



# 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)

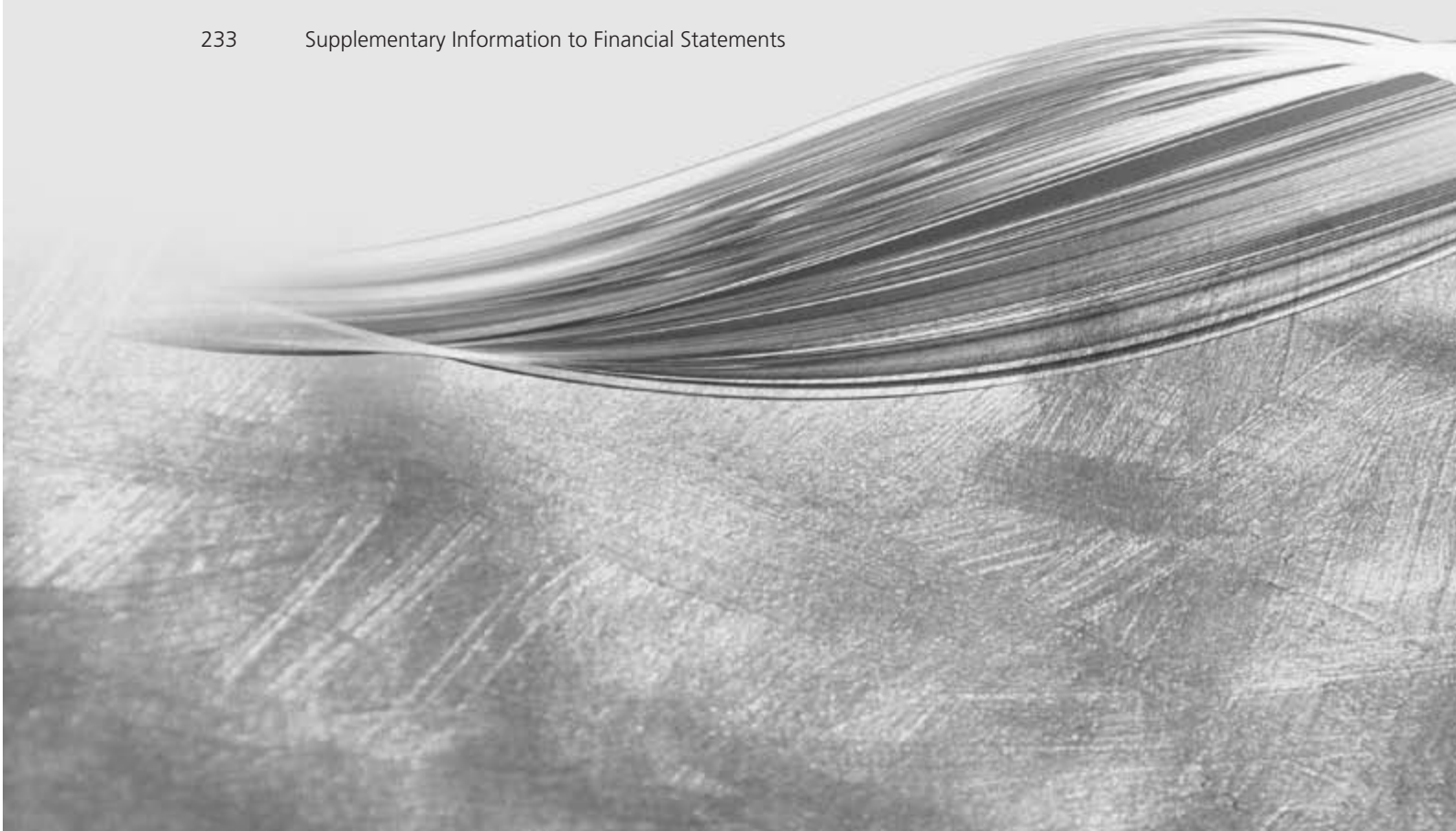


# 2015

## Annual Report

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# Corporate Information

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

## EXECUTIVE DIRECTORS

Chen Jinghe (*Chairman*)  
Wang Jianhua (*President*)  
Qiu Xiaohua  
Lan Fusheng  
Zou Laichang  
Fang Qixue (Appointed on 11 May 2015)  
Lin Hongfu

## NON-EXECUTIVE DIRECTOR

Li Jian

## INDEPENDENT NON-EXECUTIVE DIRECTORS

Lu Shihua  
Ding Shida  
Qiu Guanzhou  
Sit Hoi Wah, Kenneth

## AUDIT AND INTERNAL CONTROL COMMITTEE

Lu Shihua  
Wang Jianhua (*President*)  
Qiu Xiaohua  
Li Jian  
Ding Shida  
Qiu Guanzhou  
Sit Hoi Wah, Kenneth

## AUTHORISED REPRESENTATIVE

Chen Jinghe  
Lan Fusheng

## SUPERVISORS

Lin Shuiqing  
Xu Qiang  
Fan Wensheng  
Liu Wenhong  
Zhang Yumin

## 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](http://www.zjky.cn)

## STOCK CODE

Hong Kong Stock Exchange: 02899  
Shanghai Stock Exchange: 601899

**DEFINITION**

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

A Share(s)	The domestic share(s) issued by the Company to domestic investors with a nominal value of RMB0.10 each, which are listed on the Shanghai Stock Exchange
A Shareholder(s)	Holder(s) of A Share(s)
Altynken, Altynken Zuoan	Altynken Limited Liability Company, a subsidiary of the Company
Bayannaer Zijin	Bayannaer Zijin Non-ferrous Metal Company Limited, a subsidiary of the Company
Bindi Potash	Lenghu Bindi Potash Co., Ltd.
BNL	Barrick (Niugini) Limited, an associate of the Company
Board, Board of Directors	The board of Directors of the Company
Chongli Zijin, Hebei Chongli	Chongli Zijin Mining Company Limited, a subsidiary of the Company
Director(s)	The director(s) of the Company
DR Congo	The Democratic Republic of the Congo
Duobaoshan Copper	Heilongjiang Duobaoshan Copper Co., Ltd., a subsidiary of the Company
Fujian Zijin Real Estate	Fujian Zijin Real Estate Company Limited, a wholly-owned subsidiary of the Company
Gold Mountains, Gold Mountains (H.K.)	Gold Mountains (H.K.) International Mining Company Limited, a wholly-owned subsidiary of the Company
Guizhou Zijin	Guizhou Zijin Mining Company Limited, a subsidiary of the Company
H Share(s)	The overseas-listed foreign invested share(s) in the Company's share capital, with a nominal value of RMB0.10 each, which are listed on the Hong Kong Stock Exchange
H Shareholder(s)	Holder(s) of H Share(s)
Hunchun Zijin	Hunchun Zijin Mining Company Limited, a wholly-owned subsidiary of the Company
Inner Mongolia Jinzhong	Inner Mongolia Jinzhong Mining Co., Ltd., a subsidiary of the Company
Ivanhoe	Ivanhoe Mines Ltd.
Jin Jiang	Jin Jiang Mining Limited, a wholly-owned subsidiary of the Company
Jinhao Iron	Xinjiang Aletai Jinhao Iron Company Limited, a subsidiary of the Company
Jinyu, Jinyu (H.K.)	Jinyu (H.K.) International Mining Co., Ltd., a wholly-owned subsidiary of the Company
Longnan Zijin	Longnan Zijin Mining Company Limited, a subsidiary of the Company
Luoning Huatai	Luoning Huatai Mining Development Company Limited, a subsidiary of the Company
Luoning Zijin	Luoning Zijin Gold Refinery Company Limited, a subsidiary of the Company
Luoyang Kunyu	Luoyang Kunyu Mining Co., Ltd., a subsidiary of the Company
Malipo Tungsten, Wenshan Malipo Zijin	Wenshan Malipo Zijin Tungsten Company Limited, a subsidiary of the Company
Minxi Xinghang	Minxi Xinghang State-owned Assets Investment Company Limited, a substantial shareholder of the Company
NKWE	NKWE Platinum Limited, a subsidiary of the Company
Norton	Norton Gold Fields Limited, a wholly-owned subsidiary of the Company
Papua New Guinea, PNG	The Independent State of Papua New Guinea
Qinghai West	Qinghai West Copper Mining Company Limited, a wholly-owned subsidiary of the Company

## Corporate Information *(continued)*

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

Russia Longxing	Russia Longxing Company Limited, a subsidiary of the Company
Ting River Hydropower	Fujian Shanghang Ting River Hydropower Co., Ltd., an associate of the Company
Wulatehouqi Zijin	Wulatehouqi Zijin Mining Company Limited, a subsidiary of the Company
Wuqia Jinwang	Wuqia County Jinwang Mining Development Company Limited, a wholly-owned subsidiary of the Company
Xiamen Zijin Zhonghang	Xiamen Zijin Zhonghang Real Estate Company Limited, an associate of the Company
Xinjiang Ashele, Ashele Copper	Xinjiang Ashele Copper Company Limited, a subsidiary of the Company
Xinjiang Jinbao	Xinjiang Jinbao Mining Company Limited, a subsidiary of the Company
Xinyi Zijin	Xinyi Zijin Mining Company Limited, a wholly-owned subsidiary of the Company
ZGC	JV Zeravshan LLC, a subsidiary of the Company
Zijin Capital Investment	Zijin Mining Group Capital Investment Co., Ltd., a wholly-owned subsidiary of the Company
Zijin Copper	Zijin Copper Company Limited, a wholly-owned subsidiary of the Company
Zijin Finance, Finance Company	Zijin Mining Group Finance Co., Ltd., a subsidiary of the Company
Zijin International	Zijin International Mining Co., Ltd., a wholly-owned subsidiary of the Company

## 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 shares increased to 21,811,963,650 shares. The Company implemented repurchase of H Shares from 21 August 2013 to 18 November 2014 and repurchased 239,150,000 H Shares in total. The repurchased shares mentioned above were cancelled. The total number of shares of the Company decreased by 239,150,000, and the registered capital decreased by RMB23,915,000. After the deduction, the total number of shares of the Company was 21,572,813,650, and the registered capital was RMB2,157,281,365. 29,570,000 H Shares were repurchased during the period from 9 June 2015 to 30 June 2015, 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 2015, the registered capital of the Company was RMB2,154,324,365 comprising 5,739,440,000 H Shares, representing about 26.64% of the total issued shares, and 15,803,803,650 A Shares, representing about 73.36% of the total issued shares.

The Company and its subsidiaries (the "Group") are a large-scale and comprehensive mining group 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 247,365kg of gold (including 37,162kg of mine-produced gold) in year 2015.

As at the end of 2015, the Group owns 237 mining rights covering a total area of 820.56 square kilometers and 267 exploration rights covering a total area of 2,949.82 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 only. If there is any discrepancy, Chinese version will prevail.)

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

## 2011 TO 2015 FINANCIAL INFORMATION AS PREPARED IN ACCORDANCE WITH CHINA ACCOUNTING STANDARDS FOR BUSINESS ENTERPRISES ("CAS") AND THE RELATED LAWS AND REGULATIONS:

For the year ended 31 December

Currency: RMB

	2015	2014	2013	2012	2011
<b>OPERATING INCOME</b>	<b>74,303,573,739</b>	58,760,533,928	49,771,511,898	48,414,719,206	39,763,915,441
Less: Operating costs	<b>68,007,729,583</b>	50,881,767,555	40,846,480,113	36,374,864,074	27,536,543,588
Taxes and surcharges	<b>809,662,007</b>	838,416,174	719,196,040	541,098,426	382,045,241
Selling expenses	<b>691,861,398</b>	905,512,920	525,665,748	596,860,745	433,256,436
Administrative expenses	<b>2,620,740,626</b>	2,175,124,236	2,165,817,191	1,874,254,433	1,609,339,207
Financial expenses	<b>945,668,268</b>	767,954,016	733,059,904	803,965,178	496,400,784
Impairment losses on assets	<b>470,685,123</b>	362,952,805	792,141,366	270,720,072	202,878,294
Add: Gains/(losses) on changes in fair value	<b>(125,512,228)</b>	(141,213,373)	18,736,057	12,986,146	(57,130,642)
Investment income	<b>1,312,774,399</b>	772,566,108	13,767,646	639,884,580	561,775,828
Including: Share of (losses)/profits of associates and joint ventures	<b>(44,237,294)</b>	21,433,814	117,156,560	242,514,892	205,253,368
<b>OPERATING PROFIT</b>	<b>1,944,488,905</b>	3,460,158,957	4,021,655,239	8,605,827,004	9,608,097,077
Add: Non-operating income	<b>419,019,949</b>	236,741,221	223,486,351	220,898,413	134,572,479
Less: Non-operating expenses	<b>277,336,663</b>	372,762,188	410,440,020	270,666,100	466,367,867
Including: Losses on disposal of non-current assets	<b>46,337,101</b>	151,038,028	126,942,650	42,731,004	41,842,806
<b>PROFIT BEFORE TAX</b>	<b>2,086,172,191</b>	3,324,137,990	3,834,701,570	8,556,059,317	9,276,301,689
Less: Income tax expenses	<b>743,484,427</b>	688,695,999	973,432,498	2,402,806,003	2,365,776,280
<b>NET PROFIT</b>	<b>1,342,687,764</b>	2,635,441,991	2,861,269,072	6,153,253,314	6,910,525,409
<b>Attributable to owners of the parent</b>	<b>1,655,671,617</b>	2,345,062,669	2,125,353,823	5,211,208,977	5,712,569,100
<b>Attributable to non-controlling interests</b>	<b>(312,983,853)</b>	290,379,322	735,915,249	942,044,337	1,197,956,309
<b>OTHER COMPREHENSIVE INCOME</b>	<b>(411,333,512)</b>	(7,344,471)	(91,457,539)	146,597,757	(894,452,113)
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>931,354,252</b>	2,628,097,520	2,769,811,533	6,299,851,071	6,016,073,296
Attributable to:					
Owners of the parent	<b>1,272,835,433</b>	2,357,500,157	2,052,125,431	5,357,778,200	4,818,341,189
Non-controlling interests	<b>(341,481,181)</b>	270,597,363	717,686,102	942,072,871	1,197,732,107

## Financial Highlights *(continued)*

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### As at 31 December

	<b>2015</b>	2014	2013	2012	2011
	<b>RMB'000</b>	RMB'000	RMB'000	RMB'000	RMB'000
<b>Assets and liabilities</b>					
Total assets	<b>83,914,034</b>	75,159,588	66,898,389	67,354,421	52,320,199
Total liabilities	<b>51,985,779</b>	41,490,665	33,812,937	33,771,455	22,187,522
Non-controlling interests	<b>4,391,081</b>	5,609,468	5,473,194	5,401,377	5,124,066
Equity holders of the parent	<b>27,537,174</b>	28,059,455	27,612,258	28,181,589	25,008,611

### LIQUIDITY

	<b>2015</b>	2014	2013	2012	2011
	<b>RMB'000</b>	RMB'000	RMB'000	RMB'000	RMB'000
Cash and cash equivalents	<b>4,845,698</b>	3,511,760	4,020,933	6,314,740	4,917,188
Current ratio (%)	<b>69.1</b>	83.5	89.8	106	110
Trade receivables turnover (days)	<b>5.17</b>	5.46	5.04	5.09	5.36



# Chairman's Statement

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To all shareholders,

I wish to take this opportunity to express my sincere gratitude for your trust and support to Zijin Mining Group Company Limited\*. I am pleased to report herewith the operating results of the Group for the year ended 31 December 2015 as follows:

## OVERVIEW OF THE COMPANY'S OPERATION

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

The Group is mainly engaged in the exploration and mining of gold, copper, lead and zinc and other mineral resources, supplemented by refinery, processing and sales of related products. The Group obtains mineral resources through self-exploration or merger and acquisition, using advanced and highly effective mining, processing and refining technology to convert ores into the respective concentrates or refining products and then sells them to make profits. Meanwhile, the Group also conducts refining and processing on concentrates purchased externally, and then sells them after turning them into refined products.

Due to the slowdown in global demand, in 2015, the price of major non-ferrous metals including copper, lead, zinc, etc. kept dropping, the price of gold also remained volatile in low level, bringing impacts to the profits of the Company.

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

The total assets of the Company as at 31 December 2015 was RMB83.9 billion, representing an 11.65% growth compared with the same period last year.

In which, overseas assets was about RMB17.995 billion, representing 21.44% of the total assets.

Currently, the major overseas assets of the Company are: Norton gold mine in Australia, Altynken gold mine in Kyrgyzstan, ZGC gold mine in Tajikistan, Rio Blanco copper mine in Peru, Kolwezi copper mine in the DR Congo, Tuva lead-zinc mine in Russia, etc., and the Porgera gold mine in PNG and Kamao copper mine in the DR Congo newly acquired in 2015, and NKWE platinum mine in South Africa, etc.

For details of the changes in the assets of the Company, please refer to "Management Discussion and Analysis".

### 3. Analysis on the core competitiveness during the reporting period

As a mining corporation, the Company always regards mineral resources as the corporation's most important assets. The volume of resources reserve owned by the Company keeps growing through mergers, acquisitions, restructuring and self-exploration. As at 31 December 2015, the resources reserve owned included gold of 1,261 tonnes and copper of 23.46 million tonnes, representing an increase of 21.27% and 89.06% respectively compared with the same period last year, and a relatively large amount of lead, zinc, iron, tungsten and other mineral resources. The Company is one of the enterprises owning the largest amount of metal mineral resources in the PRC.

Technological innovation is the core competitiveness for the Company's development. The Company owns high-level research and development platforms and design entities for scientific research including the State Key Laboratory for integrated utilisation of low-grade refractory gold resources, which is the only laboratory of its kind in the gold industry, the state-level enterprise technology centre, workstations for academicians/experts, workstations for post-doctors' scientific research, design and research institutes of mining and metallurgy, technology companies and design companies, etc. The specific technologies researched and developed by the Company dedicated to its own mines are highly applicable and effective. The Company reduces the costs of construction and operation for the projects through technological advancement, optimises techniques and crafts by focusing on economic value and improves corporate management standard and risk-resilience. The "market-simulating" operation of the Company's technological work fully enhances the effectiveness of investment in science and technology, comprehensively motivates the creativity and innovative spirit of numerous personnel working in the field of science and technology and establishes diversified incentive mechanism based on market standards, creates a favourable and innovative environment and culture. After years of investment in technological research and development and accumulation of technologies, a technological innovation system with Zijin characteristics and a batch of independent intellectual property rights and scientific research achievements have been formed.

## MARKET OVERVIEW DURING THE REPORTING PERIOD

In 2015, the global economic recovery was weak. The US raised the interest rate for the first time after a long period, strengthening the US dollar. After substantial decrease in the prices of gold and bulk commodities during the past 2 years, the demand for gold and bulk commodities remained subdued in 2015. The declining trend of metal prices continued. The average prices of major types of gold at Shanghai Gold Exchange dropped about 5.75% compared with the previous year, and the average prices of copper and zinc in Shanghai dropped about 17% and 4.4% respectively in 2015, which were record lows since 2008. Gold companies and mining companies in the world are confronted with immense pressures in their operations.

## CONDITION OF THE INDUSTRY

According to the statistics of World Gold Council, in 2015, the global gold production from mines was 3,186.2 tonnes, representing an increase of 1.5% compared with the same period last year. The aggregate global demand for gold in 2015 was 4,212 tonnes, representing a decrease of 0.3% compared with the same period last year. Among that, the demand for jewellery was 2,415 tonnes or 57% of total demand; the demand for investment was 878 tonnes or 21% of total demand; net purchase of gold by central banks was 588 tonnes or 14% of total demand; the industrial demand was 331 tonnes or 8% of total demand.

According to the statistics of China Gold Association, the national gold production was 450.053 tonnes in 2015, representing a decrease of 1.746 tonnes or 0.39% compared with the same period last year. Among that, 379.423 tonnes were mined-produced gold and 70.63 tonnes were gold by-product from non-ferrous metals. China has been the largest gold producing country for a succession of 9 years. The national gold consumption was 985.90 tonnes in 2015, representing an increase of 3.66% compared with same period last year. Among that, 721.58 tonnes were for jewellery use, 173.08 tonnes were for gold bars, 22.80 tonnes were for gold coins and 68.44 tonnes were for industrial and other uses. Under the continuous decline in gold price, the profit margins of the entire industry dropped sharply.

According to the statistics of International Copper Study Group ("ICSG"), the global mine-produced copper production was 19.138 million tonnes in 2015, representing an increase of 3.5% compared with the same period last year. According to the statistics of International Lead and Zinc Study Group ("ILZSG"), the global zinc production from mines was 13.416 million tonnes in 2015, representing a decrease of 0.7% compared with the same period last year.

According to the statistics of Ministry of Industry and Information Technology, in 2015, the national production volumes of refinery copper, copper concentrates, refinery zinc and zinc concentrates were 7.96 million tonnes, 1.67 million tonnes, 6.15 million tonnes and 4.75 million tonnes respectively, representing an increase of 4.8%, a decrease of 6.3%, an increase of 4.9% and a decrease of 10.5% compared with the same period last year respectively. The investment in non-ferrous metals industry slightly decreased and the decline in the industry's profits was significant. The national import of major mineral products kept growing rapidly in 2015, in which the import of copper concentrates and zinc concentrates were 13.32 million tonnes and 3.25 million tonnes respectively, representing an increase of 12.7% and 47.6% respectively.

## BUSINESS OVERVIEW

During the reporting period, by the decision and strategic planning of the shareholders' general meeting and the Board, the Company followed closely the "clinging to reforms, maintaining growth and boosting development" main focus of work for the year. The employees in general discharged their duties devotedly. By enhancing efficiency and increasing profits by boosting volume, reducing cost and reducing loss, the production volume of the Company's major products achieved double-digit growth once again. The efficiency of the Company remained at the top tier among the international mining companies.

During the reporting period, the Group realised operating income of RMB74.304 billion, representing an increase of 26.45% when compared with the same period last year (2014: RMB58.761 billion); net profit attributable to owners of the parent was RMB1.656 billion, representing a decrease of 29.40% when compared with the same period last year (2014: RMB2.345 billion). As at the end of 2015, the Group's total assets was RMB83.914 billion, representing an increase of 11.65% compared with the beginning of the year (beginning of the year: RMB75.160 billion); net assets was RMB31.928 billion, in which the net assets attributable to owners of the parent was RMB27.537 billion, representing a decrease of 1.86% compared with the beginning of the year (beginning of the year: RMB28.059 billion).

# Chairman's Statement *(continued)*

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

## **GOLD BUSINESS**

During the reporting period, the Group produced a total of 247,365kg (7,952,963 ounces) of gold, representing an increase of 55.65% when compared with the same period last year (2014: 158,924kg).

In which, 37,162kg (1,194,785 ounces) of mine-produced gold was produced, representing an increase of 10.18% when compared with same period last year (2014: 33,727kg). The production volume of major mines are as follows: Zijinshan gold mine produced 9,152kg, Norton in Australia produced 5,891kg, Longnan Zijin produced 3,263kg, ZGC produced 3,106kg, BNL produced 2,682kg (production volume since September 2015), Hunchun Zijin produced 2,581kg, Guizhou Shuiyindong gold mine produced 1,957kg, Chongli Zijin produced 1,688kg and other gold production entities of the Group produced 6,842kg in total.

During the reporting period, the Group produced a total of 210,203kg (6,758,178 ounces) of refinery, processed and trading gold, representing an increase of 67.90% compared with the same period last year (2014: 125,197kg).

Sales income from the gold business of the Group represented about 70.89% (after elimination) of the total operating income during the reporting period. Gross profit of the gold business represented about 40.42% of the gross profit of the Group.

(1 troy ounce = 31.1035g)

## **COPPER BUSINESS**

During the reporting period, the Group produced a total of 414,393 tonnes of copper, representing an increase of 10.92% compared with the same period last year (2014: 373,612 tonnes).

In which, 150,307 tonnes of copper was produced from mines (including 23,294 tonnes of mine-produced copper cathodes), representing an increase of 8.55% compared with the same period last year (2014: 138,462 tonnes). The production volume of major mines are as follows: Zijinshan copper mine produced 48,702 tonnes (including 22,337 tonnes of copper cathodes), Ashele copper mine produced copper concentrates containing copper of 35,184 tonnes, Duobaoshan copper mine produced 28,978 tonnes (including 957 tonnes of copper cathodes), Qinghai Deerni copper mine produced copper concentrates containing copper of 18,946 tonnes, Hunchun Zijin produced concentrates containing copper of 11,785 tonnes and other mines produced copper of 6,712 tonnes in total.

The Group produced 264,086 tonnes of copper from refinery plants, representing an increase of 12.31% compared with the same period last year (2014: 235,150 tonnes).

Sales income from the copper business represented 15.57% (after elimination) of the total operating income during the reporting period. Gross profit of the copper business represented about 29.09% of the gross profit of the Group.

## **LEAD AND ZINC MINE BUSINESS**

During the reporting period, the Group produced zinc of 416,938 tonnes, representing an increase of 38.76% compared with the same period last year (2014: 300,485 tonnes).

In which, the Group produced zinc concentrates containing zinc of 198,156 tonnes from mines, representing an increase of 105.85% when compared with same period last year (2014: 96,261 tonnes). The total production volume of zinc concentrates containing zinc of major mines are as follows: Wuqia Jinwang produced 72,150 tonnes, Wulatehouqi Zijin produced 62,165 tonnes, Russia Longxing produced 51,731 tonnes, Ashele copper mine produced 9,970 tonnes and other entities in the Group produced 2,140 tonnes.

