin	1,241,101	—	—	1,241,101	—
Funing Zhenglong Gold Mining Exploration Company Limited	1,601,662	—	(1,601,662)	—	—
Shanxi Zijin	2,503,610	—	—	2,503,610	—
Longkou Jintai	14,291,025	—	—	14,291,025	(14,291,025)
Xinyi Zijin	44,319,632	—	—	44,319,632	(44,319,632)
Longkou Jinye	3,106,883	—	—	3,106,883	(3,106,883)
Longkou Jinfeng	5,550,718	—	—	5,550,718	(5,550,718)
Norton Gold Fields	—	157,778,981	—	157,778,981	—
Wulate Zijin	119,097,944	—	—	119,097,944	—
Bayannaer Zijin	14,531,538	—	—	14,531,538	—
Zijin Copper	4,340,000	—	—	4,340,000	—
Sino Trend Hydro Power	79,642,197	—	—	79,642,197	—
	407,849,644	157,778,981	(1,601,662)	564,026,963	(67,268,258)

Goodwill arising from business combinations has been allocated to the following asset groups for impairment testing:

- Gold bullion asset group
- Zinc bullion asset group
- Processed gold asset group
- Ore concentrates asset group
- Hydro power asset group

The recoverable amounts of the above asset groups have been determined based on the present value of expected future cash flows. The future cash flows projections are based on the cash flows of financial budgets covering a three-year period approved by management. The pre-tax discount rates applied to cash flows projections ranged from 11% to 26% (2012: 13% to 22%) and cash flows beyond the three-year period are extrapolated using an inflation rate of 3% (2012: 3%). Pursuant to the upstream mineral products' price and cost characteristics, which are insignificantly influenced by inflation, management considered that the forecast assumptions are appropriate.

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

17. GOODWILL *(continued)*

The carrying amount of goodwill allocated to relevant asset group is as follows:

	Gold bullion	Zinc bullion	Processed gold	Ore concentrates	Hydro power	Total
2013	14,291,025	14,531,538	1,241,101	454,321,102	79,642,197	564,026,963
2012	14,291,025	14,531,538	1,241,101	454,321,102	79,642,197	564,026,963

Assumptions are used in the present value of cash flows projections for 31 December 2013 and 31 December 2012. Details of the key assumptions which are used by management for impairment testing of goodwill in the cash flow forecast are as follows:

- Gross margins — The basis used to determine the value assigned to the future gross margins is the average gross margins achieved in the year immediately before the budget year, adjusting according to expected efficiency variance and expected fluctuation of market metal price.
- Discount rates — The discount rates used reflect the discount rate before tax of specific risks relating to the relevant asset group.
- Raw materials price inflation — The basis used to determine the value assigned to raw materials price inflation is the forecasted price indices of the domestic and overseas raw materials during the budget year.

The values of key assumptions allocated to mineral products of market development, discount rates and raw materials price inflation are consistent with external sources of information.

Notes to Financial Statements *(continued)*

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

18. LONG-TERM DEFERRED ASSETS

	2013			2012		
	Land compensation costs (Note 1)	Others (Note 2)	Total	Land compensation costs (Note 1)	Others (Note 2)	Total
At 1 January	225,363,690	574,741,012	800,104,702	253,837,351	524,530,182	778,367,533
Additions	1,477,666	451,277,721	452,755,387	2,826,726	156,922,355	159,749,081
Amortisation	(25,108,876)	(127,266,644)	(152,375,520)	(18,059,337)	(104,538,603)	(122,597,940)
Other reductions	(6,777,324)	—	(6,777,324)	(13,241,050)	(2,172,922)	(15,413,972)
At 31 December	194,955,156	898,752,089	1,093,707,245	225,363,690	574,741,012	800,104,702
Impairment						
At 1 January	—	—	—	8,460,000	—	8,460,000
Provided for the year	—	—	—	—	—	—
Reductions	—	—	—	(8,460,000)	—	(8,460,000)
At 31 December	—	—	—	—	—	—
Net book value at 31 December	194,955,156	898,752,089	1,093,707,245	225,363,690	574,741,012	800,104,702
Net book value at 1 January	225,363,690	574,741,012	800,104,702	245,377,351	524,530,182	769,907,533

Note 1: The land compensation costs relate to the compensation for the occupation of forest lands at mining sites. The amortisation period ranges from 5 to 50 years.

Note 2: As at 31 December 2013 and 31 December 2012, other long-term deferred assets mainly includes: mining shaft development expenditure of RMB192,259,471 and RMB116,453,985, respectively; highway charges of RMB69,336,094 and RMB89,062,992, respectively; resource compensation cost of RMB72,652,608 and RMB51,280,827, respectively; amortisation cost of bi-polar plates of RMB203,319,150 and RMB189,147,104, respectively; resource integration fee of RMB29,188,474 and RMB22,677,469, respectively; forest compensation expenditure of RMB155,817,218 and RMB48,363,007, respectively, and reconstruction of power supply lines of RMB24,092,711 and RMB25,813,619, respectively. The useful lives of bi-polar plates are 18 months, and the amortisation period of other long-term deferred assets ranges from 5 to 50 years.

Notes to Financial Statements *(continued)*

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

19. DEFERRED TAX ASSETS/LIABILITIES

Deferred tax assets and deferred tax liabilities are not presented at the net amount after offset:

Deferred tax assets which have been recognised:

	At 1 January 2012	Acquisition of subsidiaries	Deferred tax credited to the statement of profit or loss during the year	Deferred tax credited to equity during the year	At 31 December 2012	Deferred tax credited to the statement of profit or loss during the year	Deferred tax credited to equity during the year	At 31 December 2013
Impairment provision	20,467,333	26,755,187	20,407,862	—	67,630,382	96,186,007	—	163,816,389
Deductible losses	88,485,161	68,281,953	87,781,665	—	244,548,779	208,311,676	—	452,860,455
Elimination of unrealized profit	91,218,734	—	24,409,212	—	115,627,946	(35,494,465)	—	80,133,481
Differences in depreciation policies	3,540,784	—	988,739	—	4,529,523	4,418,577	—	8,948,100
Changes in the fair value of available for-sale investments	65,306,575	—	—	(29,417,263)	35,889,312	(8,079,484)	(2,163,433)	25,646,395
Expense accrued but not yet paid and others	165,340,654	—	(58,798,268)	—	106,542,386	(42,767,466)	—	63,774,920
Total	434,359,241	95,037,140	74,789,210	(29,417,263)	574,768,328	222,574,845	(2,163,433)	795,179,740

As at 31 December 2013, deferred tax assets generated from the above deductible temporary differences are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences can be utilised.

Deferred tax liabilities which have been recognised:

	At 1 January 2012	Acquisition of a subsidiary	Deferred tax charged/ (credited) to the statement of profit or loss during the year	At 31 December 2012	Deferred tax charged/ (credited) to the statement of profit or loss during the year	At 31 December 2013
Changes in fair value of financial liabilities at fair value through profit or loss	15,759,046	—	1,469,680	17,228,726	2,755,700	19,984,426
Differences in amortisation policies for exploration and evaluation costs	—	65,947,424	(14,993,575)	50,953,849	35,068,046	86,021,895
Fair value adjustments arising from acquisition of subsidiaries	210,626,371	175,040,778	(6,764,039)	378,903,110	(41,372,523)	337,530,587
Total	226,385,417	240,988,202	(20,287,934)	447,085,685	(3,548,777)	443,536,908

Notes to Financial Statements *(continued)*

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

19. DEFERRED TAX ASSETS/LIABILITIES *(continued)*

Deferred tax assets have not been recognised:

	2013	2012
Deductible temporary differences	1,385,388,057	558,914,890
Deductible tax losses	1,118,495,820	703,327,727
	2,503,883,877	1,262,242,617

Deductible losses with no deferred tax assets recognised will expire in the following years:

	2013	2012
2013	—	11,583,813
2014	18,645,317	26,059,721
2015	45,067,164	45,990,869
2016	96,990,502	102,531,094
2017	446,702,660	517,162,230
2018	511,090,177	—
	1,118,495,820	703,327,727

Deductible temporary differences and taxable temporary differences arising from assets and liabilities are as follows:

	2013	2012
Deductible temporary differences		
Bad debt provision	19,870,907	624,000
Inventory provision and unrealised profits	370,370,933	523,851,454
Impairment provision for fixed assets	147,070,568	21,300,431
Differences in fixed assets depreciation policies	35,792,400	18,118,091
Impairment provision for other non-current assets	325,832,743	80,236,682
Employee benefits payable	58,922,327	68,562,900
Deductible tax losses	1,731,689,955	1,059,247,978
Mineral resource compensation fee not yet paid	154,484,243	72,301,102
Donations	—	200,000,000
Changes in the fair value of available-for-sale investments	102,585,580	143,557,250
Others	121,348,107	85,305,538
	3,067,967,763	2,273,105,426

	2013	2012
Taxable temporary differences		
Fair value adjustments arising from acquisition of subsidiaries	1,350,122,347	1,410,426,451
<i>Including: Intangible assets</i>	1,292,083,606	1,350,607,983
<i>Fixed assets</i>	58,038,741	59,818,468
Changes in the fair value of financial liabilities at fair value through profit or loss	79,937,704	68,914,902
Differences in amortisation policies for exploration and evaluation costs	286,739,650	169,846,163
	1,716,799,701	1,649,187,516

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

20. OTHER NON-CURRENT ASSETS

2013

	Book value			Impairment			Net book value at 1 January
	At 1 January	Additions	Reductions	At 31 December	Provided for the year	Reductions	
Exploration and evaluation costs	1,819,660,391	558,292,354	(98,859,343)	1,902,797,527	—	—	1,819,660,391
Prepaid investment costs, prepayment for exploration and mining rights and others (Note 1)	1,682,213,984	362,144,018	(718,963,189)	1,211,391,703	—	—	1,631,213,984
Total	3,501,874,375	920,436,372	(817,822,532)	3,114,189,230	—	—	3,450,874,375

2012

	Book value			Impairment			Net book value at 1 January
	At 1 January	Additions	Reductions	At 31 December	Provided for the year	Reductions	
Exploration and evaluation costs	1,170,973,888	867,122,444	(58,429,138)	1,819,660,391	—	—	1,170,973,888
Prepaid investment costs, prepayment for exploration and mining rights and others (Note 1)	1,971,205,638	1,166,546,402	(1,040,480,319)	1,682,213,984	45,000,000	—	1,965,205,638
Total	3,142,179,526	2,033,668,846	(1,098,909,457)	3,501,874,375	45,000,000	—	3,136,179,526

Note 1: The Group's balance of prepaid investment costs, prepayment for exploration and mining rights and others mainly comprised of prepayment for land use rights of RMB77,363,293 (2012: RMB163,292,570), prepaid exploration and mining rights of RMB19,800,578 (2012: RMB33,500,392), prepaid investment costs of RMB357,370,000 (2012: RMB367,120,000), prepayment for purchase of equipment of RMB165,016,617 (2012: RMB388,139,256), prepayment for purchase of Longhu integrated development rights of RMB204,962,108 (2012: RMB204,962,108), long-term receivables of RMB175,436,756 (2012: RMB244,947,981), deposit for Restoration and Improvement of Ecological Environment in Mines of RMB103,147,470 (2012: RMB207,681,958).

Notes to Financial Statements (continued)

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

Notes to Financial Statements *(continued)*

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

21. ASSETS WITH RESTRICTIONS ON TITLE

2013

	At 1 January 2013	Additions	Reductions	At 31 December 2013	Note
Cash and cash equivalents	566,760,389	—	(566,760,389)	—	Note V.1 (note 1, 2)
Inventories	—	575,977,286	—	575,977,286	Note 1
	566,760,389	575,977,286	(566,760,389)	575,977,286	

2012

	At 1 January 2012	Additions	Reductions	At 31 December 2012	Note
Cash and cash equivalents	567,800,000	566,760,389	(567,800,000)	566,760,389	Note V.1 (note 1, 2)
Inventories	30,565,419	—	(30,565,419)	—	Note 1
Fixed assets	35,207,260	—	(35,207,260)	—	Note 2
	633,572,679	566,760,389	(633,572,679)	566,760,389	

Note 1: As at 31 December 2013, inventories with carrying amount of RMB83,637,186 and RMB492,340,100 of Zijin Real Estate, a subsidiary of the Company, are pledged as collateral against bank borrowings of RMB123,000,000 and RMB39,500,000, with maturity of two years and four years, respectively. Inventories with carrying amount of RMB30,565,419 of Xinjiang Jinbao, a subsidiary of the Company, were pledged as collateral against bank borrowings of RMB10,000,000 and the borrowings were repaid in 2012.

Note 2: As at 31 December 2013, there was no restriction on the fixed assets to the Group. Certain power generating and transmission equipment was pledged as collateral by the Group against bank borrowings of RMB30,000,000 and the borrowings were repaid in 2012.

Notes to Financial Statements *(continued)*

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

22. PROVISION FOR IMPAIRMENT OF ASSETS

	At 1 January 2013		Other movements	Reductions		At 31 December 2013
	Carrying amount	Additions		Reversal	Write-off	Carrying amount
Bad debt provision	17,270,164	161,832,006	—	—	(4,054,797)	175,047,373
<i>Including: Trade receivables</i>	<i>7,393,935</i>	<i>49,597</i>	—	—	—	<i>7,443,532</i>
<i>Other receivables</i>	<i>9,876,229</i>	<i>159,934,354</i>	—	—	<i>(4,054,797)</i>	<i>165,755,786</i>
<i>Prepayments</i>	—	<i>1,848,055</i>	—	—	—	<i>1,848,055</i>
Inventory provision	61,929,673	115,149,418	—	(47,727,666)	(39,112,011)	90,239,414
Impairment of available-for-sale investment	113,975,059	92,013,456	—	—	(74,918,998)	131,069,517
Impairment of long-term equity investment	12,350,855	189,468,007	—	—	—	201,818,862
Impairment of fixed assets	136,838,207	180,197,036	—	—	(59,308)	316,975,935
Impairment of construction in progress	91,469,553	9,839,091	—	—	—	101,308,644
Impairment of intangible assets	560,068,227	91,370,018	—	—	—	651,438,245
Impairment of goodwill	67,268,258	—	—	—	—	67,268,258
Impairment of other non-current assets	51,000,000	—	—	—	—	51,000,000
	1,112,169,996	839,869,032	—	(47,727,666)	(118,145,114)	1,786,166,248

	At 1 January 2012		Other movements	Reductions		At 31 December 2012
	Carrying amount	Additions		Reversal	Write-off	Carrying amount
Bad debt provision	10,045,419	7,226,970	—	(2,225)	—	17,270,164
<i>Including: Trade receivables</i>	<i>167,565</i>	<i>7,226,370</i>	—	—	—	<i>7,393,935</i>
<i>Other receivables</i>	<i>9,877,854</i>	<i>600</i>	—	<i>(2,225)</i>	—	<i>9,876,229</i>
Inventory provision	76,162,553	57,547,241	—	(15,727,838)	(56,052,283)	61,929,673
Impairment of available-for-sale investment	—	113,975,059	—	—	—	113,975,059
Impairment of long-term equity investment	20,571,332	—	—	—	(8,220,477)	12,350,855
Impairment of fixed assets	131,485,186	34,885,865	—	—	(29,532,844)	136,838,207
Impairment of construction in progress	91,469,553	—	—	—	—	91,469,553
Impairment of intangible assets	648,495,327	27,815,000	—	—	(116,242,100)	560,068,227
Impairment of goodwill	68,869,920	—	—	—	(1,601,662)	67,268,258
Impairment of long-term deferred assets	8,460,000	—	—	—	(8,460,000)	—
Impairment of other non-current assets	6,000,000	45,000,000	—	—	—	51,000,000
	1,061,559,290	286,450,135	—	(15,730,063)	(220,109,366)	1,112,169,996

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

23. SHORT-TERM BORROWINGS

	2013	2012
Unsecured and non-guaranteed loans	2,774,147,375	5,479,250,761
Secured loans with securities under the lenders' custody Note 1	—	920,600,239
	2,774,147,375	6,399,851,000

Note 1: As at 31 December 2013, there were no pledged loans of the Group. As at 31 December 2012, a time deposit of USD37,109,118 (equivalent to RMB233,249,361) of the Company was pledged as collateral against a bank borrowing of GBP24,044,740 (equivalent to RMB236,869,539) from Agricultural Bank of China, Shanghang Branch, with a maturity of six months. A guarantee deposit of USD4,536,000 (equivalent to RMB28,511,028) of the Company was pledged as collateral against a bank borrowing of EUR25,750,000 (equivalent to RMB204,650,700) from China Construction Bank, Longyan Branch, with a maturity of one year. A deposit of RMB105,000,000 of the Company was pledged as collateral against a bank borrowing of HKD125,000,000 (equivalent to RMB101,950,000) from Industrial Bank Co., Ltd., Shanghang Branch, with a maturity of one year. A time deposit of RMB200,000,000 of the Company was pledged as collateral against a bank borrowing for USD60,000,000 (equivalent to RMB377,130,000) from Bank of China Limited, Frankfurt Branch, with a maturity of one year.

As at 31 December 2013, the interest rates of the above borrowings ranged from 1.16% to 7.80% (31 December 2012: 1.16% to 7.87%).

As at 31 December 2013, short-term borrowings of the Group denominated in foreign currency included short-term unsecured and non-guaranteed loans of USD49,950,751 from Agricultural Bank of China, short-term unsecured and non-guaranteed loans of USD75,566,760 from Industrial and Commercial Bank of China, short-term unsecured and non-guaranteed loans of USD90,080,344 from China Development Bank, short-term unsecured and non-guaranteed loans of USD15,000,000 from Export-Import Bank of China, short-term unsecured and non-guaranteed loans of USD6,983,665 from China Everbright Bank, short-term unsecured and non-guaranteed loans of USD6,711,359 from Bank of Communications, short-term unsecured and non-guaranteed loans of USD19,136,254 from Industrial Bank Co., Ltd., short-term unsecured and non-guaranteed loans of USD10,000,000 from Bank of China. As at 31 December 2012, short-term borrowings of the Group denominated in foreign currency included short-term secured loans with securities under the lenders' custody of GBP24,044,740 from Agricultural Bank of China, short-term unsecured and non-guaranteed loans of USD118,647,128 from Agricultural Bank of China, short-term secured loans with securities under the lenders' custody of EUR25,750,000 from China Construction Bank, short-term secured loans with securities under the lenders' custody of HKD125,000,000 from Industrial Bank Co., Ltd., short-term unsecured and non-guaranteed loans of USD62,520,306 from Industrial and Commercial Bank of China, short-term unsecured and non-guaranteed loans of USD12,168,985 from China Everbright Bank, short-term unsecured and non-guaranteed loans of USD78,118,293 from Bank of China Limited, short-term unsecured and non-guaranteed loans of USD130,213,406 from China Development Bank.

As at 31 December 2013 and 31 December 2012, there were no short-term loans of the Group that are over due but not yet repaid.

Notes to Financial Statements *(continued)*

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

24. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

		2013	2012
Gold leasing business	Note 1	5,665,210,229	6,397,563,828
Derivative financial liabilities	Note 2	1,081,524,626	123,871,541
		6,746,734,855	6,521,435,369

Note 1: The Group financed through lease of gold from banks and subsequently sold through the Shanghai Gold Exchange. On maturity, the Group would return gold with the same quantity and specification purchased through the Shanghai Gold Exchange, and pay rental fees to banks. The maturity period ranged from 306 days to 1 year. As at 31 December 2013, gains on changes in fair value of the financial liabilities were RMB1,145,063,045 (31 December 2012: RMB20,254,647).

Note 2: The Group has engaged in gold forward contracts in accordance with the quantity, specification and repayment terms of gold to be returned to banks in the future for the purpose of hedging certain risks arising from gold price fluctuation from the gold leasing business. As at 31 December 2013, losses on changes in fair value arising from derivative financial liabilities were RMB1,012,324,249 (31 December 2012: RMB84,872,732).

25. BILLS PAYABLE

	2013	2012
Bank acceptances	232,198,206	263,152,032
Commercial acceptances	49,450,000	50,000,000
	281,648,206	313,152,032

As at 31 December 2013, bills payable of RMB281,648,206 would be due in 2014.

26. TRADE PAYABLES

* An ageing analysis of the trade payables, based on the invoice dates, is as follows:

	2013	2012
Within 1 year	4,440,449,426	3,960,375,645
Over 1 year but within 2 years	107,080,663	168,230,455
Over 2 years but within 3 years	12,830,510	30,893,363
Over 3 years	33,163,932	14,507,100
	4,593,524,531	4,174,006,563

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

Trade payables of the Group included balances due to related parties of RMB4,118,023 and RMB14,563,939 as at 31 December 2013 and 31 December 2012, respectively. Details are disclosed in Note VI THE RELATED PARTY RELATIONSHIPS AND TRANSACTIONS. There were no trade payables of the Group due to shareholders holding at least 5% shares with voting power (31 December 2012: Nil).

As at 31 December 2013, trade payables of the Group included USD payables of USD317,845,740 (approximately RMB1,937,873,692 at the exchange rate of USD1 to RMB6.0969) and AUD payables amounted to AUD35,110,171 (approximately RMB190,651,740 at the exchange rate of AUD1 to RMB5.4301). As at 31 December 2012, trade payables of the Group included USD payables of USD384,876,923 (approximately RMB2,419,143,902 at the exchange rate of USD1 to RMB6.2855) and AUD payables amounted to AUD9,322,577 (approximately RMB60,935,159 at the exchange rate of AUD1 to RMB6.5363).

As at 31 December 2013, there was no significant balance of trade payables aged more than one year (as at 31 December 2012: Nil).

Notes to Financial Statements *(continued)*

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

27. ADVANCES FROM CUSTOMERS

As at 31 December 2013, advances from customers included balances due to related parties of RMB12,525,095 (31 December 2012: RMB1,840,701). Details are disclosed in Note VI THE RELATED PARTY RELATIONSHIPS AND TRANSACTIONS. There were no advances of the Group from shareholders holding at least 5% shares with voting power (31 December 2012: Nil).

As at 31 December 2013, there were no advances from customers denominated in foreign currency. (31 December 2012: Nil).

As at 31 December 2013, there was no significant balance of advances from customers aged more than one year (31 December 2012: Nil).

28. EMPLOYEE BENEFITS PAYABLE

2013

	At 1 January	Additions	Reductions	At 31 December
Wages or salaries, bonuses, allowances and subsidies	265,945,694	1,935,455,147	(1,929,208,571)	272,192,270
Staff welfare	13,622,480	124,094,295	(137,716,775)	—
Social security contributions	10,426,397	218,572,318	(219,543,370)	9,455,345
<i>Including: Basic pension insurance</i>	<i>7,185,523</i>	<i>132,656,324</i>	<i>(131,362,955)</i>	<i>8,478,892</i>
<i>Medical insurance</i>	<i>92,563</i>	<i>50,319,203</i>	<i>(50,411,766)</i>	<i>—</i>
<i>Unemployment insurance</i>	<i>1,523,913</i>	<i>12,809,820</i>	<i>(13,392,823)</i>	<i>940,910</i>
<i>Accident insurance</i>	<i>1,467,245</i>	<i>18,652,827</i>	<i>(20,084,529)</i>	<i>35,543</i>
<i>Maternity insurance</i>	<i>157,153</i>	<i>4,134,144</i>	<i>(4,291,297)</i>	<i>—</i>
Housing fund	1,540,765	79,362,455	(78,584,903)	2,318,317
Compensation to employees for termination of employment relationship	—	3,547,871	(3,547,871)	—
Union running costs and employee education costs	24,610,058	56,806,051	(47,039,438)	34,376,671
Others	1,971,353	5,815,267	(4,704,695)	3,081,925
	318,116,747	2,423,653,404	(2,420,345,623)	321,424,528

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

28. EMPLOYEE BENEFITS PAYABLE *(continued)*

2012

	At 1 January	Additions	Reductions	At 31 December
Wages or salaries, bonuses, allowances and subsidies	241,414,097	1,520,364,670	(1,495,833,073)	265,945,694
Staff welfare	638,202	138,258,024	(125,273,746)	13,622,480
Social security contributions	10,536,653	174,344,107	(174,454,363)	10,426,397
<i>Including: Basic pension insurance</i>	<i>7,431,400</i>	<i>106,235,958</i>	<i>(106,481,835)</i>	<i>7,185,523</i>
<i>Medical insurance</i>	<i>56,234</i>	<i>38,511,031</i>	<i>(38,474,702)</i>	<i>92,563</i>
<i>Unemployment insurance</i>	<i>1,460,823</i>	<i>10,412,516</i>	<i>(10,349,426)</i>	<i>1,523,913</i>
<i>Accident insurance</i>	<i>1,449,770</i>	<i>15,997,025</i>	<i>(15,979,550)</i>	<i>1,467,245</i>
<i>Maternity insurance</i>	<i>138,426</i>	<i>3,187,577</i>	<i>(3,168,850)</i>	<i>157,153</i>
Housing fund	2,299,834	53,899,748	(54,658,817)	1,540,765
Compensation to employees for termination of employment relationship	—	2,242,394	(2,242,394)	—
Union running costs and employee education costs	21,606,245	55,760,609	(52,756,796)	24,610,058
Others	357,879	4,805,605	(3,192,131)	1,971,353
	276,852,910	1,949,675,157	(1,908,411,320)	318,116,747

As at 31 December 2013 and 31 December 2012, there was no overdue employee benefits payable.

The balance of employee benefits payable at 31 December 2013 was expected to be paid within 2014.