218,782 tonnes of zinc bullion from refinery was produced, representing an increase of 7.13% compared with the same period last year (2014: 204,223 tonnes).

During the reporting period, the Group produced lead concentrates containing lead of 24,105 tonnes, representing an increase of 119.24% compared with the same period last year (2014: 10,995 tonnes).

Sales income from lead and zinc mine business represented about 5.10% (after elimination) of total operating income during the reporting period, and the gross profit from lead and zinc mine business represented about 10.89% of the gross profit of the Group.

## SILVER, IRON MINE AND OTHER BUSINESS

During the reporting period, the Group produced silver of 403,380kg, representing an increase of 27.30% compared with the same period last year (2014: 316,867kg), of which 192,335kg of silver was produced from refinery as by-product, representing an increase of 31.93% compared with the same period last year (2014: 145,782kg); 211,045kg of silver was produced from mines, representing an increase of 23.36% compared with the same period last year (2014: 171,085kg).

During the reporting period, the Group produced iron concentrates of 1.97 million tonnes, representing a decrease of 29.64% compared with the same period last year (2014: 2.8 million tonnes).

Sales income from silver and other products represented about 8.44% (after elimination) of total operating income during the reporting period, and the gross profit represented about 19.60% of the gross profit of the Group.

## Geological exploration and status of resources reserve

During the reporting period, the Group put more efforts in the marketisation reform of geological prospecting and achieved positive results. The Group invested RMB252 million in geological exploration in aggregate, and the volume of the actual works completed included the following: 217,500 meters of drilling, 11,000 meters of tunnel exploration, and 42,200 cubic meters of trench exploration. The relatively significant progress in geological exploration increased the resources volume (partially unreviewed) by the following: 73.64 tonnes of gold, 128,600 tonnes of copper, 655.45 tonnes of silver, 82,900 tonnes of lead and zinc, 2.9 million tonnes of iron, 700 tonnes of molybdenum and 3,400 tonnes of tungsten. Among all, the exploration projects including Gansu Liba gold mine, Paddington of Norton, Luoyang Kunyu gold mine's integrated exploration, Wuping Yueyang's silver mine exploration on deep and peripheral parts, etc. achieved magnificent results in ore prospecting.

As at the end of 2015, the Group owned 237 mining rights covering a total area of 820.56 square kilometers and 267 exploration rights covering a total area of 2,949.82 square kilometers.

The table below sets out the predicted retained resources reserve volume under complete equity method (reviewed) of the Group's major mines at the end of 2015.

### Summary of resources reserve volume of the Group's major mines in 2015

Type of minerals	Retained resources reserve by end of 2015 (Complete equity method)	Retained resources reserve by end of 2014 (Complete equity method)	Growth rate over same period last year (Complete equity method)	Retained resources reserve by end of 2014 (Proportional equity method)
Gold (t)	1,170.00	952.8	22.80%	1,210.2
Gold associated with other metals (t)	91.28	87.3	4.56%	131.3
Sub-total of gold (t)	1,261.28	1,040.1	21.27%	1,341.5
Copper (Mt)	23.4640	12.411	89.06%	15.433
Silver (t)	1,110.42	1,153.8	-3.76%	1,507.2
Molybdenum (Mt)	0.5746	0.538	6.80%	0.722
Zinc (Mt)	8.3968	8.55	-1.79%	9.167
Lead (Mt)	1.5415	1.602	-3.78%	1.704
Tungsten (t)	80,300	83,000	-3.25%	125,000
Tin (Mt)	0.1397	0.1399	-0.14%	0.1399
Iron (Mt)	212	209	1.44%	229
Coal (Mt)	489	461	6.07%	489

Note 1: the resources reserve data for 2014 disclosed was compiled under proportional equity method, i.e. the retained resources reserve was calculated on a 100% basis for controlling projects/mines (with more than 50% equity interest); the retained resources reserve was calculated based on the percentage of equity interest held in joint projects/mines (with less than 50% equity interest).

Note 2: the resources reserve data for 2015 was compiled under complete equity method, i.e. the resources reserve for all projects/mines was calculated according to the actual percentage of ownership of the Group.

## Chairman's Statement *(continued)*

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

### **Achieved major breakthroughs in overseas mergers and acquisitions, a positive trend began to emerge in the course of internationalisation**

During the reporting period, the Company grasped the favourable timing to carry out overseas acquisitions actively in the hardships of the mining industry. The Company completed the acquisitions of Porgera gold mine and Kamoia copper mine, participated in the additional issuance of shares of Ivanhoe and NKWE and completed the delisting of Norton. The acquisitions of the Porgera gold mine in PNG and the Kamoia copper mine in the DR Congo, both are highly influential projects in the global mining industry, were completed. The Porgera gold mine project and the Kamoia copper mine project added gold resources of 157 tonnes and copper resources of 10.57 million tonnes to the Company respectively according to the Company's proportionate interests, which significantly increased the retained resources reserve of high-quality gold and copper and the production capacity of gold (in which the resources reserve of gold and copper increased by 11.7% and 68.5% respectively). These acquisitions have high strategic significance in the Company's course of internationalisation and long-term development.

The Company made progress in the operation of overseas corporations. The Tuva lead-zinc mine in Russia and the Altynten Zuoan gold mine commenced production. The number of projects in production increased from 2 to 5. The production capacity of the newly acquired Porgera project is stable and the overall operating status of Norton is satisfactory. In 2015, the overseas projects produced 11.8 tonnes of mine-produced gold and 51,000 tonnes of zinc, representing approximately 32% and 26% of the total mine-produced gold and zinc of the Group respectively.

### **Safety and environmental protection abided by high standards and strict control, the overall performance of safety and environmental protection is getting better**

The Company fully understood the significance of safety and environmental protection to the building of a responsible corporate image and the development of internationalisation. During the reporting period, the Company vigorously promoted and implemented the new "Production Safety Law" and "Environmental Protection Law", by strictly executing a series of strong and effective measures including further perfecting the safety and environmental protection rules and regulations, introducing incentive and punishment for safety and environmental protection, strengthening the identification, prevention and rectification of hidden dangers, promoting compliance of safety standard at various job positions and teams. The safety and environmental protection situation of the Company remained stable overall.

During the reporting period, 6 more subsidiaries achieved the goal of "zero discharge" of wastewater. As at the end of 2015, 17 subsidiaries of the Group have achieved "zero discharge" of industrial wastewater.

### **Stratified management, implemented strong and effective measures to respond to market adjustments**

In response to a grim outlook, the Company followed the laws of the market to conduct stratified management for its subsidiaries. The Company stressed to prioritise the key construction projects with production profitability as direct goal, by assembling capital, technology, manpower, management and other resources to ensure that those projects can commence production in a timely and efficient manner. Among which, the projects including Altynten Zuoan gold mine project, Zijin Copper unleashing potentials and raising efficiency project, Luoning Huatai horizontal trenches and vertical shafts project, Chongli Zijin underground ramp project commenced operation or trial production. The construction of Zijinshan copper flotation processing plant is in smooth progress. The Kolwezi copper mine project in the DR Congo is expected to begin production ahead of schedule and save investment. Guizhou Zijin pre-oxidation technological innovation project and other projects are in progress as planned.

### **Structure optimisation and cost saving to enhance profits, adding value to the business by focusing on value creation**

The Company took value creation and market rules as the core to push forward human resources reforms, by streamlining organisation and staff, regulating management appointment system, normalising competition for employment and other methods to boost labour productivity significantly.

Following the downturn of the mining industry and the decline in bulk commodities prices, the Company lowered the unit price of outsourcing projects by re-negotiating with collaborators, and significantly lowered the procurement costs by expanding the scope of centralised procurement.

The Company kept expanding and innovating financing channels, obtained the support from the special construction fund of China Development Bank and controlled the financing costs effectively; obtained the approval from the People's Bank of China to become the first non-financial enterprise starting gold import business in the PRC.

The Company focused on flattening management and automatic production, promoted the integration between industrialisation and informatisation, further pushed forward intellectual operation of mines and upgrade of intellectual manufacturing services.

## **Strengthened technological innovation, boosting efficiency technologically with technology advancement**

During the reporting period, using scientific and technological projects as the vehicles, the Company organised scientific research units and gathered experts to solve the technical problems of the key projects affecting the Group's development, investigated and studied the technical problems of mining and processing concerning key production units and optimised the area of technique and crafts by focusing on economic value. Among all, the Bayannaer Zijin new chemicals for cobalt removal, Zijinshan gold and copper mine's recovery and utilising of copper-containing acidic wastewater, etc. achieved greater economic benefits. Under the lead of the State Key Gold Laboratory of the Company, the Guizhou Zijin hot pre-oxidation process for refractory gold project was implemented and it will be the first equipment of its kind to realise industrial application in the PRC. The Group owns the independent intellectual property rights, which will bring in significant impacts on the effective utilisation of refractory gold resources. The project's construction is going smoothly and will officially commence production in August 2016.

The Company applied for 16 patents during the year, in which 9 patents (including 9 invention patents) were granted. Zijinshan gold and copper mine's "research on integrated utilisation technology for low-grade copper-containing gold resources and its industrial applications" project was awarded the second class award for scientific technology improvement in Fujian Province. Qinghai West's "research and application of key technology for clean and highly efficient processing of refractory high-sulphuric copper and cobalt polymetallic ore" project was awarded the second class award for scientific technology improvement in Qinghai Province.

## **Promoted corporate culture, strengthened internal control and discharged social responsibilities actively**

The Company strengthened positive thoughts, kept positive working style and boosted vitality in tandem with its business development and implemented a caring system to enhance employees' sense of belonging.

The Company implemented corruption-free systems actively and effectively, strengthened the supervision on disciplinary enforcement and accountability and continuously enhanced the significance of internal audit and internal control evaluation.

During the reporting period, the Company consistently fulfilled its social responsibilities. The Group's social contribution amounted to RMB9 billion in total in 2015 and the donation reached RMB120 million. The Group ranked the 13th in the charity development index of the 2015 national top 100 charity-supportive state-owned enterprises issued by the Chinese Academy of Social Sciences.

## **PROSPECTS**

### **Discussion and analysis on the Company's future development**

#### **(1) Competition landscape and development trend in the industry**

From a global perspective, the global mining giants, which are mainly from the developed countries, have already secured a predominant position in the control of the world's mineral resources. The mining companies in China lag behind the developed countries both in terms of development of overseas mineral resources and apparently their competitiveness. From a domestic perspective, the mineral resources in China are of small to medium scale, low grades, with high level of difficulties for mining, relatively higher costs and weaker competitiveness; the mining industry in China has long been confronted with issues such as low industrial concentration and irrational industrial structure.

While the world's economy, including that of China, remains subdued, global mining industry will continue to experience enormous pressure. Faster mergers, acquisitions and restructuring are anticipated in the mining market, concentration of the mining industry is likely to be higher. These will provide valuable opportunities to Chinese mining companies for merger and acquisition.

As one of the preeminent producers among Chinese mining companies, the Company has clear edges and stronger competitiveness in a range of areas including systems, management team, resources, technology, costs, development of oversea resources, etc.

# Chairman's Statement *(continued)*

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

## **(2) Development strategies of the Company**

Focusing on the principle of “clinging to reforms, maintaining growth and boosting development”, the Company will promote reforms strongly in management systems under the guidance of value creation principles and market standards. The goal is to carve out a new system with Zijin characteristics that fits with global modern standards under the “new norm” and, with mining as the primary focus, recognise the importance of integrating mining with finance, fully capitalise on the internet's capacities to reform the Group's management system, tackle and explore the “Internet+” businesses that are relevant to the industry; fully unleash corporate potentials, boost production volume of products further and bring in more rigorous cost control to achieve growths in the Group's operating cash flows and profits; unflaggingly push for a new round of development, execute global resources strategies in a sound and steady manner, achieve corporate sustainability and rapid growth in terms of scale and strength, strive to join the top rank of the world's mining groups by year 2030, and make big strides towards the ultimate goal of becoming an “extra-large scale international mining group with high technology and efficiency”.

## **(3) Business plans**

### **Business environment**

In 2016, gold price will see support and even rooms for uptick given the functions of gold both as a financial tool and a safe haven; basic metals are expected to see moderate rebounds in price.

### **Business plans**

The planned production volumes of major mineral products of the Company for year 2016 are: mine-produced gold of 42.5 tonnes or 15% growth year-on-year (37.1 tonnes produced in 2015); mine-produced copper of 155,000 tonnes or 3% growth year-on-year (150,000 tonnes produced in 2015); mine-produced lead and zinc of 270,000 tonnes or 36% growth year-on-year (198,000 tonnes produced in 2015); other mineral products of 30,000 tonnes (copper equivalent).

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

### **Specific business strategies for 2016**

In 2016, the Company will thoroughly implement reforms to the systems of human resources, operations, finance, logistics, construction, IT, etc. to stimulate corporate growth from self-motivation; unleash potentials thoroughly, raise efficiency by cost reduction and further enhance the economic accountability assessment system to achieve operational targets with best efforts; execute the internationalisation strategy at a faster pace, combine overseas mergers and acquisitions with stronger, effective mine exploration and reserve expansion to support the Company's future growth; adhere to high standards for safety and environmental protection related works; and promote Zijin spirit, join forces to drive corporate growth in a healthy and harmonious manner.

#### **1. *Thoroughly implement reforms to stimulate corporate growth from self-motivation based on market standards***

The thorough implementation of reforms will stimulate corporate growth from self-motivation, propelling the formation of clear value orientations and effective structural mechanisms. With market standards as the benchmark and value creation as the core, key initiatives will be introduced to reform the management system, establish the business units or strategic business units that are characterised with business segment-based management, and remove regional management function. The Groups' management system will be rejuvenated by flattening the management hierarchy. Upon renovation and upgrade to the IT system, the Group's management and service functions will be further strengthened, a financial sharing centre and a procurement and sales platform will be set up, construction projects' management will be improved, and a group with both construction and engineering capacities will be formed. All these measures are aiming to build a well-regulated and highly effective corporate governance system for the Company.

## **2. Maintain growth with all-out effort and unswerving determination, ensure the achievement of operational and production targets**

**Targets for mining entities:** endeavor to complete the construction and commence production for projects such as the Zijinshan copper mine 25,000 tonnes floatation processing plant, Ashele Copper new processing plant, Guizhou Zijin hot pressure pre-oxidation ahead of schedule, ensuring that production, standards and efficiency can all deliver the targets; tackle the key issues concerning the Wulatehouqi Zijin 10,000 tonnes processing plant, the Guizhou Zijin phase 3 processing plant and other projects which could not meet production and standards targets; push the limits of efficiency improvement by boosting production volume; accelerate the construction progress of the Zijinshan Caikeng tailing pool, Ashele deep parts exploration, etc., to lay a solid ground for future expansion in production capacity.

**Targets for refining and processing entities:** improve the level of management and operation, practically enhance liquidity management, speed up capital flows, examine workflows and inventories, shorten inventory cycles, transfer risks to other parts of the supply chain, ensure an asset-light operation and reduce finance costs, take adequate steps to avoid risks and realise a profit-making status in processing work.

**Targets for overseas entities:** operating entities such as Norton, Tuva in Russia, ZGC, Porgera in PNG should strive to achieve year-on-year growth; Zuoan gold mine should achieve production targets as soon as possible; the Kolwezi copper mine project in the DR Congo should be constructed at the highest efficiency; and Norton should endeavour to achieve material breakthroughs for processing low-grade ores economically. Overseas projects will make profound contributions to the Group's "maintaining growth" target.

**Targets for finance and finance-related entities:** stay close to the industry's development to secure low-cost funding from the capital market. Make favourable use of financial instruments and capital and investment planning for prudent control of market risks and better development of the industry.

## **3. Promote internationalisation in a sound and steady manner, reach for quality resources to ensure sustainable development**

The management of overseas investments should be tightened at the base level, a formal and optimal management system should be in place. "Soft powers" such as community relation-building, information system, legal knowledge, trainings and language proficiency ought to be improved, the nurturing and recruitment of talents for overseas projects shall be equally emphasised. Data sharing shall be promoted for practically boosting the healthy development of overseas entities.

Effective mine exploration and reserve expansion should be strengthened, supplementary surveying of the existing mines and developable and usable mining areas should be earnestly implemented. More studies will be conducted at the deeper and peripheral parts of the mines in respect of their mineralisation conditions and ore prospects. At the mines including the Deerni copper mine, Chongli Dongping gold mine, Zijinshan gold and copper mine, Luoning Shangong-Luyuangou gold mine metallogenic belt, etc., more efforts will be directed towards the discovery of new deposits from the presently owned mines. In particular, the Company will focus on supplementary surveying of overseas mines to achieve material breakthroughs.

## **4. Rigorously control the level of liquidity, use return on assets as the key indicator to guide project investments**

The Company enhances inventory management by shortening turnover days of products and improving cash-flows.

It also strives to achieve asset-light operation and leverage on multiple funding sources to meet capital needs.

Liquidity management will be incorporated into economic accountability assessment mechanism; return on assets will be used as the key indicator to guide investments for a more stringent control over investment projects and better solutions to the effectiveness and value of investments.

## **5. Strictly adhere to the "Double Zero" target, adhere to high standards for safety and environmental protection related works for 2016**

The Company thoroughly understands and adopts the "Opinions in relation to Accelerating and Promoting the Building of Ecological Civilisation" issued by the central government of the PRC, firmly adheres to the principles of "red-line awareness" and "bottom-line awareness", adopts "zero casualty, zero environmental incident" as the basic requirements to consolidate the fundamentals, stresses implementation progress and sets out clear rules for rewards and punishments, comprehensively promotes clean production, energy conservation and lower emissions, puts efforts in the building of ecological civilisation, and adheres to high standards for safety and environmental protection related works for 2016.



# Chairman's Statement *(continued)*

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## **6. Promote Zijin spirit, join forces to drive corporate growth in a healthy and harmonious manner**

The Company actively promotes the Zijin spirit of "founding business from direst situations with explorations and innovations", further optimises the Company's internal control system and mechanism, exhibits and promotes positive morale and the unification of positive energy, strives to improve humanity and care, join forces to push for the smooth implementation of various tasks of the Group.

## **(4) Possible risks**

The Group's major source of income is from metal products such as gold, copper, zinc, etc. The Company's operating results is subject to the price movement of the aforesaid products. If product prices decline in future, the Company may experience more pressure in production and operation. To realise and normalise a low-cost and highly effective operation, the Company will adopt a multi-thronged approach to lower costs and boost efficiency, which includes raising efficiency and bolstering profits by expanding production volume, cutting costs and minimising losses. The Company will also improve market judgement and avoid price fluctuation risks by the proper use of derivative financial instruments.

Mining is an industry with relatively higher environmental protection and safety risks. Protected by compliant production and supported by technological advances, the Company is capable of building a safe and environmentally-friendly brand name and carving a unique competitiveness of its own. The Company adopts the "life comes first" safety principle and focus on the improvement of fundamental safety level to consistently advance the building of a management system for standardised work safety practice and vocational health and safety, improve the level of standardisation for work safety management; implement the basic mindset of "priority for the environment" to fulfill the responsibilities of environmental protection and ecological rehabilitation throughout the development of the mines, construct green mines, and combine the treatments for wastewater, exhaust gas and solid waste with enhanced scientific research and technological cooperations on the subject of valuable metal recovery, to develop the business for environmental protection.

As the Company's progress of internationalisation gets faster, more talents with global exposure are required. Internationalisation is the key direction for the Company's future development. To begin with, a Zijin concept for innovation should be formed, and management concepts and frameworks that fit well with international standards should be in place. The Company should also follow the basic market principles, actively implement the strategy of recruiting global talents, adhere to the value creation principle as the basic standard for the measurement of individual performance, optimise the talent structure, perfect the incentive scheme, deploy talents both from local recruitment and the Group's assignment for overseas projects, and enhance the nurture, introduction and team building of global talents from a strategic point of view.

## **(5) Others**

### **Capital needs for sustaining existing business and completing investment projects under construction**

In accordance with the Company's preliminary plan, it is expected that in 2016, the Company will invest approximately RMB2.8 billion in project construction (including technological innovation), approximately RMB230 million in exploration (including geological works for production), approximately RMB1.2 billion - 2.4 billion in domestic acquisitions, approximately US\$1 billion in overseas acquisitions (success of acquisitions has high uncertainty). All the capital expenditures mentioned above will be financed by the Group's internal funds, direct financing from the capital market, bank borrowings, issuance of bonds and notes and other feasible financing methods.

By order of the Board of Directors

**Chen Jinghe**

*Chairman*

Shanghang, Fujian, the PRC

25 March 2016

# Management Discussion and Analysis

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

The management of the Group hereby reports the discussion and analysis on 2015 operating results.

## STATUS OF MAIN BUSINESSES DURING THE REPORTING PERIOD

### Analysis of main businesses

#### 1. Operating results

During the reporting period, the Group recorded operating income of RMB74.304 billion, representing an increase of 26.45% compared with the same period of the previous year (2014: RMB58.761 billion).

The table below sets out the sales by products for the two years ended 31 December 2014 and 2015:

Item Product Name	2015 (Jan - Dec)			2014 (Jan - Dec)			% increase/ decrease in unit price
	Unit price (tax excluded) RMB	Sales volume	Amount (RMB'000)	Unit price (tax excluded) RMB	Sales volume	Amount (RMB'000)	
Mine-produced gold	214.95/g	35,633kg	7,659,090	232.00/g	33,776kg	7,836,240	-7.35%
Refinery and processed gold	234.62/g	210,158kg	49,306,530	248.84/g	125,093kg	31,127,820	-5.71%
Mine-produced silver	2.16/g	212,047kg	457,410	2.47/g	171,617kg	423,910	-12.55%
Mine-produced copper	29,052/t	151,161t	4,391,480	35,804/t	136,838t	4,899,390	-18.86%
Refinery copper	34,874/t	258,600t	9,018,410	41,872/t	234,939t	9,837,400	-16.71%
Mine-produced zinc	7,186/t	177,230t	1,273,570	8,146/t	96,416t	785,360	-11.78%
Refinery zinc	13,002/t	217,537t	2,828,450	13,612/t	207,303t	2,821,850	-4.48%
Iron concentrates	419/t	0.9040Mt	379,010	535/t	2.8293Mt	1,514,140	-21.68%
Others (Note 1)			6,323,540			7,120,700	
Less: Internal sales			-7,333,920			-7,606,280	
<b>Total</b>			<b>74,303,570</b>			<b>58,760,530</b>	

Note 1: During the reporting period, other sales income mainly included: RMB600 million from spheroidal graphite iron, RMB585 million from copper pipe, RMB521 million from copperplate, RMB554 million from refinery and processed silver, RMB234 million from vitriol, RMB1.004 billion from copper metal trading and RMB2.826 billion from other products, intermediate services and other services.

In 2015, the production and sales volume of the Group's mineral products increased substantially. However, the growth in sales volume was insufficient to offset the decline in income caused by the fall in prices. The main reason for the increase in operating income this year was the increase in the sales volume of the Group's refinery and processed gold by 68% compared with the same period last year.

#### 2. Analysis on cost and gross profit margin

The Group is mainly engaged in mine development and refinery and processing. The Group's cost of sales of products 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 product for the two years ended 31 December 2014 and 2015. (Note 1)

Item Year	Unit cost of sales (RMB)			Compared with same period last year (%)	Gross profit margin (%)	
	2015 (Jan - Dec)	2014 (Jan - Dec)	Unit		2015 (Jan - Dec)	2014 (Jan - Dec)
Mine-produced gold (Note 2)	135.62	143.95	/g	-5.79	36.91	37.95
Refinery and processed gold	234.26	248.24	/g	-5.63	0.15	0.24
Mine-produced silver	1.51	1.62	/g	-6.79	29.86	34.42
Mine-produced copper	17,504	18,467	/t	-5.21	39.75	48.42
Refinery copper	34,238	41,391	/t	-17.28	1.82	1.15
Mine-produced zinc	3,800	3,509	/t	8.30	47.12	56.92
Refinery zinc	12,584	12,971	/t	-2.98	3.22	4.71
Iron concentrates	173.42	189.39	/t	-8.43	58.64	64.61
Overall					8.47	13.41
Overall (refinery and processing enterprises excluded)					38.03	44.32

# Management Discussion and Analysis *(continued)*

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

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

Note 2: Among the mine-produced products, the unit cost of sales of all products decreased by various extents except that of mine-produced zinc, which slightly increased compared with last year. The effect of cost control was significant.

Note 3: Affected by the fall of metal prices, gross profit margin of mine-produced products decreased compared with the same period last year.

The Group's overall gross profit margin was 8.47%, representing a decrease of 4.94 percentage points compared with the same period last year. The overall gross profit margin of mining products (excluding processed and refined products) was 38.03%, representing a decrease of 6.29 percentage points compared with the same period last year, which was mainly due to the decline in prices of mineral products being more substantial than that of the unit costs during the reporting period.

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

Currency: RMB

Item	Amount for the current period	Amount for the same period last year	Changes (%)
Operating income	74,303,573,739	58,760,533,928	26.45
Operating costs	68,007,729,583	50,881,767,555	33.66
Selling expenses	691,861,398	905,512,920	-23.59
Administrative expenses	2,620,740,626	2,175,124,236	20.49
Financial expenses	945,668,268	767,954,016	23.14
Net cash flow from operating activities	10,269,413,955	6,320,623,792	62.47
Net cash flow used in investing activities	-8,693,155,627	-9,251,759,250	N/A
Net cash flow (used in)/from financing activities	-273,017,707	2,414,082,749	N/A
Research and development expenditure	358,340,800	204,650,000	75.1
Investment income	1,312,774,399	772,566,108	69.92
Share of (losses)/profits of associates and joint ventures	-44,237,294	21,433,814	N/A
Non-operating income	419,019,949	236,741,221	76.99
Gains on disposal of non-current assets	8,862,317	53,043,654	-83.29
Losses on disposal of non-current assets	46,337,101	151,038,028	-69.32
Net (losses)/profit attributable to non-controlling interests	-312,983,853	290,379,322	N/A
Changes in fair value of available-for-sale investments	-37,135,047	11,541,426	N/A
Exchange differences arising from translation of financial statements denominated in foreign currencies	-345,701,137	896,062	N/A

Explanations:

- (1) Operating income/operating costs: Due to the increase in sales volume of products;
- (2) Selling expenses: Please refer to the analysis in "Expenses";
- (3) Administrative expenses: Please refer to the analysis in "Expenses";
- (4) Financial expenses: Please refer to the analysis in "Expenses";
- (5) Net cash flow from operating activities: Please refer to the analysis in "Cash Flows";
- (6) Net cash flow used in investing activities: Please refer to the analysis in "Cash Flows";
- (7) Net cash flow (used in)/from financing activities: Please refer to the analysis in "Cash Flows";
- (8) Research and development expenditure: Mainly due to the increased input in research and development for the comprehensive utilisation of low-grade resources of the Zijinshan gold and copper mine;
- (9) Investment income: Please refer to the analysis in "Expenses";
- (10) Share of (losses)/profits of associates and joint ventures: The substantial decline in profitability of investees resulted in a decrease in the investment income shared by the Group compared with the same period last year;
- (11) Non-operating income: Mainly due to the gains on debt for equity swap of Bindi Potash;
- (12) Gains/(losses) on disposal of non-current assets: Mainly due to the disposals of idle and obsolete fixed assets by certain mines during the same period last year;
- (13) Net (losses)/profit attributable to non-controlling interests: Mainly due to the decrease in profitability of the non-wholly owned subsidiaries compared with the same period last year;
- (14) Changes in fair value of available-for-sale investments: Mainly due to falling prices of stock investments;
- (15) Exchange differences arising from translation of financial statements denominated in foreign currencies: Due to the fluctuation of exchange rate of Renminbi.

# Management Discussion and Analysis *(continued)*

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## 4. Analysis on sales and costs

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

Unit: RMB'000

By product	Status of main businesses by product			Changes in operating income compared with last year (%)	Changes in operating costs compared with last year (%)	Changes in gross profit margin compared with last year (%)
	Operating income	Operating costs	Gross profit margin (%)			
Mine-produced gold	7,659,090	4,832,500	36.91	-2.26	-0.61	Decreased by 1.04 percentage points
Refinery, processed and trading gold	49,306,530	49,231,720	0.15	58.40	58.54	Decreased by 0.09 percentage point
Mine-produced silver	457,410	320,820	29.86	7.90	15.41	Decreased by 4.56 percentage points
Mine-produced copper	4,391,480	2,645,930	39.75	-10.37	4.71	Decreased by 8.67 percentage points
Refinery copper	9,018,410	8,854,040	1.82	-8.33	-8.95	Increased by 0.67 percentage point
Mine-produced zinc	1,273,570	673,470	47.12	62.16	99.08	Decreased by 9.80 percentage points
Refinery zinc	2,828,450	2,737,480	3.22	0.23	1.80	Decreased by 1.49 percentage points
Iron concentrates	379,010	156,760	58.64	-74.97	-70.75	Decreased by 5.97 percentage points
Others	6,323,540	5,429,260	14.14	-11.19	-12.07	Increased by 0.85 percentage point
Less: Internal sales	-7,333,920	-6,874,250				
<b>Total</b>	<b>74,303,570</b>	<b>68,007,730</b>	<b>8.47</b>	<b>26.45</b>	<b>33.66</b>	<b>Decreased by 4.94 percentage points</b>

By region	Status of main businesses by region			Changes in operating income compared with last year (%)	Changes in operating costs compared with last year (%)	Changes in gross profit margin compared with last year (%)
	Operating income	Operating costs	Gross profit margin (%)			
Mainland China	78,999,890	73,137,320	7.42	22.45	29.01	Decreased by 4.71 percentage points
Outside Mainland China	2,637,600	1,744,660	33.85	42.62	16.94	Increased by 14.53 percentage points
Less: Internal sales	-7,333,920	-6,874,250				
<b>Total</b>	<b>74,303,570</b>	<b>68,007,730</b>	<b>8.47</b>	<b>26.45</b>	<b>33.66</b>	<b>Decreased by 4.94 percentage points</b>

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

Approximately 96% of the Company's operating income was originated from customers in Mainland China, in which 52% was from the Shanghai Gold Exchange. Therefore, the Company was unable to sort customers in Mainland China by region.

# Management Discussion and Analysis *(continued)*

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

## (2) Table of analysis on production and sales volume

Major product	Production volume	Sales volume	Inventory volume	Changes in production volume compared with last year (%)	Changes in sales volume compared with last year (%)	Changes in inventory volume compared with last year (%)
Mine-produced gold (kg)	37,162	35,633	3,704	10.18	5.50	52.69
Refinery, processed and trading gold (kg)	210,203	210,158	157	67.90	68.00	-7.46
Mine-produced silver (kg)	211,045	212,047	686	23.36	23.56	1.89
Mine-produced copper (tonne)	150,307	151,161	1,395	8.55	10.47	-28.69
Refinery copper (tonne)	264,086	258,600	5,721	12.31	10.07	N/A
Mine-produced zinc (tonne)	198,156	177,230	10,373	105.85	83.82	N/A
Refinery zinc (tonne)	218,782	217,537	3,306	7.13	4.94	60.48
Iron concentrates (million tonnes)	1.9714	0.9040	1.1923	-29.59	-68.05	854.63

Explanation on the status of production and sales volume: Except iron concentrates which was affected by market factors, the production and sales volume of other products increased by various extent. It was mainly due to the Company's measures of unleashing potentials and expanding capacity achieved strong and effective results during the reporting period.

Regarding the inventory volume of iron concentrates: It was mainly due to the stagnant sales of iron concentrates as a result of the severe overcapacity of the iron and steel industry in Xinjiang. Therefore, the sales volume decreased significantly compared with the same period last year and the inventory volume increased.

## (3) Table of cost analysis

The table below sets out the breakdown of direct cost structure for the two years ended 31 December 2014 and 2015

Product	Cost structure	Amount for the current period (RMB'000)	Proportion to total cost during the current period (%)	Amount for the same period last year (RMB'000)	Proportion to total cost during the same period last year (%)	Changes in amount for the current period compared with the same period last year (%)
Mine-produced gold	Raw materials	2,219,410	45.93	1,884,000	38.75	17.80
	Salary	503,880	10.43	653,210	13.43	-22.86
	Depreciation	753,360	15.59	671,780	13.82	12.14
	Energy consumption	485,590	10.05	251,450	5.17	93.12
	Others	870,260	18.00	1,401,780	28.83	-37.92
Mine-produced silver	Raw materials	162,320	50.60	117,660	42.33	37.96
	Salary	37,650	11.73	24,390	8.77	54.37
	Depreciation	50,570	15.76	41,200	14.82	22.74
	Energy consumption	36,420	11.35	21,810	7.85	66.99
	Others	33,860	10.56	72,930	26.23	-53.57
Mine-produced copper	Raw materials	1,159,090	43.81	919,380	36.38	26.07
	Salary	205,400	7.76	194,740	7.71	5.47
	Depreciation	396,870	15.00	354,530	14.03	11.94
	Energy consumption	363,300	13.73	355,230	14.06	2.27
	Others	521,270	19.70	703,110	27.82	-25.86

# Management Discussion and Analysis *(continued)*

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

Product	Cost structure	Amount for the current period (RMB'000)	Proportion to total cost during the current period (%)	Amount for the same period last year (RMB'000)	Proportion to total cost during the same period last year (%)	Changes in amount for the current period compared with the same period last year (%)
Mine-produced zinc	Raw materials	354,580	52.65	158,840	46.95	123.23
	Salary	45,280	6.72	27,510	8.13	64.59
	Depreciation	110,010	16.34	31,200	9.22	252.60
	Energy consumption	78,000	11.58	40,510	11.97	92.55
	Others	85,600	12.71	80,240	23.73	6.67
Iron concentrates	Raw materials	149,650	95.46	313,920	58.58	-52.33
	Salary	900	0.58	23,870	4.45	-96.23
	Depreciation	2,450	1.56	50,640	9.45	-95.16
	Energy consumption	2,440	1.56	42,410	7.91	-94.25
	Others	1,320	0.84	105,010	19.61	-98.74
Refinery copper	Raw materials	6,914,020	78.09	9,147,830	94.07	-24.42
	Salary	247,040	2.79	90,440	0.93	173.15
	Depreciation	366,380	4.14	176,010	1.81	108.16
	Energy consumption	1,182,560	13.36	186,710	1.92	533.37
	Others	144,040	1.62	123,500	1.27	16.63
Refinery zinc	Raw materials	1,632,180	59.62	1,955,700	72.73	-16.54
	Salary	151,980	5.55	128,530	4.78	18.24
	Depreciation	326,290	11.92	146,010	5.43	123.47
	Energy consumption	237,780	8.69	371,890	13.83	-36.06
	Others	389,250	14.22	86,850	3.23	348.19

Other explanation on the analysis of costs:

- Note: 1. The cost structure – raw materials include the costs of purchasing raw and auxiliary materials and outsourcing. The major energy consumed was coal, electricity and petroleum.
2. Most mining corporations of the Group adopted outsourcing of works. Such outsourcing cost was included in raw materials.

## 5. Information on major suppliers and customers

During the reporting period, the Group's total procurement amount from the top five suppliers was RMB22.469 billion, representing 32.99% of the Group's total procurement amount, in which the procurement amount from the largest supplier represented 15.16% of the Group's total procurement amount. The Group's major suppliers included Shanghai Gold Exchange, Glencore International AG, MRI Trading AG, etc.

During the reporting period, the Group's total sales income from the top five customers amounted to RMB43.999 billion, representing 59.21% of the Group's total sales income, in which the sales amount from the largest customer represented 52.47% of the Group's total sales income. The Group's major customers included Shanghai Gold Exchange, Fujian Shanghang Taiyang Copper Company Limited, Shanghai Huiao Non-ferrous Metals Company Limited, etc.

## 6. Expenses

### Selling expenses

During the reporting period, the Group's selling expenses was RMB691,861,398, representing a decrease of 23.59% compared with the same period last year (2014: RMB905,512,920). The decrease in selling expenses was mainly due to the substantial decrease in sales volume of iron concentrates and spheroidal graphite iron in 2015, and the decrease in transportation fee compared with the same period last year.

# Management Discussion and Analysis *(continued)*

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## Administrative expenses

During the reporting period, the Group's administrative expenses amounted to RMB2,620,740,626, representing an increase of 20.49% compared with the same period last year (2014: RMB2,175,124,236). It was mainly because the Group increased the input in research and development during 2015 and the research and development expenditures increased compared with the same period last year, and the increase in number of enterprises which were newly acquired and newly commenced production.

## Financial expenses

During the reporting period, the Group's financial expenses was RMB945,668,268, representing an increase of 23.14% compared with the same period last year (2014: RMB767,954,016). It was mainly due to increase in the number of newly acquired enterprises and more input into technological innovation, which increased the financing scale.

## Impairment losses on assets

During the reporting period, the Group's provision for impairment losses on assets was RMB470,685,123, representing an increase of 29.68% compared with the same period last year (2014: RMB362,952,805). The details of the provision for impairment on assets in 2015 are as follows: bad debt provision of -RMB3,207,761, provision on decline in the value of inventories of RMB90,190,149, impairment on available-for-sale investments of RMB740,039, impairment on fixed assets of RMB335,131,513, impairment on intangible assets of RMB13,500,000, impairment on other current assets of -RMB2,650,000 and impairment on other non-current assets of RMB36,981,183.

## Investment income

During the reporting period, the investment income of the Group was RMB1,312,774,399, representing an increase of 69.92% compared with the same period last year (2014: RMB772,566,108). It was mainly due the sharp increase in income from hedging of products in 2015 compared with the same period last year.

## Derivative financial instruments in unsettled positions

As at 31 December 2015, the Group's unrealised gains from the futures contracts, gold leasing spot and gold leasing futures hedging was RMB120,170,000 (2014: unrealised losses of RMB50,030,000).

As at 31 December 2015, the Group held cross currency swaps with unrealised gains of RMB14,359,008.

## 7. Research and development expenditure

### Table of status of research and development expenditure

	Currency: RMB
Expensed research and development expenditure for the year	252,964,144
Capitalised research and development expenditure for the year	105,376,700
Total research and development expenditure	358,340,800
Percentage of total research and development expenditure to operating income (%)	0.48
Number of research and development staff	321
Number of research and development staff to total number of staff of the Company (%)	1.69
Percentage of research and development expenditure capitalised (%)	29.41

## 8. Cash flows

As at 31 December 2015, the Group's cash and cash equivalents was RMB4.846 billion, representing an increase of 37.98% compared with the same period last year (2014: RMB3.512 billion).

During the reporting period, the total net cash inflow generated from the Group's operating activities was RMB10.269 billion, representing an increase of RMB3.948 billion compared with the same period last year, in which, the cash inflow generated from operating activities was RMB82.029 billion, representing an increase of RMB18.525 billion compared with the same period last year; cash outflow used in operating activities was RMB71.759 billion, representing an increase of RMB14.576 billion compared with the same period last year. Although the Company's realised net profits decreased, there was substantial increase in operating cash flows. It showed that capital management of the Group was efficient and the operational status remained to be satisfactory.

During the reporting period, net cash outflow used in the Group's investing activities was RMB8.693 billion, representing a decrease of RM559 million compared with the same period last year, in which, the main investing expenditures included: (1) cash payment of RMB4.858 billion for purchase and construction of fixed assets, intangible assets and other long-term assets; (2) cash payment of RMB3.04 billion for external investments; and (3) cash payment of RMB760 million for the acquisition of subsidiaries and other operating units.

During the reporting period, net cash outflow used in the Group's financing activities was RMB273 million, whilst a net cash inflow of RMB2.414 billion was recorded during the same period last year. It was mainly because the amounts of cash inflows from and cash outflows used in financing activities during 2015 were approximately the same.

As at 31 December 2015, the Group's total borrowings amounted to RMB36.41 billion (31 December 2014: RMB30.227 billion). Among which, the amount repayable within one year was approximately RMB18.859 billion, the amount repayable within one to two years was approximately RMB4.278 billion, the amount repayable within two to five years was approximately RMB10.399 billion, and the amount repayable within more than five years was approximately RMB2.874 billion. The interest rates of all borrowings ranged from 0.65% to 6.15% per annum (2014: ranged from 1.33% to 7.21% per annum).

The Group's daily capital requirements and capital expenditures of maintenance nature can be financed from its internal cash flow. The Group also has loan facilities with no usage restriction of approximately RMB107.1 billion provided by banks.

## Gearing ratio

Gearing ratio is defined as the ratio of consolidated total liabilities to consolidated total equity. As at 31 December 2015, the Group's consolidated total liabilities was RMB51,985,778,403 (RMB41,490,665,303 as at 31 December 2014), and the Group's consolidated total equity was RMB31,928,255,252 (RMB33,668,922,345 as at 31 December 2014). As at 31 December 2015, the Group's gearing ratio was 1.628 (1.232 as at 31 December 2014).

## Non-recurring profit or loss items and their amounts

Unit: RMB

Non-recurring profit or loss items	Amount for 2015	Note (if applicable)	Amount for 2014
Gains or losses on disposal of non-current assets	-37,474,784		-97,994,374
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	184,276,134		161,694,394
Gains arising from the investment costs being smaller than the shared amount of fair value of the identifiable net assets of investees including subsidiaries, associates and joint ventures at the acquisition date	66,814,497		12,377,964



## Management Discussion and Analysis *(continued)*

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<b>Non-recurring profit or loss items</b>	<b>Amount for 2015</b>	<b>Note (if applicable)</b>	<b>Amount for 2014</b>
Gains or losses on changes in fair value from held-for-trading financial assets and financial liabilities, investment gains on disposal of held-for-trading financial assets and financial liabilities and available-for-sale investments except for the effective portion of hedge closely related to the Company's normal operations	-399,707,750	Including the losses on changes in fair value of trading stocks, funds and currency swaps, etc. amounted to RMB293,505,709 and losses on disposal of stocks, funds and currency swaps amounted to RMB106,202,204.	-25,772,306
Other non-operating income and expenses other than the aforesaid items	-189,038,961		-212,098,951
Impairment losses on available-for-sale investments	-740,039		-26,810,425
Gains on debt for equity swap of Bindi Potash	117,106,400		—
Impact on the non-controlling interests	13,839,467		11,794,131
Impact on income tax	35,413,711		20,170,783
<b>Total</b>	<b>-209,511,325</b>		<b>-156,638,784</b>

### Items measured at fair value

Unit: RMB

<b>Item</b>	<b>Balance at the beginning of the period</b>	<b>Balance at the end of the period</b>	<b>Changes during the period</b>	<b>Impact on the profit for the current period</b>
Financial assets at fair value through profit or loss (excluding derivative financial assets)	251,605,877	405,084,290	153,478,413	-307,864,716
Derivative financial assets	60,641,750	143,268,440	82,626,690	96,985,697
Available-for-sale investments	86,038,950	425,110,763	339,071,813	—
Financial liabilities at fair value through profit or loss (excluding derivative financial liabilities)	-8,085,325,834	-6,411,589,909	1,673,735,925	-33,298,621
Derivative financial liabilities	-512,212,666	-393,282,945	118,929,721	118,665,412
<b>Total</b>	<b>-8,199,251,923</b>	<b>-5,831,409,361</b>	<b>2,367,842,562</b>	<b>-125,512,228</b>

## ANALYSIS OF ASSETS AND LIABILITIES

### Status of assets and liabilities

Currency: RMB

Item	Amount at the end of 2015	Proportion to total assets as at the end of 2015 (%)	Amount at the end of 2014	Proportion to total assets as at the end of 2014 (%)	Percentage change in the amount at the end of 2015 compared with the amount at the end of 2014 (%)	Reasons for the change
Cash and cash equivalents	5,498,295,305	6.55	4,139,672,768	5.51	32.82	Expansion in financing scale
Financial assets at fair value through profit or loss	548,352,730	0.65	312,247,627	0.42	75.61	Increase in stock investments
Bills receivable	264,373,037	0.32	538,484,702	0.72	-50.90	Bills undue last year became due this year
Trade receivables	864,682,728	1.03	1,228,075,464	1.63	-29.59	Change in sales method of certain subsidiaries
Prepayments	842,469,851	1.00	649,968,149	0.86	29.62	Change in procurement method of certain subsidiaries
Non-current assets due within one year	458,040,000	0.55	—	—	—	Debts receivable due within one year
Available-for-sale investments	972,008,647	1.16	495,285,702	0.66	96.25	Increase in stock investments
Long-term equity investments	6,941,121,652	8.27	5,346,350,207	7.11	29.83	The new investment in the Kamoao project
Advances from customers	1,918,146,839	2.28	1,005,215,386	1.34	90.82	Mainly due to the increase in advances from sales of commodity housing of real estate companies
Employee benefits payable	569,619,991	0.68	389,444,043	0.52	46.26	Unpaid year-end bonus accrued
Dividends payable	119,000,981	0.14	35,938,170	0.05	231.13	Increase in the dividends declared to be distributed to minority shareholders
Other payables	4,289,196,570	5.11	2,626,729,259	3.49	63.29	Mainly due to the increase in consideration payable for the equity and debt interests of the overseas projects acquired in 2015
Non-current liabilities due within one year	6,053,652,249	7.21	1,347,611,097	1.79	349.21	US Dollar-denominated debts become due soon
Other current liabilities	1,004,821,498	1.2	—	—	—	Issuance of ultra-short term financing bonds by the Company
Long-term payables	1,171,224,739	1.40	413,864,086	0.55	183.00	Increase in considerations undue for newly acquired equity and debt interests
Provision	720,404,428	0.86	177,486,513	0.24	305.89	Increase in provision for environmental rehabilitation and restoration of mines by the newly acquired BNL
Other comprehensive income	-830,177,675	-0.99	-447,341,491	-0.60	N/A	Exchange differences arising from translation of financial statements denominated in foreign currencies driven by exchange rate fluctuations

# Management Discussion and Analysis *(continued)*

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## Taxes

	2015	2014
Current tax expenses	<b>749,031,700</b>	617,705,361
Deferred tax expenses	<b>(5,547,273)</b>	70,990,638
	<b>743,484,427</b>	688,695,999

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

	2015	2014
Profit before tax	<b>2,086,172,191</b>	3,324,137,990
Tax at the statutory tax rate (Note 1)	<b>521,543,048</b>	831,034,497
Effect of different tax rates applicable to certain subsidiaries	<b>(175,459,407)</b>	(184,044,511)
Adjustments in respect of current tax of previous periods	<b>(106,279,360)</b>	(218,580,802)
Income not subject to tax (Note 2)	<b>(34,764,912)</b>	(77,417,192)
Expenses not deductible for tax (Note 3)	<b>45,311,202</b>	50,265,301
Tax losses utilised from previous periods	<b>(45,097,412)</b>	(48,493,671)
Effect of unrecognised deductible temporary differences and deductible tax losses	<b>538,231,268</b>	335,932,377
Tax charge at the Group's effective tax rate	<b>743,484,427</b>	688,695,999

Note 1: Provision for the PRC corporate income tax expenses has been made at applicable tax rates based on the estimated taxable profits. For the year 2015, there was no assessable profit arising in Hong Kong (2014: 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: Including investment losses of long-term equity investments under the equity method of RMB44,237,294 (2014: investment income of RMB21,433,814), investment income of available-for-sale investments under the cost method of RMB23,785,200 (2014: RMB28,386,297), 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 RMB39,659,161 (2014: RMB26,160,760) for the year 2015.

Note 3: Including donations not deductible for tax purposes of RMB31,135,699 (2014: RMB52,775,730) for the year 2015.

Other details of taxes of the Group are set out in note IV to the financial statements.

## NET CURRENT LIABILITIES

	2015	2014
Current assets	<b>21,794,847,042</b>	19,618,226,590
Less: Current liabilities	<b>31,526,388,423</b>	23,504,058,573
Net current liabilities	<b>(9,731,541,381)</b>	(3,885,831,983)

## TOTAL ASSETS LESS CURRENT LIABILITIES

	2015	2014
Total assets	<b>83,914,033,655</b>	75,159,587,648
Less: Current liabilities	<b>31,526,388,423</b>	23,504,058,573
Total assets less current liabilities	<b>52,387,645,232</b>	51,655,529,075

# Directors, Supervisors and Senior Management

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## EXECUTIVE DIRECTORS

**Mr. Chen Jinghe**, aged 59, 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 joined the Company in December 1992 and has been appointed as the chairman of the Board since 2000. From August 2006 to November 2009, he also served as the president of the Company. He also serves as the head of the Company's State Key Gold Laboratory. He was the discoverer and main exploration organiser of Zijinshan gold and copper mine, and is the founder and core leader of the Company.

**Mr. Wang Jianhua**, aged 60, received tertiary education from the Central Communist Party School, obtained an EMBA degree, is a senior economist and senior accountant. He has served as the chairman of Guangtong Group, manager of Shandong Silk Import & Export Corporation, general manager of Shandong Provincial Silk Corporation, and the chairman and secretary to Communist Party Committee of Shandong Gold Group Co., Ltd. He retired in February 2013; he joined the Company in June 2013 and was appointed as the president of the Company from June 2013 to October 2013. He currently serves as a director and the president of the Company.

**Mr. Qiu Xiaohua**, aged 58, 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 an executive Director and vice-chairman of the Company since May 2012.

**Mr. Lan Fusheng**, aged 52, graduated from Fuzhou University with a bachelor's degree in geology and obtained an MBA degree. He joined the Company in 1994. From August 2000 to August 2006, he was appointed as a director and standing deputy general manager of the Company. He has been serving as a vice-chairman of the Company since August 2006.

**Mr. Zou Laichang**, aged 48, 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.

**Dr. George Fang Qixue**, aged 54, graduated from Wuhan University of Science and Technology with a bachelor's degree in mineral processing engineering profession and obtained a Ph.D. from the Central South University. He is a professor grade senior metallurgist, and a license holder authorised by the Securities and Futures Commission of Hong Kong. He has been with Beijing General Research Institute of Mining and Metallurgy (the "BGRIMM") and served as a professor grade senior metallurgist, director of the Ore Processing Research Office; deputy general manager of China United Copper Co., Ltd., director and general manager of Minmetals JCL Mining Investment Co., Ltd., chief technology officer of China Minmetals Non-ferrous Metals Co., Ltd. and general manager of its investment department. Dr. Fang has been serving at the Standard Bank (its Headquarters are located at Johannesburg, South Africa) as head of Mining and Metals/Investment Banking/China; vice chairman, head of Mining and Metals Coverage Asia of Standard Bank Plc, Hong Kong Branch; the vice chairman and head of Mining and Metals Coverage Asia of Standard Advisory Asia Limited. He joined the Company in May 2015 and currently serves as the director and vice-president of the Company.