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

29. TAXES PAYABLE

	2013	2012
Value added tax	25,973,548	63,753,447
Business tax	12,234,744	18,638,938
Corporate income tax	525,085,171	1,287,843,322
Resource tax	95,533,126	63,994,869
Resource compensation fee	279,417,779	184,611,198
Farmland occupation tax	—	32,339,944
Others	76,556,413	40,845,546
	1,014,800,781	1,692,027,264

30. DIVIDENDS PAYABLE

	2013	2012
Guizhou Province Geology and Mineral Resources Exploration and Development Bureau Team 105	5,523,186	13,500,000
Guizhou Mineral Exploration Development Company	—	27,000,000
Zhenfeng County Industrial Investment Company Limited	—	10,000,000
Others	11,157	6,897,500
	5,534,343	57,397,500

As at 31 December 2013, there was no balance of dividends payable aged more than one year.

31. OTHER PAYABLES

	2013	2012
Payables for construction work and equipment	1,219,059,425	1,103,664,032
Payables for exploration and mining rights	45,215,623	42,971,400
Donations payables	37,176,805	46,870,000
Amounts due to third parties	249,450,052	244,818,081
Withholding income tax	31,537,109	34,337,963
Deposit	224,416,432	283,037,977
Payables for investment costs	149,500,000	—
Payables for agent service	8,662,657	8,056,613
Payables for losses on forward contracts	39,575,998	—
Accrued maintenance costs	9,693,824	7,971,509
Payables to non-controlling shareholders	34,659,196	34,659,196
Others	218,157,569	222,821,415
	2,267,104,690	2,029,208,186

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

31. OTHER PAYABLES *(continued)*

Other payables were interest-free, with an average maturity period of three months.

As at 31 December 2013, there were no other payables which were payable to shareholders holding at least 5% shares with voting powers (31 December 2012: Nil). As at 31 December 2013, other payables included trading balances due to related parties of RMB31,274,589, accounting for 1.38% of the total other payables (31 December 2012: 1.46%). The details are disclosed in Note VI THE RELATED PARTY RELATIONSHIPS AND TRANSACTIONS.

As at 31 December 2013, the significant balance of other payables aged more than one year:

Name of entity	Balance	Reason for not being settled
Sino Gold Mining Limited	36,509,898	Borrowings not yet repaid
National Council for Social Security Fund, PRC	34,747,358	Dividend for state-owned shares not yet paid up
Ms. Yang Fulan	26,943,643	Share transfer consideration not yet paid up
Sinosteel Maanshan Institute of Mining Research Engineering Exploration Design Company Limited	26,862,070	Construction payments not yet settled
The 21 st Metallurgical Construction Company Limited	23,439,263	Construction payments not yet settled
Minnan Construction	20,000,000	Construction payments not yet settled
Beijing GeoEnviron Engineering Technology, Inc	17,390,837	Construction payments not yet settled
The 8th Metallurgical Construction Group Company Limited	14,016,761	Construction payments not yet settled
China 15th Metallurgical Construction Group Company Limited	13,457,820	Construction payments not yet settled
The 8th Metallurgical Construction Group Company Limited Fujian Zijin Project Department	13,243,921	Construction payments not yet settled
Shanxi Industrial Equipment Installation Company Limited	10,350,456	Construction payments not yet settled
	236,962,027	

After the balance sheet date, RMB42,230,158 of the above significant balance of other payables aged more than one year has been settled.

As at 31 December 2013, other payables of the Group included USD other payables of USD1,579,842 (approximately RMB9,632,140 at the exchange rate of USD1 to RMB6.0969), HKD other payables of HKD12,175,307 (approximately RMB9,572,226 at the exchange rate of HKD1 to RMB0.7862) and AUD other payables of AUD1,043,298 (approximately RMB5,665,212 at the exchange rate of AUD1 to RMB5.4301). As at 31 December 2012, other payables of the Group included USD other payables of USD2,331,211 (approximately RMB14,652,824 at the exchange rate of USD1 to RMB6.2855), HKD other payables of HKD5,961,508 (approximately RMB4,833,591 at the exchange rate of HKD1 to RMB0.8108) and AUD other payables of AUD29,056,025 (approximately RMB189,918,899 at the exchange rate of AUD1 to RMB6.5363).

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

32. CURRENT PORTION OF NON-CURRENT LIABILITIES

	2013	2012
Long-term borrowings due within one year	1,375,185,856	503,987,957
Long-term payables due within one year	2,798,834	31,880,000
	1,377,984,690	535,867,957

Long-term borrowings due within one year are as follows:

	2013	2012
Guaranteed loans	302,687,035	273,987,957
Unsecured and non-guaranteed loans	1,072,498,821	230,000,000
	1,375,185,856	503,987,957

As at 31 December 2013 and 31 December 2012, there were no long-term borrowings due within one year which were overdue and obtained an extension.

As at 31 December 2013, the top five balances of long-term borrowings due within one year are as follows:

Lenders	Inception date of borrowing	Maturity date	Currency	Interest rate (%)	2013		2012	
					Foreign currency	Functional currency	Foreign currency	Functional currency
Export-Import Bank of China	14 December 2012	29 November 2014	USD	LIBOR+3%	62,000,000	378,007,800	—	—
Agricultural Bank of China	3 June 2011	3 June 2014	USD	LIBOR+1.8%	43,650,000	266,105,635	—	—
Industrial and Commercial Bank of China	22 December 2011	22 December 2018 #	RMB	6.88%	N/A	169,890,000	—	—
Cathay United Bank	22 August 2012	22 August 2017 #	USD	LIBOR+2.7%	18,000,000	109,754,091	9,000,000	56,562,626
Industrial and Commercial Bank of China (Asia) Limited	30 August 2012	30 August 2015#	USD	LIBOR +2.3%	13,333,333	81,299,327	13,320,000	83,712,686
					1,005,056,853		140,275,312	

The loan would be repaid year by year.

As at 31 December 2013, there were no long-term borrowings that are due but not yet paid.

The top five balances of long-term payables due within one year are as follows:

31 December 2013

Creditor	Period	Initial amount	Annual interest rate (%)	Accrued interest	As at December 31 2013	Borrowing terms
Shanghai Finance Bureau	10 years	56,109,000	—	—	2,798,834	Unsecured

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

32. CURRENT PORTION OF NON-CURRENT LIABILITIES *(continued)*

31 December 2012

Creditor	Period	Initial amount	Annual interest rate(%)	Accrued interest	As at December 31 2012	Borrowing terms
Shanghang Finance Bureau	10 years	56,109,000	—	—	5,600,000	Unsecured
Shanghang Charity Federation	3 years	19,600,000	10	—	26,280,000	Unsecured
		75,709,000		—	31,880,000	

As at 31 December 2013, no current portion of non-current liabilities was due to related parties (31 December 2012: Nil).

As at 31 December 2013, no current portion of non-current liabilities was due to shareholders holding at least 5% shares with voting power (31 December 2012: Nil).

33. LONG-TERM BORROWINGS

		2013	2012
Secured loans with securities under the Group's custody	Note 1	162,500,000	—
Guaranteed loans	Note 2	463,364,400	485,870,000
Unsecured and non-guaranteed loans		7,747,165,300	6,672,747,704
Subtotal		8,373,029,700	7,158,617,704
Including: Long-term borrowings due within one year	Note V.32	(1,375,185,856)	(503,987,957)
		6,997,843,844	6,654,629,747

Note 1: As at 31 December 2013, inventories with carrying amount of RMB83,637,186 and RMB492,340,100 of Zijin Real Estate, a subsidiary of the Company, were pledged as collateral against bank borrowings of RMB123,000,000 and RMB39,500,000 from China Development Bank and Bank of China, respectively.

Note 2: In 2013, Heilongjiang Zijin Longxing Mining Company Limited ("Heilongjiang Longxing"), a subsidiary of the Company, borrowed USD76,000,000 (31 December 2012: USD77,000,000) from the Export-Import Bank of China, of which, USD22,800,000 (31 December 2012: USD23,100,000) was guaranteed by Heilongjiang Longxing International Resources Development Group Company Limited ("Longxing International"), a non-controlling shareholder of Heilongjiang Longxing.

As at 31 December 2013, long-term borrowings included foreign currency loans of USD846,282,333 (31 December 2012: USD602,490,000). As at 31 December 2013 and 31 December 2012, there were no long-term borrowings that were due but not yet paid.

Interest rates of the Group's long-term borrowings ranged from 1.64% to 7.38% (2012: 1.92% to 7.61%).

* Maturity analysis of long-term borrowings:

	2013	2012
Within 1 year or repayable on demand	1,375,185,856	503,987,957
Over 1 year to within 2 years	1,887,480,418	1,584,728,892
Over 2 years to within 5 years	4,005,176,828	1,733,468,177
Over 5 years	1,105,186,598	3,336,432,678
	8,373,029,700	7,158,617,704

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

33. LONG-TERM BORROWINGS *(continued)*

As at 31 December 2013, top five balances of long-term borrowings are as follows:

Lenders	Inception date of borrowing	Maturity date	Currency	Interest rate (%)	2013		2012	
					Foreign currency	Functional currency	Foreign currency	Functional currency
China Development Bank	26 October 2012	25 August 2022	USD	LIBOR+4%	168,000,000	1,024,279,200	168,000,000	1,055,964,000
Bank of China	25 March 2013	25 March 2016	USD	2.77%	107,087,000	652,898,730	—	—
Industrial and Commercial Bank of China	2 December 2013	2 December 2016	USD	LIBOR+2.1%	105,000,000	612,656,179	—	—
Bank of China	20 March 2012	30 December 2015	USD	3.50%	81,140,000	494,702,466	81,140,000	510,005,470
The Export-Import Bank of China	22 September 2013	18 September 2016	USD	LIBOR+2.7%	65,000,000	396,298,500	—	—
					3,180,835,075		1,565,969,470	

34. BONDS PAYABLE

2013	1 January 2013	Additions	Reductions	31 December 2013
Bonds payable	2,987,766,076	134,168,350	(216,053,913)	2,905,880,513
Medium-term notes	—	2,500,000,000	—	2,500,000,000
	2,987,766,076	2,634,168,350	(216,053,913)	5,405,880,513

2012	1 January 2012	Additions	Reductions	31 December 2012
Bonds payable	2,987,514,948	136,358,187	(136,107,059)	2,987,766,076

As at 31 December 2013, the balance of bonds payable is as follow:

Total principal value	Issue date	Term of the bond	Book value of bond	Interest adjustment in the current year	Accrued interest and interest paid for the year	At 31 December 2013	Currency
280,000,000	30 June 2011	5 years	276,569,062	12,824,349	(11,900,000)	277,493,411	USD
200,000,000	24 July 2011	5 years	198,773,564	8,830,930	(8,500,000)	199,104,494	USD
480,000,000			475,342,626	21,655,279	(20,400,000)	476,597,905	

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

34. BONDS PAYABLE *(continued)*

As at 31 December 2012, the balance of bonds payable is as follow:

Total principal value	Issue date	Term of the bond	Book value of bond	Interest adjustment in the current year	Accrued Interest and interest paid for the year	At 31 December 2013	Currency
280,000,000	30 June 2011	5 years	275,685,115	12,783,947	(11,900,000)	276,569,062	USD
200,000,000	24 July 2011	5 years	198,455,872	8,817,692	(8,500,000)	198,773,564	USD
480,000,000			474,140,987	21,601,639	(20,400,000)	475,342,626	

International Finance, a subsidiary of the Company, issued credit enhanced bonds with a principal value of USD280,000,000 on 30 June 2011, carrying an annual interest rate of 4.25% and maturing on 30 June 2016. The issuing price was 99.276% of the principal value. Payments of principal and interest in respect of the bonds are backed by an irrevocable standby letter of credit (the "Standby Letter of Credit") issued by Bank of China Limited, Paris Branch (the "LC Bank"). Interest on the bonds is payable semi-annually in arrears.

On 24 July 2011, the second batch of bonds with a principal value of USD200,000,000 (the "Further Bonds") was issued by International Finance and according to the issuing circular, was consolidated and formed a single series with the bonds issued on 30 June 2011 (the "Original Bonds"). The issue price of the Further Bonds was based on 99.852% of the principal value, plus accrued interest in respect of the period from (excluding) 30 June 2011 to 24 July 2011. Other than the issue price, the terms of the Further Bonds are the same as the Original Bonds. Payments of principal and interest in respect of the Further Bonds are backed by the Standby Letter of Credit issued by the LC Bank, of which the maximum guarantee was raised to USD600,000,000.

In 2013, the Company registered the maximum credit limit of medium-term notes of RMB6,000,000,000 and RMB 4,000,000,000 in the National Association of Financial Market Institutional Investors. On 22 October 2013, the Company issued medium-term notes with face value of RMB2,500,000,000, maturity of five years, and coupon rate of 5.7%. Interest on the bonds is payable annually in arrears.

As at 31 December 2013, there were no bonds that are due but not yet paid (31 December 2012: Nil).

35. LONG-TERM PAYABLES

	2013	2012
Payables for acquisition of mining rights	2,798,834	8,398,834
Entrusted investment	207,926,740	88,586,376
Deposit for Restoration and Improvement of Ecological Environment in Mines	82,827,054	82,827,054
Others	18,507,315	21,540,300
Subtotal	312,059,943	201,352,564
Including: Long-term payables due within one year	(2,798,834)	(31,880,000)
	309,261,109	169,472,564

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

35. LONG-TERM PAYABLES *(continued)*

As at 31 December 2013, the top five balances of long-term payables are as follows:

Creditor	Period	Initial amount	Annual interest rate (%)	Accrued interest	31 December 2013	Borrowing terms
Charitable Foundation of Zijin Mining (Note 1)	3 years	150,000,000	10	7,333,333	150,000,000	Unsecured and non-guaranteed
Deposit for Restoration and Improvement of Ecological Environment in Mines (Note 2)	Long-term	59,588,184	—	—	82,827,054	Unsecured and non-guaranteed
Committee of Jingmei Village (Note 3)	10 years	22,146,063	10	1,000,000	15,981,740	Unsecured and non-guaranteed
Shanghang County Caixitongkang Village (Note 4)	25 years	18,745,000	10	—	18,745,000	Unsecured and non-guaranteed
Shanghang Charity Federation (Note 5)	3 years	8,000,000	10	—	18,100,000	Unsecured and non-guaranteed
		258,479,247		8,333,333	285,653,794	

As at 31 December 2012, the top five balances of long-term payables are as follows:

Creditor	Period	Initial amount	Annual interest rate (%)	Accrued interest	31 December 2012	Borrowing terms
Deposit for Restoration and Improvement of Ecological Environment in Mines (Note 2)	Long-term	59,588,184	—	—	82,827,054	Unsecured and non-guaranteed
Committee of Jingmei Village (Note 3)	10 years	22,146,063	10	1,013,889	32,561,376	Unsecured and non-guaranteed
Shanghang County Caixitongkang Village (Note 4)	25 years	18,745,000	10	—	18,745,000	Unsecured and non-guaranteed
Shanghang Charity Federation (Note 5)	3 years	8,000,000	10	—	8,000,000	Unsecured and non-guaranteed
Gansu Yate Investment Group Company Limited (Note 6)	2 years	9,000,000	—	—	7,000,000	Unsecured and non-guaranteed
		117,479,247		1,013,889	149,133,430	



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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

35. LONG-TERM PAYABLES *(continued)*

- Note 1: In May 2013, the Charitable Foundation of Zijin Mining entered into an entrusted investment agreement with the Company. The Company pays annual fixed returns with return on capital of 10%. The term of the agreement is three years while the fixed returns will be paid quarterly.
- Note 2: According to the requirements of the Government of Shanghang County, starting from 1 January 2003, the Company provides annually a Deposit for Restoration of Ecological Environment in Closing Mines (later renamed as Deposit for Restoration and Improvement of Ecological Environment in Mines) at RMB1 per tonne on ores of which the grade is over 0.5g gold per tonne. The amounts are deposited and managed into a specified bank account (Note V.1 note 1). According to the "Administrative Approach for Restoration and Improvement of Ecological Environment in Mines in Fujian Province (Tentative)" jointly issued by the Department of Land Resources of Fujian, Finance Department of Fujian and Department of Environmental Protection of Fujian, effective from 1 January 2007, the Deposit for Restoration and Improvement of Ecological Environment in Mines is calculated based on the area of mines and other approved impact coefficients.
- According to the Notice of Jilin Province Deposit for Restoration and Improvement of Ecological Environment in Mines, the provision for Deposit for Restoration and Improvement of Ecological Environment in Mines is made based on the area of the mines and a coefficient set by relevant authority to Hunchun Zijin, a subsidiary of the Group.
- Note 3: The payables represented the land compensation to Jingmei Village. According to the agreement, the Company pays annual fixed returns with return on capital of 10% to the counter party. The Company will repay a one-off lump sum compensation at the 10th year of the agreement.
- Note 4: The payables represented the land compensation and compensation for relocation and production for Caixitongkang Village, Shanghang County. According to the agreement, the Company pays annual fixed returns with return on capital of 10%. The Company will repay a one-off lump sum compensation to the village at the 25th year of the agreement.
- Note 5: In 2010, Shanghang Charity Federation entered into an entrusted investment agreement with the Company. The Company pays annual fixed returns with return on capital of 10%. The term of the agreement is three years and can be renewed upon mutual consent. This agreement expired in 2013 and had been renewed for 3 years.
- Note 6: The payables represented the loan borrowed from Gansu Yate Investment Group Company Limited by Longnan Zijin, a subsidiary of the Company, which was financed for operating purposes.

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

35. LONG-TERM PAYABLES *(continued)*

* Maturity analysis of long-term payables is as below:

	2013	2012
Within 1 year or repayable on demand	2,798,834	31,880,000
Over 1 year to within 2 years	8,000,000	5,709,000
Over 2 years to within 5 years	189,375,842	54,713,224
Over 5 years	111,885,267	109,050,340
	312,059,943	201,352,564

36. PROVISION

2013	1 January 2013	Additions	Reductions	31 December 2013
Provision for Environmental Rehabilitation and Restoration of Mines	167,021,572	—	(19,905,674)	147,115,898

2012	1 January 2012	Additions	Reductions	31 December 2012
Provision for Environmental Rehabilitation and Restoration of Mines	—	167,021,572	—	167,021,572

Norton Gold Fields, a subsidiary of the Group, recognised a provision for environmental rehabilitation and restoration of mines based on the estimation of the useful life of mines, timing of closing pit and the expenditures to be incurred at the time of closing pit.

37. OTHER NON-CURRENT LIABILITIES

As at 31 December 2013 and as at December 31 2012, the Group's other non-current liabilities represented deferred income. The balances of deferred income of other non-current liabilities were government grants relating to the assets. The components and movements are as follows:

2013

	1 January 2013	Additions	Recognised as non-operating income for the year	Other movements	31 December 2013	Related to assets or income
Expenditures for science projects	10,400,000	2,840,000	(2,490,000)	(3,523,340)	7,226,660	Assets
Fund for environmental protection projects	67,998,596	2,001,600	(3,772,099)	(522,320)	65,705,777	Assets
Refund of land compensation	62,990,604	49,592,671	(552,709)	—	112,030,566	Assets
Fund for comprehensive utilisation of mineral resources	196,650,000	180,000,000	(33,502,393)	—	343,147,607	Assets
Other financial subsidy	28,822,924	9,962,119	(16,913,509)	(649,476)	21,222,058	Assets
	366,862,124	244,396,390	(57,230,710)	(4,695,136)	549,332,668	

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

37. OTHER NON-CURRENT LIABILITIES *(continued)*

2012

	1 January 2012	Additions	Recognised as non-operating income for the year	Other movements	31 December 2012	Related to assets or income
Expenditures for science projects	438,893	10,400,000	(438,893)	—	10,400,000	Assets
Fund for environmental protection projects	36,332,860	33,419,575	(1,652,099)	(101,740)	67,998,596	Assets
Compensation for exploration	1,200,000	—	(1,200,000)	—	—	Assets
Refund of land compensation	27,543,313	36,000,000	(552,709)	—	62,990,604	Assets
Fund for comprehensive utilisation of mineral resources	—	200,000,000	(3,350,000)	—	196,650,000	Assets
Other financial subsidy	23,155,440	17,966,230	(5,211,653)	(7,087,093)	28,822,924	Assets
	88,670,506	297,785,805	(12,405,354)	(7,188,833)	366,862,124	

38. SHARE CAPITAL

The nominal value of each share is RMB0.1 per share. The types and structures of the shares are as follows:

2013

	At 1 January 2013		At 31 December 2013	
	Number of shares	Proportion	Number of shares	Proportion
1. Non-restricted tradable shares				
RMB ordinary shares	15,803,803,650	72.45%	15,803,803,650	72.83%
Foreign-owned shares listed overseas	6,008,160,000	27.55%	5,896,354,000	27.17%
Total non-restricted tradable shares	21,811,963,650	100.00%	21,700,157,650	100.00%
2. Total shares	21,811,963,650	100.00%	21,700,157,650	100.00%

2012

	At 1 January 2012		At 31 December 2012	
	Number of shares	Proportion	Number of shares	Proportion
1. Non-restricted tradable shares				
RMB ordinary shares	15,803,803,650	72.45%	15,803,803,650	72.45%
Foreign-owned shares listed overseas	6,008,160,000	27.55%	6,008,160,000	27.55%
Total non-restricted tradable shares	21,811,963,650	100.00%	21,811,963,650	100.00%
2. Total shares	21,811,963,650	100.00%	21,811,963,650	100.00%

Notes to Financial Statements *(continued)*

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

38. SHARE CAPITAL *(continued)*

At the 2012 Annual General Meeting, the First A Shareholders' Class Meeting in 2013 and the First H Shareholders' Class Meeting in 2013 convened by the Company on 28 May 2013, a resolution in relation to the proposal of granting a general mandate to the board of directors of the Company to repurchase H shares was approved. As at 31 December 2013, the number of H shares repurchased was 111,806,000 in aggregate. The change of business registration in the PRC for the cancellation of the repurchased H shares has not completed yet. As at 31 December 2013, the Company's total registered capital was RMB2,170,015,765 (31 December 2012: RMB2,181,196,365).

39. CAPITAL RESERVE

2013

	At 1 January 2013	Additions (Note 1)	Reductions (Note 2)	At 31 December 2013
Share premium	7,936,222,485	—	(432,830,971)	7,503,391,514
<i>Including: Premium on acquisition of non-controlling interests</i>	<i>(1,148,370,895)</i>	<i>—</i>	<i>(289,681,085)</i>	<i>(1,438,051,980)</i>
<i>Fair value change arising from step acquisition of subsidiaries in business combinations not involving enterprises under common control</i>	<i>37,406,271</i>	<i>—</i>	<i>—</i>	<i>37,406,271</i>
<i>Share of premium arising from capital injection of non-controlling shareholders</i>	<i>72,700,130</i>	<i>—</i>	<i>—</i>	<i>72,700,130</i>
<i>Capital reserve transferred to issued capital</i>	<i>(727,065,455)</i>	<i>—</i>	<i>—</i>	<i>(727,065,455)</i>
<i>H share repurchase (Note 3)</i>	<i>—</i>	<i>—</i>	<i>(143,149,886)</i>	<i>(143,149,886)</i>
Changes in fair value of available-for-sale investments	(164,465,938)	(47,114,471)	134,016,284	(77,564,125)
Others	(1,042,372)	—	—	(1,042,372)
	7,770,714,175	(47,114,471)	(298,814,687)	7,424,785,017

Notes to Financial Statements *(continued)*

For the year ended 31 December 2013

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

39. CAPITAL RESERVE *(continued)*

2012

	At 1 January 2012	Additions (Note 1)	Reductions (Note 2)	At 31 December 2012
Share premium	8,004,531,780	—	(68,309,295)	7,936,222,485
<i>Including: Premium on acquisition of non-controlling interests</i>	<i>(1,080,061,600)</i>	<i>—</i>	<i>(68,309,295)</i>	<i>(1,148,370,895)</i>
<i>Fair value change arising from step acquisition of subsidiaries in business combinations not involving enterprises under common control</i>	<i>37,406,271</i>	<i>—</i>	<i>—</i>	<i>37,406,271</i>
<i>Share of premium arising from capital injection of non-controlling shareholders</i>	<i>72,700,130</i>	<i>—</i>	<i>—</i>	<i>72,700,130</i>
<i>Capital reserve transferred to issued capital</i>	<i>(727,065,455)</i>	<i>—</i>	<i>—</i>	<i>(727,065,455)</i>
Changes in fair value of available-for-sale investments	(314,001,615)	(137,946,745)	287,482,422	(164,465,938)
Others	(1,042,372)	—	—	(1,042,372)
	7,689,487,793	(137,946,745)	219,173,127	7,770,714,175

Note 1: The increase in capital reserve in 2013 included losses on fair value changes of available-for-sale investments of RMB47,114,471 (2012: RMB9,152,773). The increase in other comprehensive income in 2012 also included transfer of capital reserve of RMB128,793,972 for disposal of available-for-sale investments.

Note 2: The decrease in capital reserve in 2013 included premium of RMB289,681,085 on acquisition of non-controlling interests (2012: RMB68,309,295), transfer of capital reserve of RMB85,487,005 (2012: RMB85,481,294) for recognition of impairment loss on available-for-sale investments and RMB48,529,279 (2012: RMB38,053,756) for disposal of available-for-sale investments. The decrease in 2012 also included gains on fair value changes of available-for-sale investment of RMB163,947,372.

Note 3: The capital reserve decreased by RMB143,149,886 in 2013 (2012: Nil) due to the repurchases of H shares.