**Mr. Lin Hongfu**, aged 42, 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 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 Metal 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 40, graduated from Yang-En University majoring in international finance. He has served as manager, marketing director, deputy general manager of Longyan operation branch and general manager of Shanghang operation branch of Industrial Securities Co., Ltd. He has been appointed as general manager of Minxi Xinghang State-owned Assets Investment Company Limited since January 2013. He has been serving as a non-executive director of the Company since October 2013.

## Directors, Supervisors and Senior Management *(continued)*

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### INDEPENDENT NON-EXECUTIVE DIRECTORS

**Mr. Lu Shihua**, aged 65, graduated from Central Communist Party School majoring in economic management specialisation by correspondence, is a non-practising 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 has been serving as an independent non-executive director of the Company since October 2013.

**Mr. Ding Shida**, aged 68, 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 has served as the general manager and secretary to Communist Party Committee of Fujian Construction Materials Industry Corporation. At the same time, he has also served as the chairman of Fujian Cement Inc. He has also served as the secretary to Communist Party Committee and general manager of Fujian Investment Corporation Group Company, 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 has been serving as an independent non-executive director of the Company since October 2013.

**Mr. Qiu Guanzhou**, aged 66, graduated from Central South University of Technology majoring in mineral processing engineering and received a doctoral degree. He has previously served as the vice-president of Central South University of Technology and Central South University, and currently serves as a professor and tutor of doctoral students in Central South University. He was elected as an academician of Chinese Academy of Engineering in December 2011. Mr. Qiu has dedicated himself to the research of processing and utilising low-grade, complex and refractory metallic mineral resources in China for a long time, and has obtained significant achievements in flotation separation of fine and sulphide minerals and direct reduction of iron ore, especially the outstanding contributions made in the aspect of biohydrometallurgy in low-grade sulphuric ores. He was awarded as a national science and technology expert with outstanding contributions. Mr. Qiu is also serving as an independent non-executive director of Jiangxi Copper Company Limited (stock code: 358) and once served as a non-executive director of L'sea Resources International Holdings Limited (stock code: 195). He has been serving as an independent non-executive director of the Company since 23 October 2014. Mr. Qiu submitted a written resignation for the position of independent non-executive director to the Company on 21 December 2015. However, as his resignation will lead to the number of independent non-executive directors of the Company being less than one-third of the total number of directors of the Company, which fails to meet the relevant laws and regulations, the resignation of Mr. Qiu will become effective after the Company's shareholders' general meeting elects a new independent non-executive director to fill in such vacancy.

**Mr. Sit Hoi Wah, Kenneth**, aged 58, graduated from the University of Hong Kong, is a practising solicitor in Hong Kong. He was admitted as a solicitor in Hong Kong, a solicitor in England and Wales, a solicitor and barrister in Australia, a solicitor in Singapore, a notary public, a member of the Chartered Institute of Arbitrators and a fellow member of the Hong Kong Institute of Arbitrators. He is a partner of Messrs. Kenneth Sit, Solicitors of Hong Kong. He has been serving as an independent non-executive director of the Company since October 2013.

### SUPERVISORS OF SUPERVISORY COMMITTEE

**Mr. Lin Shuiqing**, aged 52, tertiary educated. He has been a deputy secretary, head of town and secretary to 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 to 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 65, 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 48, 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 to Gutian Communist Party Committee and town chief of Gutian town, Communist Party Committee secretary of Taibaxiang, Shanghang County, township cadre of Economic and Trading Bureau and the director of the Shanghang Copper Bureau. He has been serving as a supervisor of the Company since October 2013.

## Directors, Supervisors and Senior Management *(continued)*

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**Mr. Liu Wenhong**, aged 46, 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, etc. He is currently serving as the chairman of the labour union and a supervisor representing workers and staff of the Company. He has been serving as a supervisor of the Company since October 2013.

**Mr. Zhang Yumin**, aged 65, 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 a supervisor representing workers and staff of the Company since August 2006.

### SENIOR MANAGEMENT

**Mr. Huang Xiaodong**, aged 61, 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 50, 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 and held positions as plant manager of gold refinery plant, 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. Xie resigned from the position of vice-president on 31 December 2015.

**Ms. Lin Hongying**, aged 46, 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 51, 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 Oriental Metals (Holdings) Company Limited in Hong Kong 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 Aluminum 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 55, obtained a Master's degree in business administration from the University of New England, Australia. He is an associate member of The Hong Kong Institute of Certified Public Accountants, and a fellow member of The Association of Chartered Certified Accountants, UK. He has been a deputy general manager of Hungtai Electronic Factory and financial controller of Vigers HK Limited. Mr. Fan has been serving as the company secretary (HK) for the Company since December 2004.

**Mr. Yang Kaihui**, aged 52, with Canadian nationality, graduated from the mining and metallurgy department of Fuzhou University. He obtained a Ph.D. from the Chinese University of Geosciences (Beijing). He is a NI43-101 professional geologist of Canada. He founded Asia Now Resources Corp., a company listed in Canada, and served as the president in the period from 2003 to 2012. He served as a vice-president of the Company since 25 October 2013, and resigned on 20 April 2015.

## Directors, Supervisors and Senior Management *(continued)*

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### 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 end term
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 end term
Chen Jinghe	BNL	Director	September 2015	
Qiu Xiaohua	Minsheng Securities	Chief economist	1 September 2015	30 August 2018
Qiu Xiaohua	Oceanwide Holdings Co., Ltd.	Director	March 2015	
Qiu Xiaohua	Fujian Newchoice Pipe Technology Co., Ltd.	Independent director	February 2015	
Fang Qixue	BNL	Director	September 2015	
Fang Qixue	Kamoa Holding Limited	Director	December 2015	
Lin Hongfu	Kamoa Holding Limited	Director	December 2015	
Sit Hoi Wah, Kenneth	Pokfulam Development Company Limited	Independent non-executive director	1 April 2015	31 March 2018
Huang Xiaodong	Gold Eagle Mining Investment Limited	Director	2 April 2012	
Xu Qiang	Hollyland (China) Electronics Technology Corporation Limited	Independent director	March 2013	March 2016

The directors of the Company (the “Directors”) hereby submit the Report of the Directors and the audited financial statements of the Group for the year ended 31 December 2015.

## PRINCIPAL 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-scale and comprehensive mining group primarily engaged in the production of gold and non-ferrous metals. The Company mainly produces gold bullion of 99.99% and 99.95% purity under the “ZIJIN” brand, copper cathodes and zinc bullions, etc. In 2015, the sales of gold products represented 70.89% (after elimination) of the total operating income, and the gross profit of the gold business represented about 40.42% of the total consolidated gross 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 VII.1 and VII.2 to the financial statements, respectively.

## OPERATING RESULTS

The operating results of the Group for the year ended 31 December 2015 are set out in the financial statements on pages 73 to 234.

### Analysis on investment status

#### 1. Overall analysis on the status of external equity investments

The Company accelerated overseas acquisitions amidst a sluggish mining market. During the reporting period, the Company acquired the Porgera gold mine and the Kamoa copper mine, participated in the additional issuance of shares of Ivanhoe and NKWE, and completed the delisting of Norton.

##### (1) Key equity investments

On 12 January 2015, the Company offered a non-binding, conditional and indicative proposal to Norton Gold Fields Limited (“Norton”, stock code “NGF”), a subsidiary of the Company then listed on the Australian Securities Exchange (the “ASX”), for the acquisition of all of the issued securities of Norton that the Company did not already own. On 6 February 2015, the Company entered into a binding scheme implementation agreement (the “SIA”) with Norton. The SIA provided that the Company would acquire all of the issued securities of Norton that it did not already own, by way of a court approved scheme of arrangement. The aforesaid scheme of arrangement, approved by Norton’s shareholders on 12 June 2015 and by the court on 19 June 2015 (the “Scheme”), was implemented on 30 June 2015. The Scheme consideration of A\$0.25 for each Norton share held as at the record date (7pm on 25 June 2015, Australian time) was paid to the Scheme’s participants. The total consideration was about A\$41 million. Norton was delisted from the ASX on 1 July 2015.

On 3 February 2015, Zijin Mining Group Southern Investment Co., Ltd., a wholly-owned subsidiary of the Company, and Fujian JincuiFu Jewellery Development Co., Ltd. jointly established Fujian Zijin Cuifu Jewellery Development Co., Ltd. (“Zijin JincuiFu”) with registered capital of RMB20 million, in which Zijin Mining Group Southern Investment Co., Ltd. invested RMB10.2 million to subscribe for 51% shareholding while Fujian JincuiFu Jewellery Development Co., Ltd. invested RMB9.8 million to subscribe for 49% shareholding. The scope of business of Zijin JincuiFu mainly includes processing and sales of jewellery and ornaments, karat gold, diamond and jade, and fine processing of gold and recovery of metal materials, etc.

Sharp Hero Developments Limited (now renamed as Jin Heng Mining Company Limited (“Jin Heng Mining”)), a wholly-owned subsidiary of the Company, entered into a subscription agreement with Ivanhoe Mines Ltd. (“Ivanhoe”) on 23 March 2015. Jin Heng Mining agreed to subscribe 76,817,020 Class A common shares of Ivanhoe with cash consideration of Canadian Dollar (“C\$”) 1.36 per share. The total consideration was C\$104,471,147. The transaction was completed and 9.9% of Ivanhoe’s issued and outstanding common shares is currently owned by Jin Heng Mining. Ivanhoe is a mining exploration/development company incorporated in British Columbia, Canada. Its major assets comprise three projects including 95% interest in the Kamoa copper deposit in the DR Congo, 68% interest in the Kipushi zinc-multimetals deposit in the DR Congo and 64% interest in the Platreef platinum deposit in South Africa.



## Report of the Directors *(continued)*

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The Company and its wholly-owned subsidiary, Gold Mountains (H.K.) International Mining Company Limited (“Gold Mountains”), entered into a conditional share acquisition agreement with Ivanhoe of Canada, Ivanhoe Mines US LLC and Crystal River Global Limited on 26 May 2015. The Company designated Gold Mountains as the purchaser to acquire (1) 49.5% equity interest in Kamo Holding Limited held by Ivanhoe Mines US LLC and (2) 49.5% of the shareholder’s loans provided to Kamo Holding Limited by Ivanhoe and its affiliates as at the date of the transaction. The total consideration of the acquisition was US\$412 million. Kamo Holding Limited holds 95% interest in Kamo Copper SA in the DR Congo and Kamo Copper SA holds the Kamo copper mine project. According to the Letter of Assessment Opinions on Reserve Volume of Mineral Resources in relation to the Verification Report on the Reserve Volume of Resources of the Kamo Copper Mine in Katanga Province, the DR Congo (Zhongkuangzippingzi [2015] No. 67) issued by Beijing CMA Consultancy Center, the Kamo copper mine possesses copper metal of 22.471 million tonnes, with an average grade of 2.57%. The aforesaid acquisition was settled on 8 December 2015.

On 26 May 2015, the Company and Gold Mountains, a wholly-owned subsidiary of the Company, jointly entered into a share acquisition agreement with Barrick Gold Corporation (“Barrick”) and Barrick (PD) Australia Pty Limited (“Barrick Australia”). Gold Mountains would pay US\$298 million in cash to acquire (a) 50% equity interest in BNL held by Barrick Australia and (b) 50% of the shareholders’ loans provided to BNL by Barrick and its affiliates. BNL is a company incorporated in PNG, with 100% of its equity interest held by Barrick through its wholly-owned subsidiary, Barrick Australia. The major asset of BNL is the 95% equity interest it holds in the Porgera Joint Venture (non-registered) in PNG. According to the Letter of Assessment Opinions on Reserve Volume of Mineral Resources regarding the Verification Report on the Reserve Volume of Resources of the Porgera Gold Mine in Enga Province, PNG (Zhongkuangzippingzi [2015] No. 68) issued by Beijing CMA Consultancy Center, the Porgera gold mine possesses 330.13 tonnes of gold metal volume with an average grade of 4.65 grammes/tonne. The aforesaid acquisition was settled on 31 August 2015.

On 15 June 2015, the Company established a wholly-owned subsidiary, Zijin Mining Group Capital Investment Co., Ltd. (“Zijin Capital Investment”) with registered capital of RMB1 billion. The paid-in capital during the reporting period was RMB200 million. Zijin Capital Investment is mainly engaged in entrusted management of equity investment (non-securities companies) and the related consultation services, entrusted management and operation of equity investment funds and providing consultation services, investment and asset management, spot sales of gold, wholesale of metals and metal ores, trading agency, etc.

On 20 July 2015, Jin Jiang Mining Limited (“Jin Jiang”), an overseas wholly-owned subsidiary of the Company, entered into a sale of shares agreement with Genorah Resources (Pty) Limited (a company incorporated in South Africa, “Genorah”), Genorah Resources Australia Proprietary Limited (a wholly-owned subsidiary of Genorah incorporated in Australia, “Genorah Australia”), NKWE Platinum Limited (“NKWE”) and NKWE Platinum (South Africa) (Pty) Limited (a subsidiary of NKWE incorporated in South Africa). Jin Jiang agreed to acquire 305,833,120 fully paid ordinary shares in NKWE which are held by Genorah and Genorah Australia and free of all encumbrances with a cash consideration of A\$0.10 per share. The total consideration was A\$30,583,312. After the completion of the transaction, the Company, Jin Jiang and other wholly-owned subsidiaries of the Company would own 541,985,880 fully paid ordinary shares of NKWE in aggregate, representing approximately 60.47% of the issued fully paid ordinary shares of NKWE. The key assets of NKWE are several diversified platinum group metals (PGM) mining rights in South Africa. The aforesaid transaction was settled in October 2015.

On 5 August 2015, Zijin Capital Investment, a wholly-owned subsidiary of the Company, contributed capital with 4 natural person shareholders to establish Zijin Jinhang (Shenzhen) E-commerce Company Limited (“Zijin Jinhang”). The registered capital was RMB50 million. The initial paid-up capital was RMB10 million. The shareholding was: 70% by Zijin Capital Investment and 30% by the other 4 natural persons altogether. Zijin Jinhang is mainly engaged in the provision of internet platform services for the wholesale and retail of gold, silver, jewellerys and ornaments, mineral products, metal materials, construction materials, etc. It also provides financial intermediary services and other services through internet and other technical means.

On 31 December 2015, the overseas wholly-owned subsidiary of the Company, Jinyu (H.K.) International Mining Company Limited ("Jinyu") and Wellhope Gold Ltd. ("Wellhope") entered into the "Golden China Nei Men Gold Exploration Corporation Share Transfer Agreement", pursuant to which Jinyu agreed to accept the transfer of 45% equity interest in Golden China Nei Men Gold Exploration Corporation ("Golden China Nei Men") that Wellhope owned with a consideration of RMB195,727,500. The key asset of Golden China Nei Men is 95% equity interest in Inner Mongolia Jinzhong Mining Co., Ltd. ("Inner Mongolia Jinzhong"). On 15 January 2015, Jinyu and Wellhope entered into the "Golden China Nei Men Share Transfer Agreement", and the Company's wholly-owned subsidiary, Zijin International Mining Co., Ltd. ("Zijin International") and Huixinda International Investment Co., Ltd. ("Huixinda") entered into the "Inner Mongolia Jinzhong Share Transfer Agreement". After negotiations between all parties to the agreements, it was agreed that the execution of the aforesaid two agreements would not be continued, which means Jinyu and Zijin International are still holding 55% equity interest in Golden China Nei Men and 5% equity interest in Inner Mongolia Jinzhong respectively. The Company holds 100% of equity interest in Inner Mongolia Jinzhong through its wholly-owned subsidiaries.

## (2) Key non-equity investments

Project name	Amount (RMB billion)	Progress	Investment during the reporting period (RMB billion)	Actual accumulated investment (RMB billion)	Project return status
Russia Tuva Kyzyl-Tash Turk multi-metals mine	3.5	Commenced production since 1 July 2015.	0.0134	3.312	Planned to produce about 80,000 tonnes of zinc a year.
Gansu Yate Li County gold mine project	1.4	The feasibility study reports for phase 2 of the 8,000 tonnes/day work and biological pre-oxidation were completed, preparatory work are currently being carried out and modified; relocation of the 152 households near the Gong River and Liba, resumption of land and stripping of mining infrastructure are being carried out.	0.017	0.495	Production capacity is planned to reach approximately 5 tonnes of mine-produced gold per year after completion of all the 2 phases of the project.
Kyrgyzstan Zuoan gold mine project	1.489	Trial production commenced successfully on 29 July 2015, and copper-sulphur separation technological innovation project was carried out from August to October. Currently it is in the process of refinement and inspection of the tailing dam. Production is expected to commence from June 2016.	0.116	1.514	Planned production capacity is about 3.7 tonnes of gold per year.

# Report of the Directors *(continued)*

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Project name	Amount (RMB billion)	Progress	Investment during the reporting period (RMB billion)	Actual accumulated investment (RMB billion)	Project return status
Technological innovation of ZGC gold mine in Tajikistan	1.916	The stripping of open-pit infrastructure of Jilau and Taror has been completed. The construction of Jilau 10,000 tonnes processing plant has been completed and is operating on a single line.	0.075	1.478	Upon completion of technological innovation, additional production of about 3.5 tonnes of gold a year.
The Kolwezi copper mine project in the DR Congo	3.529	The construction of the electrical room has been completed (temporary power sources have already been connected for use); part of the infrastructure such as the water pool, drainage, staff quarter, office building, etc., has been completed. The project has a good progress, production is expected to commence in the first half of 2017.	0.1247	0.1247	Annual production capacity planned to reach 7,212 tonnes of sulphuric copper concentrates (containing 60% copper), 43,616 tonnes of crude copper (containing 90% copper) and 8,203 tonnes of copper cathode.
40,000 tonnes (25,000 tonnes for flotation processing, 15,000 tonnes for heap leaching) processing plant at the Zijinshan gold and copper mine	0.875	Preliminary design has been completed; the land levelling plans for the main plant, concentrates screening plant and the elevated water tank have been drafted; road planning, colour matching plan for the appearance of the exterior of the plant and equipment have been confirmed; levelling work and waste rock transfer system have been basically completed; the construction projects for the main grinding and flotation plant, concentrates handling plant and tailings transfer system were 60%, 50% and 30% completed respectively; contracts for key equipment were assigned. It is expected that production will commence in August 2016.	0.197	0.215	Upon completion of the project, the annual production capacity is expected to reach copper concentrates containing copper of 37,000 tonnes, copper cathodes of 11,600 tonnes, gold by-product of 1.02 tonnes and silver of 26.47 tonnes.
Total	12.709 /		0.5431	7.1387 /	

## Disposal of key assets and equity interests

Hunan Nonferrous Metals Jinsheng Development Company Limited and Hunan Nonferrous Metals Corporation Limited (“Hunan Nonferrous”) issued a joint announcement on 11 December 2014 and a composite offer and response document on 20 January 2015 relating to the pre-conditional voluntary cash offer to acquire all the issued domestic shares in Hunan Nonferrous. Pursuant to the conditions of the offer, the Company sold all of the 30,000,000 domestic shares it held in Hunan Nonferrous at RMB1.58 per share during the reporting period and the total amount was RMB47.40 million. Profits of RMB17.4 million was realised over the initial investment.

During the reporting period, Gold Mountains, a wholly-owned subsidiary of the Company, sold a total of 62,187,000 shares of China Hanking Holdings Limited (“China Hanking”) (3788.HK) at an average price of HK\$3.21 per share with a total amount of approximately HK\$200 million through bulk trading platforms and secondary markets. Profits of HK\$42 million was realised over the initial investment. The Company no longer owns any shares of China Hanking.

During the reporting period, Gold Mountains, a wholly-owned subsidiary of the Company, sold a total of 31,250,000 shares of Hengxing Gold Holding Company Limited (“Hengxing Gold”) (2303.HK) at an average price of HK\$1.50 per share with a total amount of HK\$46.88 million through bulk trading platforms. Loss of HK\$3.12 million was realised over the initial investment. The Company no longer owns any shares of Hengxing Gold.

## Analysis of major subsidiaries and associates

### Analysis on operating status and results of major subsidiaries

Currency: RMB'000

Company name	Major products	Registered capital	Total assets	Net assets	Net profit
Xinjiang Ashele Copper Company Limited	Copper concentrates	250,000	2,919,680	1,240,300	334,130
Hunchun Zijin Mining Company Limited	Copper and gold concentrates	200,000	4,192,310	1,615,540	233,600
Zijin Copper Company Limited	Copper cathode	2,116,300	6,971,910	1,810,840	193,320
Longnan Zijin Mining Company Limited	Gold	242,220	884,750	269,120	185,780
Guizhou Zijin Mining Company Limited	Gold	200,000	2,146,920	865,880	92,080
Wulatehouqi Zijin Mining Company Limited	Zinc concentrates	150,000	2,017,410	629,460	64,380
Norton Gold Fields Limited	Gold	A\$186.84 million	2,587,850	1,295,150	49,490
Qinghai West Copper Mining Company Limited	Copper concentrates	120,000	1,440,550	1,214,070	21,790
Hebei Chongli Zijin Mining Company Limited	Gold	237,500	689,440	423,330	20,240
Bayannaoer Zijin Non-ferrous Metal Company Limited	Zinc bullion	375,000	3,519,040	848,600	6,820
Heilongjiang Duobaoshan Copper Company Limited	Copper concentrates	800,000	2,743,410	1,285,950	-1,460
Xinjiang Jinbao Mining Company Limited	Iron concentrates	50,000	1,412,590	542,660	-33,740
Wenshan Malipo Zijin Tungsten Company Limited	Tungsten products	1,000,000	2,072,620	1,144,980	-62,740
Xinjiang Aletai Jinhao Iron Company Limited	Spheroidal graphite iron	810,000	1,950,380	-79,240	-529,930

# Report of the Directors *(continued)*

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- (1) Due to the decline in product prices, the results of Xinjiang Ashele, Wulatehouqi Zijin, Qinghai West, Hebei Chongli, Duobaoshan Copper, Malipo Tungsten, etc., dropped compared with the same period last year;
- (2) The sharp decline in Xinjiang Jinbao's results compared with the same period last year was mainly attributable to the falling price of iron concentrates, severe overcapacity in Xinjiang's iron and steel industry and stagnant sales of iron concentrates;
- (3) Jinhao Iron incurred losses for its operating results mainly due to the drop in price of iron metal and the provision for impairment on certain fixed assets based on the discounted cash flow model.

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

Currency: RMB'000

Company name	Total assets	Net assets	Operating income	Operating profit	Net profit
Xinjiang Ashele Copper Company Limited	2,919,680	1,240,300	1,183,530	460,040	334,130
Fujian Zijin Real Estate Company Limited	3,769,070	877,730	20,010	240,100	233,790
Hunchun Zijin Mining Company Limited	4,192,310	1,615,540	924,980	268,010	233,600
Zijin Copper Company Limited	6,971,910	1,810,840	12,467,710	226,380	193,320

Note: Fujian Zijin Real Estate recognised investment income of RMB281 million for year 2015 from the joint venture, Xiamen Zijin Zhonghang.

## Company, shareholders and actual controller

### Undertakings by the acquirers, directors, supervisors, senior management or other related parties of the Company which were made during the reporting period or remained to be valid within the reporting period

Background of the undertaking	Type of the undertaking	Undertaking parties	Contents of the undertaking	Time of undertaking and its validity period	Whether there is validity period	Whether the undertaking has been strictly complied with
Undertaking related to the initial public offering	Avoidance of competition within the same industry	Minxi Xinghang State-owned Assets Investment Co., Ltd.	During the period of being the substantial shareholder of the Company, Minxi Xinghang and its wholly-owned or controlling enterprises will not engage in any business that is in competition with or constitutes a competitive threat to the Company's main business or main products within or outside the PRC, including investing, acquiring, merging or entrusting to operate and manage locally or globally a company, business or other economic association which main business or product is the same with or similar to that of the Company. If the Company develops any new business segment in the future, the Company will have the priority to enter that business industry while Minxi Xinghang and its other wholly-owned or controlling enterprises will not develop the same business segment.	The undertaking was made by Minxi Xinghang in 2008 when the A Shares of the Company were listed. The undertaking is valid so long as Minxi Xinghang is the substantial shareholder of the Company.	Yes	Yes
Other undertaking	Others	Minxi Xinghang State-owned Assets Investment Co., Ltd.	Not to reduce the number of shares of the Company held within 6 months from the date of the undertaking	Within 6 months from 11 July 2015	Yes	Yes
Other undertaking	Others	The directors, supervisors and senior management of the Company	Not to reduce the number of shares of the Company held within 6 months from the date of the undertaking	Within 6 months from 11 July 2015	Yes	Yes

## 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 and the collapse of the dam of Shihuadi hydropower station in Qianpai Town, Xinyi City were affected by the extreme weather brought by typhoon “Fanapi”, resulting in casualties and property damage downstream. The local government and the victims sued Xinyi Zijin and other defendants in the People’s Court of Xinyi City. Most of the litigations arising from this incident were settled by way of mediation in 2011 and 2012.

6 hydropower plants (including Shihuadi in Xinyi City) and a water treatment plant sued the defendants (including Xinyi Zijin) for liability of damages due to collapse of structures. On 31 December 2015, Xinyi Zijin received the first instance verdict from the People’s Court of Xinyi City, which imposed a compensation of RMB27.519 million in total on Xinyi Zijin for the property loss of the plaintiffs in 7 cases. Fujian Jinma Construction Engineering Company Limited was jointly liable for 50% of the abovementioned compensation while the Company bore a supplementary liability for the compensation. Xinyi Zijin and the Company objected to the first instance verdict and made an appeal to the Intermediate People’s Court in Maoming City.

For the proceeding initiated by Xinyi Zijin against defendants including Shihuadi hydropower plant for recovery of damages (the court determined the cause was a dispute on the liability of damages due to collapse of structures), the People’s Court of Xinyi City conducted a hearing in September 2014, Xinyi Zijin made an aggregate claim of RMB49.9 million to all the defendants. A verdict has yet to be made in the aforementioned case.

### 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.

## Litigation, arbitration which have not been published in announcements or without further progress

Currency: RMB’000

During the reporting period:

Plaintiff(s)	Defendant(s)	Jointly and severally liable parties	Type of proceedings/arbitration	Basic information of the proceedings/arbitration	Amount involved in the proceedings/arbitration	Whether provisions are made for the proceedings/arbitration and the amount provided	Progress of the proceedings/arbitration	Hearing results and impacts of the proceedings/arbitration	Enforcement progress of verdict of the proceedings/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 instance requested the defendant 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.	In progress

# Report of the Directors *(continued)*

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

## Material connected transactions

### Summary of event

The Company's subsidiary, Xinjiang Ashele Copper Co., Ltd. ("Xinjiang Ashele"), sold copper concentrates to Xinjiang Wuxin Copper Company Limited, which is indirectly held by Xinjiang Ashele's major shareholder, Xinjiang Non-ferrous Metals Industry (Group) Company Limited. One of Xinjiang Ashele's ordinary businesses is selling copper concentrates and the contract was entered into under normal commercial terms, which reflects the principles of fairness and reasonableness. During the reporting period, the total amount of the transaction was RMB365 million.

### Index for details

For details, please refer to the Company's announcement on HKEx website (<http://www.hkex.com.hk>) dated 6 February 2015.

Fujian Shanghang Ting River Hydropower Co., Ltd. ("Ting River Hydropower") is a subsidiary of Minxi Xinghang, the Company's substantial shareholder, and an associate of Zijin Finance, the Company's subsidiary. Zijin Finance provided financial services to Ting River Hydropower. As at the end of the reporting period, Zijin Finance has provided loans in the amount of RMB27.1 million to Ting River Hydropower.

For details, please refer to the Company's announcement on HKEx website (<http://www.hkex.com.hk>) dated 9 January 2014.

Save the continuing connected transactions as disclosed above, the related party transactions disclosed in the auditors' report were not the connected transactions defined by Chapter 14A of the Rules Governing the Listing of Securities on the Stock Exchange ("Listing Rules").

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

Accordingly, it is confirmed by the Directors that:

- (a) The connected parties in the above connected transactions have undertaken to the Company and the Stock Exchange to provide adequate access for 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 that 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 non-executive Directors of the Group have reviewed and confirmed that all the connected transactions of the Company or its subsidiaries involved in the year 2015 were:
  1. entered into in the ordinary and normal course of business of the Company or its subsidiaries;
  2. entered into on normal commercial terms; or where no comparisons are available, then under terms which are fair and reasonable to the shareholders of the Company;
  3. entered into under the terms of the agreement governing such transactions; or where no such agreement is available, under terms not inferior to those available from or to independent third parties.
- (d) The Group's auditors have reviewed the transactions (details of which are set out in Note X to the financial statements), and confirmed to the Board that:
  1. the transactions have been approved by the Board;
  2. terms of the agreement of the relevant transactions are attached to the connected transactions;
  3. the aggregated amounts of the transactions have not exceeded the respective announced annual caps.

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

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

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

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

## THE COMPANY'S CORE TECHNICAL TEAM OR KEY TECHNICIANS

The Group's technological research and development teams mainly are the State Key Laboratory for integrated utilisation of low-grade refractory gold resources, Xiamen Geological Prospecting Institution, Zijin Research and Design Institute of Mining and Metallurgy, and Xiamen Zijin Mining and Metallurgy Technology Company Limited. The key technical personnel consist of academic leaders from geology, mining, processing, metallurgy, environmental protection, engineering application and design, testing and analysis professions.

The Company has developed the "Thirteenth Five-Year" and year 2030 talent development plans according to the principles of "openness, mobility, collaboration, competition, efficiency and innovation" and "make good use of existing personnel, retain key personnel, recruit essential personnel and nurture personnel for future". The Company has introduced a mass of new force from universities and research institutions through score incentive policy, post-doctoral policy, order-based training, high pay for elites, etc. Meanwhile, the Company actively creates better environment and conditions, plays a role as an academic leader to "impart, assist and lead", has the courage to use and train young technicians and let them get experience in operations, improve and grow during practice, and puts efforts to build a high-quality and diversified team of technological innovation/research and development. Currently, the core technical personnel is stable, which provides an excellent condition for the Company's technological innovation and sustainable development. There is no change in personnel that would have a significant impact on the Company's core competence.

Currently, the Company implements risk management and prevention measures on its core technologies for patented technology and non-patented technology. Technicians involved in patented technology have to sign confidentiality agreement to specify the Company's ownership of the patents. The Company is highly aware of the importance of patent protection and adopts measures such as patent licensing and patent warning to protect the patents. Since the patented technology of the mining sector is difficult to be replicated and has its exclusivity, intellectual property dispute is not as commonly found. The Company will pay close attention to the protection and use of intellectual property by the peers in the same industry from now on. In case there is any dispute in the future, the Company will collect evidence and file a lawsuit to the related intellectual property administrative or judicial authorities through agency specialised in intellectual property in order to resolve the dispute properly.

## STAFF OF THE COMPANY AND ITS MAJOR SUBSIDIARIES

### (1) STAFF

The number of current staff of the Company	2,879
The number of current staff of the major subsidiaries	16,132
Total number of current staff	19,011
The number of retired employees that the Company and the major subsidiaries are responsible for the retirement expenses	291

#### Profession structure

Classification	Number of staff
Production	9,275
Sales	285
Technical	4,702
Finance	509
Administration	4,240
Total	19,011

#### Education

Classification	Number of staff
Bachelor's degree or above	3,153
Tertiary education	3,613
Secondary school or below	12,245
Total	19,011



# Report of the Directors *(continued)*

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

## (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, the Company fully stimulates 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 provides employees with welfares such as supplementary medical insurance, paid annual leaves, allowances, etc. In order to maintain a stable workforce and retain the Company's core and key talents, the Company also implements mid-to-long-term incentive policy.

## (3) TRAINING PROGRAMMES

According to the annual training plan, the Group organised international mining talent trainings, professional mining knowledge general trainings for non-mining staff, orientations for new employees, English trainings at headquarters, etc. The Group's headquarters and affiliated enterprises carried out trainings on corporate information safety in the internet era, resources and task system management, supervisory system for key management, training for financial controllers, Zijin PMS operation system, environmental protection management knowledge, work safety knowledge, ERP project specialised trainings, etc., further promoted the implementation of excellent management experience and advanced technology and methods in the Group's companies, and improved the vocational skills and comprehensive competence of staff.

## OUTSOURCING STATUS

Total working hours of outsourcing services	Measured by quantity in mining and striping production
Total outsourcing payment	RMB2,511,653,978

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

As at 31 December 2015, the interests and short positions of the Directors, supervisors and chief executives of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("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 Issuers, to be notified to the Company and the Stock Exchange are as follows:

Shareholdings of Directors, supervisors and chief executives of the Company as at 31 December 2015:

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	102,000,000	Personal	Long	0.65%	0.47%
Lan Fusheng	7,230,510	Personal	Long	0.05%	0.03%
Zou Laichang	1,130,000	Personal	Long	0.01%	0.01%
Lin Hongfu	562,500	Personal	Long	0.01%	0.01%

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

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

## SHARE CAPITAL AND SHAREHOLDERS

### CHANGE OF ISSUED SHARES

For the year ended 31 December 2015, the Company repurchased 29,570,000 H Shares in aggregate at the Stock Exchange. Details are as follow:

At the 2014 annual general meeting, the first A Shareholders' class meeting in 2015 and the first H Shareholders' class meeting in 2015 convened by the Company on 11 May 2015, a resolution in relation to the proposal of granting a general mandate to the Board to repurchase H Shares was approved. According to the authorisation, the Company started to implement repurchases of H Shares on 9 June 2015. As at 31 December 2015, the Company repurchased 29,570,000 H Shares in aggregate with the total amount paid of HK\$81,320,000. The cancellation of the 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 yet been completed.

The Board considered that the repurchase of H Shares would be beneficial to and in the best interests of the shareholders and the Company as a whole. It can strengthen investors' confidence and promote a positive effect for maintaining the Company's image in the capital market.

Details of the Company's issued ordinary shares (with par value of RMB0.1 each) as at 31 December 2015 are set out in Note V.38 to the financial statements.

### SHAREHOLDING STRUCTURE

As at 31 December 2015, the Company has a total of 1,045,363 shareholders, of which 987 are holders of H Shares and 1,044,376 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:

Name of shareholders	Class of shares	Number of shares held	Approximate percentage of shareholding in the registered capital*
1. HKSCC Nominees Limited (Note 1)	H Shares	5,708,324,079	26.50%
2. Minxi Xinghang State-owned Assets Investment Co., Ltd. (Notes 2 & 3)	Domestic shares	5,671,353,180	26.33%
3. Xinhua Industrial Group Company Limited	Domestic shares	1,435,406,572	6.66%
4. China Securities Finance Corporation Limited	Domestic shares	581,396,734	2.70%
5. Central Huijin Asset Management Ltd.	Domestic shares	191,694,700	0.89%
6. Shanghang County Jinshan Trading Co., Ltd.	Domestic shares	110,905,000	0.51%
7. Chen Jinghe	Domestic shares	102,000,000	0.47%
8. Bank of Communication Co., Ltd. – ICBCCS Dual Return Securities Investment Bond Fund	Domestic shares	49,999,936	0.23%
9. National Social Security Fund 108	Domestic shares	39,999,948	0.19%
10. Agricultural Bank of China – E Fund Ruihui Flexible Allocation Hybrid Securities Investment Fund	Domestic shares	37,629,330	0.17%

# Report of the Directors *(continued)*

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

Notes:

- \* Percentage calculation based on 21,543,243,650 shares.
- 1. HKSCC Nominees Limited is holding 5,708,324,079 H Shares in the Company as a nominee, representing 26.50% 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 custodian 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 1,802,000,000 A Shares of the Company.

## SUBSTANTIAL SHAREHOLDERS

So far as the Directors, supervisors and chief executives are aware, as at 31 December 2015, the interests and long/short positions of shareholders (except Directors, supervisors and the chief executives of the Company) in the shares or underlying shares of the Company which will be required, pursuant to Section 336 of the SFO, to be entered into the register referred to therein, or required to be notified to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO are as follows:

Name of shareholders	Class of shares	Number of shares/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	5,671,353,180	26.33%	35.89%	—	Long
Xinhua Industrial Group Company Limited	Domestic shares	1,435,406,572 (Note 1)	6.66%	9.08%	—	Long
Chen Fashu	Domestic shares	1,450,522,862 (Note 2)	6.73%	9.18%	—	Long
The Bank of New York Mellon Corporation	H Shares	435,603,271 (Note 3)	2.02%	—	7.55%	Long
The Bank of New York Mellon Corporation	H Shares	426,757,801 (Note 3)	1.98%	—	7.40%	Lending pool
Market Vectors ETF - Market Vectors Gold Miners ETF	H Shares	403,322,000 (Note 4)	1.87%	—	6.99%	Long
Van Eck Associates Corporation	H Shares	403,322,000 (Note 5)	1.87%	—	6.99%	Long
BlackRock, Inc.	H Shares	333,875,044 (Note 6)	1.55%	—	5.79%	Long
BlackRock, Inc.	H Shares	2,394,000 (Note 6)	0.01%	—	0.04%	Short

Notes:

- \* Percentage calculation based on 21,543,243,650 shares.
- \*\* Percentage calculation based on 5,769,010,000 shares of H Share.
- (1) Xinhua Industrial Group Company Limited holds 1,435,406,572 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 hold 1,435,406,572 domestic shares in the Company. Therefore, Mr. Chen Fashu is deemed to be interested in 1,450,522,862 domestic shares in the Company.
- (3) The Bank of New York Mellon Corporation holds 435,603,271 H Shares (Long position) of the Company (representing approximately 7.55% of the total issued H Shares of 5,769,010,000 shares of the Company) and 426,757,801 H Shares (Lending pool) of the Company (representing approximately 7.40% of the total issued H Shares of 5,769,010,000 shares of the Company).

## Report of the Directors *(continued)*

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

According to the disclosure form filed by The Bank of New York Mellon Corporation on 4 November 2015, 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	435,603,271 (Long position) 426,757,801 (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	225 Liberty Street New York, NY 10286 USA USA (New York)	The Bank of New York Mellon Corporation	100.00	Y	Long position	435,603,271

- (4) Market Vectors ETF - Market Vectors Gold Miners ETF holds 403,322,000 H Shares (Long position) of the Company (representing approximately 6.99% of the total issued H Shares of 5,769,010,000 shares of the Company).
- (5) Market Vectors ETF - Market Vectors Gold Miners ETF is managed by Van Eck Associates Corporation. Van Eck Associates Corporation is deemed to hold 403,322,000 H Shares (Long position) of the Company (representing approximately 6.99% of the total issued H Shares of 5,769,010,000 shares of the Company).
- (6) BlackRock, Inc. holds 333,875,044 H Shares (Long position) of the Company (representing approximately 5.79% of the total issued H Shares of 5,769,010,000 shares of the Company) and 2,394,000 H Shares (Short position) of the Company (representing approximately 0.04% of the total issued H Shares of 5,769,010,000 shares of the Company).

According to the disclosure form filed by BlackRock, Inc. on 30 December 2015, the following interests in shares were held by BlackRock, Inc. in the following capacity:

Capacity	No. of shares
Corporations controlled by BlackRock, Inc.	333,875,044 (Long position) 2,394,000 (Short position)

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 (Delaware, USA)	BlackRock, Inc.	100.00	N	Long position	2,384,250
BlackRock Investment Management, LLC	1209 Orange Street, Wilmington, New Castle County, Delaware 19801, United States (Delaware, USA)	Trident Merger, LLC	100.00	Y	Long position	2,384,250
BlackRock Holdco 2, Inc.	1209 Orange Street, Wilmington DE 19801, United States (Delaware, USA)	BlackRock, Inc.	100.00	N	Long position Short position	331,490,794 2,394,000
BlackRock Financial Management, Inc.	1209 Orange Street, Wilmington, New Castle County, Delaware 19801, United States (Delaware, USA)	BlackRock Holdco 2, Inc.	100.00	N	Long position Short position	329,392,794 2,394,000

## Report of the Directors *(continued)*

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

Name of controlled corporation	Address and place of incorporation	Name of controlling shareholder	% control	Direct interest		Number of shares
BlackRock Financial Management, Inc.	1209 Orange Street, Wilmington, New Castle County, Delaware 19801, United States (Delaware, USA)	BlackRock Holdco 2, Inc.	100.00	Y	Long position	2,098,000
BlackRock Holdco 4, LLC	1209 Orange Street, Wilmington DE 19801, United States (Delaware, USA)	BlackRock Financial Management, Inc.	100.00	N	Long position Short position	160,997,000 1,136,000
BlackRock Holdco 6, LLC	1209 Orange Street, Wilmington DE 19801, United States (Delaware, USA)	BlackRock Holdco 4, LLC	100.00	N	Long position Short position	160,997,000 1,136,000
BlackRock Delaware Holdings Inc.	1209 Orange Street, Wilmington, New Castle County, Delaware 19801, United States (Delaware, USA)	BlackRock Holdco 6, LLC	100.00	N	Long position Short position	160,997,000 1,136,000
BlackRock Institutional Trust Company, National Association	1225 17th Street, Suite 300, Denver, CO 80202 (Colorado, USA)	BlackRock Delaware Holdings Inc.	100.00	Y	Long position Short position	82,425,000 1,136,000
BlackRock Fund Advisors	400 Howard Street San Francisco, CA 94105, United States (California, USA)	BlackRock Delaware Holdings Inc.	100.00	Y	Long position	78,572,000
BlackRock Capital Holdings, Inc.	1209 Orange Street, Wilmington, New Castle County, Delaware 19801, United States (Delaware, USA)	BlackRock Financial Management, Inc.	100.00	N	Long position Short position	7,936,000 316,000
BlackRock Advisors, LLC	1209 Orange Street, Wilmington, New Castle County, Delaware 19801, United States (Delaware, USA)	BlackRock Capital Holdings, Inc.	100.00	Y	Long position Short position	7,936,000 316,000
BlackRock International Holdings, Inc.	1209 Orange Street, Wilmington, New Castle County, Delaware 19801, United States (Delaware, USA)	BlackRock Financial Management, Inc.	100.00	N	Long position Short position	160,459,794 942,000
BR Jersey International Holdings L.P.	13 Castle Street, St. Helier, Jersey, Channel Islands JE4 5UT (Jersey)	BlackRock International Holdings, Inc.	86.00	N	Long position Short position	160,459,794 942,000
BlackRock Cayco Limited	c/o Walkers SPV Limited, P.O. Box 908GT, Walker House, Mary Street, George Town, British West Indies, Cayman Islands (Cayman Islands)	BlackRock HK Holdco Limited	100.00	N	Long position	6,118,000
BlackRock Trident Holding Company Limited	Taney Hall, Eglinton Terrace, Dundrum, Dublin 14, Ireland (Ireland)	BlackRock Cayco Limited	100.00	N	Long position	6,118,000
BlackRock Japan Holdings GK	Marunouchi Trust Tower Main, 1-8-3 Marunouchi, Chiyoda-ku, Tokyo 100-8217 (Japan)	BlackRock Trident Holding Company Limited	100.00	N	Long position	6,118,000

## Report of the Directors *(continued)*

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

Name of controlled corporation	Address and place of incorporation	Name of controlling shareholder	% control	Direct interest		Number of shares
BlackRock Japan Co., Ltd.	Marunouchi Trust Tower Main, 1-8-3 Marunouchi, Chiyoda-ku, Tokyo 100-8217 (Japan)	BlackRock Japan Holdings GK	100.00	Y	Long position	6,118,000
BlackRock Canada Holdings LP	161 Bay Street, Suite 2500, Toronto, Ontario M5J 2S1, Canada (Ontario, Canada)	BR Jersey International Holdings L.P.	99.90	N	Long position	442,000
BlackRock Canada Holdings ULC	161 Bay Street, Suite 2500, Toronto, Ontario M5J 2S1, Canada (Ontario, Canada)	BlackRock Canada Holdings LP	100.00	N	Long position	442,000
BlackRock Asset Management Canada Limited	161 Bay Street, Suite 2500, Toronto, Ontario M5J 2S1, Canada (Ontario, Canada)	BlackRock Canada Holdings ULC	100.00	Y	Long position	442,000
BlackRock Australia Holdco Pty. Ltd.	Level 26, 101 Collins Street Melbourne VIC 3000 Australia (Victoria, Australia)	BR Jersey International Holdings L.P.	100.00	N	Long position	872,000
BlackRock Investment Management (Australia) Limited	Level 26, 101 Collins Street Melbourne VIC 3000 Australia (Victoria, Australia)	BlackRock Australia Holdco Pty. Ltd.	100.00	Y	Long position	872,000
BlackRock (Singapore) Holdco Pte. Ltd.	20 Anson Road #18-01 079912 Singapore (Singapore)	BR Jersey International Holdings L.P.	100.00	N	Long position	8,957,123
BlackRock Asia-Pac Holdco, LLC	1209 Orange Street, Wilmington DE 19801, United States (Delaware, USA)	BlackRock (Singapore) Holdco Pte. Ltd.	100.00	N	Long position	8,957,123
BlackRock HK Holdco Limited	13th Floor, One Pacific Place, 88 Queensway, Hong Kong (Hong Kong)	BlackRock Asia-Pac Holdco, LLC	100.00	N	Long position	8,957,123
BlackRock Asset Management North Asia Limited	16/F, Cheung Kong Center, No. 2 Queen's Road Central, Hong Kong (Hong Kong)	BlackRock HK Holdco Limited	100.00	Y	Long position	2,839,123
BlackRock Group Limited	12 Throgmorton Avenue. London, EC2N 2DL, United Kingdom (England & Wales, United Kingdom)	BR Jersey International Holdings L.P.	90.00	N	Long position Short position	150,188,671 942,000
BlackRock (Netherlands) B.V.	Rembrandt Tower, 17th floor, Amstelplein, Amsterdam Netherlands (Amsterdam, Netherlands)	BlackRock Group Limited	100.00	Y	Long position	1,402,000
BlackRock Advisors (UK) Limited	12 Throgmorton Avenue. London, EC2N 2DL, United Kingdom (England & Wales, United Kingdom)	BlackRock Group Limited	100.00	Y	Long position	70,186,651
BlackRock International Limited	Exchange Place One, 1 Sempole Street, Edinburgh, EH3 8BL, United Kingdom (Scotland, United Kingdom)	BlackRock Group Limited	100.00	N	Long position	136,000

## Report of the Directors *(continued)*

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

Name of controlled corporation	Address and place of incorporation	Name of controlling shareholder	% control	Direct interest		Number of shares
BlackRock International Limited	Exchange Place One, 1 Semple Street, Edinburgh, EH3 8BL, United Kingdom (Scotland, United Kingdom)	BlackRock Group Limited	100.00	Y	Long position	2,576,000
BlackRock Luxembourg Holdco S.à r.l.	35 A, avenue J.F. Kennedy L-1855 Luxembourg	BlackRock Group Limited	100.00	N	Long position Short position	51,456,341 192,000
BlackRock Investment Management Ireland Holdings Limited	JP Morgan House, International Financial Services Centre, Dublin 1, Ireland (Ireland)	BlackRock Luxembourg Holdco S.à r.l.	100.00	N	Long position	40,440,341
BlackRock Asset Management Ireland Limited	JP Morgan House, International Financial Services Centre, Dublin 1, Ireland (Ireland)	BlackRock Investment Management Ireland Holdings Limited	100.00	Y	Long position	40,440,341
BLACKROCK (Luxembourg) S.A.	35 A, avenue J.F. Kennedy L-1855 Luxembourg	BlackRock Luxembourg Holdco S.à r.l.	100.00	Y	Long position Short position	10,988,000 192,000
BlackRock Investment Management (UK) Limited	12 Throgmorton Avenue. London, EC2N 2DL, United Kingdom (England & Wales, United Kingdom)	BlackRock Group Limited	100.00	N	Long position Short position	2,148,250 750,000
BlackRock Investment Management (UK) Limited	12 Throgmorton Avenue. London, EC2N 2DL, United Kingdom (England & Wales, United Kingdom)	BlackRock Group Limited	100.00	Y	Long position	22,283,429
BlackRock Fund Managers Limited	12 Throgmorton Avenue. London, EC2N 2DL, United Kingdom (England & Wales, United Kingdom)	BlackRock Investment Management (UK) Limited	100.00	Y	Long position Short position	2,148,250 750,000
BlackRock Life Limited	12 Throgmorton Avenue. London, EC2N 2DL, United Kingdom (England & Wales, United Kingdom)	BlackRock International Limited	100.00	Y	Long position	136,000
BlackRock UK Holdco Limited	12 Throgmorton Avenue. London, EC2N 2DL, United Kingdom (England & Wales, United Kingdom)	BlackRock Luxembourg Holdco S.à r.l.	100.00	N	Long position	28,000
BlackRock Asset Management (Schweiz) AG	Bahnhofstrasse 39 8001 Zurich, Switzerland (Switzerland)	BlackRock UK Holdco Limited	100.00	Y	Long position	28,000

Further information in respect of derivative interests:

Cash settled (Unlisted derivatives)	Short position	552,000
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Save as disclosed above and so far as the Directors are aware, as at 31 December 2015, 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 INTO BONUS SHARES

### (1) Formulation, execution or adjustment of cash dividend distribution policy

According to the "Notice in Relation to Further Implementing Cash Dividend Distribution of Listed Companies" (Zheng Jian Fa [2012] No.37) and "Guidelines of Listed Companies No. 3 - Cash Dividends of Listed Companies" (Zheng Jian Fa [2013] No.43) issued by the China Securities Regulatory Commission (the "CSRC") and the requirements of other laws, regulations and regulatory documents and the articles of association of the Company, in order to improve the decision making of the Company's profit distribution and supervisory mechanism, while taking into consideration of the Company's production, operation and sustainable development and maintaining a reasonable return to investors of the Company, the Company formulated the "Profit Distribution and Return Plan for the Next Three Years (Year 2015-2017)" (the "Profit Distribution and Return Plan"). The Profit Distribution and Return Plan clearly defines 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 realised for the last three years. In principle, the Company's annual distribution of cash dividends shall not be less than 15% of the realised distributable profits for the year (excluding the accumulated undistributed profits of last year). The abovementioned Profit Distribution and Return Plan was considered and approved at the first extraordinary shareholders' general meeting in 2015.

### (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 the reporting period)

Currency: RMB

Year of profit distribution	Bonus shares for every 10 shares (share)	Dividend for every 10 shares (RMB) (tax included)	Capital conversion for every 10 shares (share)	Amount of cash dividend (tax included)	Net profit attributable to shareholders of listed company on consolidated financial statement for the dividend distribution year	Percentage of dividends to net profit attributable to shareholders of the listed company accounted for in the consolidated financial statements (%)
2015	—	0	—	0	1,655,671,617	0
2014	—	0.8	—	1,725,825,092	2,345,062,669	73.59
2013	—	0.8	—	1,731,668,452	2,125,353,823	81.48

### (3) In the event that a company generated profits during the reporting period and the profits of the parent distributable to ordinary shareholders is positive but cash profit distribution for ordinary shares is not proposed, the company should disclose the reasons in detail and the use and using plan of the undistributed profits

The Company's net profit attributable to owners of the parent in 2015, which was audited by Ernst & Young Hua Ming (LLP) and calculated under the CAS, was RMB1,655,671,617.