40. SPECIAL RESERVE

2013

	At 1 January 2013	Additions	Reductions	At 31 December 2013
Production maintenance fund	—	20,364,937	(20,364,937)	—
Safety fund	98,196,798	656,800,707	(653,049,200)	101,948,305
	98,196,798	677,165,644	(673,414,137)	101,948,305

Notes to Financial Statements *(continued)*

For the year ended 31 December 2013

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

40. SPECIAL RESERVE *(continued)*

2012

	At 1 January 2012	Additions	Reductions	At 31 December 2012
Production maintenance fund	—	35,057,167	(35,057,167)	—
Safety fund	33,491,518	542,801,565	(478,096,285)	98,196,798
	33,491,518	577,858,732	(513,153,452)	98,196,798

41. SURPLUS RESERVE

2013

	At 1 January 2013	Additions	Reductions	At 31 December 2013
Statutory reserve	1,319,401,104	—	—	1,319,401,104

2012

	At 1 January 2012	Additions	Reductions	At 31 December 2012
Statutory reserve	1,319,401,104	—	—	1,319,401,104

Pursuant to the regulations issued by the Ministry of Finance, provision of statutory reserve can be ceased if the aggregate balance of the statutory reserve achieves 50% of the Company's registered capital. In the current year, the balance of the statutory reserve has achieved 50% of the Company's registered capital, therefore the provision of statutory reserve was ceased. The Company can provide a discretionary reserve after the statutory reserve is made. Discretionary reserve can be used to offset accumulated losses for previous years or be transferred to issue capital on approval.

42. RETAINED EARNINGS

	2013	2012
At 1 January	17,034,164,960	14,004,152,348
Net profit attributable to the owners of the parent	2,125,353,823	5,211,208,977
Less: Appropriation for the statutory reserve	—	—
Dividends distribution	2,181,196,365	2,181,196,365
At 31 December	16,978,322,418	17,034,164,960

On 28 May 2013, the 2012 Annual General Meeting of the Company approved the final cash dividend of RMB0.1 per ordinary share in aggregate of RMB2,181,196,365.

On 28 May 2012, the 2011 Annual General Meeting of the Company approved the final cash dividend of RMB0.1 per ordinary share in aggregate of RMB2,181,196,365.

Notes to Financial Statements *(continued)*

For the year ended 31 December 2013

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

43. NON-CONTROLLING INTERESTS

Details of the Group's subsidiaries that have material non-controlling interests are set out below:

2013

	Percentage of equity interest held by non-controlling interests	Profit/(loss) for the year allocated to non-controlling interests	Dividends paid to non-controlling interests	Accumulated balances of non-controlling interests at the reporting date
Xinjiang Ashele Heilongjiang Duobaoshan Copper Company Limited ("Heilongjiang Duobaoshan")	49.00%	365,596,409	(196,000,000)	937,569,160
Guizhou Zijin Mining Company Limited ("Guizhou Zijin")	49.00%	118,809,731	—	549,389,175
Bayannaer Zijin	44.00%	10,656,370	—	352,128,367
Xinjiang Jinbao	32.80%	(26,152,943)	—	306,542,382
Yunnan Huaxi	44.00%	229,944,509	(264,000,000)	279,868,723
Xinjiang Aletai Jinhao Iron Company Limited ("Jinhao Iron")	47.00%	(237,660)	(32,900,000)	261,060,733
Wenshan Malipo Zijin Tungsten Company Limited ("Wenshan Malipo Zijin")	61.48%	(21,204,920)	—	250,307,653
Huanmin Mining Company Limited ("Huanmin Mining")	24.08%	29,965,311	(22,482,000)	271,624,528
Norton Gold Fields	49.00%	(1,206,333)	—	244,017,897
Inner Mongolian Jinzhong Mining Company Limited ("Inner Mongolian Jinzhong")	17.57%	19,776,782	—	225,220,298
Chongli Zijin Mining Company Limited ("Chongli Zijin")	42.75%	27,456,575	—	194,203,531
Longnan Zijin	40.00%	71,763,433	(127,489,720)	181,310,197
Malipo Jinwei Mining Company Limited ("Malipo Jinwei")	15.78%	(12,011,532)	—	177,968,810
Altynken Limited Liability Company ("Altynken")	61.28%	(2,945,222)	(9,800,000)	150,633,358
Heilongjiang Zijin Longxing	40.00%	—	—	140,711,749
Others	30.00%	2,569,584	—	127,742,251
	N/A	(76,864,845)	(87,402,636)	822,895,353
Total		735,915,249	(740,074,356)	5,473,194,165

Notes to Financial Statements *(continued)*

For the year ended 31 December 2013

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

43. NON-CONTROLLING INTERESTS *(continued)*

Details of the Group's subsidiaries that have material non-controlling interests are set out below *(continued)*:

2012

	Percentage of equity interest held by non- controlling interests	Profit/(loss) for the year allocated to non- controlling interests	Dividends paid to non- controlling interests	Accumulated balances of non-controlling interests at the reporting date
Xinjiang Ashele	49.00%	311,089,701	(441,000,000)	767,972,751
Heilongjiang Duobaoshan	49.00%	55,256,653	—	452,808,566
Guizhou Zijin	44.00%	136,491,488	(198,000,000)	340,123,295
Bayannaoer Zijin	32.80%	(22,576,829)	—	330,040,766
Xinjiang Jinbao	44.00%	184,159,919	(154,000,000)	313,924,214
Yunnan Huaxi	47.00%	32,032,142	(37,600,000)	249,013,365
Jinhao Iron	63.40%	(2,092,087)	—	192,907,913
Wenshan Malipo Zijin	22.48%	40,347,597	(17,985,600)	288,198,830
Huanmin Mining	49.00%	(4,214,118)	—	244,366,731
Norton Gold Fields	10.85%	(18,243,979)	—	147,784,787
Inner Mongolian Jinzhong	42.75%	8,970,195	—	164,667,496
Chongli Zijin	40.00%	141,655,244	(80,286,950)	231,739,165
Longnan Zijin	25.00%	6,096,748	—	62,589,259
Malipo Jinwei	60.47%	(13,364,928)	(19,600,000)	162,841,912
Altynken	40.00%	—	—	153,103,998
Heilongjiang Zijin Longxing	30.00%	(7,002,702)	—	125,172,667
Others	N/A	93,439,293	(69,929,423)	1,174,121,271
Total		942,044,337	(1,018,401,973)	5,401,376,986

Notes to Financial Statements *(continued)*

For the year ended 31 December 2013

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

43. NON-CONTROLLING INTERESTS *(continued)*

The following tables illustrate the summarised financial information of the above subsidiaries. The amounts disclosed are before any inter-company eliminations:

2013

	Xinjiang Ashele	Heilongjiang Duobaoshan	Guizhou Zijin	Bayannaer Zijin	Xinjiang Jinbao	Yunnan Huaxi	Jinhao Iron	Wenshan Malipo Zijin
Revenue	1,539,911,446	1,204,335,457	1,813,039,160	2,502,772,851	1,476,417,656	96,005,066	2,531,183	443,205,402
Total expenses	794,825,457	961,866,618	1,788,820,136	2,620,146,888	953,816,499	510,726	36,169,752	317,691,464
Profit/(loss) for the year	745,085,989	242,468,839	24,219,024	(117,374,037)	522,601,157	95,494,340	(33,638,569)	125,513,938
Total comprehensive income for the year	745,085,989	242,468,839	24,219,024	(117,374,037)	522,601,157	95,494,340	(33,638,569)	125,513,938
Current assets	429,409,118	320,522,787	483,117,239	974,498,153	806,802,280	212,559,687	471,170,884	321,776,759
Non-current assets	1,707,490,374	2,529,847,834	1,261,644,668	2,598,907,625	471,786,184	193,236,768	1,780,498,019	1,538,022,553
Current liabilities	(161,442,885)	(632,414,525)	(953,308,045)	(1,835,499,118)	(657,336,485)	(696,142)	(836,730,276)	(591,223,929)
Non-current liabilities	(49,945,000)	(1,064,372,000)	—	(863,000,000)	(4,542,697)	—	(750,000,000)	—
Net cash flows from/ (used in) operating activities	777,998,392	500,621,450	227,670,831	126,083,149	284,157,305	(3,788,242)	(139,739,336)	173,815,429
Net cash flows from/ (used in) investing activities	(290,711,276)	(165,943,252)	(196,932,968)	(93,782,996)	(75,799,345)	103,400,111	(922,053,886)	267,423
Net cash flows from/ (used in) financing activities	(403,071,971)	(356,306,263)	(71,604,913)	(41,679,095)	(219,899,832)	(72,297,512)	1,065,777,273	(170,690,897)
Net increase/ (decrease) in cash and cash equivalents	84,215,145	(21,628,065)	(40,867,050)	(9,378,942)	(11,541,872)	27,314,357	3,984,051	3,391,955

Notes to Financial Statements *(continued)*

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

43. NON-CONTROLLING INTERESTS *(continued)*

The following tables illustrate the summarised financial information of the above subsidiaries. The amounts disclosed are before any inter-company eliminations *(continued)*:

2013 *(continued)*

	Huanmin Mining	Norton Gold Fields	Inner Mongolian Jinzhong	Chongli Zijin	Longnan Zijin	Malipo Jinwei	Altynken	Heilongjiang Zijin Longxing
Revenue	—	1,553,367,692	371,295,463	576,539,370	152,001,394	135,044,721	—	59,456,665
Total expenses	2,461,904	1,436,154,316	287,158,106	448,323,626	149,440,836	139,881,763	—	50,891,385
Profit/(loss) for the year	(2,461,904)	117,213,376	84,137,357	128,215,744	2,560,558	(4,837,042)	—	8,565,280
Total comprehensive income for the year	(2,461,904)	117,213,376	84,137,357	128,215,744	2,560,558	(4,837,042)	—	8,565,280
Current assets	31,583,171	439,632,669	83,900,496	83,039,968	169,869,509	86,536,934	60,368,258	942,995,117
Non-current assets	440,009,392	1,560,401,663	537,579,525	656,215,893	654,877,685	286,132,473	807,115,736	664,750,674
Current liabilities	(37,317,851)	(196,316,950)	(302,492,867)	(238,879,001)	(223,659,581)	(157,152,624)	(939,063,794)	(520,534,733)
Non-current liabilities	(106,400,657)	(931,132,054)	(65,000,000)	—	(366,644,282)	—	(2,257,502)	(611,364,400)
Net cash flows from/ (used in) operating activities	(20,840,692)	396,626,670	141,640,196	171,152,099	63,256,584	32,799,946	(460,063)	(166,941,775)
Net cash flows from/ (used in) investing activities	(9,317,064)	(675,840,283)	(26,793,980)	(63,625,512)	(192,901,241)	(15,753,984)	(462,251,335)	576,441
Net cash flows from/ (used in) financing activities	29,001,965	406,984,353	(81,173,729)	(193,721,647)	150,663,781	(8,347,880)	476,915,678	115,750,389
Net increase/ (decrease) in cash and cash equivalents	(1,155,791)	127,770,740	33,672,487	(86,195,060)	21,019,124	8,698,082	14,204,280	(50,614,945)

Notes to Financial Statements *(continued)*

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

43. NON-CONTROLLING INTERESTS *(continued)*

The following tables illustrate the summarised financial information of the above subsidiaries. The amounts disclosed are before any inter-company eliminations *(continued)*:

2012

	Xinjiang Ashele	Heilongjiang Duobaoshan	Guizhou Zijin	Bayannaer Zijin	Xinjiang Jinbao	Yunnan Huaxi	Jinhao Iron	Wenshan Malipo Zijin
Revenue	1,753,835,275	532,962,297	1,504,792,648	2,228,451,375	1,293,220,491	153,474,555	—	445,660,623
Total expenses	1,104,819,364	420,193,617	1,194,583,098	2,313,353,521	874,675,221	1,361,145	5,364,326	295,785,583
Profit/(loss) for the year	649,015,911	112,768,680	310,209,550	(84,902,146)	418,545,270	152,113,410	(5,364,326)	149,875,040
Total comprehensive income for the year	649,015,911	112,768,680	310,209,550	(84,902,146)	418,545,270	152,113,410	(5,364,326)	149,875,040
Current assets	411,129,286	331,057,165	574,546,428	814,293,206	483,765,049	187,841,060	104,694,388	296,224,419
Non-current assets	1,592,640,038	2,387,102,829	1,129,680,869	2,412,440,748	471,866,297	197,107,710	491,718,675	1,573,770,264
Current liabilities	(284,203,808)	(529,889,126)	(940,067,690)	(2,186,744,754)	(261,653,096)	(4,500,858)	(98,819,382)	(631,273,336)
Non-current liabilities	(55,945,000)	(1,264,482,000)	—	(50,000,000)	—	(841,940)	—	—
Net cash flows from/(used in) operating activities	933,521,627	83,189,187	587,838,290	282,672,815	259,605,260	(5,952,172)	(153,113,321)	163,680,677
Net cash flows from/(used in) investing activities	(198,145,929)	(664,354,369)	(283,503,098)	(182,339,022)	(103,793,901)	57,913,431	(100,715,883)	8,723,676
Net cash flows from/(used in) financing activities	(857,782,861)	396,180,653	(308,004,803)	(119,920,991)	(248,384,838)	(76,864,371)	294,000,000	(211,016,187)
Net increase/ (decrease) in cash and cash equivalents	(122,407,163)	(184,984,529)	(3,669,611)	(19,587,198)	(92,573,479)	(24,903,112)	40,170,796	(38,611,834)

Notes to Financial Statements *(continued)*

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

43. NON-CONTROLLING INTERESTS *(continued)*

The following tables illustrate the summarised financial information of the above subsidiaries. The amounts disclosed are before any inter-company eliminations *(continued)*:

2012 *(continued)*

	Huanmin Mining	Norton Gold Fields	Inner Mongolian Jinzhong	Chongli Zijin	Gansu Yate	Malipo Jinwei	Altynken	Heilongjiang Zijin Longxing
Revenue	—	630,088,371	189,349,815	816,544,257	128,920,632	208,184,936	1,501	63,224,893
Total expenses	1,762,782	798,220,148	170,513,388	462,406,147	104,533,641	180,909,574	—	40,001,908
Profit/(loss) for the year	(1,762,782)	(168,131,777)	18,836,427	354,138,110	24,386,991	27,275,362	1,501	23,222,985
Total comprehensive income for the year	(1,762,782)	(168,131,777)	18,836,427	354,138,110	24,386,991	27,275,362	1,501	23,222,985
Current assets	14,728,043	351,917,755	66,111,282	273,622,771	137,429,204	79,281,655	63,713,315	1,049,712,672
Non-current assets	425,360,815	1,220,985,940	555,250,793	652,513,191	192,841,548	297,795,994	300,795,446	389,816,179
Current liabilities	(38,064,112)	(251,769,246)	(293,579,604)	(232,410,604)	(124,344,060)	(137,596,624)	(401,421,946)	(486,377,472)
Non-current liabilities	(71,688,788)	(534,150,867)	(165,000,000)	—	(145,670,000)	—	(26,650,806)	(485,870,000)
Net cash flows from/(used in) operating activities	(11,391,904)	120,221,951	56,363,778	358,904,173	33,015,492	52,265,515	—	87,998,052
Net cash flows from/(used in) investing activities	(13,551,401)	134,917,550	(97,828,715)	(63,359,378)	(148,446,917)	(22,058,744)	(173,138,879)	(15,467)
Net cash flows from/(used in) financing activities	26,217,313	(124,094,971)	51,761,447	(242,939,293)	144,576,677	(28,210,141)	203,348,847	(39,592,678)
Net increase/(decrease) in cash and cash equivalents	1,274,008	131,044,530	10,296,510	52,605,502	29,145,252	1,996,630	30,209,968	48,389,907

Notes to Financial Statements *(continued)*

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

44. OPERATING INCOME AND OPERATING COSTS

Operating income:

	2013	2012
Revenue from principal operations	49,236,394,951	47,732,636,436
Revenue from other operations	535,116,947	682,082,770
	49,771,511,898	48,414,719,206

Operating costs:

	2013	2012
Cost of principal operations	40,563,975,593	35,966,404,643
Cost of other operations	282,504,520	408,459,431
	40,846,480,113	36,374,864,074

Analyses of revenue from principal operations and cost of principal operations by products:

	2013		2012	
	Revenue from principal operations	Cost of principal operations	Revenue from principal operations	Cost of principal operations
Gold bullion	4,922,447,589	2,451,432,568	7,036,036,225	1,870,486,058
Refinery, processed and trading gold	18,158,915,135	18,030,797,072	19,202,793,317	18,559,372,120
Copper cathodes	604,707,310	447,373,779	147,914,973	117,445,856
Refinery copper	8,710,197,645	8,843,762,500	5,087,480,380	4,967,106,830
Ore concentrates	11,182,560,241	5,823,332,072	8,380,971,824	3,410,003,010
Zinc bullion	1,974,786,158	1,909,299,060	1,996,915,340	1,896,540,579
Others	3,682,780,873	3,057,978,542	5,880,524,377	5,145,450,190
	49,236,394,951	40,563,975,593	47,732,636,436	35,966,404,643

More than 96% (2012: more than 98%) of revenue from and cost of principal operations of the Group arise from mining, processing and refining mineral products and trading. As such, the management of the Group considers that there is no need to disclose the segment revenue and costs based on industry.

During the year 2013, more than 99% (2012: more than 99%) of the operating income arises from sales of commodities. As such, the management of the Group considers that there is no need to disclose the operating income and costs based on the nature of income.

Notes to Financial Statements *(continued)*

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

44. OPERATING INCOME AND OPERATING COSTS *(continued)*

Revenue of the top five customers of the Group in 2013:

	2013	Proportion of revenue (%)
Shanghai Gold Exchange [#]	22,533,573,715	45.27
Fujian Shanghang Taiyang Copper Company Limited ("Taiyang Copper")	2,325,564,332	4.67
Zhejiang Hongda Metal Smelting Company Limited	1,998,896,899	4.02
Shenzhen Jiangtong Marketing Company Limited	1,844,629,703	3.71
Guangzhou Jinchuanli Trading & Investing Company Limited	1,722,380,793	3.46
	30,425,045,442	61.13

Revenue of the top five customers of the Group in 2012:

	2012	Proportion of revenue (%)
Shanghai Gold Exchange [#]	23,456,655,918	48.45
Jinchuan Group	1,842,104,333	3.80
Taiyang Copper	1,273,887,849	2.63
Bayi Steel	726,358,808	1.50
Jinlong Copper Company Limited	666,015,966	1.38
	27,965,022,874	57.76

[#] The ultimate customers are not listed in detail.

45. TAXES AND SURCHARGES

	2013	2012
Business tax	92,426,235	82,116,198
City construction and maintenance tax	52,079,582	42,639,112
Resource tax	421,386,497	323,181,140
Education surcharges	64,123,541	49,705,763
Others	89,180,185	43,456,213
	719,196,040	541,098,426

Tax rates for taxes and surcharges are disclosed in Note III 1.

Notes to Financial Statements *(continued)*

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

46. SELLING EXPENSES

	2013	2012
Salaries and welfares	47,486,185	39,010,294
Transportation expenses	374,772,216	453,250,503
Unloading expenses	6,295,450	11,582,524
Storage expenses	2,158,594	2,717,593
Packing expenses	4,084,031	5,173,066
Insurance expenses	2,956,312	3,823,460
Charge of commission sales	14,513,783	13,198,590
Advertising expenses	5,492,119	2,780,070
Depreciation expenses	4,654,191	5,955,859
Material consumption	6,534,212	8,747,540
Others	56,718,655	50,621,246
	525,665,748	596,860,745

47. ADMINISTRATIVE EXPENSES

	2013	2012
Salaries and welfares	772,246,622	635,708,519
Office expenses	133,626,833	140,799,087
Travelling and meeting expenses	52,959,812	42,657,240
Stipulated fees	413,196,685	328,958,652
Taxes	95,400,203	64,894,989
Depreciation expenses	195,250,037	202,164,370
Research and development expenses	86,416,448	88,482,452
Audit fees*	16,706,446	13,322,209
Entertainment expenses	47,647,006	51,402,142
Repair and maintenance costs	37,279,274	12,739,125
Environmental protection expenses	11,872,362	3,842,311
Pre-operating costs	43,983,956	4,541,492
Professional consulting expenses	63,914,421	76,614,586
Property insurance expenses	1,119,140	12,913,454
Exploration expenses	98,859,343	58,429,138
Others	95,338,603	136,784,667
	2,165,817,191	1,874,254,433

* In the year 2013, the auditors' remuneration is RMB7,460,000 (2012: RMB8,176,630).

Notes to Financial Statements *(continued)*

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

48. FINANCIAL EXPENSES

	2013	2012
Interest expenses:	1,124,578,070	943,245,114
<i>Including: *Bank loans</i>	962,834,530	806,886,927
<i>*Bonds payable</i>	161,743,540	136,358,187
Less: Interest income	103,767,418	149,763,930
Capitalised interest expenses	402,948,070	168,571,282
Exchange losses	29,887,533	64,697,959
Bank charges	85,309,789	84,982,647
Others	—	29,374,670
	733,059,904	803,965,178

Capitalised interest expenses are included in construction in progress. In 2013, no interest income arose from impaired financial assets (2012: Nil).

* Interest on bank loans and bonds payable wholly repayable within five years amounted to RMB1,028,155,969 (2012: RMB792,561,203). Interest on bank loans not wholly repayable over five years amounted to RMB96,422,101 (2012: RMB150,683,911).

49. IMPAIRMENT LOSSES ON ASSETS

	2013	2012
Bad debt provision for trade and other receivables	161,832,006	7,224,745
Provision for decline in value of inventories	67,421,752	41,819,403
Impairment on available-for-sale investments	92,013,456	113,975,059
Impairment on long-term equity investments	189,468,007	—
Impairment on fixed assets	180,197,036	34,885,865
Impairment on construction in progress	9,839,091	—
Impairment on intangible assets	91,370,018	27,815,000
Impairment on other non-current assets	—	45,000,000
	792,141,366	270,720,072

Notes to Financial Statements *(continued)*

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

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

	2013	2012
Financial assets at fair value through profit or loss (Note 1) <i>Including: Unsettled provisional price arrangements</i> <i>– Non-effective hedging</i>	(188,721,341)	122,697,578
Financial liabilities at fair value through profit or loss (Note 2)	207,457,398	(109,711,432)
	18,736,057	12,986,146

Note 1: In year 2013, gains or losses on changes in fair value of financial assets at fair value through profit or loss included losses on changes in fair value arising from stocks, funds and securities of RMB63,280,631 (2012: RMB9,097,653), losses on changes in fair value of futures of RMB117,276,853 (2012: Gains of RMB121,618,801), and losses on changes in fair value of other financial assets of RMB8,163,857 (2012: Gains of RMB10,176,430).

Note 2: In year 2013, gains or losses on changes in fair value of financial liabilities at fair value through profit or loss included gains on changes in fair value arising from the gold leasing business of RMB1,124,808,398 (2012: Losses of RMB178,555,092), losses on changes in fair value of gold futures of RMB927,451,517 (2012: Gains of RMB68,843,660), which arose from gold forward contracts entered into by the Group in accordance with the repayment terms of gold leasing business for the purpose of hedging its risks arising from gold price fluctuation, and gains on changes in fair value of other financial liabilities of RMB10,100,517 (2012: Nil).

51. INVESTMENT INCOME

	2013	2012
Income from long-term equity investments under the cost method	18,740,000	12,540,344
Income from long-term equity investments under the equity method <i>Including: Share of profits of associates</i> <i>Share of (losses)/profits of joint ventures</i>	117,156,560 145,858,676 (28,702,116)	242,514,892 238,988,380 3,526,512
Gain on disposal of long-term equity investments <i>Including: Gain on disposal of subsidiaries</i> <i>Loss on disposal of other long-term equity investments</i>	3,576,341 4,073,195 (496,854)	10,580,835 10,580,835 —
(Loss)/Gain on disposal of financial assets at fair value through profit or loss (Note 1)*	(73,311,904)	264,280,528
(Loss)/Gain on disposal of available-for-sale investments (Note 2)*	(50,582,434)	65,055,893
Gain on acquisition of Norton Gold Fields	—	41,190,727
Others	(1,810,917)	3,721,361
	13,767,646	639,884,580

* In the year of 2013, investment losses from investments in listed companies were RMB44,772,902 (2012: Investment income RMB144,405,542), and investment income from investments in unlisted companies were RMB 58,540,548 (2012: RMB495,479,038).

Note 1: In the year of 2013, the investment losses resulting from disposal of financial assets at fair value through profit or loss included losses of RMB81,713,954 on the settlement of future contracts (2012: Gains of RMB226,121,606).

Note 2: In the year of 2013 and 2012, investment income resulting from disposal of available-for-sale investments were generated from the gains on disposal of stock investments.

Notes to Financial Statements *(continued)*

For the year ended 31 December 2013

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

51. INVESTMENT INCOME *(continued)*

Investees with top five investment income from long-term equity investments under the cost method:

Investee	2013	2012	Reasons for variance with last period
Shanghang Rural Commercial Bank	10,200,000	—	Dividends distribution
Liwu Copper	8,000,000	7,352,944	Dividends distribution
Luoyang Commercial Bank	390,000	390,000	No change
Nanjing China Net	150,000	100,000	Dividends distribution
Muli Rongda	—	3,000,000	No dividend
	18,740,000	10,842,944	

Investees with top five investment income from long-term equity investments under the equity method:

Investee	2013	2012	Reasons for variance with last period
Wancheng Commercial	77,669,755	139,924,301	Change in net profit of the investee
Longyan Makeng	33,162,109	31,196,934	Change in net profit of the investee
Haixia Technology	32,771,827	40,700,849	Change in net profit of the investee
Tibet Yulong	17,287,768	412,202	Change in net profit of the investee
Shandong Guoda	16,808,145	19,003,944	Change in net profit of the investee
	177,699,604	231,238,230	

As at 31 December 2013, there are no material restrictions on the transfer of the investment income back to the Group (31 December 2012: Nil).