The Company's application for non-public issuance of A Shares was reviewed and approved by the Issuance Review Committee of the CSRC on 1 February 2016, but currently the CSRC's written approval documents have not yet been obtained. According to Article 18 of the "Administration Measures on Securities Issuance and Underwriting" of the CSRC, if listed companies with a plan for issuance of shares have any profit distribution proposal or conversion of capital reserve into share capital proposal which has not yet been submitted to shareholders' general meeting for voting, or when such proposal has been approved by the shareholders' general meeting but has not been implemented yet, the issuance of shares can only be proceeded after such proposal has been implemented. As the Company is currently carrying out the additional issuance of A Shares, in order to speed up the progress, the Board proposed that: no profit distribution will be carried out for the year of 2015 and there will be no conversion of capital reserve into share capital; an interim profit distribution will be proposed for 2016, for which the corresponding approval procedure shall be carried out in compliance with the articles of association and the relevant laws and regulations. The profit distribution proposal is proposed to be submitted to the 2015 annual general meeting for consideration. The independent Directors of the Company have delivered independent opinions on the above matters.



# Report of the Directors *(continued)*

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

## **PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY**

For the year of 2015, the Company repurchased 29,570,000 H Shares in aggregate. Details as follow:

At the 2014 annual general meeting, the first A Shareholders' class meeting in 2015 and the first H Shareholders' class meeting in 2015 convened by the Company on 11 May 2015, a resolution in relation to the proposal of granting a general mandate to the Board of the Company to repurchase H Shares was approved. According to the authorisation, the Company started to implement repurchases of H Shares on 9 June 2015. As at 31 December 2015, the number of H Shares repurchased was 29,570,000 in aggregate with the total amount paid of HK\$81,320,000. The cancellation of the 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 yet been completed.

Save as disclosed above, for the year ended 31 December 2015, 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 up to 31 December 2015.

More details of the H Shares repurchase of the Company are set out in Note V.38 to the financial statements.

## **INDEPENDENT NON-EXECUTIVE DIRECTORS**

In compliance with rules 3.10(1) and 3.10(2) of the Listing Rules, which provide that the Company should appoint a sufficient number of independent non-executive directors and that at least one of them must have appropriate professional qualifications or accounting 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 Company's 2015 annual report.

## **APPOINTMENT AND RESIGNATION OF DIRECTORS, SUPERVISORS, AND SENIOR MANAGEMENT**

<b>Name</b>	<b>Position</b>	<b>Change</b>	<b>Reasons for the change</b>
Yang Kaihui	Vice-president	Resignation	Personal reasons
Fang Qixue	Executive Director, vice-president	Appointment	Elected by the shareholders' general meeting and appointed by the Board
Xie Chengfu	Vice-president	Resignation	Personal reasons

The independent non-executive Director of the Company, Mr. Qiu Guanzhou submitted a written resignation for the position of independent non-executive Director to the Company on 21 December 2015 due to personal work reasons. However, his resignation will lead to the number of independent non-executive Directors of the Company being less than one-third of the total number of Directors of the Company, which fails to meet the relevant laws and regulations. Therefore, the resignation of Mr. Qiu Guanzhou will become effective after the Company's shareholders' general meeting elects a new independent non-executive Director to fill in such vacancy.

For the constitution of the Directors, supervisors and senior management for the current term, please refer to the Company's 2015 annual report.

## **AUDIT AND INTERNAL CONTROL COMMITTEE**

The audit and internal control committee of the Board has reviewed the Group's financial report for the year ended 31 December 2015 and further discussed the auditing, internal control and financial reporting matters. The audit and internal control committee considers that the Group's financial report for the year ended 31 December 2015 was in compliance with the applicable accounting standards and relevant laws and regulations and had made sufficient disclosure.

## APPOINTMENT AND DISMISSAL OF AUDITORS

Change of appointment of auditors in the three preceding years	No
	<b>Currently appointed</b>
Auditors in Mainland China	Ernst & Young Hua Ming (LLP)
Remuneration for auditors in Mainland China this year	RMB8,100,000 (tax exclusive)
Appointment term of the auditors in Mainland China	Renew once a year
Auditors outside Mainland China	Nil
Remuneration for auditors outside Mainland China this year	Nil
Appointment term of the auditors outside Mainland China	Nil

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

### Change in issued ordinary shares

At the 2014 annual general meeting, the first A Shareholders' class meeting in 2015 and the first H Shareholders' class meeting in 2015 convened by the Company on 11 May 2015, a resolution in relation to the proposal of granting a general mandate to the Board to repurchase H Shares was approved. According to the authorisation, the Company continued to implement repurchases of H Shares in 2015 and repurchased 29,570,000 H Shares in aggregate with the total amount paid of HK\$81,320,000 (excluding commission and other expenses). The cancellation of the H Shares repurchased in 2015 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 yet been completed.

### Impacts on financial indicators including earnings per share, net assets per share, etc. from changes in ordinary shares during the most recent year and period (if any)

Pursuant to the relevant laws and regulations regarding share repurchase in the PRC, if a listed company issues periodic report during the repurchase period, the total issued share capital to be disclosed should be after the deduction of the number of shares repurchased, and the relevant indicators (e.g. basic earnings per share, etc.) should be calculated with the share capital after the deduction. Using the number of shares before repurchase for calculation, the Company's earnings per share for 2015 (rounded to the nearest two decimal places, same hereinafter) was RMB0.08 and the net assets per share was RMB1.28. The above financial indicators are generally consistent with the indicators based on the number of shares after deduction of the repurchased shares. The repurchase this time does not have any significant impact on the Company's major financial indicators.

### Other information which the Company considered necessary or are required to be disclosed by the securities regulatory authorities

The Company issued the Plan for the Non-public Issuance of A Shares of the Company on 27 May 2015. The maximum number of A Shares to be issued under such plan will be 2,421,307,506 shares (2,421,307,506 shares inclusive), the subscription price shall not be less than 90% of the average trading price of the Company's A Shares in the 20 trading days preceding the base day for pricing (i.e. not less than RMB4.13 per share) and the total amount of proceeds to be raised will not exceed RMB10 billion. In view of the recent changes in the securities market, the Company readjusted the base day for pricing, subscription price and pricing principles and number of shares to be issued of the non-public issuance on 21 December 2015. After the readjustment, the maximum number of A Shares to be issued will be 2,795,031,055 shares (2,795,031,055 shares inclusive), the subscription price shall not be less than 90% of the average trading price of the Company's A Shares in the 20 trading days preceding the base day for pricing (i.e. not less than RMB3.22 per share) and the total amount of proceeds to be raised will not exceed RMB9 billion. The application for the non-public issuance of A Shares was reviewed and approved by the Issuance Review Committee of the CSRC at its 23rd meeting in the year of 2016 on 1 February 2016, but the approval documents in writing have not yet been obtained. Please refer to the relevant announcements on the HKEx website of the Hong Kong Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) for more details.

# Report of the Directors *(continued)*

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

## SHARE OPTION SCHEME

As at the date of this report, the Company has not granted nor agreed to grant options to any of its Directors, supervisors, chief executives, substantial shareholders or their respective associates 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 Company's top five suppliers and the top five customers are set out on page 21 in this report. All transactions between the Company and the related suppliers and customers were entered into under normal commercial terms.

As far as the Directors are aware, none of the Directors, supervisors, shareholders holding more than 5% equity interest of the Company or their respective associates (as defined in the Listing Rules) had any interest in the above top five suppliers and customers in the year of 2015.

## 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.

## BUSINESS REVIEW

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

For discussion on the Group's compliance with relevant laws and regulations that have a significant impact on the Group and the Group's environmental policies and performance, please see page 57 and page 59 in this report.

### Key relationships with employees, customers and suppliers

Details of the staff of the Group and the related remuneration policy and training programmes are set out in page 39 to 40 in this report.

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

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

## SERVICE CONTRACTS OF DIRECTORS AND SUPERVISORS

Each of the Directors and supervisors of the latest term has entered into a service contract with the Company respectively. All these contracts have become effective from the date of appointment and will terminate on 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-election and re-appointment. Under the Company Law of the PRC, the term of appointment for supervisors is also three years, and subject to re-election and re-appointment. 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 into between the Company and any of the Directors or supervisors which require the Company to make compensation (except statutory compensation) upon termination by the Company within one year.

## DIRECTORS AND SUPERVISORS AND THEIR TERMS OF SERVICE

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

	TERMS OF SERVICE
<b>EXECUTIVE DIRECTORS:</b>	
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
Fang Qixue	From 11 May 2015 to 24 October 2016
Lin Hongfu	From 25 October 2013 to 24 October 2016
<b>NON-EXECUTIVE DIRECTOR:</b>	
Li Jian	From 25 October 2013 to 24 October 2016
<b>INDEPENDENT NON-EXECUTIVE DIRECTORS:</b>	
Lu Shihua	From 25 October 2013 to 24 October 2016
Ding Shida	From 25 October 2013 to 24 October 2016
Qiu Guanzhou	Note 1
Sit Hoi Wah, Kenneth	From 25 October 2013 to 24 October 2016
<b>SUPERVISORS:</b>	
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

Note 1: the term of service of Mr. Qiu Guanzhou commenced from 23 October 2014. Mr. Qiu Guanzhou submitted a written resignation for the position of independent non-executive Director to the Company on 21 December 2015 due to personal work reasons. However, as his resignation will lead to the number of independent non-executive Directors of the Company being less than one-third of the total number of Directors of the Company, which fails to meet the requirements of the relevant laws and regulations, the resignation of Mr. Qiu Guanzhou will become effective after the Company's shareholders' general meeting elects a new independent non-executive Director to fill in such vacancy.

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

## BRIEF BIOGRAPHY OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Brief biography of Directors, supervisors and senior management are set out on pages 27 to 29 in this report.

## MANAGEMENT CONTRACTS

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

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

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

# Report of the Directors *(continued)*

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

## **COMPETING BUSINESS**

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

## **FINANCIAL ASSISTANCE AND GUARANTEES TO AFFILIATED COMPANIES**

Save as disclosed in this report, there is no financial assistance to affiliated companies of the Company, and guarantees given for facilities granted to affiliated companies of the Company.

## **EQUITY-LINKED AGREEMENTS**

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

## **DEBENTURES**

Details of debentures are set out in Note V.34 to the financial statements.

## **ACQUISITIONS, DISPOSALS AND MERGERS**

Save as disclosed from pages 31 to 35 in this report, the Company has no other significant acquisition, disposal or merger of subsidiaries, associates and joint ventures 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 shareholders' general meeting convened on 11 May 2015. For details, please refer to the Company's notices issued on 21 March 2015 and 23 April 2015 respectively.

## **RETAINED EARNINGS**

As at 31 December 2015, details of the Company's retained earnings are set out in Note V.43 to the financial statements.

## **ASSETS PLEDGED**

As at 31 December 2015, details of the Group's pledged assets are set out in Note V.58 to the financial statements.

## **CURRENCY AND INTEREST HEDGING POLICY**

As at 31 December 2015, details of the Group's currency and interest hedging policy are set out in Note VIII.2 to the financial statements. In the year of 2015, the Group used cross currency swap to manage currency risk, details of the transactions are set out in Note V.2 and VIII.2 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 rate risks.

## **FIXED ASSETS**

Details of movements of the fixed assets of the Group for the year ended 31 December 2015 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.

## **DISTRIBUTABLE RESERVES**

As at 31 December 2015, pursuant to the relevant laws and regulations, the Company's distributable reserves amounted to RMB21,659,259,746 (31 December 2014: RMB21,660,367,042).

## **BANK AND OTHER BORROWINGS**

Details of the Group's bank and other borrowings are set out in Notes V.22, 31, and 33 to the financial statements.

## **CONTINGENT LIABILITIES**

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

## **DONATIONS**

During the reporting period, the Group made charitable and other donations amounted to approximately RMB120 million (2014: RMB186 million).

## **TAXATION**

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

## **TAX RELIEF AND EXEMPTION INFORMATION FOR SHAREHOLDERS**

### **A Share Holders**

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

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

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

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

### **H Share Holders**

Pursuant to the Notice of the State Administration of Taxation on Issues Concerning Individual Income Tax Collection and Management after the Repeal of Guo Shui Fa [1993] No.045 (Guo Shui Fa [2011] No.348), the dividend received by overseas resident individual shareholders from the shares issued by overseas non-foreign invested enterprises in Hong Kong is subject to the payment of individual income tax according to the items of "interests, dividend and bonus income", which shall be withheld by the withholding agents according to relevant laws. The overseas resident individual shareholders who hold the shares issued by overseas non-foreign invested enterprises in Hong Kong are entitled to the relevant preferential tax treatment pursuant to the provisions in the tax agreements signed between the countries where they reside and China or the tax arrangements between Mainland China and Hong Kong (Macau). The tax rate for dividends under the relevant tax agreements and tax arrangements is generally 10%, and for the purpose of simplifying tax administration, domestic non-foreign invested enterprises issuing shares in Hong Kong may, when distributing dividends, generally withhold individual income tax at the rate of 10%, and are not obligated to file an application. If the tax rate for dividends is not equal to 10%, the following provisions shall apply: (1) for citizens from countries which have entered into tax agreements/arrangements stipulating a tax rate of lower than 10%, the withholding agents will file applications on their behalf to seek entitlement of the relevant agreed preferential treatments, and upon approval by

# Report of the Directors *(continued)*

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

the tax authorities, the excess tax amounts withheld will be refunded; (2) for citizens from countries which have entered into tax agreements/arrangements stipulating a tax rate of higher than 10% but lower than 20%, the withholding agents will withhold the individual income tax at the agreed-upon effective tax rate when distributing dividends, and are not obligated to file an application; (3) for citizens from countries without tax agreements or are under other situations, the withholding agents will withhold the individual income tax at a tax rate of 20% when distributing dividends.

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

## **PUBLIC FLOAT**

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

## **POST-BALANCE SHEET EVENTS**

1. On 11 January 2016, the Company convened the first extraordinary general meeting in 2016, the first A Shareholders' class meeting in 2016 and the first H Shareholders' class meeting in 2016. All of the proposed resolutions were approved. Details of the resolutions are as follows:

The first extraordinary general meeting in 2016:

Special resolutions: "To consider and approve the adjustments to the Proposal on the Non-public Issuance of A Shares of the Company (revised version)", "To consider and approve the Plan for the Non-public Issuance of A Shares of the Company (3rd revision)", "To consider and approve the dilutive impact of the Non-public Issuance of A Shares on immediate returns and the adoption of recovery measures" and "To consider and approve the authorisation to the Board to handle all the matters relating to the Non-public Issuance of A Shares".

Ordinary resolutions: "To consider and approve the satisfaction of the conditions for the Non-public Issuance of A Shares of the Company", "To consider and approve the Feasibility Report on the Use of Proceeds Raised in the Non-public Issuance of A Shares (3rd revision)" and "To consider and approve Zhuoxin Investments' purchase of gold and silver bullion from BNL, which constitutes a continuing connected transaction".

The first A/H Shareholders' class meetings in 2016:

Special resolutions: "The adjustments to the Proposal on the Non-public Issuance of A Shares of the Company (revised version)", "The Plan for the Non-public Issuance of A Shares of the Company (3rd revision)" and "The authorisation to the Board to handle all the matters relating to the Non-public Issuance of A Shares".

Please refer to the Company's announcement on HKEx website (<http://www.hkex.com.hk>) dated 11 January 2016 for details.

2. For the period from 1 January 2016 to the date of issuance of the 2015 annual results announcement, the Company repurchased 2,500,000 H Shares in aggregate at the Hong Kong Stock Exchange. Details as follow:

At the 2014 annual general meeting, the first A Shareholders' class meeting in 2015 and the first H Shareholders' class meeting in 2015 convened by the Company on 11 May 2015, a resolution in relation to the proposal of granting a general mandate to the Board of the Company to repurchase H Shares was approved. According to the authorisation, the Company continued to implement repurchase of H Shares on 13 January 2016 and repurchased 2,500,000 H Shares in aggregate on that day with the total amount paid of HK\$4,845,000 (excluding commission and other expenses). The cancellation of the 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 yet been completed.

The details of the Group's other post-balance sheet events are set out in Note XII to the financial statements.

By order of the Board of Directors

**Chen Jinghe**

*Chairman*

Shanghang, Fujian, the PRC

25 March 2016

# Report of the Supervisory Committee

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

To all shareholders,

Pursuant to the provisions of the relevant laws and regulations including “Company Law of the People’s Republic of China” and the articles of association of the Company, the supervisory committee of the Company discharged their duties earnestly in 2015, met the targets and completed the tasks satisfactorily.

## 1. WORK REPORT OF THE SUPERVISORY COMMITTEE

### (1) Meetings convened

<b>No. of the supervisory committee meetings</b>	<b>8</b>
<b>Meetings of the supervisory committee</b>	<b>Matters discussed at the supervisory committee meetings</b>
The sixth meeting of the fifth supervisory committee was convened on 20 March 2015 at the Company’s conference room at 20/F., Haifu Centre, Xiamen	“2014 work report of the supervisory committee of the Company”, “Proposal of provision for impairment of assets in 2014”, “Proposal on recognition of certain assets stock-take loss and obsolescence loss of the Company”, “The Company’s annual report and its summary report of 2014”, “2014 financial report of the Company”, “The Company’s profit distribution proposal for the year of 2014”, “2014 internal control evaluation report of the Company” and “2014 social responsibility report of the Company” were considered and approved.
The seventh meeting of the fifth supervisory committee was convened on 20 April 2015 at the conference room at 10/F., Airport Hotel of Zijin Mining Group (Xiamen) Investment Co., Ltd.	“2015 first quarterly report of the Company” was considered and approved.
The eighth meeting of the fifth supervisory committee was convened on 26 May 2015 at the Company’s conference room at 10/F., Airport Hotel of Zijin Mining Group (Xiamen) Investment Co., Ltd.	“Proposal on the satisfaction of the conditions for the Non-public Issuance of A Shares of the Company”, “Proposal on the Non-public Issuance of A Shares of the Company”, “Proposal on Plan for the Non-public Issuance of A Shares of the Company”, “Proposal on the Feasibility Report on the Use of Proceeds Raised in the Non-public Issuance of A Shares”, “Proposal on need not to produce a report on the use of proceeds previously raised” and “Proposal on Revising <Proceeds Management Policy>” were considered and approved.
The ninth meeting of the fifth supervisory committee was convened on 3 July 2015 at the Company’s conference room at 20/F., Haifu Centre, Xiamen	“Proposal on Plan for the Non-public Issuance of A Shares of the Company (revised version)”, “Proposal on the Feasibility Report on the Use of Proceeds Raised in the Non-public Issuance of A Shares (revised version)” and “Proposal on the dilutive impact of the Non-public Issuance of A Shares on immediate returns and the adoption of recovery measures” were considered and approved.
The tenth meeting of the fifth supervisory committee was convened on 28 August 2015 at the conference room at 10/F., Airport Hotel of Zijin Mining Group (Xiamen) Investment Co., Ltd.	“2015 interim report and its summary report of the Company” and “Proposal of recognition of asset impairment loss provision” were considered and approved.



## Report of the Supervisory Committee *(continued)*

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

The eleventh meeting of the fifth supervisory committee was convened on 20 October 2015 at the conference room at 10/F., Airport Hotel of Zijin Mining Group (Xiamen) Investment Co., Ltd.

"2015 third quarterly report of the Company" was considered and approved.

The twelfth meeting of the fifth supervisory committee was convened on 11 November 2015 at the Company's conference room at 17/F., Shanghang Headquarters.

"Proposal on the satisfaction of the conditions for the Non-public Issuance of A Shares of the Company", "Proposal on the adjustments to the Proposal on the Non-public Issuance of A Shares", "Proposal on the Plan for the Non-public Issuance of A Shares of the Company (2nd revision)", "Proposal on the Feasibility Report on the Use of Proceeds Raised in the Non-public Issuance of A Shares (2nd revision)" and "Proposal on the dilutive impact of the Non-public Issuance of A Shares on immediate returns and the adoption of recovery measures" were considered and approved.

The thirteenth meeting of the fifth supervisory committee was convened on 21 December 2015 at the Company's conference room at 20/F., Haifu Centre, Xiamen

"Proposal on the satisfaction of the conditions for the Non-public Issuance of A Shares of the Company", "Proposal on the adjustments to the Proposal on the Non-public Issuance of A Shares (revised version)", "Proposal on the Plan for the Non-public Issuance of A Shares of the Company (3rd revision)", "Proposal on the Feasibility Report on the Use of Proceeds Raised in the Non-public Issuance of A Shares (3rd revision)" and "Proposal on the dilutive impact of the Non-public Issuance of A Shares on immediate returns and the adoption of recovery measures" were considered and approved.

2. The supervisors of the Company attended the Board meetings, the audit and internal control committee meetings, the meetings of executive Directors and senior management, etc. to understand the decision-making process of the Company's important policies; studied the status of the Company's operation and management through listening to or reviewing information relevant to operation and management of the Company and its subsidiaries including the periodic financial reports, reports on production and operation, reports on internal supervision and inspection, etc. and discharged 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 articles of association of the Company, meeting procedures of the supervisory committee, etc. Timely disclosures of the relevant conclusions of the meetings were made in accordance with the requirements of the Shanghai Stock Exchange. All supervisors discharged their duties diligently.
3. The supervisors of the Company carried out in-depth study and research on subsidiaries at the base-level, concerned about the Company's status of production, operation and management proactively. During the reporting period, through arranging time to carry out visits at and research on the subsidiaries and associates owned by the Company, the members of the supervisory committee studied, traced and collected information about the important operational and management activities of the corporations in a timely manner, concerned about the sustainability of development and potential risks of the corporations, provided reasonable suggestions and risk warnings to the operation management of the Company based on the findings of their study and research in a timely manner.

4. The supervisory committee of the Company continuously strengthened the coordination, planning and leadership of the supervisory system of the Group and ceaselessly perfect the 5-in-1 supervisory system integrating “supervisory committee, disciplinary inspection committee, supervision, audit, internal control”. The Company established and improved the supervision and coordination working system, strengthened the supervision, direction and service functions, continuously enhanced the independence, professionalism and effectiveness of internal supervision, and achieved better results in the Group’s supervisory efforts.

## **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 compliance with the relevant provisions of the national laws, regulations, listing rules and the articles of association of the Company, etc. The procedures of decision-making were in accordance with laws and regulations, the resolutions of the shareholders’ general meetings and the Board meetings were implemented effectively, and the Company’s internal control system was sound and complete. The Directors and senior management of the Company discharged their duties diligently. No violation of laws, regulations and articles of association or any other action which could prejudice the interests of the Company and the shareholders was found from Directors and senior management.

### **(2) Inspection of financial reports of the Company**

During the reporting period, the Company’s financial system was sound and the financial operating status was satisfactory. The Company strictly followed the accounting policies, accounting standards and requirements of other relevant financial regulations to operate. The periodic financial reports and the related information of the Company reflected the financial positions and operating results of the Company in a truthful, fair and complete manner. The information stated in the reports did not contain any false record, misleading statement or material omission. The Group’s 2015 annual financial report was audited by Ernst & Young Hua Ming LLP who issued an independent auditors’ report with a standard unqualified opinion.

### **(3) Acquisitions and disposals of assets of the Company**

During the reporting period, the supervisory committee continuously monitored the legitimacy, compliance and effectiveness of asset acquisitions and disposals, and supervised the procedures of the relevant activities on an ongoing basis. After review, the acquisitions and disposals of the Company’s assets followed market principles, the procedures of decision-making were in accordance with laws and regulations, and no insider dealing or behavior which could prejudice 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 relevant listing rules and terms of agreements to execute connected transactions. The decisions for the connected transactions were prudent, the procedures were legal and regulated, the transaction processes were equal and just, the outcomes of the transactions were fair, and no insider dealing or circumstance which would prejudice the interests of the shareholders and the Company was found.

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

The supervisory committee prudently reviewed the “2015 internal control evaluation report of the Company” and considered that the report followed “the Basic Norms of Corporate Internal Control”, “Guidance for the Evaluation of Corporate Internal Control” and other relevant provisions. Through establishing effective rules on internal control and strengthening establishment of internal control, the internal control system was further improved. The establishment of the Company’s internal control system was effective in helping the Company mitigate and control risks in production, operation and management, ensure that various business activities of the Company proceeded in an orderly and effective manner, and safeguard the interests of the Company and the shareholders. The “2015 internal control evaluation report of the Company” was able to 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 “2015 internal control evaluation report of the Company” was approved by the supervisory committee.

## **THE PROPOSED ROADMAP FOR THE WORK IN 2016**

In 2016, the supervisory committee of the Company will closely adhere to the plan for a new round of business development of the Company and follow the Company Law of the People's Republic of China, the articles of association of the Company and other related supervisory regulations to discharge their duties diligently, safeguard the interests of the shareholders and the Company proactively and provide a strong support for various goals and missions under the principle of "clinging to reforms, maintaining growth and boosting development". The following aspects will be the main focuses of work:

1. Carry out lawful supervision and keep improving the corporate governance of the Company. In accordance with the duties conferred by the Company Law of the People's Republic of China, the articles of association of the Company and the requirements of the regulatory authorities, the supervisory committee will discharge its supervisory function conscientiously, concern about the Company's decision-making and operational process, implement performance supervision, strengthen policy formulation, intensify supervisors' self-improvement to enhance their execution competence and level, and discharge their duties diligently. The supervisory committee will play an active role in safeguarding the interests of the Company and its shareholders and improving the corporate governance of the Company.
2. Strengthen supervision and inspection as key working focus. The supervisory committee will review every periodic financial reports of the Company carefully, track and analyse the operational status of the Company, strengthen the supervision and inspection on important matters including the operation in accordance with laws, high-risk business, connected transactions, material reform and overseas investment and acquisition, etc. The supervisory committee will conduct better study and research beforehand to ensure the decision-making procedures of the Company are legal and compliant so as to avoid the occurrence of any action which could prejudice the interests of the Company's shareholders and cause loss of the Company's assets.
3. In-depth research and investigation into the subsidiaries at base-level, track and collect information about the operational condition of the enterprises. The Company's supervisors will study at the base-levels of the subsidiaries and associates of the Company by field study, inspection and research, to better understand and follow up the important operational and management activities of the enterprises, and to obtain a thorough understanding on the operational and management condition of the enterprises by listening to or reviewing relevant information including the periodic financial reports, reports on production and operation, reports on internal supervision and inspection, etc. of the Company, its subsidiaries and associates. The supervisory committee will subsequently make reasonable suggestions and risk warnings to the Board of Directors and the management based on the problems found or matters warranting attention to help avoid operational risks.
4. Strengthen organisation and leadership and offer protection by supervision. The supervisory committee will continue to optimise and modify the 5-in-1 supervisory network comprising "supervisory committee, disciplinary inspection committee, supervision, audit and internal control" functions, continue to enhance the leadership over the supervisory and audit office of the Company, work along with disciplinary inspection committee to create a collaboration between inspection and supervision. The supervisory committee will thoroughly promote reforms in the supervisory mechanism, build a supervisory organisation and system highly adaptable to the Group's development, strengthen the independence of supervisory tasks, gradually implement the appointment system for staff responsible for supervisory and audit functions at subsidiary level, enhance the protection for the supervisory team in their discharge of duties, strengthen the formation of the supervisory team, and continuously improve the quality and performance of supervisory personnel.

**Zijin Mining Group Co., Ltd.\***  
*Supervisory Committee*

25 March 2016

# The Status of Work in the Active Fulfillment of Social Responsibilities

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

## (1) WORKS RELATED TO SOCIAL RESPONSIBILITIES

For details, please refer to the 2015 Social Responsibility Report of the Company published on the website of the Shanghai Stock Exchange at [www.sse.com.cn](http://www.sse.com.cn).

## (2) EXPLANATION ON THE ENVIRONMENTAL PROTECTION OF LISTED COMPANIES AND THEIR SUBSIDIARIES WHICH ARE ENGAGED IN THE HEAVY POLLUTION INDUSTRIES AS DEFINED BY THE NATIONAL ENVIRONMENTAL PROTECTION AUTHORITIES

The Company continually adheres to the policy of “environmental protection and development go together” and the environmental protection principle of “protecting the green mountains and clear water while developing treasured mines”, regards “zero environmental incident” as the basic requirement, insists that environmental protection, environmental management and environmental restoration being equally important as mine development, puts efforts on building intrinsic environmental safety, promotes the value and reputation of Zijin’s brand name.

### **Emission of pollutants meeting the standards**

In 2015, according to the supervisory monitoring reports about the sources of pollution issued by the local environmental protection departments, all of the wastewater, exhaust gas and noise at plant boundary produced by the branch companies (subsidiaries) of the Group met the emission standards, which were in compliance with, including but not limited to, the “Integrated Wastewater Discharge Standard” (GB 8978-1996), “Integrated Emission Standards of Air Pollutants” (GB 16297-1996), the “Emission Standard for Industrial Enterprises Noise at Boundary” (GB 12348-2008), “Emission Standard of Pollutants for Copper, Nickel, Cobalt Industries” (GB 25467-2010), and “Emission Standard of Pollutants for Lead and Zinc Industries” (GB 25466-2010).

### **Environmental impact assessment and the implementation of the “three simultaneous” system**

In 2015, the branch companies (subsidiaries) of the Group strictly followed the “Environmental Protection Law of the People’s Republic of China”, “Environmental Impact Assessment Law of the People’s Republic of China”, etc. to carry out construction projects’ environmental impact assessment. The pollution controlling facilities were designed, constructed and put into use simultaneously with the main part of construction projects.

### **Treatment and disposal of general industrial solid waste and hazardous waste**

In 2015, the branch companies (subsidiaries) of the Group safely disposed of or comprehensively utilised general industrial solid waste and hazardous waste at the treatment rate of 100%.

### **Payment of sewage charges**

In 2015, the branch companies (subsidiaries) of the Group paid the sewage charges in accordance with the stipulations of the law and the relevant requirements of the sewage discharge payment notices, sewage discharge approval notices, sewage discharge approval and review decision notices, etc. issued by the local environmental protection administration departments.

### **Construction of ecological civilisation**

The Group adheres to the targets of protecting ecological environment, reducing resources consumption and pursuing sustainable economy, to practise and implement the belief of green ecology throughout the entire process of developing and utilising mine resources. The construction of green mines has been given top priority both in the overall development agenda of the Company as well as its sustainability strategic planning and has been earnestly adopted and implemented, and achieved positive results. In 2015, the Company’s subsidiary, Zijin Copper Company Limited, was selected by the country’s Ministry of Industry and Information Technology to be the first batch of “Pilot Enterprises for National Industrial Products’ Ecological Design”. It was one of the only two copper refining enterprises in the country to be presented with such honour. Meanwhile, Zijin Copper’s 200,000 tonnes/year copper refining project was also awarded as the “National Water and Soil Conservation Ecological Civilisation Project”. It was the first non-ferrous metal enterprise and the first enterprise in Fujian Province to be presented with such award. As at the end of 2015, the Group had 9 subsidiaries being awarded as the “National Green Mine Pilot Unit”.

# Corporate Governance Report

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

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

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

As required by provision A.1.8 of the CG Code, an issuer should arrange appropriate insurance cover in respect of potential legal action against its directors. The Board 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 later. As required by provision F.1.3 of the CG Code, an issuer's company secretary should report to the board chairman and/or the chief executive. The Board of Directors considers that the company secretary in Hong Kong reporting to the secretary to the Board of Directors is more suitable to meet the management needs of the Group and it enables a unified management of all listing related matters in Hong Kong and Mainland China. The provision A.5.6 of the CG Code 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 proper and therefore the update of policy is not required. As required by provision A.6.7 of the CG Code, independent non-executive director should attend shareholders' general meetings. Independent non-executive Director Mr. Qiu Guanzhou had a business trip and could not attend the first extraordinary general meeting in 2015, the second A Shareholders' class meeting in 2015 and the second H Shareholders' class meeting in 2015 of the Company on 18 August 2015.

Save as disclosed above, for the year ended 31 December 2015, the Board confirmed that the Group has adopted and complied with the provisions of the CG Code and has followed most of its recommended best practices with no deviation.

## SECURITIES TRANSACTIONS BY DIRECTORS

The Group has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules as the model code for the trading of securities by Directors of the Group. The effective date was 23 December 2003. Having made specific reasonable 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 2015.

## BOARD COMPOSITION AND PRACTICE

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

The Board comprises twelve Directors, including seven 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, Fang Qixue and Lin Hongfu, the non-executive Director is Li Jian, and the independent non-executive Directors are Lu Shihua, Ding Shida, Qiu Guanzhou and Sit Hoi Wah, Kenneth. The biographical details of each Director are set out in the section headed "Directors, Supervisors and Senior Management" on pages 27 to 29. There is no related connection 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 one-third of the Board. The professional composition of independent non-executive Directors of the Company is: one independent non-executive Director who is an experienced accountant with expertise in accounting and financial management and one independent non-executive Director who is an experienced lawyer with expertise in Hong Kong law.

For the year ended 31 December 2015, except Mr. Qiu Guanzhou who has submitted a written resignation for the position of independent non-executive Director and his term of service being the period from 23 October 2014 to the date the Company's shareholders' general meeting elects a new independent Director to fill his vacancy, all the non-executive Directors of the Company were appointed for a three-year term 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 current Board and Mr. Wang Jianhua is the president of the Company in the current term. The structure does not deviate from provision A.2.1 of the CG Code.

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

As the president of the Company, Mr. 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 executing resolutions of the Board, and are responsible to the president for the business operations of the Group. The president of the Company is responsible to the Board for the overall operations of the Group.

## **EXPLANATION ON THE RELEVANT MATTERS OF CORPORATE GOVERNANCE**

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

## **SHAREHOLDERS AND SHAREHOLDERS' GENERAL MEETINGS**

During the reporting period, the Company convened 1 annual general meeting and 2 extraordinary general meetings. The Company convened and held the shareholders' general meetings strictly in compliance with the regulations and requirements of the articles of association of the Company and the rules governing the procedures of the shareholders' general meeting of the Company, which ensured all of the Company's shareholders, especially the minority shareholders, could enjoy equal rights and fully exercise their voting rights.

## **RELATIONS WITH THE CONTROLLING SHAREHOLDER**

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

## **DIRECTORS AND BOARD OF DIRECTORS**

The Board of Directors of the Company consists of 12 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 shareholders' general meetings and Board meetings, discharged their duties conscientiously, faithfully and diligently, proactively participated in the business training. They are familiar with the relevant laws and regulations and have clear sense of the rights, obligations and responsibilities as a director. There are four specialised committees under the Board of Directors including the strategic committee, execution and investment committee, audit and internal control committee and nomination and remuneration committee to further enhance the decision-making mechanism of the Board of Directors of the Company.

## **SUPERVISORS AND THE SUPERVISORY COMMITTEE**

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

## **AMENDMENT AND PERFECTION OF POLICIES**

During the reporting period, based on the actual situation of the Company, articles 17, 20 and 105 of the articles of association of the Company were amended; pursuant to 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 other laws, regulations, regulatory documents and the stipulations of the articles of association of the Company, the Profit Distribution and Return Plan for the Next Three Years (Year 2015-2017) was formulated. Pursuant to the Rules Governing the Listing of Stocks on Shanghai Stock Exchange (revised in 2014), the Administrative Measures for Proceeds Raised by Companies Listed on the Shanghai Stock Exchange (Revised in 2013), the Regulatory Guidelines of Listed Companies No.2 — Regulatory Requirements on the Management and Use of Proceeds of Listed Companies and the stipulations of other laws, regulations and regulatory documents, as well as taking into account the actual situation of the Company, the Proceeds Management Policy was amended.

## **PERFORMANCE EVALUATION AND INCENTIVE AND RESTRICTION MECHANISM OF THE COMPANY**

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

## **INFORMATION DISCLOSURE**

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

## **REGISTRATION AND MANAGEMENT OF INSIDERS**

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

## **STAKEHOLDERS OF THE COMPANY**

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

## DETAILS OF THE SHAREHOLDERS' GENERAL MEETINGS

Session of meeting	Convening date	Resolutions for the shareholders' general meeting	Index of the designated website publishing the resolutions	Date of publishing poll results of the resolutions
2014 annual general meeting, the first A Shareholders' class meeting in 2015 and the first H Shareholders' class meeting in 2015 of the Company	11 May 2015	<p><b>2014 annual general meeting:</b></p> <p><b>Special resolutions:</b> The proposal of completion of repurchase of H Shares and its change of registered capital of the Company, the proposal of amendments on the articles of association of the Company, the proposal of granting general mandate to the Board of Directors of the Company to repurchase H Shares, the proposal of a general mandate to issue debt financing instruments, the proposal of the Company to provide guarantee to its overseas subsidiaries for the loans;</p> <p><b>Ordinary resolutions:</b> Report of the Board of Directors of the Company for 2014, Report of the Independent Directors of the Company for 2014, Report of Supervisory Committee of the Company for 2014, the Company's financial report for the year ended 31 December 2014, the Company's 2014 annual report and its summary report, a profit distribution proposal of the Company for the year ended 31 December 2014, the proposal of remunerations of the executive Directors and chairman of supervisory committee of the Company for the year ended 31 December 2014, the proposal of reappointment of domestic auditor for the year ended 31 December 2015 and the authorisation to the Board of Directors to determine the auditor's 2015 remuneration, and the proposal of electing Mr. Fang Qixue (方啟學先生) as an executive Director of the fifth Board of Directors of the Company and authorising the Board of Directors to enter into service contract and/or appointment letter with the newly elected Director subject to such terms and conditions as the Board of Directors shall think fit and to do all such acts and things and handle all other related matters as necessary.</p> <p><b>The first A Shareholders'/H Shareholders' class meetings in 2015:</b></p> <p><b>Special resolution:</b> the proposal of granting general mandate to the Board of Directors of the Company to repurchase H Shares.</p>	www.hkexnews.hk	11 May 2015



# Corporate Governance Report *(continued)*

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

Session of meeting	Convening date	Resolutions for the shareholders' general meeting	Index of the designated website publishing the resolutions	Date of publishing poll results of the resolutions
The first extraordinary general meeting in 2015, the second A Shareholders' class meeting in 2015 and the second H Shareholders' class meeting in 2015 of the Company	18 August 2015	<p><b>The first extraordinary general meeting in 2015:</b></p> <p><b>Special resolutions:</b> The formulation of "The Profit Distribution and Return Plan for the Next Three Years (Year 2015-2017)", the Proposal on the Non-public Issuance of A Shares of the Company, the Plan for the Non-public Issuance of A Shares of the Company (revised version), the dilutive impact of the Non-public Issuance of A Shares on immediate returns and the adoption of recovery measures, the authorisation to the Board to handle all the matters relating to the Non-public Issuance of A Shares (revised), the absorption and merger of Shanghang Jinshan Mining Co., Ltd., a wholly-owned subsidiary of the Company.</p> <p><b>Ordinary resolutions:</b> The satisfaction of the conditions for the Non-public Issuance of A Shares of the Company, the Feasibility Report on the Use of Proceeds Raised in the Non-public Issuance of A Shares (revised version), the proposal of not to produce a report on the use of proceeds previously raised.</p> <p><b>The second A Shareholders'/H Shareholders' class meetings in 2015:</b></p> <p><b>Special resolutions:</b> The Proposal on the Non-public Issuance of A Shares of the Company, the Plan for the Non-public Issuance of A Shares of the Company (revised version), the authorisation to the Board to handle all the matters relating to the Non-public Issuance of A Shares (revised).</p>	www.hkexnews.hk	18 August 2015
The second extraordinary general meeting in 2015 of the Company	8 December 2015	<p><b>Ordinary resolutions:</b> The plan in relation to the Company's satisfaction of the conditions for public issuance of corporate bonds to qualified investors, the Self-inspection Report on the Real Estate Business of Zijin Mining Group Co., Ltd.*, the Letter of Undertaking in respect of Matters relating to the Real Estate Business Provided by the Directors, Supervisors and Senior Management of the Company, the Letter of Undertaking in respect of Matters relating to the Real Estate Business Provided by the Controlling Shareholder of the Company, Minxi Xinghang State-owned Assets Investment Company Limited.</p>	www.hkexnews.hk	8 December 2015

# Corporate Governance Report *(continued)*

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

Session of meeting	Convening date	Resolutions for the shareholders' general meeting	Index of the designated website publishing the resolutions	Date of publishing poll results of the resolutions
		<p><b>Special resolutions:</b> The plan in relation to the public issuance of corporate bonds to qualified investors, the plan in relation to the authorisation to the Board of Directors to deal with all the matters relating to public issuance of corporate bonds to qualified investors, the proposal regarding the provision of counter-guarantee for an associate which constitutes a connected transaction.</p>		

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

The Board has convened 37 plenary Board meetings and 3 shareholders' general meetings for the year ended 31 December 2015. The attendance of directors at the meetings was as follows:

Name	Independent Director	Number of board meetings ought to be attended this year	Board meetings				Absent	Not attending in person for 2 consecutive meetings	Shareholders' general meetings	Number of meetings attended
			Attended in person	Attended via tele-communication	Attended by proxy					
Chen Jinghe	No	37	37	28	0	0	No	3	3	
Wang Jianhua	No	37	37	28	0	0	No	3	3	
Qiu Xiaohua	No	37	37	26	0	0	No	3	3	
Lan Fusheng	No	37	37	26	0	0	No	3	3	
Zou Laichang	No	37	37	28	0	0	No	3	3	
Fang Qixue	No	25	25	19	0	0	No	3	3	
Lin Hongfu	No	37	37	27	0	0	No	3	3	
Li Jian	No	37	35	26	2	0	No	3	3	
Ding Shida	Yes	37	37	26	0	0	No	3	3	
Lu Shihua	Yes	37	37	26	0	0	No	3	3	
Sit Hoi Wah, Kenneth	Yes	37	37	28	0	0	No	3	3	
Qiu Guanzhou	Yes	37	36	31	1	0	No	2	2	

Number of Board meetings held this year	37
In which, number of physical meetings	4
Meetings via telecommunications	26
Physical meetings with telecommunications	7

## CORPORATE GOVERNANCE FUNCTIONS

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

- (i) To formulate and review the Group's policies and practices on corporate governance and make recommendations;
- (ii) To review and monitor the training and continuous professional development of Directors and senior management;

# Corporate Governance Report *(continued)*

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

- (iii) To review and monitor the Group's policies and practices on the compliance with all legal and regulatory requirements (where applicable);
- (iv) To formulate, review and monitor the code of conduct and compliance manual (if any) applicable to the employees 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 provision A.6.5 of the CG Code regarding continuous professional development. In the year ended 31 December 2015, all the Directors studied the training materials in relation to the Listing Rules provided by the Company to develop and refresh the Directors' knowledge and skills as directors of companies listed on the Stock Exchange.

## NOMINATION AND REMUNERATION OF DIRECTORS

The Board established the nomination and remuneration committee. It comprises independent non-executive Directors, Mr. Lu Shihua, Mr. Ding Shida, Mr. Qiu Guanzhou, Mr. Sit Hoi Wah, Kenneth, non-executive Director, Mr. Li Jian, and the 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 discharge 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 the chairman of supervisory committee shall be considered and approved in a shareholders' general meeting. Remuneration of senior management shall be considered and approved by the Board. Determination of the remuneration of the Directors, supervisors and senior management shall be based on the annual operation results of the Company and resolution of the shareholders' 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 has, in accordance with the appraisal working requirements of the Board relating to the Company's Directors, supervisors and senior management personnel, organised and successfully completed the 2014 annual performance assessment of Directors, supervisors and senior management personnel.

In the second half of 2015, the nomination and remuneration committee has taken the lead for the 2015 annual performance assessment of Directors, supervisors and senior management personnel of the Company.

During 2015, 2 meetings of the nomination and remuneration committee were held.

**THE ATTENDANCE OF NOMINATION AND REMUNERATION COMMITTEE MEETINGS**

Name	Number of committee meetings	Attended	Absent
Ding Shida ( <i>Chief Commissioner</i> )	2	2	0
Lu Shihua	2	2	0
Qiu Guanzhou	2	2	0
Sit Hoi Wah, Kenneth	2	2	0
Chen Jinghe ( <i>Chairman</i> )	2	2	0
Li Jian	2	2	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 with reference to the performance of the Directors, the overall performance of the Group, the average salary of the local employees, etc.

**ANNUAL REMUNERATION OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT**

In the year of 2015, the headcount of the remuneration payable to members of senior management by band is as follow:

Within RMB1,000,000	1
RMB1,000,001 – RMB2,000,000	4
RMB2,000,001 – RMB3,000,000	1

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

**AUDITORS' REMUNERATION**

For the year ended 31 December 2015, the audit fees charged by the auditors of the Company was RMB8,100,000. Non-audit service fee (including due diligence, tax advisory, etc.) of approximately RMB2,705,000 was also charged by the auditors of the Company, which included due diligence fee of approximately RMB1,915,000.

**AUDIT AND INTERNAL CONTROL COMMITTEE**

The audit and internal control committee comprises independent non-executive Directors, Mr. Lu Shihua, Mr. Ding Shida, Mr. Qiu Guanzhou, 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 2015, 5 meetings of the audit and internal control committee were held.

**THE ATTENDANCE OF AUDIT AND INTERNAL CONTROL COMMITTEE MEETINGS**

Name	Number of committee meetings	Attended	Absent
Lu Shihua ( <i>Chief Commissioner</i> )	5	5	0
Ding Shida	5	5	0
Qiu Guanzhou	5	5	0
Sit Hoi Wah, Kenneth	5	5	0
Wang Jianhua ( <i>President</i> )	5	5	0
Qiu Xiaohua	5	5	0
Li Jian	5	5	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.

# Corporate Governance Report *(continued)*

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

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

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

- To propose hiring or changing of the external audit institution;
- To oversee the Company's internal audit system and its implementation;
- To audit the Company's financial information and its disclosure (including the annual report, the interim report, quarterly reports and any feasible financial review);
- To review the internal control systems, the effectiveness of the Company's internal audit function, and its other duties under the CG Code;
- To audit and review the Company's financial reporting 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 5 meetings during the reporting period.

In the meetings held in March 2015, the committee reviewed the work report prepared by the supervisory and audit office and reviewed the auditors' report and connected transactions of the Group for the year of 2014, and also submitted its concluding opinions on relevant connected transactions and the audit to the Board.

In the meeting held in April 2015, the committee reviewed the first quarterly report of the Group for the year of 2015 and submitted its concluding opinions on the audit to the Board.

In the meeting held in August 2015, the committee reviewed the interim report and connected transactions of the Group for the year of 2015, and reviewed the effectiveness of the Group's internal control system and submitted its concluding opinions on the audit to the Board.

In the meeting held in October 2015, the committee reviewed the third quarterly report of the Group for the year of 2015 and submitted its concluding opinions on the audit to the Board.

The audit and internal control committee has communicated with the auditors for the key focusing issues before they started the audit field work for the year of 2015, during the audit process and after the first draft of audit report was issued respectively. The audit and internal control committee convened a meeting on 24 March 2016, in which it examined and approved the 2015 annual report of the Company and considered that: there is no major omission in the 2015 annual financial report issued by Ernst & Young Hua Ming LLP, it fairly presented the financial position of the Company in all material aspects as of 31 December 2015 and the production and operating results of 2015, 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 page 72.

## **COMPANY SECRETARY**

Mr. Fan Cheung Man is the company secretary. Details of the biography of the company secretary are set out in the section headed "Directors, Supervisors and Senior Management" of this annual report. The company secretary took no less than 15 hours of relevant professional training for the year ended 31 December 2015 as required by the Listing Rules.

## **SHAREHOLDING INTERESTS OF SENIOR MANAGEMENT**

The details of shareholding interests of Directors, supervisors and chief executives of the Group are set out in "Disclosure of Interests and Short Positions of the Directors, Supervisors and Chief Executives of the Company" on pages 40 to 41 of the annual report.

## **CHANGE IN CONSTITUTIONAL DOCUMENTS**

At the shareholders' general meeting held on 11 May 2015, amendments to the articles of association of the Company were approved by the shareholders of the Company, mainly to bring the articles of association of the Company in line with the revised 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 has stipulated the rights and obligations of all shareholders.

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

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

In the 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 shareholders' general meeting in the agenda of the meeting.

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

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

The Group communicates with shareholders through the issuance of annual reports, interim reports, quarterly reports, press and electronic announcements. All communications with shareholders are also published on the website of the Group, [www.zjky.cn](http://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 non-Board proposals 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 diligently and actively participated in the Board meetings and shareholders' general meetings, understood the production, operation, financial situations of the Company in a timely manner, 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, fully served the functions 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, independent non-executive Directors of the Company conducted on-site inspection and investigation on key projects of the Group for multiple times and proposed professional guidance on the aspects such as corporate business developments ideas, investment decisions, major technical solutions, production and management, cost control, energy conservation and emission reduction, work safety and environmental protection, strengthen corporate governance, discharge of social responsibility, etc.

## THE IMPORTANT OPINIONS AND SUGGESTIONS FROM THE SPECIALISED COMMITTEES UNDER THE BOARD OF DIRECTORS DURING THE DISCHARGE OF DUTIES FOR THE PERIOD

During the reporting period, the audit and internal control committee of the Board of Directors received reports from the Company's management regarding the Company's production and operating status, investment and financing activities and other significant events in the year, and reviewed the Company's annual report 2014, first quarterly report 2015, interim report 2015 and third quarterly report 2015 according to the term of reference and fully discharged their duties. The audit and internal control committee communicated with the auditors before the commencement of the field-works of the 2015 annual audit, during the audit process, and after issuance of the first draft of audit report, and exchanged their opinions on key issues with the auditors. The audit and internal control committee convened a meeting on 24 March 2016 and approved the Company's annual report 2015, and considered that there was no material omission in the 2015 financial report issued by Ernst & Young Hua Ming LLP, it presented the financial position of the Company fairly in all material aspects as at 31 December 2015 and the production and operating results of 2015. The audit and internal control committee agreed to pass the above documents to the Company's Board of Directors for consideration.

# Corporate Governance Report *(continued)*

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

During the reporting period, the fifth term of nomination and remuneration committee of the Board of Directors carried out review on the remuneration of the Company's executive Directors, chairman of supervisory committee and senior management based on the 2015 operating results, and submitted the proposal to the Board of Directors and shareholders' general meeting for approval. The nomination and remuneration committee of the Board of Directors organised and carried out the appraisal for 2015 towards the directors, supervisors and senior management of the Company according to their duties being assessed.