52. NON-OPERATING INCOME

	2013	2012
Gains on disposal of non-current assets	8,467,645	1,834,059
<i>Including: Gains on disposal of fixed assets</i>	8,467,645	<i>1,834,059</i>
Government grants	159,679,631	91,978,060
Penalty income	10,744,109	3,991,306
Others	44,594,966	123,094,988
	223,486,351	220,898,413

Notes to Financial Statements *(continued)*

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

52. NON-OPERATING INCOME *(continued)*

Analysis of government grants is as follows:

	2013	2012
Government grants related to assets:		
Expenditures for science projects	2,490,000	438,893
Environmental protection	3,772,099	1,652,099
Exploration	—	1,200,000
Refund of land compensation	552,709	552,709
Comprehensive utilisation of mineral resources (Note 1)	33,502,393	3,350,000
Others (Note 2)	16,913,509	5,211,653
	57,230,710	12,405,354
Government grants related to income:		
Special government rewards (Note 3)	23,460,162	28,780,584
VAT subsidies	407	27,538,866
Tax refunds	10,253,838	10,110,350
Others (Note 4)	68,734,514	13,142,906
	102,448,921	79,572,706
	159,679,631	91,978,060

Note 1: Included the government grants for the Company's Zijinshan Copper Mine low-grade comprehensive utilisation demonstration base amounted to RMB33,502,393 during 2013.

Note 2: Mainly included the amortisation of Zijin Copper subsidy for rental housing amounted to RMB15,171,500 during 2013.

Note 3: In 2013, Qinghai West received Deerni Copper Mine pyrite comprehensive utilisation incentive fund from Bureau of Development and Reform of Maqin County amounted to RMB5,000,000 and financial subsidy fund for copper tailings recycling technological innovation project amounted to RMB2,700,000. Zijin Copper received RMB7,000,000 of electricity consumption reward from Finance Bureau in 2013.

Note 4: In 2013, Zijin Copper received import products discount fund amounted to RMB30,000,000, the third tranche of clean production demonstration project subsidy amounted to RMB7,000,000 and a wet season electricity subsidy amounted to RMB8,297,000.

53. NON-OPERATING EXPENSES

	2013	2012
Losses on disposal of non-current assets	126,942,650	42,731,004
<i>Including: Losses on disposal of fixed assets</i>	126,939,629	42,731,004
<i>Losses on other non-current assets</i>	3,021	—
Donations	230,065,888	190,096,198
Penalties	24,189,776	31,045,236
Losses arising from natural disasters	401,975	170,975
Losses on stock-taking	2,130,972	1,431,836
Others	26,708,759	5,190,851
	410,440,020	270,666,100

Notes to Financial Statements *(continued)*

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

54. INCOME TAX EXPENSES

	2013	2012
Current tax expenses		
– Mainland China	1,199,556,120	2,497,883,147
– Hong Kong	—	—
Deferred tax expenses	(226,123,622)	(95,077,144)
	973,432,498	2,402,806,003

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

	2013	2012
Profit before tax	3,834,701,570	8,556,059,317
Income tax calculated at the applicable tax rate (Note 1)	958,675,393	2,139,014,829
Effect of different tax rates of certain subsidiaries	(155,990,286)	(84,222,712)
(Over)/under-provision in prior years	(59,119,178)	87,418,802
Income not subject to tax (Note 2)	(99,842,278)	(96,322,880)
Expenses not deductible for tax purposes (Note 3)	40,178,017	56,891,085
Previous tax losses utilised	(20,879,485)	(971,453)
Effect of unrecognised deductible temporary differences and deductible tax losses	310,410,315	300,998,332
Income tax expenses calculated at the Group's effective tax rate	973,432,498	2,402,806,003

Note 1: Provision for the PRC enterprise income tax expenses has been made at applicable tax rates based on the taxable profits. For the year 2013, there was no assessable profit arising in Hong Kong (2012: Nil). Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries/jurisdictions in which the enterprise operates.

Note 2: Included share of profits of long-term equity investments under the equity method of RMB117,156,560 for the year 2013 (2012: RMB242,514,892), share of profits of long-term equity investments under the cost method of RMB18,740,000 for the year 2013 (2012: RMB12,540,344), and the sales revenue which comes from the products that shall be exempted from income tax in line with national industrial policies and regulations of RMB16,482,399 for the year 2013 (2012: RMB12,970,130).

Note 3: Included donations not deductible for tax purposes of RMB118,289,509 for the year 2013 (2012: RMB15,913,590).

Notes to Financial Statements *(continued)*

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

55. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the consolidated net profit for the current year attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding. The number of newly issued ordinary shares is ascertained as from the date the consideration is due (generally the issue date of shares) according to the provisions in the issuing agreement.

There were no potential dilutive ordinary shares for the Company.

Basic earnings per share is calculated as follows:

	2013	2012
Earnings		
Consolidated net profit attributable to the owners of the parent	2,125,353,823	5,211,208,977
Shares		
Weighted average number of ordinary shares outstanding	21,796,121,080	21,811,963,650

56. OTHER COMPREHENSIVE INCOME

	2013	2012
Gains on fair value changes of available-for-sale investments		
Recognised as other comprehensive income	(53,523,075)	(34,050,467)
Less: Gains transferred from other comprehensive income		
to consolidated statement of profit or loss	(134,016,284)	(180,535,220)
Income tax effects	(6,408,604)	(3,050,924)
	86,901,813	149,535,677
Exchange differences arising from translation of		
financial statements denominated in foreign currencies		
Recognised as other comprehensive income	(178,359,352)	(2,937,920)
	(91,457,539)	146,597,757

Notes to Financial Statements *(continued)*

For the year ended 31 December 2013

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

57. NOTES TO STATEMENT OF CASH FLOWS

Significant cash flows of the Group are as follows:

	2013	2012
Other cash receipts relating to operating activities		
Interest income	103,767,418	—
Government grants	342,150,175	—
Others	42,856,287	—
	488,773,880	—
Other cash payments relating to operating activities		
Selling expenses	(74,188,750)	(67,643,296)
Administrative expenses	(1,004,060,985)	(913,057,417)
Donations	(198,802,229)	(197,217,137)
Cash paid for security deposits	—	(141,204,044)
Others	(155,225,428)	(147,590,481)
	(1,432,277,392)	(1,466,712,375)
Other cash receipts relating to investing activities		
Cash receipts from time deposits with maturity for more than three months	171,248,682	85,090,485
Others	116,797,601	—
	288,046,283	85,090,485
Other cash payments relating to investing activities		
Cash paid for time deposits with maturity for more than three months	(68,067,205)	—
Acquisition of equity interest in subsidiaries from non-controlling shareholders	—	(186,000,000)
	(68,067,205)	(186,000,000)
Other cash receipts relating to financing activities		
Government grants	—	370,169,678
Release of pledged bank deposits	566,760,389	462,800,000
Borrowings from third parties	269,809,646	324,723,167
	836,570,035	1,157,692,845
Other cash payments relating to financing activities		
H shares repurchase	(154,330,486)	—
Repayment of borrowings from third parties	(119,557,311)	(191,617,798)
Bank charges	(85,309,789)	(109,687,403)
Pledged bank deposits	—	(461,760,389)
	(359,197,586)	(763,065,590)

Notes to Financial Statements *(continued)*

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

58. SUPPLEMENTARY INFORMATION TO THE STATEMENT OF CASH FLOWS

(1) Supplementary information to the statement of cash flows

Reconciliation of net profit to cash flows from operating activities:

	2013	2012
Net profit	2,861,269,072	6,153,253,314
Add: Provision for impairment losses of assets	792,141,366	270,720,072
Depreciation of fixed assets	1,887,658,780	1,319,998,832
Amortisation of intangible assets	350,680,750	237,430,101
Amortisation of long-term deferred assets	152,375,520	122,597,940
Losses on disposal of fixed assets, intangible assets and other long-term assets	118,475,005	40,896,945
Gains on changes in the fair values	(18,736,057)	(12,986,146)
Financial expenses	806,939,789	889,031,149
Investment income	(95,481,600)	(413,762,974)
Increase in deferred tax assets	(222,574,845)	(74,789,210)
Decrease in deferred tax liabilities	(3,548,777)	(20,287,934)
Decrease/(increase) in inventories	3,337,161,359	(3,451,211,118)
Increase in receivables from operating activities	(774,958,175)	(550,196,511)
(Decrease)/increase in payables from operating activities	(454,613,993)	863,739,800
Depreciation of investment properties	3,064,520	1,991,059
Government grants	—	(91,978,060)
Increase in special reserve	3,751,507	64,705,280
Exploration expense	98,859,343	58,429,138
Net cash flow from operating activities	8,842,463,564	5,407,581,677

(2) Acquisition or disposal of subsidiaries and other business units during the year

Information about acquisition of subsidiaries and other business units

	2013	2012
Consideration for acquisition of subsidiaries and other business units	66,379,114	1,481,285,663
Cash and cash equivalents for acquisition of subsidiaries and other business units	—	1,227,039,268
Less: cash and cash equivalents held by subsidiaries and other business units	136,723	404,223,608
Net cash flow (from)/used in acquisitions of subsidiaries and other business units	(136,723)	822,815,660
Net assets of the acquired subsidiaries		
Current assets	757,674	613,841,187
Non-current assets	84,147,433	2,016,701,405
Current liabilities	(10,351,085)	(367,329,240)
Non-current liabilities	(8,174,908)	(699,265,517)
	66,379,114	1,563,947,835

Notes to Financial Statements *(continued)*

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

58. SUPPLEMENTARY INFORMATION TO THE STATEMENT OF CASH FLOWS *(continued)*

(2) Acquisition or disposal of subsidiaries and other business units during the year *(continued)*

Information about disposal of subsidiaries and other business units

	2013	2012
Consideration for the disposal of subsidiaries and other business units	27,511,537	50,428,989
Cash and cash equivalents received from the disposal of subsidiaries and other business units	27,511,537	50,428,989
Less: cash and cash equivalents held by subsidiaries and other business units	5,133,397	40,699,934
Net cash inflow from the disposal of subsidiaries and other business units	22,378,140	9,729,055
Net assets of the disposed subsidiaries		
Current assets	27,002,345	54,150,799
Non-current assets	21,780,035	43,197,280
Current liabilities	(19,905,555)	(39,042,102)
	28,876,825	58,305,977

(3) Cash and cash equivalents

	2013	2012
Cash	4,020,933,021	6,314,739,975
<i>Including: Cash on hand</i>	7,136,797	6,792,520
<i>Cash at banks that can be readily drawn on demand</i>	4,013,796,224	6,307,947,455
Closing balance of cash and cash equivalents	4,020,933,021	6,314,739,975

Movement of cash and cash equivalents

	2013	2012
Closing balance of cash	3,330,935,614	5,372,795,898
Less: opening balance of cash	5,372,795,898	2,954,107,120
Add: closing balance of cash equivalents	689,997,407	941,944,077
Less: opening balance of cash equivalents	941,944,077	1,963,080,745
(Decrease)/increase in cash and cash equivalents	(2,293,806,954)	1,397,552,110

No cash and cash equivalents of the Group was restricted for use.

Notes to Financial Statements *(continued)*

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

VI. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

1. THE LARGEST SHAREHOLDER OF THE COMPANY

Name of the entity	Type of the entity	Place of incorporation/ registration	Legal representative	Nature of Business	Registered capital	Proportion of the Company's ownership (%)	Proportion of the Company's voting powers(%)	Ultimate controlling entities	Organisation code
Minxi Xinghang	State-owned	No. 110 Zhenxing Road, Linjiang Village, Shanghang County, Longyan City, Fujian Province	Mr. Liu Shimin	Investment in Fujian	RMB368 million	29.11%	29.11%	Minxi Xinghang	70511151-X

2. SUBSIDIARIES OF THE COMPANY

Principal subsidiaries of the Company are disclosed in NOTE IV SCOPE OF CONSOLIDATION.

* Investment in subsidiaries

	2013	2012
Unlisted shares, at cost	10,670,268,723	11,090,335,715
Loans to subsidiaries without fixed maturity dates	2,556,980,000	2,136,550,000
Financial guarantees to subsidiaries	299,529,483	235,312,345
	13,526,778,206	13,462,198,060
Impairment of long-term equity investments	(480,403,330)	(480,403,330)
	13,046,374,876	12,981,794,730

The amounts due from subsidiaries of RMB7,162,293,587 (2012: RMB5,578,621,862) were included in the Company's current assets. Except for the loans due from subsidiaries of RMB4,605,313,587 (2012: RMB3,442,071,862) which bore interest rates ranging from nil to 10% (2012: Nil to 10%), other amounts due from subsidiaries were unsecured, interest-free and had no fixed terms of repayment.

The amounts due to subsidiaries included in the Company's current liabilities of RMB276,927,341 (2012: RMB461,561,443) were unsecured, interest-free and were repayable on demand or within one year.

The financial guarantees offered by the Company to some of its subsidiaries will expire in 2 to 17 years.

3. ASSOCIATES AND JOINT VENTURES

Information about associates and joint ventures is disclosed in Note V 10.

Notes to Financial Statements *(continued)*

For the year ended 31 December 2013

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

VI. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS *(continued)*

4. OTHER RELATED PARTIES OF THE COMPANY

Name of entity	Relationship between the related parties and the Company	Organisation code
Xinjiang Nonferrous Logistics Company Limited ("Xinjiang Logistics")	A non-controlling shareholder of Xinjiang Ashele	73446875-3
Sichuan Bureau of Geological Exploration and Exploration of Mineral Resources ("Sichuan Geology")	A non-controlling shareholder of Sichuan Ganzi Zijin Mining Company Limited ("Ganzi Zijin")	45072463-9
Fujian Shanghang Hongyang Mining Engineering Company Limited ("Hongyang Mining")	A non-controlling shareholder of Guizhou Zijin	70532775-9
Fujian Longxiang Electricity Group ("Longxiang Group")	Former non-controlling shareholder of Shanghang Jinshan Hydro Power Company Limited ("Shanghang Jinshan Hydro Power")	72644183-3
Chongli Finance Bureau State-owned Assets Management Center	A non-controlling shareholder of Chongli Zijin	08265180-X
Jilin The Sixth Geological Survey	A non-controlling shareholder of Tumen Shuguang Mining Company Limited	605390056
Longxing International	A non-controlling shareholder of Heilongjiang Longxing	772632200
Fujian The Eighth Geological Team	Former non-controlling shareholder of Shanghang Jinshan Mining	49099102-9
Western Mining Company Limited Zinc Branch ("Western Mining")	A non-controlling shareholder of Bayannaer Zijin	71056701-X

5. RELATED PARTY TRANSACTIONS

(A) Sales and purchases of products, rendering and receipt of services

Sales of products/rendering of services

			2013		2012	
Nature of transaction	Related party transaction pricing and decision making procedures		Amount	Proportion (%)	Amount	Proportion (%)
			Haixia Technology	Provision of design service	Market Price	38,918
Shandong Guoda	Sales of gold and copper ore	Market Price	199,515,520	0.40	295,412,216	0.61
Western Mining	Sales of zinc concentrates	Market Price	63,610,350	0.13	—	—
Wengfu Zijin	Sales of vitriol/provision of design service	Market Price	37,553,333	0.08	33,034,865	0.07
			300,718,121	0.61	328,447,081	0.68

Notes to Financial Statements *(continued)*

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

VI. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS *(continued)*

5. RELATED PARTY TRANSACTIONS *(continued)*

(A) Sales and purchases of products, rendering and receipt of services *(continued)*

Purchase of products/receipt of services

			2013		2012	
	Nature of transaction	Related party transaction pricing and decision making procedures	Amount	Proportion (%)	Amount	Proportion (%)
Jilin The Sixth Geological Survey	Exploration service	Market Price	—	—	1,175,268	—
Wancheng Commercial	Purchase of zinc concentrates	Market Price	228,214,072	0.56	351,480,078	0.97
Haixia Technology	Purchase of raw materials	Market Price	30,951,877	0.08	23,629,871	0.06
Xinjiang Logistics	Transportation service	Market Price	2,621,780	0.01	3,563,419	0.01
Sichuan Geology	Exploration service	Market Price	468,000	—	530,000	—
Fujian Xinhuaadu Engineering Company Limited ("Fujian Xinhuaadu")	Mining service	Market Price	—	—	292,697,987	0.80
Xiamen Mine Communication Technology Company Limited ("Xiamen Mine Communication Tech")	Purchase of equipment and raw materials	Market Price	—	—	6,198,001	0.02
Xiamen Zijin Zhonghang	Construction service	Market Price	60,755,595	0.15	15,672,775	0.04
			323,011,324	0.80	694,947,399	1.90

Notes to Financial Statements *(continued)*

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

VI. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS *(continued)*

5. RELATED PARTY TRANSACTIONS *(continued)*

(B) Acquisition of equity interest from related parties

Related party	Nature of transaction	Type of transaction	Method of pricing	2013		2012	
				Amount	Proportion of amount related to similar transactions (%)	Amount	Proportion of amount related to similar transactions (%)
Longxiang Group (Note 1)	Acquisition of a 45% equity interest in Shanghang Jinshan Hydro Power	Acquisition of equity interest	Agreed to transfer	189,800,000	48.07	—	—
Fujian The Eighth Geological Team (Note 2)	Acquisition of a 30% equity interest in Shanghang Jinshan Mining	Acquisition of equity interest	Agreed to transfer	205,000,000	51.93	—	—

Note 1: Pursuant to a Share Transfer Agreement entered into on 28 December 2012 between Longxiang Group and Fujian Zijin Investment Company Limited ("Zijin Investment"), a subsidiary of the Company, Zijin Investment acquired a 45% equity interest in Shanghang Jinshan Hydro Power at a consideration of RMB189,800,000. After the acquisition, the Company held 100% equity interest in Shanghang Jinshan Hydro Power.

Note 2: Pursuant to a Share Transfer Agreement entered into on 12 December 2012 between Fujian The Eighth Geological Team and Zijin Investment, a subsidiary of the Company, Zijin Investment acquired a 30% equity interest in Shanghang Jinshan Mining at a consideration of RMB205,000,000. After the acquisition, the Company held 100% equity interest in Shanghang Jinshan Mining.

(C) Related party guarantees

- (1) Related party guarantees for bank loans of the Group

2013

Guarantor	Guaranteed party	Guaranteed amount	Inception date of guarantee	Expiration date of guarantee	Whether execution of guarantee has been completed
Longxing International	Heilongjiang Longxing	USD22,800,000	29 December 2011	29 December 2020	No

Note: As at 31 December 2013, Heilongjiang Longxing, a subsidiary of the Company, held a loan of USD76,000,000 from the Import-Export Bank of China, of which USD22,800,000 was guaranteed free of charge by Longxing International, a non-controlling shareholder of Heilongjiang Longxing.

Notes to Financial Statements *(continued)*

For the year ended 31 December 2013

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

VI. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS *(continued)*

5. RELATED PARTY TRANSACTIONS *(continued)*

(C) Related party guarantees *(continued)*

(1) Related party guarantees for bank loans of the Group *(continued)*

2012

Guarantor	Guaranteed party	Guaranteed amount	Inception date of guarantee	Expiration date of guarantee	Whether execution of guarantee has been completed
Longxing International	Heilongjiang Longxing	USD23,100,000	29 December 2011	29 December 2020	No

Note: As at 31 December 2012, Heilongjiang Longxing, a subsidiary of the Company, held a loan of USD77,000,000 from the Import-Export Bank of China, of which USD23,100,000 was guaranteed free of charge by Longxing International, a non-controlling shareholder of Heilongjiang Longxing.

(2) The Group guarantees of bank loans of related parties

2013

Guarantor	Guaranteed party	Guaranteed amount	Inception date of guarantee	Expiration date of guarantee	Whether execution of guarantee has been completed
Zijin Investment	Tingjiang Hydro Power (Note VII 2)	10,000,000	31 January 2005	30 January 2016	No
The Company	Wengfu Zijin (Note VII 3)	399,000,000	28 April 2011	27 April 2021	No
Zijin Mining Group Northwest Company Limited ("Northwest Company")	Xinjiang Tianlong (Note VII 4)	60,000,000	28 April 2013	14 June 2016	No
		469,000,000			

Notes to Financial Statements *(continued)*

For the year ended 31 December 2013

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

VI. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS *(continued)*

5. RELATED PARTY TRANSACTIONS *(continued)*

(C) Related party guarantees *(continued)*

(2) The Group guarantees of bank loans of related parties *(continued)*

2012

Guarantor	Guaranteed party	Guaranteed amount	Inception date of guarantee	Expiration date of guarantee	Whether execution of guarantee has been completed
Zijin Investment	Tingjiang Hydro Power (Note VII 2)	20,000,000	31 January 2005	30 January 2014	No
The Company	Wengfu Zijin (Note VII 3)	396,000,000	28 April 2011	27 April 2021	No
Northwest Company	Xinjiang Tianlong (Note VII 4)	82,000,000	31 October 2011	3 November 2015	No
Xinjiang Ashele	Wuxin Copper (Note VII 5)	34,000,000	17 January 2012	17 January 2016	No
		532,000,000			

(D) Borrowings to related parties

2013

Related party	Note	Amount of borrowings	Inception date	Maturity date	Annual interest rate
Tingjiang Hydro Power*	Note 1	4,000,000	31 August 2011	30 August 2014	6.98%
Tingjiang Hydro Power*	Note 1	7,300,000	28 February 2013	27 February 2014	6.30%
Tingjiang Hydro Power*	Note 1	6,000,000	23 October 2013	22 October 2016	6.46%
Tingjiang Hydro Power*	Note 1	9,000,000	1 November 2013	31 October 2016	6.46%
Tingjiang Hydro Power*	Note 1	11,000,000	8 November 2013	7 November 2016	6.46%
Zijin Tongguan	Note V 6 (note 2)	9,000,000	13 April 2012	12 April 2013	—
Zijin Tongguan	Note V 6 (note 2)	109,350,000	20 June 2012	19 June 2013	—
Zijin Tongguan	Note V 6 (note 2)	9,000,000	14 January 2013	13 January 2014	—
Zijin Tongguan	Note V 6 (note 2)	13,500,000	31 October 2013	30 October 2014	—
Gold Eagle Mining	Note 3	138,277,692	11 July 2012	30 June 2015	LIBOR+2.6%
		316,427,692			

Notes to Financial Statements *(continued)*

For the year ended 31 December 2013

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

VI. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS *(continued)*

5. RELATED PARTY TRANSACTIONS *(continued)*

(D) Borrowings to related parties *(continued)*

2012

Related party	Note	Amount of borrowings	Inception date	Maturity date	Annual interest rate
Tingjiang Hydro Power*	Note 1	12,000,000	12 November 2010	11 November 2013	5.60%
Tingjiang Hydro Power*	Note 1	7,000,000	31 August 2011	30 August 2014	6.98%
Tingjiang Hydro Power*	Note 1	7,350,000	3 September 2012	2 March 2013	5.88%
Tingjiang Hydro Power*	Note 1	3,000,000	6 November 2012	5 November 2013	6.30%
Tingjiang Hydro Power*	Note 1	9,800,000	29 November 2012	28 November 2013	6.30%
Zijin Tongguan	Note V 6 (note 2)	9,000,000	13 April 2012	12 April 2013	—
Zijin Tongguan	Note V 6 (note 2)	109,350,000	20 June 2012	19 June 2013	—
Xiamen Zijin Zhonghang	Note 2	18,500,000	8 May 2012	31 December 2015	—
Xiamen Zijin Zhonghang	Note 2	12,500,000	17 August 2012	31 December 2015	—
Xiamen Zijin Zhonghang	Note 2	29,185,800	16 November 2012	31 December 2015	—
Gold Eagle Mining	Note 3	142,555,140	11 July 2012	30 June 2015	LIBOR+2.6%
		360,240,940			

Note 1: Finance Company, a subsidiary of the Company, provided loans to Tingjiang Hydro Power, an associate of the Company, and these loans are without pledge. In 2013, Tingjiang Hydro Power repaid RMB32,150,000 of the loan at maturity and repaid RMB3,000,000 of the loan in advance. Besides, Finance Company provided extra loans of RMB33,300,000 to Tingjiang Hydro Power in current year, and these loans are borrowed on an unsecured basis.

Note 2: In 2012, Zijin Real Estate, a subsidiary of the Group, and Xiamen Zijin Zhonghang entered into an agreement. Pursuant to the agreement, Zijin Real Estate provided an unsecured loan of RMB60,185,800 to Xiamen Zijin Zhonghang. In 2013, the loan was early repaid.

Note 3: In 2012, Thrive Build Investments Limited ("Thrive Build"), a subsidiary of the Group, and Gold Eagle Mining entered into an agreement. Pursuant to the agreement, Thrive Build provided an unsecured loan of USD22,680,000, which was equivalent to RMB138,277,692 (2012: equivalent to RMB142,555,140), to Gold Eagle Mining with an interest rate of the one-year London Interbank Offered Rate plus 260 basis points.

(E) Other related party transactions

(1) Compensation of key management and directors' remuneration

	2013		2012	
	Amount	Proportion (%)	Amount	Proportion (%)
Directors' remuneration	6,774,402	0.28	27,011,225	1.39
Compensation of key management	5,165,447	0.21	19,228,755	0.99
	11,939,849	0.49	46,239,980	2.38

Details of directors' remuneration are disclosed in Note X 7.

Notes to Financial Statements *(continued)*

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

VI. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS *(continued)*

5. RELATED PARTY TRANSACTIONS *(continued)*

(E) Other related party transactions *(continued)*

(2) Commitment between the Group and related parties

Pursuant to the extraordinary resolution dated on 7 March 2013 of the Investment Committee, which is under the Board, Guizhou Zijin, a subsidiary of the Company, and Southwest Energy and Mineral Resources Corporation Company Limited (“Southwest Energy and Mineral”) jointly set up Southwest Zijin Gold with a registered capital of RMB100,000,000, holding a 50% equity interest in Southwest Zijin Gold respectively. As at 31 December 2013, Guizhou Zijin had provided RMB25,000,000 of the investment costs. The remaining investment costs of RMB25,000,000 have not yet been provided as at 31 December 2013.

* The related party transaction above was defined as connected transaction or continuing connected transaction under Chapter 14A of Hong Kong Listing Rules.

6. AMOUNTS DUE FROM RELATED PARTIES

Trade receivables	2013	2012
Tibet Yulong	—	2,306
Haixia Technology	1,704	—
Wengfu Zijin	6,361,930	2,070,848
Western Mining	16,610,350	—
	22,973,984	2,073,154
Prepayments		
Xiamen Zijin Zhonghang	27,629,530	23,430,925
Fujian Xinhuaadu	—	2,599,717
Xiamen Mine Communication Tech	—	51,250
Wancheng Commercial	115,710,717	9,095,999
	143,340,247	35,177,891
Other receivables		
Chongli Finance Bureau State-owned Assets Management Center	—	60,120,000
Sichuan Geology	2,000,000	2,000,000
Wancheng Commercial	61	1,706
Tingjiang Hydro Power	7,616,803	34,517,750
Jilin The Sixth Geological Survey	4,000,000	—
Xinjiang Tianlong	7,180,858	—
Longxiang Group	—	7,621,007
Zijin Tongguan	149,647,992	118,353,084
	170,445,714	222,613,547
Other non-current assets		
Tibet Yulong	132,000,000	132,000,000
Tingjiang Hydro Power	30,000,000	7,000,000
Qinghai Copper	192,000,000	192,000,000
Gold Eagle Mining	145,436,756	144,995,636
Xiamen Zijin Zhonghang	—	60,185,800
	499,436,756	536,181,436

Notes to Financial Statements *(continued)*

For the year ended 31 December 2013

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

VI. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS *(continued)*

7. AMOUNTS DUE TO RELATED PARTIES

	2013	2012
Trade payables		
Fujian Xinhuadu	—	11,470,248
Xiamen Mine Communication Tech	—	1,071,937
Haixia Technology	4,118,023	2,021,754
	4,118,023	14,563,939
Advances from customers		
Shandong Guoda	12,525,095	1,840,701
Other payables		
Sichuan Geology	—	439,565
Hongyang Mining	—	11,425,701
Fujian Xinhuadu	—	16,727,276
Xiamen Mine Communication Tech	—	980,124
Zijin Tongguan	31,274,589	79,927
	31,274,589	29,652,593

Except for amounts due from Tingjiang Hydro Power and Gold Eagle Mining which were interest-bearing and had a fixed term of repayment, and amounts due from Zijin Tongguan and Xiamen Zijin Zhonghang which were interest-free and had a fixed term of repayment, other amounts due from/to related parties were interest-free, unsecured and had no fixed terms of repayment.

There were no borrowings provided to the directors as at 31 December 2013.

VII. CONTINGENCIES

	2013	2012
Guarantees provided to third parties		
Tingjiang Hydro Power (Note 2)	10,000,000	20,000,000
Wengfu Zijin (Note 3)	399,000,000	396,000,000
Xinjiang Tianlong (Note 4)	60,000,000	82,000,000
Wuxin Copper (Note 5)	—	34,000,000
Mortgage guarantee of small property owners (Note 6)	163,998,239	215,005,000
Subtotal	632,998,239	747,005,000
Contingencies arising from pending litigation (Note 1)	52,284,733	52,284,733
Total	685,282,972	799,289,733



Notes to Financial Statements *(continued)*

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

VII. CONTINGENCIES *(continued)*

Note 1: On 21 September 2010, the collapse of the tailing dam of Yinyan Tin Mine of Xinyi Zijin in Guangdong Province, a wholly-owned subsidiary of the Company, was caused by the No. 11 severe typhoon "Fanapi", resulting in property losses and casualties in Xinyi City ("Xinyi Dam Collapse Accident"). Later, the Company, Xinyi Zijin and Xinyi Baoyuan were sued in succession by the Xinyi Municipal Government, victims and entities affected by the Accident.

As at 31 December 2013, a compensation of RMB12,674,539 for casualties was paid off.

On 12 September 2012, Xinyi Municipal Government and the Government of Qianpai Town, Xinyi City, reached an agreement with Xinyi Zijin on behalf of the victims. All property losses within the jurisdiction of Xinyi City caused by the 9.21 Dam Collapse Accident (except for the claims from nine hydro power stations, including Shihuadi Hydro Power Station, and one water supply plant) shall be settled with an one-off compensation of RMB245,000,000 paid by Xinyi Zijin. The prosecutors then withdrew the lawsuits. As at 31 December 2013, Xinyi Zijin has paid off the compensation of RMB245,000,000.

As at 31 December 2013, six hydro power stations including that from Shihuadi and one water supply plant claimed compensation for property losses of RMB52,284,733 from Xinyi Zijin.

Currently, the related litigation is still in progress. In respect of the opinions of the legal advisors, the Group is still in the process of estimating the compensation amount due to the complexity of the legal cases.

Note 2: As at 31 December 2013, Zijin Investment, a subsidiary of the Company, granted to Tingjiang Hydro Power, an associate of the Company, joint guarantees in respect of bank loans at a cap of RMB50,000,000 (31 December 2012: RMB50,000,000). As at 31 December 2013, Tingjiang Hydro Power has utilised the guarantee facility of RMB10,000,000 (31 December 2012: RMB20,000,000).

Note 3: As at 31 December 2013, the Company granted to Wengfu Zijin, an associate of the Company, joint guarantees in respect of bank loans at a cap of RMB450,000,000 (31 December 2012: RMB450,000,000). As at 31 December 2013, Wengfu Zijin has utilised the guarantee facility of RMB399,000,000 (31 December 2012: RMB396,000,000).

Note 4: As at 31 December 2013, Northwest Company, a subsidiary of the Company, granted to Xinjiang Tianlong, an associate of the Company, joint guarantees in respect of bank loans at a cap of RMB90,000,000 (31 December 2012: RMB120,000,000). As at 31 December 2013, Xinjiang Tianlong has utilised the guarantee facility of RMB60,000,000 (31 December 2012: RMB82,000,000).

Note 5: As at 31 December 2013, Xinjiang Ashele, a subsidiary of the Company, granted to Wuxin Copper, an associate of the Company, joint guarantees in respect of bank loans at a cap of RMB34,000,000 (31 December 2012: RMB34,000,000). As at 31 December 2012, Wuxin Copper had utilised the guarantee facility of RMB34,000,000 and has repaid this borrowings in 2013. Thus, as at 31 December 2013, this guarantee obligation has been fulfilled.

Note 6: As at 31 December 2013, Zijin Real Estate, a subsidiary of the Company, granted a small property owners mortgage pledge to the buyers in respect of their mortgages amounting to RMB163,998,239 (31 December 2012: RMB215,005,000).

Based on the evaluation of the credit rating and repayment ability, the Group considered that the probability that recipients of the guarantees could not repay the liabilities and settle the obligations was remote, and it was unnecessary to accrue the related contingent liabilities.

Notes to Financial Statements *(continued)*

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

VIII. COMMITMENTS

		2013	2012
Capital commitments			
Contracted, but not provided	Note 1	3,613,970,325	2,053,863,957
Authorised, but not contracted for		485,890,437	1,198,262,269
		4,099,860,762	3,252,126,226
Investment commitments			
Contracted, but not provided		195,312,469	239,800,000
Authorised, but not contracted for		35,000,000	10,000,000
		230,312,469	249,800,000

Note 1: As at 31 December 2013, the capital commitment related to the acquisition and construction of property, plant, machinery and equipment, and mining assets was RMB3,055,970,325 (2012: RMB2,053,863,957).

As at 31 December 2013, the capital commitment related to the purchase of land use right in Block D, Shuanglong Road, Longyan City was RMB558,000,000 (2012: Nil). More details are disclosed in Note V 6 note 1.

IX. POST BALANCE SHEET EVENTS

On 28 March 2014, the proposed final dividends for the year 2013 were approved at the meeting of the board of directors. Before repurchasing H shares, the number of the total shares is 21,811,963,650. As at 31 December 2013, the number of H shares repurchased was 111,806,000 in aggregate. From 1 January 2014 to 7 February 2014, the Company had repurchased 54,302,000 H shares. Totally, the number of H shares repurchased was 166,108,000. Using 21,645,855,650 shares, the remaining shares after deduction of H shares repurchased, as a basis as at 31 December 2013, the Company proposed to distribute a cash dividend of RMB0.8 (including tax) for every 10 shares to all shareholders, totaling approximately RMB1,731,668,452. The proposed final dividend is subject to the approval of the Company's shareholders at the forthcoming Annual General Meeting for the year 2013.

According to the share transfer contract signed between the Company and Fujian Tianbao Mining Group Company Limited on 27 January 2014, the Company acquired a 10% equity interest in Longyan Makeng at a consideration of RMB410,000,000. After the acquisition, the equity interest in Longyan Makeng held by the Company increased from 31.5% to 41.5%.

Notes to Financial Statements (continued)

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

X. OTHER SIGNIFICANT EVENTS

1. BUSINESS COMBINATIONS

More details are disclosed in Note IV 4.

2. LEASING

As lessor

As at 31 December 2013, irrevocable operating lease contracts entered into by the Group are as follows:

	2013	2012
Within 1 year	5,776,645	4,636,479
Over 1 year but within 2 years	7,726,278	4,565,369
Over 2 years but within 3 years	5,748,084	4,563,719
Over 3 years but within 5 years	3,448,620	1,237,467
Over 5 years	979,200	—
	23,678,827	15,003,034

The assets for operating leases above are accounted for as investment properties of the Group.

* The operating lease income included in profit or loss in 2013 was RMB5,776,645 (2012: RMB4,563,719).

As lessee

Significant operating lease: pursuant to the operating lease agreement with lessors, the minimum lease payments under irrevocable operating leases fall due as follows:

	2013	2012
Within 1 year	10,006,526	5,366,426
Over 1 year but within 2 years	8,481,946	5,963,106
Over 2 years but within 3 years	7,061,123	5,928,135
Over 3 years but within 5 years	5,595,490	4,728,135
Over 5 years	—	548,440
	31,145,085	22,534,242

3. ASSETS AND LIABILITIES MEASURED AT FAIR VALUE

2013

Item	At 1 January 2013	Losses arising from changes in fair value for the year	Changes in fair value recognised in equity	Provision for impairment losses for the year	At 31 December
					2013
Financial assets					
Financial assets at fair value through profit or loss (excluding derivative financial assets)	529,899,154	(63,280,631)	—	—	460,998,410
Derivative financial assets	141,044,111	(125,440,710)	—	—	14,943,541
Available-for-sale investments	576,013,498	—	(22,712,755)	(92,013,456)	343,624,001
	1,246,956,763	(188,721,341)	(22,712,755)	(92,013,456)	819,565,952

Notes to Financial Statements *(continued)*

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

X. OTHER SIGNIFICANT EVENTS *(continued)*

3. ASSETS AND LIABILITIES MEASURED AT FAIR VALUE *(continued)*

2013 *(continued)*

Item	At 1 January 2013	Gains/(losses) arising from changes in fair value for the year	Changes in fair value recognised in equity	Provision for impairment losses for the year	At 31 December 2013
Financial liabilities					
Financial liabilities at fair value through profit or loss (excluding derivative financial liabilities)	6,397,563,828	1,124,808,398	—	—	5,665,210,229
Derivative financial liabilities	123,871,541	(917,351,000)	—	—	1,081,524,626
	6,521,435,369	207,457,398	—	—	6,746,734,855

2012

Item	At 1 January 2012	Gains/(losses) arising from changes in fair value for the year	Changes in fair value recognised in equity	Provision for impairment losses for the year	At 31 December 2012
Financial assets					
Financial assets at fair value through profit or loss (excluding derivative financial assets)	177,456,835	(9,097,653)	—	—	529,899,154
Derivative financial assets	86,572,168	131,795,231	—	—	141,044,111
Available-for-sale investments	938,012,473	—	(119,788,303)	(113,975,059)	576,013,498
	1,202,041,476	122,697,578	(119,788,303)	(113,975,059)	1,246,956,763

Item	At 1 January 2012	Gains/(losses) arising from changes in fair value for the year	Changes in fair value recognised in equity	Provision for impairment losses for the year	At 31 December 2012
Financial liabilities					
Financial liabilities at fair value through profit or loss (excluding derivative financial liabilities)	3,812,933,000	(178,555,092)	—	—	6,397,563,828
Derivative financial liabilities	192,715,200	68,843,660	—	—	123,871,541
	4,005,648,200	(109,711,432)	—	—	6,521,435,369

Notes to Financial Statements *(continued)*

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

X. OTHER SIGNIFICANT EVENTS *(continued)*

4. FINANCIAL ASSETS AND FINANCIAL LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

2013

Item	At 1 January 2013	Losses arising from changes in fair value for the year	Changes in fair value recognised in equity	Provision for impairment losses for the year	At 31 December 2013
Financial assets					
Financial assets at fair value through profit or loss (excluding derivative financial assets)	470,482,072	(61,872,680)	—	—	282,406,304
Derivative financial assets	140,621,383	(122,354,556)	—	—	5,328,398
Loans and receivables	2,293,894,339	—	—	—	1,100,664,468
Available-for-sale investments	576,013,498	—	(22,712,755)	(92,013,456)	343,624,001
	3,481,011,292	(184,227,236)	(22,712,755)	(92,013,456)	1,732,023,171
Financial liabilities					
Derivative financial liabilities	84,872,733	(975,813,204)	—	—	1,077,046,751
Bonds payable	2,987,766,076	—	—	—	2,905,880,513
Borrowings and payables	9,666,910,900	—	—	—	8,951,880,609
	12,739,549,709	(975,813,204)	—	—	12,934,807,873

2012

Item	At 1 January 2012	Gains/(losses) arising from changes in fair value for the year	Changes in fair value recognised in equity	Provision for impairment losses for the year	At 31 December 2012
Financial assets					
Financial assets at fair value through profit or loss (excluding derivative financial assets)	128,814,278	(14,811,826)	—	—	470,482,072
Derivative financial assets	64,831,274	139,115,770	—	—	140,621,383
Loans and receivables	1,103,621,283	—	—	—	2,293,894,339
Available-for-sale investments	938,012,473	—	(119,788,303)	(113,975,059)	576,013,498
	2,235,279,308	124,303,944	(119,788,303)	(113,975,059)	3,481,011,292
Financial liabilities					
Derivative financial liabilities	192,715,200	(107,842,468)	—	—	84,872,733
Bonds payable	2,987,514,948	—	—	—	2,987,766,076
Borrowings and payables	2,499,833,131	—	—	—	9,666,910,900
	5,680,063,279	(107,842,468)	—	—	12,739,549,709

X. OTHER SIGNIFICANT EVENTS *(continued)*

5. OPERATING SEGMENT INFORMATION

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

- (1) the gold bullion segment engages in the production of gold bullion through the Group's integrated processes, i.e., mining, processing and refining;
- (2) the processed, refinery and trading gold segment engages in the production of gold bullion by processing gold concentrates produced by the Group or purchased from external suppliers and in the physical gold trading business;
- (3) the gold concentrates segment engages in the production of gold concentrates by processing gold ore produced by the Group;
- (4) the copper cathodes segment engages in the production of copper cathodes through the Group's integrated processes, i.e., mining, processing and refining;
- (5) the refinery copper segment engages in the production of copper cathodes by processing copper concentrates produced by the Group or purchased from external suppliers;
- (6) the copper concentrates segment engages in the production of copper concentrates by processing copper ore produced by the Group;
- (7) other concentrates segment comprises, principally, the production of zinc concentrates, tungsten concentrates, lead concentrates and iron concentrates;
- (8) the zinc bullion segment engages in the production of zinc bullion;
- (9) segment of others comprises, principally, the production of vitriol, copperplate, silver and iron, etc.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit, which is a measure of adjusted profit before tax. The adjusted profit before tax is measured consistently with the Group's operating profit before tax except that interest income, finance costs, dividend income, fair value gains/(losses) from the Group's financial instruments as well as head office and corporate expenses are excluded from this measurement.

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

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

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the prevailing market prices.

Notes to Financial Statements (continued)

For the year ended 31 December 2013

RMB

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

X. OTHER SIGNIFICANT EVENTS (continued)

5. OPERATING SEGMENT INFORMATION (continued)

2013

Items	Gold bullion	Processed, refinery and trading gold	Gold concentrates	Copper cathodes	Refinery copper	Copper concentrates	Other concentrates	Zinc bullion	Others	Eliminations	Consolidated
Segment revenue:											
Sales to external customers	4,922,447,589	18,158,915,135	3,936,590,918	604,707,310	8,710,197,645	4,392,695,960	2,853,273,363	1,974,786,158	4,217,897,820	—	49,771,511,898
Intersegment sales	531,265,301	1,493,399,996	1,229,643,252	261,782,583	282,271,178	663,030,054	538,684,424	—	2,180,033,344	(7,180,110,132)	—
Total	5,453,712,890	19,652,315,131	5,166,234,170	866,489,893	8,992,468,823	5,055,726,014	3,391,957,787	1,974,786,158	6,397,931,164	(7,180,110,132)	49,771,511,898
Segment profit/(loss) *	1,777,579,945	74,069,867	861,979,659	90,516,260	(197,726,164)	1,706,456,665	1,200,098,575	(63,302,783)	(236,431,470)	—	5,213,240,554
Interest and dividend income											
Unallocated expenses											
Finance costs											
Segment profit before tax	7,301,193,194	2,353,738,610	5,420,436,145	1,502,595,498	5,792,620,538	8,254,547,123	9,086,450,405	3,061,701,465	16,635,719,988	—	59,409,002,966
Assets and liabilities											
Segment assets:											
Unallocated assets											
Total assets	66,898,389,120										66,898,389,120
Segment liabilities:											
Unallocated liabilities											
Total liabilities	23,885,123,985										23,885,123,985
Other segment information:											
Share of profits or losses of:											
Associates	—	—	—	10,222,260	—	(12,442,401)	110,831,864	—	37,246,953	—	145,838,676
Joint ventures	—	27,359,216	—	—	—	—	—	—	(56,061,332)	—	(28,702,116)
Impairment losses recognised in the statement of profit or loss	181,417,179	30,197,425	44,760,990	8,129	24,984,164	336,381,743	9,364,681	7,502,484	205,252,237	—	839,869,032
Impairment losses reversed in the statement of profit or loss	(2,284,817)	(16,077,015)	(36,966)	—	(24,688,001)	(2,317,037)	—	—	(2,323,830)	—	(47,727,666)
Unallocated non-cash income											
Depreciation and amortisation	410,803,511	495,336,976	279,514,553	43,622,844	369,565,672	265,145,006	213,845,468	84,115,108	231,830,432	—	2,393,779,570
Investments in associates	—	—	—	419,130,090	—	324,294,272	404,102,686	—	1,440,032,134	—	2,587,559,182
Investments in joint ventures	—	206,267,359	—	—	—	—	—	—	1,885,331,395	—	2,091,598,754
Capital expenditure	2,331,728,305	971,928,396	963,677,128	256,435,243	285,800,568	1,102,246,908	973,708,956	294,466,170	1,616,205,573	—	8,796,197,247
Unallocated capital expenditure											
											11,007,558

Notes to Financial Statements (continued)

For the year ended 31 December 2013

RMB

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

X. OTHER SIGNIFICANT EVENTS (continued)

5. OPERATING SEGMENT INFORMATION (continued)

2012

Items	Gold bullion	Processed, refinery and trading gold	Gold concentrates	Copper cathodes	Refinery copper	Copper concentrates	Other concentrates	Zinc bullion	Others	Eliminations	Consolidated
Segment revenue:											
Sales to external customers	7,036,036,225	19,202,793,317	2,515,596,431	147,914,973	5,087,480,380	3,598,952,990	2,266,422,403	1,996,915,340	6,562,607,147	—	48,414,719,206
Intersegment sales	275,777,554	492,007,715	1,014,129,192	98,197,176	267,501,394	630,847,010	222,652,986	—	1,709,832,354	(4,710,945,381)	—
Total	7,311,813,779	19,694,801,032	3,529,725,623	246,112,149	5,354,981,774	4,229,800,000	2,489,075,389	1,996,915,340	8,272,439,501	(4,710,945,381)	48,414,719,206
Segment profit/(loss) #	4,771,272,771	590,817,384	839,904,434	15,942,569	36,038,032	2,048,950,108	1,111,963,321	(15,676,540)	(61,728,514)	—	9,337,483,565
Interest and dividend income											162,304,274
Unallocated expenses											(54,697,373)
Finance costs											(889,031,149)
Segment profit before tax											8,556,059,317
Assets and liabilities											
Segment assets:	7,196,836,713	2,401,334,558	2,103,100,459	2,690,891,490	9,469,717,495	7,500,928,296	8,440,127,745	3,197,198,244	13,943,161,969		56,943,296,969
Unallocated assets											10,411,124,072
Total assets											67,354,421,041
Segment liabilities:	2,125,425,737	929,182,999	1,445,895,409	1,734,831,510	5,782,807,567	1,501,619,207	4,644,255,821	2,355,514,098	2,977,455,317		23,496,967,665
Unallocated liabilities											10,274,487,637
Total liabilities											33,771,455,302
Other segment information:											
Share of profits or losses of:											
Associates	—	—	(11,700,124)	(1,918,134)	—	8,200,222	171,121,234	—	73,285,182		238,988,380
Joint ventures	—	19,003,944	—	—	—	—	—	—	(15,477,432)		3,526,512
Impairment losses recognised in the statement of profit or loss	3,263,368	13,218,156	—	—	29,685,864	2,639,574	—	2,265,501	235,371,672		286,450,135
Impairment losses reversed in the statement of profit or loss	—	—	(15,707,861)	—	—	—	—	—	(22,202)		(15,730,063)
Unallocated non-cash income	246,675,894	197,102,314	129,262,752	50,839,160	113,983,150	219,515,093	232,526,587	156,437,498	333,675,484		1,682,017,932
Depreciation and amortisation	—	—	42,142,585	395,307,828	—	499,494,258	360,039,953	—	1,300,727,436		2,597,712,060
Investments in associates	—	166,036,636	—	—	—	—	—	—	1,339,409,190		1,505,445,826
Investments in joint ventures	1,756,060,728	785,445,340	230,261,231	1,612,173,891	1,282,788,301	988,428,669	1,204,264,007	494,519,041	2,724,152,344		11,078,093,552
Capital expenditure											16,006,535
Unallocated capital expenditure											

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

Notes to Financial Statements *(continued)*

For the year ended 31 December 2013

RMB

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

X. OTHER SIGNIFICANT EVENTS *(continued)*

5. OPERATING SEGMENT INFORMATION *(continued)*

Geographical information

Over 96% (2012: 97%) of the Group's revenue was derived from customers based in Mainland China, and over 68% (2012: 78%) of the Group's assets were located in Mainland China.

Information about a major customer

Revenue of approximately RMB22,533,573,715 (2012: RMB23,456,655,918) was derived from sales of the gold bullion segment and the processed, refinery and trading gold segment to the Shanghai Gold Exchange.

6. FINANCIAL INSTRUMENTS AND RISKS

The Group's principal financial instruments, other than derivative financial instruments, included cash and cash equivalents, loans, trade receivables, financial assets/liabilities at fair value through profit or loss, available-for-sale investments, borrowings, trade payables and bonds payable, etc. The main purpose of these financial instruments is to raise finance for the Group's operations.

The Group's principal derivative financial instruments mainly included forward contracts with the purpose of market risk management. Given the variance between actual metal prices in the active market and estimated target prices, the management will set maximum exposure positions of forward contracts to manage the market risk of the derivative financial instruments. The Group's principal risks of financial instruments resulted from credit risk, liquidity risk, and market risk.

Classification of financial instruments

The carrying amounts of each category of financial instruments as at the end of reporting date are as follows:

2013

Financial assets

	Financial assets at fair value through profit or loss	Loans and receivables	Available-for-sale investments	Total
Cash and cash equivalents	—	4,428,930,035	—	4,428,930,035
Financial assets at fair value through profit or loss	475,941,951	—	—	475,941,951
Bills receivable	—	780,847,129	—	780,847,129
Trade receivables	—	519,354,631	—	519,354,631
Other receivables	—	1,023,800,908	—	1,023,800,908
Other current assets	—	305,376,563	—	305,376,563
Available-for-sale investments	—	—	343,624,001	343,624,001
Other non-current assets	—	175,436,756	—	175,436,756
	475,941,951	7,233,746,022	343,624,001	8,053,311,974

Notes to Financial Statements *(continued)*

For the year ended 31 December 2013

RMB

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

X. OTHER SIGNIFICANT EVENTS *(continued)*

6. FINANCIAL INSTRUMENTS AND RISKS *(continued)*

Classification of financial instruments *(continued)*

2013 *(continued)*

Financial Liabilities

	Other financial liabilities
Short-term borrowings	2,774,147,375
Financial liabilities at fair value through profit or loss	6,746,734,855
Bills payable	281,648,206
Trade payables	4,593,524,531
Dividends payable	5,534,343
Other payables	2,114,545,320
Current portion of non-current liabilities	1,377,984,690
Long-term borrowings	6,997,843,844
Bonds payable	5,405,880,513
Long-term payables	226,434,055
	30,524,277,732

2012

Financial assets

	Financial assets at fair value through profit or loss	Loans and receivables	Available-for-sale investments	Total
Cash and cash equivalents	—	7,256,387,531	—	7,256,387,531
Financial assets at fair value through profit or loss	670,943,265	—	—	670,943,265
Bills receivable	—	575,499,815	—	575,499,815
Trade receivables	—	841,494,264	—	841,494,264
Other receivables	—	1,465,737,613	—	1,465,737,613
Other current assets	—	439,898,616	—	439,898,616
Available-for-sale investments	—	—	576,013,498	576,013,498
Other non-current assets	—	244,947,981	—	244,947,981
	670,943,265	10,823,965,820	576,013,498	12,070,922,583

Notes to Financial Statements *(continued)*

For the year ended 31 December 2013

RMB

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

X. OTHER SIGNIFICANT EVENTS *(continued)*

6. FINANCIAL INSTRUMENTS AND RISKS *(continued)*

Classification of financial instruments *(continued)*

2012 *(continued)*

Financial Liabilities

	Other financial liabilities
Short-term borrowings	6,399,851,000
Financial liabilities at fair value through profit or loss	6,521,435,369
Bills payable	313,152,032
Trade payables	4,174,006,563
Dividends payable	57,397,500
Other payables	1,932,191,718
Current portion of non-current liabilities	535,867,957
Long-term borrowings	6,654,629,747
Bonds payable	2,987,766,076
Long-term payables	86,645,510
	<hr/>
	29,662,943,472

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument leading to a financial loss.

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis to ensure the Group's exposure to bad debt is not significant. For those foreign transactions settled not using the reporting currency of related operating units, the Group provides no credit terms except that specific approvals are provided by management departments of the Group.

The credit risk of the Group's financial assets, which comprises cash and cash equivalents, available-for-sale investments, loans, trade receivables and certain derivative instruments, arises from default of the counterparty, with a maximum exposure equal to the value of these instruments. The Group is also exposed to credit risk for providing financial guarantees. Detailed information is disclosed in Note VII.

Since the Group only trades with recognised and creditworthy third parties, there is no requirement for collateral. Concentrations of credit risk are managed through customer/counterparty, geography and industry. As the trade receivables from customers of the Group are diverse in different departments and industries, there are no significant concentrations of credit risk in the Group.

Financial assets that were not impaired, individually or in the aggregate, were not past due.

As at 31 December 2013, trade receivables that were neither past due nor impaired relate to a large number of diversified customers for whom there is no recent history of default.

Liquidity risk

Liquidity risk is the risk that the entity has difficulty in raising funds to meet commitments associated with financial liabilities.

The Group uses a circulation liquidity management planning tool to manage the liquidity risk. The planning tool considers the maturity of the financial instruments and expected cash flows generated from operation.

Notes to Financial Statements *(continued)*

For the year ended 31 December 2013

RMB

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

X. OTHER SIGNIFICANT EVENTS *(continued)*

6. FINANCIAL INSTRUMENTS AND RISKS *(continued)*

Liquidity risk *(continued)*

The Group aims to maintain the balance between continuity and flexibility in funding by obtaining debentures, bank borrowings and other interest-bearing loans. As at 31 December 2013, 61% of the Group's borrowings (31 December 2012: 68%) would mature within 12 months.

The table below summarises the maturity profile of the Group's financial assets and liabilities as at the end of the reporting periods based on the contractual undiscounted cash flows:

2013

Financial assets

	Within 1 month	Over 1 month but within 3 months	Over 3 months but within 1 year	Over 1 year but within 5 years	Over 5 years	Total
Cash and cash equivalents	3,330,935,614	689,997,407	407,997,014	—	—	4,428,930,035
Financial assets at fair value through profit or loss	475,941,951	—	—	—	—	475,941,951
Bills receivable	244,689,438	245,743,978	290,413,713	—	—	780,847,129
Trade receivables	308,764,208	189,827,562	20,762,861	—	—	519,354,631
Other receivables	23,754,164	14,339,257	985,707,487	—	—	1,023,800,908
Other current assets	305,376,563	—	—	—	—	305,376,563
Available-for-sale investments	—	—	—	343,624,001	—	343,624,001
Other non-current assets	541,492	1,082,984	8,873,430	183,177,693	—	193,675,599
	4,690,003,430	1,140,991,188	1,713,754,505	526,801,694	—	8,071,550,817

Financial liabilities

	Within 1 month	Over 1 month but within 3 months	Over 3 months but within 1 year	Over 1 year but within 5 years	Over 5 years	Total
Short-term borrowings	226,916,778	225,564,525	2,383,802,995	—	—	2,836,284,298
Financial liabilities at fair value through profit or loss	415,786,387	1,430,170,278	4,900,778,190	—	—	6,746,734,855
Bills payable	27,161,546	77,903,008	176,583,652	—	—	281,648,206
Trade payables	1,047,288,174	722,380,808	2,823,855,549	—	—	4,593,524,531
Dividends payable	—	—	5,534,343	—	—	5,534,343
Other payables	1,357,694,119	13,183,365	743,667,836	—	—	2,114,545,320
Current portion of non-current liabilities	4,659,868	112,548,654	1,305,109,846	—	—	1,422,318,368
Long-term borrowings	25,343,766	50,687,531	228,093,891	5,892,657,247	1,105,186,598	7,301,969,033
Bonds payable	—	—	266,876,760	6,125,923,389	—	6,392,800,149
Long-term payables	1,690,223	3,380,446	15,212,005	178,518,022	80,207,610	279,008,306
	3,106,540,861	2,635,818,615	12,849,515,067	12,197,098,658	1,185,394,208	31,974,367,409

Notes to Financial Statements *(continued)*

For the year ended 31 December 2013

RMB

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

X. OTHER SIGNIFICANT EVENTS *(continued)*

6. FINANCIAL INSTRUMENTS AND RISKS *(continued)*

Liquidity risk *(continued)*

2012

Financial assets

	Within 1 month	Over 1 month but within 3 months	Over 3 months but within 1 year	Over 1 year but within 5 years	Over 5 years	Total
Cash and cash equivalents	5,372,795,898	941,944,077	941,647,556	—	—	7,256,387,531
Financial assets at fair value through profit or loss	670,943,265	—	—	—	—	670,943,265
Bills receivable	—	575,499,815	—	—	—	575,499,815
Trade receivables	280,354,902	529,791,351	31,348,011	—	—	841,494,264
Other receivables	22,141,569	81,199,377	1,362,396,667	—	—	1,465,737,613
Other current assets	439,898,616	—	—	—	—	439,898,616
Available-for-sale investments	—	—	—	576,013,498	—	576,013,498
Other non-current assets	482,182	964,365	4,339,643	258,982,590	—	264,768,780
	6,786,616,432	2,129,398,985	2,339,731,877	834,996,088	—	12,090,743,382

Financial liabilities

	Within 1 month	Over 1 month but within 3 months	Over 3 months but within 1 year	Over 1 year but within 5 years	Over 5 years	Total
Short-term borrowings	592,084,425	1,640,631,419	4,313,055,382	—	—	6,545,771,226
Financial liabilities at fair value through profit or loss	—	—	6,521,435,369	—	—	6,521,435,369
Bills payable	—	313,152,032	—	—	—	313,152,032
Trade payables	1,061,375,656	1,988,027,796	1,124,603,111	—	—	4,174,006,563
Dividends payable	—	—	57,397,500	—	—	57,397,500
Other payables	1,327,566,465	42,989,686	561,635,567	—	—	1,932,191,718
Current portion of non-current liabilities	51,815,476	3,203,453	495,046,624	—	—	550,065,553
Long-term borrowings	28,018,400	56,036,800	252,165,600	5,829,998,901	2,378,028,636	8,544,248,337
Bonds payable	—	—	128,224,200	3,436,375,126	—	3,564,599,326
Long-term payables	494,220	988,440	4,447,978	91,623,060	43,113,500	140,667,198
	3,061,354,642	4,045,029,626	13,458,011,331	9,357,997,087	2,421,142,136	32,343,534,822

Market risk

Market risk is the risk that the fair values of financial instruments and estimated future cash flows fluctuate as a result of changes respect to the market price. The market risks comprised interest rate risk, currency risk and equity price risk.

Notes to Financial Statements *(continued)*

For the year ended 31 December 2013

RMB

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

X. OTHER SIGNIFICANT EVENTS *(continued)*

6. FINANCIAL INSTRUMENTS AND RISKS *(continued)*

Market risk *(continued)*

Interest rate risk

Interest rate risk is the risk that the fair values of financial instruments and estimated future cash flows fluctuate as a result of changes respect to the market interest rate. The Group's interest rate risk exposures arise primarily from its long-term debts and short-term debts bearing floating interest rates.

The Group maintains an appropriate fixed-rate and floating-rate debt portfolio to manage the interest costs. As at 31 December 2013, approximately 58% (2012: 39%) of the interest-bearing borrowings were fixed-rate debt.

The table below demonstrates the sensitivity analysis of the impact (of floating-rate borrowings) on the net profit and the shareholders' equity interest when possible, reasonable fluctuations of interest rate occur, under the assumption that other variables held constant.

	Increase/ (decrease) in basis point	Increase/(decrease) in net profit	Increase/ (decrease) in equity [#]
2013			
RMB	100/(100)	(11,080,787)/11,080,787	—
USD	100/(100)	(53,501,061)/53,501,061	—
HKD	100/(100)	—	—
Others	100/(100)	—	—
	Increase/ (decrease) in basis point	Increase/(decrease) in net profit	Increase/ (decrease) in equity [#]
2012			
RMB	100/(100)	(15,700,393)/15,700,393	—
USD	100/(100)	(44,239,026)/44,239,026	—
HKD	100/(100)	(760,125)/760,125	—
Others	100/(100)	(1,606,337)/1,606,337	—

[#] Excluded retained earnings.

Currency risk

Currency risk is the risk that the fair values of financial instruments and estimated future cash flows fluctuate as a result of changes in the foreign exchange rates. The Group's currency risk exposures arise primarily from its operating activities (when the settlement occurred in the functional currencies, which differed from the Group's) and net investments related to overseas subsidiaries.

Since there are limited hedging instruments available in PRC that can be used to decrease the currency risk arising from transactions between RMB and other currencies, there is no hedging contracts available to manage the currency risks of the Group.

Notes to Financial Statements *(continued)*

For the year ended 31 December 2013

RMB

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

X. OTHER SIGNIFICANT EVENTS *(continued)*

6. FINANCIAL INSTRUMENTS AND RISKS *(continued)*

Market risk *(continued)*

Currency risk *(continued)*

The table below demonstrates the sensitivity analysis of the impact on the net profit and equity when there were reasonable and possible changes in the exchange rates against the Great British pound, United States dollar, Hong Kong dollar, Canadian dollar, Russian ruble, and Australian dollar, under the assumption that other variables held constant.

2013	Increase/ (decrease) in exchange rate	Increase/ (decrease) in net profit	Increase/ (decrease) in equity #
If RMB weakens against USD	10%	(1,288,559,358)	—
If RMB strengthens against USD	(10%)	1,288,559,358	—
If RMB weakens against GBP	10%	23,820,879	19,663,476
If RMB strengthens against GBP	(10%)	(23,820,879)	(19,663,476)
If RMB weakens against HKD	10%	37,787,998	9,534,191
If RMB strengthens against HKD	(10%)	(37,787,998)	(9,534,191)
If RMB weakens against CAD	10%	1,680,065	206,417
If RMB strengthens against CAD	(10%)	(1,680,065)	(206,417)
If RMB weakens against RUB	10%	174,056	—
If RMB strengthens against RUB	(10%)	(174,056)	—
If RMB weakens against AUD	10%	11,710,202	4,958,316
If RMB strengthens against AUD	(10%)	(11,710,202)	(4,958,316)

2012	Increase/ (decrease) in exchange rate	Increase/ (decrease) in net profit	Increase/ (decrease) in equity #
If RMB weakens against USD	10%	(1,083,131,017)	—
If RMB strengthens against USD	(10%)	1,083,131,017	—
If RMB weakens against GBP	10%	(19,487,274)	42,126,581
If RMB strengthens against GBP	(10%)	19,487,274	(42,126,581)
If RMB weakens against HKD	10%	64,918,306	15,216,503
If RMB strengthens against HKD	(10%)	(64,918,306)	(15,216,503)
If RMB weakens against CAD	10%	4,065,548	258,266
If RMB strengthens against CAD	(10%)	(4,065,548)	(258,266)
If RMB weakens against RUB	10%	1,335,388	—
If RMB strengthens against RUB	(10%)	(1,335,388)	—
If RMB weakens against AUD	10%	9,729,341	—
If RMB strengthens against AUD	(10%)	(9,729,341)	—

Excluded retained earnings.

Equity instruments price risk

Equity price risk is the risk that the fair values of equity securities change as a result of changes in the levels of equity indices and the values of individual securities. The Group was exposed to equity price risk arising from individual equity interest classified as financial assets at fair value through profit or loss (Note V 2) and available-for-sale investments (Note V 9) as at 31 December 2013. The Group's listed investments were listed on the Shanghai, Toronto, London, Hong Kong, and Australian stock exchanges, etc., and were measured at quoted market prices at the end of the reporting period.

Notes to Financial Statements *(continued)*

For the year ended 31 December 2013

RMB

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

X. OTHER SIGNIFICANT EVENTS *(continued)*

6. FINANCIAL INSTRUMENTS AND RISKS *(continued)*

Market risk *(continued)*

Equity instruments price risk *(continued)*

Market equity indices for the following stock exchanges, at the close of business of the nearest trading day in the year to the end of the reporting period, and their respective highest and lowest closing points during the year were as follows:

	31 December 2013	Highest/ lowest 2013	31 December 2012	Highest/ lowest 2012
Shanghai – A Share Index	2,116	2,445/1,850	2,376	2,578/2,052
Hong Kong – Hang Seng Index	23,306	24,112/19,426	22,657	22,667/18,186
Toronto TSX Venture Stock Exchange	932	1,242/877	1,198	1,694/1,164
London Stock Exchange Index	6,749	6,876/5,898	5,898	5,966/5,260
Australian Security Exchange Index	5,352	5,457/4,632	4,665	4,701/4,033

The table below demonstrates the sensitivity analysis of the impact on the net profit and equity if the fluctuation was 10% on the basis of the carrying amount as at 31 December 2013 towards fair value of equity instruments, under the assumption that other variables held constant and any tax impact was excluded. For available-for-sale investments, the impact was regarded as the variables arising from fair value, which excluded the impairment impact to the statement of profit or loss.

	Carrying amount of equity investments	Increase/(decrease) in net profit	Increase/(decrease) in equity [#]
2013			
Financial assets at fair value through profit or loss			
Shanghai Stock Exchange	6,130,520	613,052/(613,052)	—
Hong Kong Stock Exchange	181,065,466	18,106,547/(18,106,547)	—
Toronto Stock Exchange	200,684	20,068/(20,068)	—
Toronto TSX Venture Stock Exchange	2,341,267	234,127/(234,127)	—
New York Stock Exchange	38,577,811	3,857,781/(3,857,781)	—
London Stock Exchange	12,144,260	1,214,426/(1,214,426)	—
Australian Stock Exchange	48,076,816	4,807,682/(4,807,682)	—
Available-for-sale investments			
Toronto TSX Venture Stock Exchange	2,064,176	—	206,418/(206,418)
London Stock Exchange	196,634,757	—	19,663,476/(19,663,476)
Australian Stock Exchange	11,483,317	—	1,148,332/(1,148,332)
Hong Kong Stock Exchange	95,341,909	—	9,534,191/(9,534,191)

Notes to Financial Statements *(continued)*

For the year ended 31 December 2013

RMB

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

X. OTHER SIGNIFICANT EVENTS *(continued)*

6. FINANCIAL INSTRUMENTS AND RISKS *(continued)*

Market risk *(continued)*

Equity instruments price risk *(continued)*

	Carrying amount of equity investments	Increase/(decrease) in net profit	Increase/(decrease) in equity [#]
2012			
Financial assets at fair value through profit or loss			
Shanghai Stock Exchange	7,447,940	744,794/(744,794)	—
Hong Kong Stock Exchange	370,731,583	37,073,158/(37,073,158)	—
Toronto Stock Exchange	914,179	91,418/(91,418)	—
Toronto TSX Venture Stock Exchange	9,936,012	993,601/(993,601)	—
New York Stock Exchange	22,003,226	2,200,323/(2,200,323)	—
London Stock Exchange	29,100,643	2,910,064/(2,910,064)	—
Australian Stock Exchange	37,796,429	3,779,643/(3,779,643)	—
Available-for-sale investments			
Toronto TSX Venture Stock Exchange	851,132	—	85,113/(85,113)
London Stock Exchange	421,265,808	—	42,126,581/(42,126,581)
Hong Kong Stock Exchange	152,165,027	—	15,216,503/(15,216,503)
Toronto Stock Exchange	1,731,531	—	173,153/(173,153)

[#] Excluded retained earnings.

Commodity price risk

The Group's exposure to commodity price risk principally relates to the market price fluctuation in major metals, like gold, copper, zinc and silver, etc. The price fluctuation can affect the Group's operating results.

The Group entered into forward contracts for the sale of gold, copper, zinc and silver. All forward commodity contracts can only be carried out under the approval of the Company's futures exchange team which is composed of top management of the Company and established by the board of directors of the Company. As approved by the board of directors of the Company, the holding position of gold, copper, zinc and silver underlying the exposure positions of forward contracts should not exceed certain percentage of annual gold, copper, zinc and silver planned production volume of the Group, respectively. In addition, the price range of the forward commodity contracts is closely monitored by the futures exchange team. As at 31 December 2013, most forward commodity contracts had been closed out.

Moreover, in order to mitigate the market price risk of copper cathodes, the Group entered into provisional price arrangements for hedging of inventories for copper refining at Zijin Copper, a subsidiary of the Company.

Accordingly, a reasonably possible fluctuation of 10% in commodity prices would have no significant impact on the Group's and the Company's profit and equity for the year.

Fair value

The net book values of the Group's financial instruments were approximate to their fair values.

The management had assessed the fair values of cash and cash equivalents, bills receivable, trade receivables, other receivables, other current assets, bills payable, trade payables, dividends payable, other payables and current portion of non-current liabilities, which were approximate to their carrying amounts due to their short maturities.

Notes to Financial Statements *(continued)*

For the year ended 31 December 2013

RMB

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

X. OTHER SIGNIFICANT EVENTS *(continued)*

6. FINANCIAL INSTRUMENTS AND RISKS *(continued)*

Fair value *(continued)*

The fair value of financial assets and financial liabilities is the amount at which the instruments could be exchanged or debts could be settled respectively, in an arm's length transaction between knowledgeable, willing parties. The following methods and assumptions were used to estimate the fair value.

Fair value of other non-current assets, short-term and long-term borrowings, long-term payables and bonds payable, had been calculated by discounting the expected future cash flows using market profitability rates currently available for other financial instruments on similar terms, credit risk and residual maturity. As at 31 December 2013, the assessment results for short-term and long-term borrowings' nonperformance risk appeared insignificant.

The fair value of listed financial assets was measured at quoted market prices. The fair values of unlisted available-for-sale debt investments have been estimated using a discounted cash flow valuation model based on assumptions that are not supported by observable market prices or interest rates. The valuation requires the management of the Group to make estimates about the expected future cash flows including expected future dividends and proceeds on disposal of the shares. The management of the Group believed that the estimated fair values resulting from the valuation technique, are reasonable, and that they were the most appropriate values at the end of the reporting period.

The Group used the following hierarchy for determining and disclosing the fair values of financial instruments:

Financial instruments measured at fair value:

2013

	Fair value measurement using			Total
	Quoted price in active markets Level 1	Significant observable inputs Level 2	Significant unobservable inputs Level 3	
Financial assets at fair value through profit or loss				
Derivative financial assets	14,943,541	—	—	14,943,541
Held-for-trading equity investments	288,536,824	—	—	288,536,824
Others	172,461,586	—	—	172,461,586
Available-for-sale investments				
Listed available-for-sale equity instruments	305,524,159	—	—	305,524,159
Unlisted available-for-sale debt instruments	—	38,099,842	—	38,099,842
Financial liabilities at fair value through profit or loss				
Gold leasing business	5,665,210,229	—	—	5,665,210,229
Derivative financial liabilities	1,081,524,626	—	—	1,081,524,626

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfer into or out of Level 3.

Notes to Financial Statements *(continued)*

For the year ended 31 December 2013

RMB

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

X. OTHER SIGNIFICANT EVENTS *(continued)*

6. FINANCIAL INSTRUMENTS AND RISKS *(continued)*

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally-imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2013 and 31 December 2012.

The Group monitors capital using debt to asset ratio, which is total liabilities divided by total assets. The Group's policy is to maintain the gearing ratio under 60%. The debt to asset ratio as at the end of the reporting periods were as follows:

	2013	2012
Total assets	66,898,389,120	67,354,421,041
Total liabilities	33,812,937,200	33,771,455,302
Debt to asset ratio	51%	50%

*7. DIRECTORS' REMUNERATION

Directors' remuneration accrued during the year	2013	2012
Fees	772,800	778,800
Other emoluments:		
Salaries	3,700,000	2,016,000
Discretionary bonuses [#]	2,258,096	24,179,605
Pension scheme contributions	43,506	36,820
	6,001,602	26,232,425
	6,774,402	27,011,225

[#] The discretionary bonuses were determined by a certain percentage of the increased amount of the Group's net assets.

There was no arrangement under which a director waived or agreed to waive any remuneration during the year (2012: Nil).

There were no emoluments paid by the Group to a director as an inducement to join or upon joining the Group or as compensation for loss of office during the year (2012: Nil).

Notes to Financial Statements *(continued)*

For the year ended 31 December 2013

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

X. OTHER SIGNIFICANT EVENTS *(continued)*

*7. DIRECTORS' REMUNERATION *(continued)*

(a) Independent non-executive directors/non-executive directors

The fees accrued and paid to the independent non-executive directors/non-executive directors during the year are as follows:

	2013	2012
Mr. Chen Yuchuan (Note 1)	137,000	169,200
Mr. Lin Yongjing (Note 1)	125,000	150,000
Mr. Su Congfu (Note 1)	125,000	150,000
Mr. Wang Xiaojun (Note 1)	135,800	159,600
Mr. Peng Jiaqing (Note 1)	125,000	150,000
Mr. Lu Shihua (Note 2)	25,000	—
Mr. Ding Shida (Note 2)	25,000	—
Mr. Jiang Yuzhi (Note 2)	25,000	—
Mr. Sit Hoi Wah, Kenneth (Note 2)	25,000	—
Mr. Li Jian (Note 2)	25,000	—
	772,800	778,800

Note 1: Resigned from independent non-executive director/non-executive directors of the Company on 24 October 2013.

Note 2: Appointed as independent non-executive director/non-executive directors of the Company on 25 October 2013.

(b) Executive directors

The directors' remuneration accrued for executive directors during the year are as follows:

		2013			Total
		Salaries	Discretionary bonuses	Pension scheme contributions	
Executive directors					
Mr. Chen Jinghe		750,000	605,346	—	1,355,346
Mr. Wang Jianhua	(Note 1)	520,000	99,563	—	619,563
Mr. Luo Yingnan	(Note 2)	330,000	380,151	—	710,151
Mr. Qiu Xiaohua		450,000	293,259	—	743,259
Mr. Lan Fusheng		550,000	293,259	21,753	865,012
Mr. Zou Laichang		550,000	293,259	21,753	865,012
Mr. Huang Xiaodong	(Note 3)	250,000	271,536	—	521,536
Mr. Lin Hongfu	(Note 4)	300,000	21,723	—	321,723
		3,700,000	2,258,096	43,506	6,001,602

	2012			Total
	Salaries	Discretionary bonuses	Pension scheme contributions	
Executive directors				
Mr. Chen Jinghe	420,000	6,332,828	—	6,752,828
Mr. Luo Yingnan	396,000	5,674,709	—	6,070,709
Mr. Liu Xiaochu	125,000	1,069,715	—	1,194,715
Mr. Qiu Xiaohua	175,000	1,592,848	—	1,767,848
Mr. Lan Fusheng	300,000	3,185,121	18,410	3,503,531
Mr. Zou Laichang	300,000	3,169,586	18,410	3,487,996
Mr. Huang Xiaodong	300,000	3,154,798	—	3,454,798
	2,016,000	24,179,605	36,820	26,232,425

Notes to Financial Statements *(continued)*

For the year ended 31 December 2013

RMB

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

X. OTHER SIGNIFICANT EVENTS *(continued)*

*7. DIRECTORS' REMUNERATION *(continued)*

(b) Executive directors *(continued)*

Pursuant to the remuneration policy of the Company, the remuneration, allowances, benefits in kind and discretionary bonuses accrued for the executive directors are subject to the approval of the Remuneration Committee and the shareholders at the Annual General Meeting.

There was no arrangement under which a director waived or agreed to waive any remuneration during the year (2012: Nil).

Note 1: Appointed as President of the Company on 1 June 2013, and appointed as executive director on 25 October 2013.

Note 2: Resigned from the President of the Company on 31 May 2013, and resigned from executive director on 24 October 2013.

Note 3: Resigned from executive director of the Company on 24 October 2013.

Note 4: Appointed as executive director of the Company on 25 October 2013.

*8. THE FIVE HIGHEST PAID EMPLOYEES OF THE GROUP DURING THE YEAR

The five highest paid employees of the Group during the year included five directors (2012: five directors). More details are disclosed in Note X 7.

*9. PENSION SCHEME CONTRIBUTIONS

	2013	2012
Net payment of pension scheme contributions	132,656,324	106,235,958

As at 31 December 2013, the Group had no forfeited contributions available to reduce its contributions to the pension schemes in future years (31 December 2012: Nil).

*10. NET CURRENT (LIABILITIES)/ASSETS

	31 December 2013 The Group	31 December 2012 The Group	31 December 2013 The Company	31 December 2012 The Company
Current assets	17,931,787,510	24,333,698,904	13,901,567,503	13,068,116,665
Less: current liabilities	19,959,966,260	22,978,617,534	6,871,251,956	7,575,694,549
Net current (liabilities)/assets	(2,028,178,750)	1,355,081,370	7,030,315,547	5,492,422,116

*11. TOTAL ASSETS LESS CURRENT LIABILITIES

	31 December 2013 The Group	31 December 2012 The Group	31 December 2013 The Company	31 December 2012 The Company
Total assets	66,898,389,120	67,354,421,041	34,087,967,065	31,380,263,048
Less: current liabilities	19,959,966,260	22,978,617,534	6,871,251,956	7,575,694,549
Total assets less current liabilities	46,938,422,860	44,375,803,507	27,216,715,109	23,804,568,499

Notes to Financial Statements *(continued)*

For the year ended 31 December 2013

RMB

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

X. OTHER SIGNIFICANT EVENTS *(continued)*

12. OTHERS

On 9 November 2012, the Company entered into the No.QDIIZH2012-001 Asset Management Agreement with Essence Securities Co., Ltd., (“Essence”) and Industrial and Commercial Bank of China Limited. Pursuant to the agreement, the Company, as the specific customer of Essence, was eligible to make foreign listed equity investments in the mining industry at a maximum facility of USD200,000,000. The relevant arrangements were approved by the Resolution passed at the eighteenth board meeting of the fourth term of board of directors on 26 October 2012. As at 31 December 2013, the Company had paid in aggregate an amount of RMB906,000,000 (31 December 2012: RMB906,000,000) into a QDII account for delegating the equity investments by Essence.

XI. NOTES TO THE COMPANY’S FINANCIAL STATEMENTS

1. TRADE RECEIVABLES

The trade receivables are interest-free with a credit period of three months.

An ageing analysis of the trade receivables is as follows:

	2013	2012
Within 1 year	497,253,083	812,754,858
Over 1 year but within 2 years	649,857,840	15,568,379
Over 2 years but within 3 years	1,972,197	17,430,918
Over 3 years	17,407,271	66,113
	1,166,490,391	845,820,268
Less: bad debt provision	88,513	88,513
	1,166,401,878	845,731,755

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

	At 1 January	Additions	Reductions		At 31 December
			Reversal	Write-off	
2013	88,513	—	—	—	88,513
2012	88,513	—	—	—	88,513

	31 December 2013				31 December 2012			
	Carrying amount		Bad debt provision		Carrying amount		Bad debt provision	
	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Proportion (%)
Individually significant and for which bad debt provision has been assessed individually	1,156,626,880	99.15	—	—	836,758,158	98.93	—	—
Others not significant	9,863,511	0.85	88,513	0.90	9,062,110	1.07	88,513	0.98
	1,166,490,391	100	88,513	0.01	845,820,268	100	88,513	0.01

There were no trade receivables denominated in foreign currencies as at 31 December 2013 and 31 December 2012.

Notes to Financial Statements *(continued)*

For the year ended 31 December 2013

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

XI. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS *(continued)*

1. TRADE RECEIVABLES *(continued)*

Top five entities with the largest balances of trade receivables are as follows:

31 December 2013

Name of entity	Relationship with the Company	Amount	Ageing	Proportion of trade receivables (%)
Zijin Copper	A subsidiary of the Company	960,905,942	Within 1 year/Over 1 year but within 2 years	82.38
Fujian Jinyi Copper Company Limited ("Jinyi Copper")	A subsidiary of the Company	108,313,097	Within 1 year	9.28
Zijin Mining Group (Xiamen) Marketing Company Limited ("Zijin Xiamen Marketing")	A subsidiary of the Company	61,572,557	Within 1 year/Over 1 year but within 2 years	5.28
Fujian Zijin Cooper	A subsidiary of the Company	17,359,817	Within 1 year	1.49
Fujian Jinshan Gold Refinery Company Limited ("Jinshan Refinery")	A subsidiary of the Company	8,475,468	Within 1 year	0.72
		1,156,626,881		99.15

31 December 2012

Name of entity	Relationship with the Company	Amount	Ageing	Proportion of trade receivables (%)
Zijin Copper	A subsidiary of the Company	582,539,244	Within 1 year/Over 1 year but within 2 years	68.87
Zijin Xiamen Marketing	A subsidiary of the Company	99,599,810	Within 1 year	11.78
Jinshan Refinery	A subsidiary of the Company	63,934,063	Within 1 year/Over 1 year but within 2 years	7.56
Jinyi Copper	A subsidiary of the Company	53,615,072	Within 1 year	6.34
Meizhou Jincheng Industrial and Trading Company Limited	Third party	19,745,947	Within 1 year	2.33
		819,434,136		96.88

As at 31 December 2013, there were no trade receivables (31 December 2012: Nil) due from shareholders holding at least 5% of the Company's shares with voting powers.

Notes to Financial Statements *(continued)*

For the year ended 31 December 2013

RMB

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

XI. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS *(continued)*

2. OTHER RECEIVABLES

An ageing analysis of other receivables as is as follows:

	2013	2012
Within 1 year	2,706,994,184	2,477,137,983
Over 1 year but within 2 years	2,101,658,797	1,724,145,983
Over 2 years but within 3 years	1,589,215,609	1,564,197,258
Over 3 years	1,833,032,438	619,160,395
	8,230,901,028	6,384,641,619
Less: bad debt provision	147,339,482	6,347,066
	8,083,561,546	6,378,294,553

The movements in bad debt provision of other receivables are as follows:

	At 1 January	Additions	Reductions		At 31 December
			Reversal	Write-off	
2013	6,347,066	140,992,416	—	—	147,339,482
2012	6,349,066	—	(2,000)	—	6,347,066

	2013				2012			
	Carrying amount		Bad debt provision		Carrying amount		Bad debt provision	
	Amount	Proportion(%)	Amount	Proportion(%)	Amount	Proportion(%)	Amount	Proportion(%)
Individually significant and for which bad debt provision has been assessed individually	8,015,679,568	97.39	140,992,416	1.76	6,214,702,974	97.34	—	—
Others not significant	215,221,460	2.61	6,347,066	2.95	169,938,645	2.66	6,347,066	3.73
	8,230,901,028	100	147,339,482	1.79	6,384,641,619	100	6,347,066	0.10

Notes to Financial Statements *(continued)*

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

XI. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS *(continued)*

2. OTHER RECEIVABLES *(continued)*

Top five entities with the largest balances of other receivables are as follows:

31 December 2013

Name of entity	Relationship with the Company	Amount	Ageing	Proportion of other receivables (%)
Zijin Investment	A subsidiary of the Company	1,034,568,905	Within 1 year/Over 1 year but within 2 years/Over 2 years but within 3 years/Over 3 years	12.57
Northwest Company	A subsidiary of the Company	909,641,137	Within 1 year/Over 1 year but within 2 years/Over 2 years but within 3 years/Over 3 years	11.05
Zijin Real Estate	A subsidiary of the Company	752,413,029	Within 1 year/Over 1 year but within 2 years/Over 2 years but within 3 years/Over 3 years	9.14
Gold Mountains H.K.	A subsidiary of the Company	644,551,456	Within 1 year	7.83
Xinyi Zijin	A subsidiary of the Company	558,196,872	Within 1 year/Over 1 year but within 2 years/Over 2 years but within 3 years	6.78
		3,899,371,399		47.37

31 December 2012

Name of entity	Relationship with the Company	Amount	Ageing	Proportion of other receivables (%)
Zijin Investment	A subsidiary of the Company	816,099,741	Within 1 year/Over 1 year but within 2 years/Over 2 years but within 3 years/ Over 3 years	12.78
Northwest Company	A subsidiary of the Company	787,431,741	Within 1 year/Over 1 year but within 2 years/Over 2 years but within 3 years/Over 3 years	12.33
Zijin Real Estate	A subsidiary of the Company	724,681,038	Within 1 year/Over 1 year but within 2 years/Over 2years but within 3 years/Over 3 years	11.35
Land Reserve Center of Longyan City	Third party	480,000,000	Within 1 year	7.52
Zijin Mining Group Northeast Asia Company Limited ("Northeast Asia Zijin")	A subsidiary of the Company	363,057,184	Within 1 year/Over 1 year but within 2 years/Over 2 years but within 3 years	5.69
		3,171,269,704		49.67

Notes to Financial Statements *(continued)*

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

XI. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS *(continued)*

2. OTHER RECEIVABLES *(continued)*

As at 31 December 2013, there were no other receivables (31 December 2012: Nil) due from shareholders holding at least 5% of the Company's shares with voting powers.

As at 31 December 2013 and 31 December 2012, there were no other receivables of the Company denominated in foreign currencies.

*3. AVAILABLE-FOR-SALE INVESTMENTS

	2013	2012
Equity investments of listed companies, at fair value		
Other regions (excluding Hong Kong):		
Glencore International Corp.	192,648,928	415,865,890

	2013		2012	
	Available-for-sale equity instruments	Total	Available-for-sale equity instruments	Total
Cost of equity instruments/Amortised cost of debt instruments	295,234,508	295,234,508	590,924,580	590,924,580
Fair value	192,648,928	192,648,928	415,865,890	415,865,890
Accumulated changes in fair value recognised as other comprehensive income	(26,324,097)	(26,324,097)	(61,083,631)	(61,083,631)
Carrying amount of accumulated impairment provision	(76,261,483)	(76,261,483)	(113,975,059)	(113,975,059)
Impairment provision at 1 January	(113,975,059)	(113,975,059)	—	—
Additions	(26,105,804)	(26,105,804)	(113,975,059)	(113,975,059)
Including: transfer from other comprehensive income	(26,105,804)	(26,105,804)	(113,975,059)	(113,975,059)
Reductions	63,819,380	63,819,380	—	—
Including: reversal of impairment losses due to recovery of fair value	—	—	—	—
Impairment provision at 31 December	(76,261,483)	(76,261,483)	(113,975,059)	(113,975,059)

Notes to Financial Statements *(continued)*

For the year ended 31 December 2013

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

XI. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS *(continued)*

4. LONG-TERM EQUITY INVESTMENTS

		1 January		31 December				31 December
	Investment cost	2012	Additions	Reductions	2012	Additions	Reductions	2013
Long-term equity investments under the cost method:								
Subsidiaries (i)	10,969,798,206	10,804,430,516	531,217,544	(10,000,000)	11,325,648,060	94,217,138	(450,066,992)	10,969,798,206
Other equity investments (ii)	164,750,000	164,750,000	—	—	164,750,000	—	—	164,750,000
Long-term equity investments under the equity method:								
Associates (iii)	916,206,978	825,739,993	64,655,527	(20,000,000)	870,395,520	81,991,881	(41,452,000)	910,935,401
Total	12,050,755,184	11,794,920,509	595,873,071	(30,000,000)	12,360,793,580	176,209,019	(491,518,992)	12,045,483,607
Provision for impairment								
Subsidiaries (i)		(480,403,330)	—	—	(480,403,330)	—	—	(480,403,330)
Associates		—	—	—	—	(162,757,584)	—	(162,757,584)
		11,314,517,179	595,873,071	(30,000,000)	11,880,390,250	13,451,435	(491,518,992)	11,402,322,693

* The subsidiaries and associates held by the Company were unlisted as at 31 December 2013 and 31 December 2012.

(i) INVESTMENT IN SUBSIDIARIES

Investment cost

	1 January		31 December				31 December
	2012	Additions	Reductions	2012	Additions	Reductions	2013
Longsheng County Dexin Mining Company Limited	—	53,550,000	—	53,550,000	—	—	53,550,000
Guizhou Zijin	30,600,000	—	—	30,600,000	—	—	30,600,000
Anhui Zijin Mining Company Limited ("Anhui Zijin")	6,000,000	—	—	6,000,000	—	—	6,000,000
Xiamen Zijin	401,776,000	106,436	—	401,882,436	144,487	—	402,026,923
Xinjiang Ashele	139,335,849	—	—	139,335,849	—	—	139,335,849
Hunchun Zijin	185,437,500	—	—	185,437,500	—	—	185,437,500
Tongling Zijin Mining Company Limited	25,500,000	—	—	25,500,000	—	—	25,500,000
Ganzi Zijin	24,000,000	—	—	24,000,000	—	—	24,000,000
Zijin Investment	559,000,000	24,228,206	—	583,228,206	5,012,813	—	588,241,019
Qinghai West	936,000,000	—	—	936,000,000	—	—	936,000,000
Northwest Company	300,000,000	45,584	—	300,045,584	4,212,193	—	304,257,777
Bayannaer Zijin	297,300,000	21,025,993	—	318,325,993	11,518,791	—	329,844,784
Gold Mountains H.K.	645,621,989	147,798,824	—	793,420,813	—	—	793,420,813
Zijin International Mining Company Limited	47,500,000	119,855,583	—	167,355,583	6,424,871	—	173,780,454
Yunnan Huaxi	86,830,000	—	—	86,830,000	—	—	86,830,000
Henan Jinda Mining Company Limited	129,880,000	—	—	129,880,000	—	—	129,880,000
Luoyang Yinhui	105,000,000	—	—	105,000,000	—	—	105,000,000

Notes to Financial Statements *(continued)*

For the year ended 31 December 2013

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

XI. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS *(continued)*

4. LONG-TERM EQUITY INVESTMENTS *(continued)*

(i) INVESTMENT IN SUBSIDIARIES *(continued)*

Investment cost (continued)

	1 January 2012	Additions	Reductions	31 December 2012	Additions	Reductions	31 December 2013
Xinyi Zijin	243,900,000	—	—	243,900,000	—	—	243,900,000
Jinshan Refinery	298,000,000	—	—	298,000,000	—	—	298,000,000
Fujian Zijin Hotel Management Company Limited	10,000,000	—	—	10,000,000	—	—	10,000,000
Fujian Zijin Mining Technology Company Limited	5,000,000	—	—	5,000,000	—	—	5,000,000
Chongli Zijin	142,500,000	—	—	142,500,000	—	—	142,500,000
Longkou Jintai	192,000,000	—	—	192,000,000	—	—	192,000,000
Shanxi Zijin	127,284,118	—	—	127,284,118	—	—	127,284,118
Zijin Mining Group Southwest Company Limited	1,179,600,000	5,209,370	—	1,184,809,370	11,851	—	1,184,821,221
Hunan Jinfeng Mining Company Limited	10,000,000	—	(10,000,000)	—	—	—	—
Xiamen Zijin Mining and Metallurgy Technology Company Limited	50,000,000	—	—	50,000,000	—	—	50,000,000
Wuping Zijin Mining Company Limited	18,618,000	338,208	—	18,956,208	508,829	—	19,465,037
Fujian Jinshan Investment Company Limited	8,000,000	—	—	8,000,000	—	—	8,000,000
Zijin Real Estate	300,000,000	—	—	300,000,000	—	—	300,000,000
Gansu Yate	254,232,725	99,880,630	—	354,113,355	16,392,368	—	370,505,723
Huanmin Mining	306,000,000	—	—	306,000,000	—	—	306,000,000
Inner Mongolian Zijin Company Limited	100,000,000	—	—	100,000,000	—	—	100,000,000
Northeast Asia Zijin	600,000,000	59,178,710	—	659,178,710	10,545,040	—	669,723,750
Qinghai Zijin	450,066,992	—	—	450,066,992	—	(450,066,992)	—
Finance Company	475,000,000	—	—	475,000,000	—	—	475,000,000
Zijin Copper	1,822,647,343	—	—	1,822,647,343	—	—	1,822,647,343
Xinjiang Jinneng Mining Co., Ltd. ("Jinneng Mining")	50,000,000	—	—	50,000,000	—	—	50,000,000
Zijin Xiangyu (Longyan) Logistics Company Limited	13,000,000	—	—	13,000,000	—	—	13,000,000
Zijin Xiamen Marketing	20,000,000	—	—	20,000,000	—	—	20,000,000
Jinyi Copper	140,000,000	—	—	140,000,000	4,185	—	140,004,185
Ankang Zijin Mining Company Limited	68,800,000	—	—	68,800,000	9,441,710	—	78,241,710
Gansu Mining Development	—	—	—	—	30,000,000	—	30,000,000
	10,804,430,516	531,217,544	(10,000,000)	11,325,648,060	94,217,138	(450,066,992)	10,969,798,206

Notes to Financial Statements *(continued)*

For the year ended 31 December 2013

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

XI. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS *(continued)*

4. LONG-TERM EQUITY INVESTMENTS *(continued)*

(i) INVESTMENT IN SUBSIDIARIES *(continued)*

Movements of provision for impairment losses of long-term equity investments in subsidiaries

2013

	At 1 January 2013	Write-off due to disposal of subsidiaries	At 31 December 2013
Anhui Zijin	6,000,000	—	6,000,000
Longnan Zijin	43,019,351	—	43,019,351
Longkou Jintai	187,483,979	—	187,483,979
Xinyi Zijin	243,900,000	—	243,900,000
	480,403,330	—	480,403,330

2012

	At 1 January 2012	Write-off due to disposal of subsidiaries	At 31 December 2012
Anhui Zijin	6,000,000	—	6,000,000
Gansu Yate	43,019,351	—	43,019,351
Longkou Jintai	187,483,979	—	187,483,979
Xinyi Zijin	243,900,000	—	243,900,000
	480,403,330	—	480,403,330

(ii) Other equity investments

	Liwu Copper	Nanjing China Net	Hunan Nonferrous Metals *	Shanghang Rural Commercial Bank	Total
31 December 2012	19,850,000	25,000,000	30,000,000	89,900,000	164,750,000
Proportion of equity interest in the investee	5.77%	8.62%	1.37%	10%	N/A
Current year additions	—	—	—	—	—
31 December 2013	19,850,000	25,000,000	30,000,000	89,900,000	164,750,000
Proportion of equity interest in the investee	5.77%	8.62%	1.37%	10%	N/A

* Investment in a listed company.

XI. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS (continued)

4. LONG-TERM EQUITY INVESTMENTS (continued)

(iii) Associates

2013

Name of entity	Proportion of equity interest in the investee	Investment cost	At 1 January 2013	Equity changes				Provision for impairment losses				At 31 December 2013
				Changes for the year	Cash Dividends	Disposals	Accumulated Changes	Additions	Disposals	Accumulated Changes	Disposals	
Longyan Makeng	31.5%	57,060,000	213,749,497	33,162,109	(25,200,000)	—	187,397,356	—	—	—	2,454,250	246,911,606
Tibet Yulong	22%	137,500,000	82,421,305	17,287,768	—	—	(37,790,927)	—	—	—	—	99,709,073
Songpan Zijin	34%	39,400,000	39,249,785	—	—	—	(150,215)	—	—	—	—	39,249,785
Zijin Tongguan	45%	607,500,000	499,494,257	(12,442,401)	—	—	(96,687,583)	(162,757,584)	—	—	(186,518,145)	324,294,272
Wancheng Commercial	10%	74,746,978	35,480,676	16,004,404	(16,252,000)	—	(36,733,897)	—	—	—	—	38,013,081
		916,206,978	870,395,520	54,011,880	(41,452,000)	—	16,034,734	(162,757,584)	—	—	(184,063,895)	748,177,817

2012

Name of entity	Proportion of equity interest in the investee	Investment cost	At 1 January 2012	Equity changes				Provision for impairment losses				At 31 December 2012
				Changes for the year	Cash Dividends	Disposals	Accumulated Changes	Additions	Disposals	Accumulated Changes	Disposals	
Longyan Makeng	31.5%	31,860,000	182,552,563	31,196,934	—	—	179,435,247	—	—	—	2,454,250	213,749,497
Tibet Yulong	22%	137,500,000	82,009,103	412,202	—	—	(55,078,695)	—	—	—	—	82,421,305
Songpan Zijin	34%	39,400,000	39,249,785	—	—	—	(150,215)	—	—	—	—	39,249,785
Zijin Tongguan	45%	607,500,000	491,294,035	8,200,222	—	—	(84,245,182)	—	—	—	(23,760,561)	499,494,257
Wancheng Commercial	10%	71,966,977	30,634,507	24,846,169	(20,000,000)	—	(36,486,301)	—	—	—	—	35,480,676
		888,226,977	825,739,993	64,655,527	(20,000,000)	—	3,474,854	—	—	—	(21,306,311)	870,395,520

Notes to Financial Statements (continued)

For the year ended 31 December 2013

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

Notes to Financial Statements *(continued)*

For the year ended 31 December 2013

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

XI. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS *(continued)*

*5. FIXED ASSETS

2013

	Buildings	Mining assets	Power generating and transmission equipment	Plant, machinery and equipment	Leasehold improvements	Furniture and fixtures	Motor vehicles	Total
Cost								
At 1 January 2013	386,653,885	2,276,723,088	45,824,732	667,370,518	9,379,109	48,847,152	72,405,686	3,507,204,170
Purchase additions	313,046	55,670,522	—	119,897,206	228,437	14,127,528	14,362,270	204,599,009
Transfer from construction in progress	145,184,311	761,270,872	505,831	5,288,184	11,019,008	4,152,379	—	927,420,585
Disposals	(3,616,939)	(31,218,839)	(279,395)	(41,529,278)	—	(2,221,205)	(7,482,107)	(86,347,763)
At 31 December 2013	528,534,303	3,062,445,643	46,051,168	751,026,630	20,626,554	64,905,854	79,285,849	4,552,876,001
Accumulated depreciation								
At 1 January 2013	71,027,811	707,768,834	20,540,274	324,934,146	8,659,165	30,825,436	31,272,502	1,195,028,168
Depreciation for the year	18,712,836	186,980,400	2,061,608	69,725,197	249,405	8,980,015	10,144,119	296,853,580
Disposals	(1,320,129)	(20,717,969)	(235,914)	(27,460,849)	—	(1,800,814)	(3,561,456)	(55,097,131)
At 31 December 2013	88,420,518	874,031,265	22,365,968	367,198,494	8,908,570	38,004,637	37,855,165	1,436,784,617
Impairment								
At 1 January 2013	—	—	—	731,670	—	967	—	732,637
Impairment for the year	—	—	44,092	755,526	—	180	—	799,798
Disposals	—	—	—	(52,431)	—	—	—	(52,431)
At 31 December 2013	—	—	44,092	1,434,765	—	1,147	—	1,480,004
Net book value								
At 31 December 2013	440,113,785	2,188,414,378	23,641,108	382,393,371	11,717,984	26,900,070	41,430,684	3,114,611,380
At 1 January 2013	315,626,074	1,568,954,254	25,284,458	341,704,702	719,944	18,020,749	41,133,184	2,311,443,365

Notes to Financial Statements *(continued)*

For the year ended 31 December 2013

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

XI. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS *(continued)*

*5. FIXED ASSETS *(continued)*

2012

	Buildings	Mining assets	Power generating and transmission equipment	Plant, machinery and equipment	Leasehold improvements	Furniture and fixtures	Motor vehicles	Total
Cost								
At 1 January 2012	328,875,278	1,008,719,778	44,175,201	557,310,327	9,297,850	44,552,280	63,783,649	2,056,714,363
Purchase additions	—	16,595,005	1,459,531	90,747,913	81,259	4,273,952	14,598,716	127,756,376
Transfer from construction in progress	60,414,318	1,254,060,086	190,000	36,698,108	—	1,362,052	—	1,352,724,564
Disposals	(2,635,711)	(2,651,781)	—	(17,385,830)	—	(1,341,132)	(5,976,679)	(29,991,133)
At 31 December 2012	386,653,885	2,276,723,088	45,824,732	667,370,518	9,379,109	48,847,152	72,405,686	3,507,204,170
Accumulated depreciation								
At 1 January 2012	54,272,310	638,404,732	18,409,659	276,981,446	8,278,403	25,615,661	26,782,635	1,048,744,846
Depreciation for the year	18,149,989	71,350,774	2,130,615	61,528,654	380,762	6,506,646	8,472,254	168,519,694
Disposals	(1,394,488)	(1,986,672)	—	(13,575,954)	—	(1,296,871)	(3,982,387)	(22,236,372)
At 31 December 2012	71,027,811	707,768,834	20,540,274	324,934,146	8,659,165	30,825,436	31,272,502	1,195,028,168
Impairment								
At 1 January 2012	—	—	—	732,353	—	967	—	733,320
Impairment for the year	—	—	—	—	—	—	—	—
Disposals	—	—	—	(683)	—	—	—	(683)
At 31 December 2012	—	—	—	731,670	—	967	—	732,637
Net book value								
At 31 December 2012	315,626,074	1,568,954,254	25,284,458	341,704,702	719,944	18,020,749	41,133,184	2,311,443,365
At 1 January 2012	274,602,968	370,315,046	25,765,542	279,596,528	1,019,447	18,935,652	37,001,014	1,007,236,197

Fixed assets that are fully depreciated but still in use are as follows:

	2013		2012	
	Cost	Net book value	Cost	Net book value
Buildings	1,151,344	3,015	3,349,734	100,492
Mining assets	468,109,149	964,796	426,218,206	—
Power generating and transmission equipment	10,810,357	319,811	10,561,957	316,859
Plant, machinery and equipment	123,558,689	3,422,403	92,241,963	2,767,259
Leasehold improvements	7,896,187	2,628	7,297,925	218,938
Furniture and fixtures	17,642,374	519,006	17,923,967	537,719
Motor vehicles	10,734,590	280,444	7,572,408	227,172
	639,902,690	5,512,103	565,166,160	4,168,439

Notes to Financial Statements *(continued)*

For the year ended 31 December 2013

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

XI. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS *(continued)*

*5. FIXED ASSETS *(continued)*

Fixed assets that are temporarily idle are as follows:

2013

	Mining assets	Plant, machinery and equipment	Total
At 31 December 2013			
Cost	235,127	2,221,364	2,456,491
Accumulated depreciation	(156,751)	(1,344,607)	(1,501,358)
Impairment	—	(390,457)	(390,457)
Net book value	78,376	486,300	564,676

2012

	Plant, machinery and equipment	Total
At 31 December 2012		
Cost	1,573,702	1,573,702
Accumulated depreciation	(577,852)	(577,852)
Impairment	—	—
Net book value	995,850	995,850

There were no fixed assets of the Company leased or leased out under finance leases.

Fixed assets of which certificates of title had not been obtained as at 31 December 2013 are as follows:

Item	Net book value	Reasons why certificates of title had not been obtained	Expected timing of obtaining certificates of title
Buildings	101,675,539	In the process of applying	2014
Mining assets	589,774,337	In the process of applying	2014
	691,449,876		

Notes to Financial Statements *(continued)*

For the year ended 31 December 2013

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

XI. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS *(continued)*

*5. FIXED ASSETS *(continued)*

Fixed assets of which certificates of title had not been obtained as at 31 December 2012 are as follows:

Item	Net book value	Reasons why certificates of title have not been obtained	Expected timing of obtaining certificates of title
Buildings	156,923,426	In the process of applying	2013
Mining assets	23,748,015	In the process of applying	2013
	180,671,441		

*6. CONSTRUCTION IN PROGRESS

2013

	Budget	At 1 January 2013	Additions	Transfer to fixed assets	Other reductions	At 31 December 2013	Source of funds	Contribution in budget	Progress of construction
Zijinshan Gold and Copper Mine joint open pit mining project	1,233,124,117	850,249,096	401,409,549	(887,615,309)	—	364,043,336	Offering Fund/Equity Fund/Loan	99%	77%
Zijin headquarters infrastructure project	157,468,265	59,857,069	70,108,040	(39,157,430)	—	90,807,679	Equity Fund/Loan	95%	88%
Others	2,180,000	10,636,844	5,690,171	(647,846)	(15,432,603)	246,566	Equity Fund/Loan	NA	NA
	1,392,772,382	920,743,009	477,207,760	(927,420,585)	(15,432,603)	455,097,581			

2012

	Budget	At 1 January 2012	Additions	Transfer to fixed assets	Other reductions	At 31 December 2012	Source of funds	Contribution in budget	Progress of construction
Zijinshan Gold and Copper Mine joint open pit mining project	1,521,040,800	1,473,570,135	680,656,958	(1,298,673,162)	(5,304,835)	850,249,096	Offering Fund/Equity Fund	150%	88%
Zijin headquarters infrastructure project	162,296,575	46,937,246	66,141,524	(53,221,701)	—	59,857,069	Equity Fund	126%	90%
Others	2,180,000	590,353	10,895,192	(829,701)	(19,000)	10,636,844	Equity Fund	NA	NA
	1,685,517,375	1,521,097,734	757,693,674	(1,352,724,564)	(5,323,835)	920,743,009			

For the year ended 31 December 2013, there were no borrowing costs eligible for capitalisation of the Company (2012: Nil).

For the year ended 31 December 2013, there was no impairment of construction in progress of the Company (2012: Nil).

Notes to Financial Statements *(continued)*

For the year ended 31 December 2013

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

XI. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS *(continued)*

*7. INTANGIBLE ASSETS

2013

	At 1 January 2013	Additions	Reductions	At 31 December 2013
Exploration and mining rights	407,936,574	11,745,700	—	419,682,274
Land use rights	87,229,841	—	—	87,229,841
Membership of Shanghai Gold Exchange and others	2,051,722	—	(61,000)	1,990,722
Total cost	497,218,137	11,745,700	(61,000)	508,902,837
Exploration and mining rights	163,907,207	29,995,971	—	193,903,178
Land use rights	9,853,448	1,603,636	—	11,457,084
Membership of Shanghai Gold Exchange and others	819,283	149,737	(61,000)	908,020
Total accumulated amortisation	174,579,938	31,749,344	(61,000)	206,268,282
Exploration and mining rights	244,029,367	(18,250,271)	—	225,779,096
Land use rights	77,376,393	(1,603,636)	—	75,772,757
Membership of Shanghai Gold Exchange and others	1,232,439	(149,737)	—	1,082,702
Total net book value	322,638,199	(20,003,644)	—	302,634,555

2012

	At 1 January 2012	Additions	Reductions	At 31 December 2012
Exploration and mining rights	407,936,574	—	—	407,936,574
Land use rights	84,730,003	2,499,838	—	87,229,841
Membership of Shanghai Gold Exchange and others	1,996,070	55,652	—	2,051,722
Total cost	494,662,647	2,555,490	—	497,218,137
Exploration and mining rights	134,718,953	29,188,254	—	163,907,207
Land use rights	8,098,365	1,755,083	—	9,853,448
Membership of Shanghai Gold Exchange and others	592,918	226,365	—	819,283
Total accumulated amortisation	143,410,236	31,169,702	—	174,579,938
Exploration and mining rights	273,217,621	(29,188,254)	—	244,029,367
Land use rights	76,631,638	744,755	—	77,376,393
Membership of Shanghai Gold Exchange and others	1,403,152	(170,713)	—	1,232,439
Total net book value	351,252,411	(28,614,212)	—	322,638,199

* Land use rights are situated in Mainland China and held under medium-term leases.

Notes to Financial Statements *(continued)*

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

XI. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS *(continued)*

8. LONG-TERM DEFERRED ASSETS

	2013			2012		
	Land compensation costs (Note 1)	Others (Note 2)	Total	Land compensation costs (Note 1)	Others (Note 2)	Total
At 1 January	57,947,440	19,315,701	77,263,141	61,613,352	5,926,935	67,540,287
Additions	—	125,041,531	125,041,531	9,290,616	15,833,658	25,124,274
Amortisation	(12,638,393)	(12,864,796)	(25,503,189)	(12,956,528)	(2,444,892)	(15,401,420)
At 31 December	45,309,047	131,492,436	176,801,483	57,947,440	19,315,701	77,263,141

Note 1: The land compensation costs relate to the compensation for the occupation of forest lands at mining sites. The amortisation period ranges from 5 to 50 years.

Note 2: As at 31 December 2013, others of long-term deferred assets mainly included: forest compensation expenditure of RMB64,080,349 (31 December 2012: RMB8,360,368). The amortisation period is 10 years.

9. OTHER NON-CURRENT ASSETS

	2013			2012		
	Prepaid investment costs, prepayment for exploration and mining rights and others (Note 1)	Exploration and evaluation costs	Total	Prepaid investment costs, prepayment for exploration and mining rights and others (Note 1)	Exploration and evaluation costs	Total
At 1 January	78,975,337	2,158,643,856	2,237,619,193	46,724,629	1,068,378,502	1,115,103,131
Additions	41,458,795	3,568,532,798	3,609,991,593	36,193,151	1,382,106,672	1,418,299,823
Reductions	(4,355,408)	(1,461,695,042)	(1,466,050,450)	(3,942,443)	(291,841,318)	(295,783,761)
Transfer to intangible assets	—	(11,745,700)	(11,745,700)	—	—	—
At 31 December	116,078,724	4,253,735,912	4,369,814,636	78,975,337	2,158,643,856	2,237,619,193
Impairment	—	(45,000,000)	(45,000,000)	—	(45,000,000)	(45,000,000)
Net book value at 31 December	116,078,724	4,208,735,912	4,324,814,636	78,975,337	2,113,643,856	2,192,619,193
Net book value at 1 January	78,975,337	2,113,643,856	2,192,619,193	46,724,629	1,068,378,502	1,115,103,131

Note 1: The Company's balances of prepaid investment costs, prepayment for exploration and mining rights and others mainly included: prepayment for land use rights of RMB6,000,000 (2012: RMB6,000,000); prepaid investment costs of RMB577,000,000 (2012: RMB777,000,000); prepayment for construction work and purchase of machinery and equipment of RMB95,625 (2012: RMB9,771,641); long-term receivables of RMB3,669,596,613 (2012: RMB1,110,312,328).

Notes to Financial Statements *(continued)*

For the year ended 31 December 2013

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

XI. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS *(continued)*

10. ASSETS WITH RESTRICTIONS ON TITLE

2013

Assets that are collateralised or pledged:

	At 1 January 2013	Additions	Reductions	At 31 December 2013	Note
Cash and cash equivalents	566,760,389	—	(566,760,389)	—	Note V.23 note 1

2012

Assets that are collateralised or pledged:

	At 1 January 2012	Additions	Reductions	At 31 December 2012	Note
Cash and cash equivalents	362,000,000	566,760,389	(362,000,000)	566,760,389	Note V.23 note 1

*11. PROVISION FOR IMPAIRMENT OF ASSETS

2013

	At 1 January 2013	Additions	Reductions		At 31 December 2013
	Carrying amount		Reversal	Write-off	Carrying amount
Bad debt provision	6,435,579	140,992,416	—	—	147,427,995
<i>Including: Trade receivables</i>	<i>88,513</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>88,513</i>
<i>Other receivables</i>	<i>6,347,066</i>	<i>140,992,416</i>	<i>—</i>	<i>—</i>	<i>147,339,482</i>
Inventory provision	4,722,375	2,020,172	(4,596,784)	(65,039)	2,080,724
Impairment of available- for-sale investments	113,975,059	26,105,804	—	(63,819,380)	76,261,483
Impairment of long-term equity investments	480,403,330	162,757,584	—	—	643,160,914
Impairment of fixed assets	732,637	799,798	—	(52,431)	1,480,004
Impairment of other non-current assets	45,000,000	—	—	—	45,000,000
	651,268,980	332,675,774	(4,596,784)	(63,936,850)	915,411,120

Notes to Financial Statements *(continued)*

For the year ended 31 December 2013

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

XI. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS *(continued)*

*11. PROVISION FOR IMPAIRMENT OF ASSETS *(continued)*

2012

	At 1 January 2012		Reductions		At 31 December 2012
	Carrying amount	Additions	Reversal	Write-off	Carrying amount
Bad debt provision	6,437,579	—	(2,000)	—	6,435,579
<i>Including: Trade receivables</i>	<i>88,513</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>88,513</i>
<i>Other receivables</i>	<i>6,349,066</i>	<i>—</i>	<i>(2,000)</i>	<i>—</i>	<i>6,347,066</i>
Inventory provision	600,965	4,121,410	—	—	4,722,375
Impairment of available- for-sale investments	—	113,975,059	—	—	113,975,059
Impairment of long-term equity investments	480,403,330	—	—	—	480,403,330
Impairment of fixed assets	733,320	—	—	(683)	732,637
Impairment of other non-current assets	—	45,000,000	—	—	45,000,000
	488,175,194	163,096,469	(2,000)	(683)	651,268,980

12. TRADE PAYABLES

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

	2013	2012
Within 1 year	345,548,349	171,759,688
Over 1 year but within 2 years	16,998,056	4,661,145
Over 2 years but within 3 years	2,040,761	2,031,094
Over 3 years	7,715,642	6,154,173
	372,302,808	184,606,100

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

As at 31 December 2013, the balance of the trade payables of the Company including a trading balance due to subsidiaries of RMB170,723,401 (31 December 2012: RMB89,750,564), and payables due to other related parties amounted to RMB4,122,779 (31 December 2012: RMB10,179,932).

As at 31 December 2013 and 2012, there were no trade payables denominated in foreign currencies.

As at 31 December 2013, there was no significant balance of trade payables aged more than one year (31 December 2012: Nil).

13. BONDS PAYABLE

In 2013, the Company registered the maximum credit limit of RMB6,000,000,000 and medium-term notes of RMB4,000,000,000 in the National Association of Financial Market Institutional investors. On 22 October 2013, the Company issued medium-term notes with face value of RMB2,500,000,000, maturity of five years, and coupon rate of 5.7%. Interest on the bonds is payable annually in arrears.

As at 31 December 2013, there were no bonds that are due but not yet paid (31 December 2012: Nil).

Notes to Financial Statements *(continued)*

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

XI. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS *(continued)*

*14. LONG-TERM PAYABLES

	2013	2012
Payables for acquisition of mining rights	2,798,834	8,398,834
Entrusted investment	207,926,740	88,586,376
Deposit for Restoration and Improvement of Ecological Environment in Mines	68,320,794	68,320,794
Subtotal	279,046,368	165,306,004
Including: Long-term payables due within one year	(2,798,834)	(31,880,000)
	276,247,534	133,426,004

Details of long-term payables as at 31 December 2013:

Creditor	Period	Initial amount	Annual interest rate (%)	Accrued interest	At 31 December 2013	Borrowing terms
Charitable Foundation of Zijin Mining (Note V 35 note 1)	3 years	150,000,000	10	7,333,333	150,000,000	Unsecured and non-guaranteed
Deposit for Restoration and Improvement of Ecological Environment in Mines (Note V 35 note 2)	Long-term	36,429,600	—	—	68,320,794	Unsecured and non-guaranteed
Committee of Jingmei Village (Note V 35 note 3)	10 years	22,146,063	10	1,000,000	15,981,740	Unsecured and non-guaranteed
Shanghang County Caixitongkang Village (Note V 35 note 4)	25 years	18,745,000	10	—	18,745,000	Unsecured and non-guaranteed
Shanghang Charity Federation (Note V 35 note 5)	3 years	8,000,000	10	—	18,100,000	Unsecured and non-guaranteed
Committee of Shanghang County Jiuxianxiangshizhen Village	5 years	3,000,000	10	—	5,100,000	Unsecured and non-guaranteed
		238,320,663		8,333,333	276,247,534	

Notes to Financial Statements *(continued)*

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

XI. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS *(continued)*

*14. LONG-TERM PAYABLES *(continued)*

Details of long-term payables as at 31 December 2012:

Creditor	Period	Initial amount	Annual interest rate (%)	Accrued interest	At 31 December 2012	Borrowing terms
Deposit for Restoration and Improvement of Ecological Environment in Mines (Note V 35 note 2)	Long-term	36,429,600	—	—	68,320,794	Unsecured and non-guaranteed
Committee of Jingmei Village (Note V 35 note 3)	10 years	22,146,063	—	1,013,889	32,561,376	Unsecured and non-guaranteed
Shanghang County Caixitongkang Village (Note V 35 note 4)	25 years	18,745,000	10	—	18,745,000	Unsecured and non-guaranteed
Shanghang Charity Federation (Note V 35 note 5)	3 years	8,000,000	10	—	8,000,000	Unsecured and non-guaranteed
Committee of Shanghang County Jiuxianxiangshizhen Village	5 years	3,000,000	10	—	3,000,000	Unsecured and non-guaranteed
Shanghang Finance Bureau	10 years	56,109,000	—	—	2,798,834	Unsecured and non-guaranteed
		144,429,663		1,013,889	133,426,004	

Maturity analysis of long-term payables is as below:

	2013	2012
Within 1 year or payable on demand	2,798,834	31,880,000
Over 1 year but within 2 years	8,000,000	5,709,000
Over 2 years but within 5 years	181,181,740	59,396,210
Over 5 years	87,065,794	68,320,794
Total	279,046,368	165,306,004

Notes to Financial Statements *(continued)*

For the year ended 31 December 2013

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

XI. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS *(continued)*

15. OPERATING INCOME AND OPERATING COSTS

An analysis of operating income:

	2013	2012
Revenue from principal operations	9,337,796,495	11,943,312,946
Revenue from other operations	306,339,593	299,216,479
	9,644,136,088	12,242,529,425

An analysis of operating costs:

	2013	2012
Cost of principal operations	7,071,223,392	7,293,598,414
Cost of other operations	214,891,402	226,272,836
	7,286,114,794	7,519,871,250

An analysis of operating income from principal operations and cost of principal operations by products:

	2013		2012	
	Revenue from principal operations	Cost of principal operations	Revenue from principal operations	Cost of principal operations
Gold bullion	3,506,419,383	1,678,711,520	5,842,689,488	1,673,575,962
Trading gold	4,358,398,426	4,396,720,003	5,129,522,164	5,079,840,847
Copper cathodes	573,460,094	407,007,576	115,945,870	123,962,296
Copper concentrates	794,657,607	469,021,350	754,523,277	334,288,096
Others	104,860,985	119,762,943	100,632,147	81,931,213
	9,337,796,495	7,071,223,392	11,943,312,946	7,293,598,414

Operating income of the top five customers of the Company in 2013:

	2013	Proportion of revenue (%)
Shanghai Gold Exchange #	7,656,546,972	79.39
Zijin Copper	647,138,181	6.71
Jinyi Copper	262,405,151	2.72
Taiyang Copper	178,215,476	1.85
Zijin Xiamen Marketing	155,959,889	1.62
	8,900,265,669	92.29

Notes to Financial Statements *(continued)*

For the year ended 31 December 2013

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

XI. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS *(continued)*

15. OPERATING INCOME AND OPERATING COSTS *(continued)*

Operating income of the top five customers of the Company in 2012:

	2012	Proportion of revenue (%)
Shanghai Gold Exchange #	9,556,312,718	78.06
Shanghai Futures Exchange #	729,043,180	5.96
Zijin Copper	616,828,862	5.04
Zijin Xiamen Marketing	491,377,714	4.01
Meizhou Jincheng Industrial and Trading Company Limited	134,626,329	1.10
	11,528,188,803	94.17

The ultimate customers are not listed in detail.

16. FINANCIAL EXPENSES

	2013	2012
Interest expenses:	238,325,734	184,567,286
<i>*Including: Bank loans</i>	211,013,234	184,567,286
<i>Bonds payable</i>	27,312,500	—
Less: Interest income	370,316,785	276,021,251
Exchange (gains)/losses	(9,333,472)	4,284,992
Bank charges	54,413,995	38,793,530
Others	—	(31)
	(86,910,528)	(48,375,474)

For the year ended 31 December 2013, no interest was arising from impaired financial assets (2012: Nil).

* Interests on bank loans and bonds payable that are wholly repayable within five years amounted to RMB238,325,734 (2012: RMB184,567,286).

17. IMPAIRMENT LOSSES ON ASSETS

	2013	2012
Bad debt provision for trade and other receivables	140,992,416	(2,000)
Provision for decline in value of inventories	(2,576,612)	4,121,410
Impairment on long-term equity investments	162,757,584	—
Impairment on available-for-sale investments	26,105,804	113,975,059
Impairment on fixed assets	799,798	—
Impairment on other non-current assets	—	45,000,000
	328,078,990	163,094,469

Notes to Financial Statements *(continued)*

For the year ended 31 December 2013

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

XI. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS *(continued)*

18. INVESTMENT INCOME

	2013	2012
Investment income from long-term equity investments under the cost method	1,701,462,409	1,845,581,211
Investment income from long-term equity investments under the equity method	54,011,880	64,655,526
Losses on disposal of subsidiaries	(66,993)	(862,995)
Gains on disposal of financial assets at fair value through profit or loss (Note1)	26,730,378	36,772,555
(Losses)/Gains on disposal of available-for-sale investments	(28,048,115)	53,444,577
	1,754,089,559	1,999,590,874

* The investment loss from investments in listed companies in 2013 are RMB 25,253,152(2012: investment income of RMB66,606,308), and the investment income from investments in unlisted companies in 2013 are RMB1,779,342,711 (2012: RMB1,932,984,566).

Note1: During the year 2013, investment income resulting from disposal of financial assets at fair value through profit or loss included gains of RMB23,935,414 on settlement of future contracts (2012: RMB23,610,824).

Investees with the top five investment income from long-term equity investments under the cost method are as follows:

Investee	2013	2012	Reasons for variance with last period
Hunchun Zijin	531,437,500	193,250,000	Increase in profit of the Investee for the year
Qinghai West	400,000,000	600,000,000	Decrease in profit of the Investee for the year
Xinjiang Ashele	204,000,000	459,000,000	Decrease in profit of the Investee for the year
Chongli Zijin	191,234,580	153,790,425	Increase in profit of the Investee for the year
Luoyang Yinhui	84,000,000	94,500,000	Decrease in profit of the Investee for the year
Total	1,410,672,080	1,500,540,425	

Top five investment income from long-term equity investments under the equity method are as follows:

Investee	2013	2012	Reasons for variance with last period
Longyan Makeng	33,162,109	31,196,933	Fluctuation of the net profit from investee
Tibet Yulong	17,287,768	412,202	Fluctuation of the net profit from investee
Wancheng Commercial	16,004,404	24,846,169	Fluctuation of the net profit from investee
Zijin Tongguan	(12,442,401)	8,200,222	Fluctuation of the net profit from investee
Total	54,011,880	64,655,526	

Notes to Financial Statements *(continued)*

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

XI. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS *(continued)*

18. INVESTMENT INCOME *(continued)*

As at 31 December 2013, there were no material restrictions on the transfer of the investment income back to the Company (31 December 2012: Nil).

19. SUPPLEMENTARY INFORMATION TO THE STATEMENT OF CASH FLOWS

(1) Supplementary information to the statement of cash flows

Reconciliation of net profit to cash flows from operating activities:


	2013	2012
Net profit	2,762,972,382	4,811,234,558
Add: Provision for impairment losses on assets	328,078,990	163,094,469
Depreciation of fixed assets	296,853,580	168,519,694
Amortisation of intangible assets	31,749,344	31,169,702
Amortisation of long-term deferred assets	25,503,189	15,401,420
Losses on disposal of fixed assets, intangible assets and other long-term assets	10,797,556	4,126,227
Losses/(Gains) on changes in the fair values	8,439,692	(56,431,517)
Financial expenses	77,099,721	223,360,816
Investment income	(1,730,154,145)	(1,975,980,050)
Increase in deferred tax assets	(31,302,579)	(5,400,019)
Decrease/(increase) in inventories	35,762,746	(91,049,321)
Increase in receivables from operating activities	(211,833,801)	(848,881,911)
(Decrease)/increase in payables from operating activities	(364,073,416)	401,845,656
Government grants	—	(10,892,902)
Exchange (gains)/losses	(9,333,472)	4,284,992
Net cash flow from operating activities	1,230,559,787	2,834,401,814

(2) Cash and cash equivalents

	2013	2012
Cash	2,855,546,020	3,372,140,093
Including: Cash on hand	283,371	163,856
Cash at banks that can be drawn on demand	2,855,262,649	3,371,976,237
Closing balance of cash and cash equivalents	2,855,546,020	3,372,140,093

Movement of cash and cash equivalents

	2013	2012
Closing balance of cash	957,695,560	2,213,432,741
Less: opening balance of cash	2,213,432,741	2,560,162,244
Add: closing balance of cash equivalents	1,897,850,460	1,158,707,352
Less: opening balance of cash equivalents	1,158,707,352	130,728,240
(Decrease)/increase in cash and cash equivalents	(516,594,073)	681,249,609



Notes to Financial Statements *(continued)*

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

XI. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS *(continued)*

20. COMMITMENTS

		2013	2012
Capital commitments			
Contracted, but not provided	Note 1	126,012,137	219,323,566
Investment commitments			
Contracted, but not provided		—	50,000,000

Note 1: As at 31 December 2013, the capital commitments related to the acquisition and construction of property, plant, machinery and equipment, and mining assets were RMB126,012,137 (2012: RMB219,323,566).

Supplementary Information to Financial Statements

For the year ended 31 December 2013

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

I. SUMMARY OF NON-RECURRING PROFIT OR LOSS

Item	2013
Net profit attributable to owners of the parent	2,125,353,823
Add/(less): Non-recurring profit or loss attributable to owners of the parent	
Gains on disposal of non-current assets	118,475,005
Government grants recognised in the statement of profit or loss	(159,679,631)
Net losses on changes in fair value arising from financial assets and financial liabilities at fair value through profit or loss, net investment losses on disposal of financial assets at fair value through profit or loss and available-for-sale investments except for the effective portion of normal transactions qualified for hedge accounting, gold leasing business and forward contracts (Note 1)	105,461,015
Impairment on available-for-sale investments	92,013,456
Other non-operating income and expenses other than the aforesaid items (Note 2)	228,158,295
	2,509,781,963
Impact on income tax	(34,878,918)
	2,474,903,045
Impact on the non-controlling interests (after tax)	(58,478,116)
	2,416,424,929

The non-recurring profit or loss of the Group was recognised under the China Securities Regulatory Commission ("CSRC") Announcement [2008] No.43, Explanatory Announcement No.1 on Information Disclosure and Presentation Rules for Companies Making Public Offering of Securities. The future contract transactions of the Group are related to the ordinary operating activities, of which the objects are the mineral products or similar metal products of the Group, aimed at reducing the risk of significant profitability fluctuation from ordinary operations in accordance with the price fluctuation. The transactions of future contracts are frequent and the Group has continued and will continue to engage in such future contracts in the foreseeable future. For the above-mentioned reasons, the profit or loss on future contracts are not classified as non-recurring profit or loss.

Notes to significant non-recurring profit or loss:

Note 1: Including the losses on changes in fair value of trading stocks, funds and bonds amounted to RMB63,280,631, and losses on disposal of stocks amounted to RMB42,180,384.

Note 2: Including donations of RMB230,065,888 to the Shanghang Charity Federation and other charities, and net other non-operating income of RMB1,907,593.

The non-recurring profit or loss included in non-operating income and non-operating expenses are as follows (breakdowns are the same with non-operating income and non-operating expenses):

	2013
Non-recurring profits or losses on non-operating income	
Gains on disposal of non-current assets	8,467,645
Including: gains on disposal of fixed assets	8,467,645
Government grants	159,679,631
Penalty income	10,744,109
Others	44,594,966
Non-recurring profits or losses included in non-operating expenses	
Losses on disposal of non-current assets	126,942,650
Including: Losses on disposal of fixed assets	126,939,629
Losses on disposal of other non-current assets	3,021
Donations	230,065,888
Penalties	24,189,776
Losses on natural disasters	401,975
Losses on stock taking	2,130,972
Others	26,708,759

Supplementary Information to Financial Statements *(continued)*

For the year ended 31 December 2013

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

II. RETURN ON NET ASSETS AND EARNINGS PER SHARE

2013

		Return on net assets (%)		Basic earnings per share (EPS) [#]
		Fully diluted	Weighted average	
Net profit attributable to owners of the parent	2,125,353,823	7.70	7.65	0.10
Net profit after deduction of non-recurring profit or loss attributable to ordinary shareholders of the Company	2,416,424,929	8.75	8.70	0.11

2012

		Return on net assets (%)		Basic earnings per share (EPS) [#]
		Fully diluted	Weighted average	
Net profit attributable to owners of the parent	5,211,208,977	18.49	19.70	0.24
Net profit after deduction of non-recurring profit or loss attributable to ordinary shareholders of the Company	5,142,168,204	18.25	19.44	0.24

Net assets attributable to ordinary shareholders of the Company

	2013	2012
Net assets at 31 December attributable to ordinary shareholders of the Company	27,612,257,755	28,181,588,753
Weighted average net assets attributable to ordinary shareholders of the Company	27,770,319,779	26,447,488,127

The above-mentioned return on net assets and earnings per share were calculated according to the Announcement of CSRC: Information Disclosure and Presentation Rules for Companies Making Public Offering of Securities No.9 (revision 2010)

[#] There were no potential dilutive ordinary shares for the year ended 31 December 2013 (2012: Nil).



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