During the reporting period, the fifth term of execution and investment committee of the Board of Directors completed the reviews on the Company's external investments, transfers of equity interests, assets disposals and other matters in accordance with the authorisation of the Board of Directors. It also provided guidance and opinions on the appointment, dismissal and recommendation of the directors, supervisors, senior management and other staff of the subsidiaries and 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, ORGANISATIONS, FINANCE, ETC. WHICH THE COMPANY CANNOT ENSURE INDEPENDENCY AND SELF-OPERATING ABILITY FROM THE CONTROLLING SHAREHOLDER**

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

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

In accordance with the "Remuneration and appraisal policy for senior management of 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 production and operation of the Company of the year, and submitted the proposal to the Board of Directors for consideration.

## **INVESTOR RELATIONS**

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

The Group held press conferences and/or briefings of investment analysts immediately following the announcements of its annual and interim results. Senior management such as the chairman of the Board and the financial controller of the Group were present to analyse the performance of the Group during the relevant period, expound the business development of the Group and answer queries raised by investors. Along with the issuance of A Shares, the Group issued results announcements on 20 April 2015 for the first quarter of year 2015 and on 20 October 2015 for the third quarter of year 2015 respectively.

Results announcements of the Group have also been 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' calls and responded to their enquiries, but also arranged for professional investors to visit its subsidiaries and mines so that they can understand the Group's existing production status, investment status and business development to enhance their confidence in the Group.

During the year, the Company convened the 2014 annual general meeting, the first A Shareholders' class meeting in 2015 and the first H Shareholders' class meeting in 2015 on 11 May 2015, the first extraordinary general meeting in 2015, the second A Shareholders' class meeting in 2015 and the second H Shareholders' class meeting in 2015 on 18 August 2015 and the second extraordinary general meeting in 2015 on 8 December 2015. Details are set out in this report.

As at 25 March 2016, 32,070,000 H Shares were repurchased during the period from 9 June 2015 to 13 January 2016, but have not yet been cancelled pending completion of the change of business registration with relevant PRC authorities. After deduction of the repurchased H Shares, the registered capital of the Company will be RMB2,154,074,365 comprising 5,736,940,000 H Shares listed on the Hong Kong Stock Exchange, representing about 26.63% of the total issued shares, and 15,803,803,650 A Shares listed on the Shanghai Stock Exchange, representing about 73.37% 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 AUDIT FUNCTION

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

## INTERNAL CONTROL

### RESPONSIBILITY STATEMENT OF INTERNAL CONTROL AND ESTABLISHMENT OF INTERNAL CONTROL SYSTEM

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

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

In 2015, with gold and basic metals' prices under free fall, the Company had both a stronger awareness of risks and more acute market senses. The management and the entirety of staff joined forces to collectively strengthen internal control, thoroughly carried out the general work strategy of "clinging to reforms, maintaining growth and boosting development", and basically achieved the key operating and earnings targets laid out at the beginning of the year.

In 2015, the Company strictly adhered to its development and strategic targets. In response to the changes arising from internal and external environment, the Company, on top of carrying out evaluations of the management's present status, rearranged and assessed the effectiveness and comprehensiveness of the relevant systems, and continuously put efforts to ensure smooth integration and transfer of the Group's important policies and basic management systems at the subsidiaries' level. A total of 44 documents regarding the systems, such as the "Meeting Rules of the Company (Tentative)", were amended or newly issued in the year, further perfecting the internal control system. The Company authorised the supervisory and audit office to conduct internal assessments on the Group and the subsidiaries. In the course of internal assessment, the scope of internal control identified and the assessment methods adopted were appropriate, the evidences collected were adequate, the tasks of internal control were conducted in a regulated and orderly manner. The Board considers that the business units, operations, matters and risk-prone areas included in the scope of assessment have covered the key aspects of the Company's operation and management with no material omissions. Based on the identification results in respect of the important defects of internal control in the Company's financial report, a test on the internal control indicated a total of 683 defects. Such defects all belong to the general category and have been corrected and amended timely and effectively during the reporting period.



# Auditors' Report



Ernst & Young Hua Ming LLP  
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Ernst & Young Hua Ming (2016) Shen Zi No. 60468092\_H01

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 2015, and the consolidated and company statements of profit or loss, statements of changes in equity and statements of cash flows for the year then ended, and notes to 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.

## OPINION

In our opinion, the consolidated and company financial statements present fairly, in all material aspects, the financial position of the Group and of the Company as at 31 December 2015, and their 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: Xie Feng

Beijing, the People's Republic of China

Chinese Certified Public Accountant: Deng Dongmei

25 March 2016

Note: The notes to financial statements with "\*" are 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 2015

RMB

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

ASSETS	Note V	31 December 2015	31 December 2014
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	1	<b>5,498,295,305</b>	4,139,672,768
Financial assets at fair value through profit or loss	2	<b>548,352,730</b>	312,247,627
Bills receivable	3	<b>264,373,037</b>	538,484,702
Trade receivables	4	<b>864,682,728</b>	1,228,075,464
Prepayments	5	<b>842,469,851</b>	649,968,149
Other receivables	6	<b>1,215,636,233</b>	1,266,545,176
Inventories	7	<b>10,951,318,480</b>	10,353,917,540
Current portion of non-current assets	8	<b>458,040,000</b>	—
Other current assets	9	<b>1,151,678,678</b>	1,129,315,164
<b>Total current assets</b>		<b>21,794,847,042</b>	19,618,226,590
<b>NON-CURRENT ASSETS</b>			
Available-for-sale investments	10	<b>972,008,647</b>	495,285,702
Long-term equity investments	11	<b>6,941,121,652</b>	5,346,350,207
Investment properties	12	<b>168,402,512</b>	174,284,695
Fixed assets	13	<b>29,359,351,288</b>	25,003,524,624
Construction in progress	14	<b>6,160,763,924</b>	7,964,785,151
Construction materials	15	<b>240,135,740</b>	274,012,010
Intangible assets	16	<b>10,283,969,425</b>	9,385,134,080
Goodwill	17	<b>496,758,705</b>	496,758,705
Long-term deferred assets	18	<b>1,084,220,930</b>	1,126,092,176
Deferred tax assets	19	<b>793,211,659</b>	867,406,609
Other non-current assets	20	<b>5,619,242,131</b>	4,407,727,099
<b>Total non-current assets</b>		<b>62,119,186,613</b>	55,541,361,058
<b>TOTAL ASSETS</b>		<b>83,914,033,655</b>	75,159,587,648

# Consolidated Balance Sheet *(continued)*

As at 31 December 2015

RMB

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

LIABILITIES AND OWNERS' EQUITY	Note V	31 December 2015	31 December 2014
<b>CURRENT LIABILITIES</b>			
Short-term borrowings	22	5,394,474,750	4,551,121,572
Financial liabilities at fair value through profit or loss	23	6,804,872,854	8,597,538,500
Bills payable	24	231,175,265	282,976,147
Trade payables	25	4,442,840,507	4,011,412,543
Advances from customers	26	1,918,146,839	1,005,215,386
Employee benefits payable	27	569,619,991	389,444,043
Taxes payable	28	698,586,919	656,071,856
Dividends payable	29	119,000,981	35,938,170
Other payables	30	4,289,196,570	2,626,729,259
Current portion of non-current liabilities	31	6,053,652,249	1,347,611,097
Other current liabilities	32	1,004,821,498	—
Total current liabilities		31,526,388,423	23,504,058,573
<b>NON-CURRENT LIABILITIES</b>			
Long-term borrowings	33	9,251,188,420	8,339,476,546
Bonds payable	34	8,300,000,000	7,923,716,925
Long-term payables	35	1,171,224,739	413,864,086
Provision	36	720,404,428	177,486,513
Deferred income	37	503,275,426	538,727,221
Deferred tax liabilities	19	513,296,967	593,335,439
Total non-current liabilities		20,459,389,980	17,986,606,730
<b>TOTAL LIABILITIES</b>		<b>51,985,778,403</b>	41,490,665,303
<b>EQUITY</b>			
Share capital	38	2,154,324,365	2,157,281,365
Capital reserve	39	7,232,538,557	7,329,951,989
Other comprehensive income	40	(830,177,675)	(447,341,491)
Special reserve	41	139,524,461	108,445,194
Surplus reserve	42	1,319,401,104	1,319,401,104
Retained earnings	43	17,521,563,160	17,591,716,635
Equity attributable to owners of the parent		27,537,173,972	28,059,454,796
Non-controlling interests		4,391,081,280	5,609,467,549
<b>TOTAL EQUITY</b>		<b>31,928,255,252</b>	33,668,922,345
<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>		<b>83,914,033,655</b>	75,159,587,648

The financial statements were signed by:

Legal representative:

**Chen Jinghe**

Principal in charge of accounting:

**Lin Hongying**

Head of accounting department:

**Wu Honghui**

# Consolidated Statement of Profit or Loss

For the year ended 31 December 2015

RMB

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

	Note V	2015	2014
<b>OPERATING INCOME</b>	44	<b>74,303,573,739</b>	58,760,533,928
Less: Operating costs	44	<b>68,007,729,583</b>	50,881,767,555
Taxes and surcharges	45	<b>809,662,007</b>	838,416,174
Selling expenses	46	<b>691,861,398</b>	905,512,920
Administrative expenses	47	<b>2,620,740,626</b>	2,175,124,236
Financial expenses	48	<b>945,668,268</b>	767,954,016
Impairment losses on assets	49	<b>470,685,123</b>	362,952,805
Add: Losses on changes in fair value	50	<b>(125,512,228)</b>	(141,213,373)
Investment income	51	<b>1,312,774,399</b>	772,566,108
Including: Share of (losses)/profits of associates and joint ventures		<b>(44,237,294)</b>	21,433,814
<b>OPERATING PROFIT</b>		<b>1,944,488,905</b>	3,460,158,957
Add: Non-operating income	52	<b>419,019,949</b>	236,741,221
Including: Gains on disposal of non-current assets		<b>8,862,317</b>	53,043,654
Less: Non-operating expenses	53	<b>277,336,663</b>	372,762,188
Including: Losses on disposal of non-current assets		<b>46,337,101</b>	151,038,028
<b>PROFIT BEFORE TAX</b>		<b>2,086,172,191</b>	3,324,137,990
Less: Income tax expenses	54	<b>743,484,427</b>	688,695,999
<b>NET PROFIT</b>		<b>1,342,687,764</b>	2,635,441,991
Attributable to:			
Owners of the parent		<b>1,655,671,617</b>	2,345,062,669
Non-controlling interests		<b>(312,983,853)</b>	290,379,322
<b>NET OTHER COMPREHENSIVE INCOME AFTER TAX</b>			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Changes in fair value of available-for-sale investments		<b>(37,135,047)</b>	11,541,426
Exchange differences arising from translation of financial statements denominated in foreign currencies		<b>(345,701,137)</b>	896,062
Net other comprehensive income after tax attributable to owners of the parent		<b>(382,836,184)</b>	12,437,488
Net other comprehensive income after tax attributable to non-controlling interests		<b>(28,497,328)</b>	(19,781,959)
		<b>(411,333,512)</b>	(7,344,471)
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>931,354,252</b>	2,628,097,520
Attributable to:			
Owners of the parent		<b>1,272,835,433</b>	2,357,500,157
Non-controlling interests		<b>(341,481,181)</b>	270,597,363
Earnings per share			
Basic earnings per share	55	<b>0.08</b>	0.11

# Consolidated Statement of Changes in Equity

For the year ended 31 December 2015

RMB

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

For the year ended 31 December 2015  
RMB

	Attributable to owners of the parent							Non-controlling interests	Total equity
	Share capital	Capital reserve	Other comprehensive income	Special reserve	Surplus reserve	Retained earnings	Subtotal		
I. Closing balance of the preceding year and opening balance of the current year	2,157,281,365	7,329,951,989	(447,341,491)	108,445,194	1,319,401,104	17,591,716,635	28,059,454,796	5,609,467,549	33,668,922,345
II. Changes for the year	—	—	(382,836,184)	—	—	1,655,671,617	1,272,835,433	(341,481,181)	931,354,252
(i) Total comprehensive income									
(ii) Owners' contributions and reductions in capital									
1. Repurchase H Shares									
2. Others	(2,957,000)	(61,358,600)	—	—	—	—	(64,315,600)	—	(64,315,600)
(iii) Profit distributions									
1. Distributions to owners									
(iv) Special reserve									
1. Transfer to special reserve in the current year									
2. Amount utilised in the current year									
Subtotal of (i) to (iv)	(2,957,000)	(97,413,432)	(382,836,184)	31,079,267	—	(70,153,475)	(522,280,824)	(1,218,386,269)	(1,740,667,093)
III. Closing balance of the current year	2,154,324,365	7,232,538,557	(830,177,675)	139,524,461	1,319,401,104	17,521,563,160	27,537,173,972	4,391,081,280	31,928,255,252

For the year ended 31 December 2014  
RMB

	Attributable to owners of the parent							Non-controlling interests	Total equity
	Share capital	Capital reserve	Other comprehensive income	Special reserve	Surplus reserve	Retained earnings	Subtotal		
I. Closing balance of the preceding year and opening balance of the current year	2,170,015,765	7,502,349,142	(459,778,979)	101,948,305	1,319,401,104	16,978,322,418	27,612,257,755	5,473,194,165	33,085,451,920
II. Changes for the year	—	—	12,437,488	—	—	2,345,062,669	2,357,500,157	270,597,363	2,628,097,520
(i) Total comprehensive income									
(ii) Owners' contributions and reductions in capital									
1. Repurchase H shares	(12,734,400)	(172,397,153)	—	—	—	—	(185,131,553)	—	(185,131,553)
2. Others	—	—	—	—	—	—	—	419,996,395	419,996,395
(iii) Profit distributions									
1. Distributions to owners									
(iv) Special reserve									
1. Transfer to special reserve in the current year									
2. Amount utilised in the current year									
Subtotal of (i) to (iv)	(12,734,400)	(172,397,153)	12,437,488	6,496,889	—	613,394,217	447,197,041	136,273,384	583,470,425
III. Closing balance of the current year	2,157,281,365	7,329,951,989	(447,341,491)	108,445,194	1,319,401,104	17,591,716,635	28,059,454,796	5,609,467,549	33,668,922,345

# Consolidated Statement of Cash Flows

For the year ended 31 December 2015

RMB

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

	Note V	2015	2014
<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash receipts from sale of goods and rendering of services		<b>79,768,820,268</b>	62,565,273,259
Other cash receipts relating to operating activities	56	<b>2,260,044,538</b>	938,513,110
Sub-total of cash inflows from operating activities		<b>82,028,864,806</b>	63,503,786,369
Cash payments for goods purchased and services received		<b>(64,709,402,239)</b>	(49,316,638,297)
Cash payments to and on behalf of employees		<b>(2,451,918,339)</b>	(2,592,389,468)
Payments of various types of taxes		<b>(3,044,688,546)</b>	(3,579,992,776)
Other cash payments relating to operating activities	56	<b>(1,553,441,727)</b>	(1,694,142,036)
Sub-total of cash outflows used in operating activities		<b>(71,759,450,851)</b>	(57,183,162,577)
Net cash flow from operating activities		<b>10,269,413,955</b>	6,320,623,792
<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Cash receipts from disposals and recovery of investments		<b>1,460,279,624</b>	545,922,233
Cash receipts from investment income		<b>286,080,362</b>	76,849,234
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets		<b>64,593,387</b>	77,382,630
Net cash receipts from disposals of subsidiaries and other business units	57	—	96,075,770
Other cash receipts relating to investing activities	56	<b>509,667,366</b>	341,789,835
Sub-total of cash inflows from investing activities		<b>2,320,620,739</b>	1,138,019,702
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets		<b>(4,858,199,761)</b>	(6,220,740,665)
Cash payments to acquire investments		<b>(3,038,726,567)</b>	(2,340,340,110)
Cash payments for acquisitions of subsidiaries and other business units	57	<b>(759,222,391)</b>	(1,319,030,811)
Other cash payments relating to investing activities	56	<b>(2,357,627,647)</b>	(509,667,366)
Sub-total of cash outflows used in investing activities		<b>(11,013,776,366)</b>	(10,389,778,952)
Net cash flow used in investing activities		<b>(8,693,155,627)</b>	(9,251,759,250)

# Consolidated Statement of Cash Flows *(continued)*

For the year ended 31 December 2015

RMB

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

	Note V	2015	2014
<b>III CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Cash receipts from capital contributions		<b>12,244,801</b>	41,821,084
<i>Including: Cash receipts from capital contributions from non-controlling shareholders of subsidiaries</i>		<b>12,244,801</b>	41,821,084
Cash receipts from borrowings		<b>8,018,521,808</b>	6,393,829,771
Cash receipts from gold leasing business		<b>6,781,509,306</b>	8,445,476,690
Cash receipts from issue of medium-term notes and ultra short-term financing bonds		<b>4,300,000,000</b>	2,500,000,000
Other cash receipts relating to financing activities	56	<b>137,275,522</b>	360,304,291
Sub-total of cash inflows from financing activities		<b>19,249,551,437</b>	17,741,431,836
Cash repayments of borrowings		<b>(6,935,588,780)</b>	(5,192,693,483)
Cash repayments of gold leasing business		<b>(8,722,085,221)</b>	(6,734,555,410)
Cash payments for distribution of dividends or profits or settlement of interest expenses		<b>(3,413,869,833)</b>	(3,034,005,043)
<i>Including: Payments for distribution of dividends or profits to non-controlling shareholders of subsidiaries</i>		<b>(819,388,124)</b>	(550,114,514)
Other cash payments relating to financing activities	56	<b>(451,025,310)</b>	(366,095,151)
Sub-total of cash outflows used in financing activities		<b>(19,522,569,144)</b>	(15,327,349,087)
Net cash flow (used in)/from financing activities		<b>(273,017,707)</b>	2,414,082,749
<b>IV EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>		<b>30,697,216</b>	7,880,144
<b>V NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	57	<b>1,333,937,837</b>	(509,172,565)
Add: Opening balance of cash and cash equivalents		<b>3,511,760,456</b>	4,020,933,021
<b>VI CLOSING BALANCE OF CASH AND CASH EQUIVALENTS</b>	57	<b>4,845,698,293</b>	3,511,760,456

# Balance Sheet

As at 31 December 2015

RMB

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

ASSETS	Note XIV	31 December 2015	31 December 2014
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		<b>5,555,543,969</b>	4,228,054,747
Financial assets at fair value through profit or loss		<b>218,434,790</b>	180,602,763
Bills receivable		<b>128,255,276</b>	221,025,393
Trade receivables	1	<b>1,155,553,241</b>	824,988,293
Prepayments		<b>148,039,976</b>	106,641,016
Dividends receivable		<b>173,454,513</b>	39,628,660
Other receivables	2	<b>10,210,376,131</b>	7,387,979,624
Inventories		<b>344,552,122</b>	578,783,457
Other current assets		<b>185,438,330</b>	57,798,472
<b>Total current assets</b>		<b>18,119,648,348</b>	13,625,502,425
<b>NON-CURRENT ASSETS</b>			
Available-for-sale investments	3	<b>184,750,000</b>	214,750,000
Long-term equity investments	4	<b>12,828,712,989</b>	12,592,073,264
Fixed assets	5	<b>3,306,131,657</b>	3,041,451,003
Construction in progress	6	<b>571,988,264</b>	667,056,609
Construction materials		<b>2,199,389</b>	2,091,525
Intangible assets	7	<b>280,478,397</b>	289,074,937
Long-term deferred assets	8	<b>193,804,328</b>	164,007,955
Deferred tax assets		<b>152,734,672</b>	164,923,758
Other non-current assets	9	<b>10,914,782,781</b>	9,829,588,668
<b>Total non-current assets</b>		<b>28,435,582,477</b>	26,965,017,719
<b>TOTAL ASSETS</b>		<b>46,555,230,825</b>	40,590,520,144



## Balance Sheet *(continued)*

As at 31 December 2015

RMB

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

LIABILITIES AND OWNERS' EQUITY	Note XIV	<b>31 December 2015</b>	31 December 2014
<b>CURRENT LIABILITIES</b>			
Short-term borrowings		<b>337,667,200</b>	960,683,000
Financial liabilities at fair value through profit or loss		<b>4,032,032,769</b>	5,303,569,501
Bills payable		<b>66,371,800</b>	15,109,200
Trade payables	11	<b>444,495,428</b>	555,879,611
Advances from customers		<b>4,548,242</b>	5,716,900
Employee benefits payable		<b>138,424,013</b>	136,631,631
Taxes payable		<b>204,504,609</b>	185,678,938
Other payables		<b>917,718,996</b>	532,884,267
Current portion of non-current liabilities		<b>1,310,700,000</b>	86,651,800
Other current liabilities		<b>1,122,863,688</b>	72,991,394
<b>Total current liabilities</b>		<b>8,579,326,745</b>	7,855,796,242
<b>NON-CURRENT LIABILITIES</b>			
Long-term borrowings		<b>5,106,267,600</b>	3,117,946,200
Bonds payable	12	<b>8,300,000,000</b>	5,000,000,000
Long-term payables	13	<b>322,527,534</b>	292,527,534
Deferred income		<b>325,688,274</b>	365,481,817
Deferred tax liabilities		<b>27,630,156</b>	—
Other non-current liabilities		<b>80,206,405</b>	141,119,944
<b>Total non-current liabilities</b>		<b>14,162,319,969</b>	8,917,075,495
<b>TOTAL LIABILITIES</b>		<b>22,741,646,714</b>	16,772,871,737
<b>EQUITY</b>			
Share capital		<b>2,154,324,365</b>	2,157,281,365
Capital reserve		<b>8,579,887,146</b>	8,591,958,808
Surplus reserve		<b>1,090,812,600</b>	1,090,812,600
Retained earnings		<b>11,988,560,000</b>	11,977,595,634
<b>TOTAL EQUITY</b>		<b>23,813,584,111</b>	23,817,648,407
<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>		<b>46,555,230,825</b>	40,590,520,144

# Statement of Profit or Loss

For the year ended 31 December 2015

RMB

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

	Note XIV	2015	2014
<b>OPERATING INCOME</b>	14	<b>15,498,583,529</b>	9,735,313,615
Less: Operating costs	14	<b>13,767,367,851</b>	7,793,156,016
Taxes and surcharges		<b>335,911,417</b>	356,390,987
Selling expenses		<b>25,319,355</b>	21,635,014
Administrative expenses		<b>751,940,052</b>	550,535,124
Financial expenses	15	<b>(124,246,902)</b>	(153,132,024)
Impairment losses on assets	16	<b>535,854</b>	22,303,883
Add: Gains/(losses) on changes in fair value		<b>137,859,197</b>	(68,681,553)
Investment income	17	<b>1,185,977,799</b>	1,733,193,378
Including: Share of profits of associates		<b>14,141,228</b>	45,876,656
<b>OPERATING PROFIT</b>		<b>2,065,592,898</b>	2,808,936,440
Add: Non-operating income		<b>66,054,834</b>	74,718,095
Including: Gains on disposal of non-current assets		<b>529,802</b>	6,740,826
Less: Non-operating expenses		<b>74,947,986</b>	133,105,342
Including: Losses on disposal of non-current assets		<b>10,255,056</b>	54,988,774
<b>PROFIT BEFORE TAX</b>		<b>2,056,699,746</b>	2,750,549,193
Less: Income tax expenses		<b>319,910,288</b>	305,274,914
<b>NET PROFIT</b>		<b>1,736,789,458</b>	2,445,274,279
<b>NET OTHER COMPREHENSIVE INCOME AFTER TAX</b>			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Changes in fair value of available-for-sale investments		—	17,089,603
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>1,736,789,458</b>	2,462,363,882

# Statement of Changes in Equity

For the year ended 31 December 2015

RMB

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

	Share capital	Capital reserve	Other comprehensive income	Special reserve	Surplus reserve	Retained earnings	Total equity
I. Closing balance of the preceding year and opening balance of the current year	2,157,281,365	8,591,958,808	—	—	1,090,812,600	11,977,595,634	23,817,648,407
II. Changes for the year							
(I) Total comprehensive income	—	—	—	—	—	1,736,789,458	1,736,789,458
(II) Owners' contributions and reductions in capital							
1. Repurchase H Shares	(2,957,000)	(61,358,600)	—	—	—	—	(64,315,600)
2. Others	—	49,286,938	—	—	—	—	49,286,938
(III) Profit distributions							
1. Distributions to owners	—	—	—	—	—	(1,725,825,092)	(1,725,825,092)
(IV) Special reserve							
1. Transfer to special reserve in the current year	—	—	—	355,818,113	—	—	355,818,113
2. Amount utilised in the current year	—	—	—	(355,818,113)	—	—	(355,818,113)
Subtotal of (I) to (IV)	(2,957,000)	(12,071,662)	—	—	—	10,964,366	(4,064,296)
III. Closing balance of the current year	2,154,324,365	8,579,887,146	—	—	1,090,812,600	11,988,560,000	23,813,584,111

For the year ended 31 December 2014

RMB

	Share capital	Capital reserve	Other comprehensive income	Special reserve	Surplus reserve	Retained earnings	Total equity
I. Closing balance of the preceding year and opening balance of the current year	2,170,015,765	8,764,355,961	(17,089,603)	16,589	1,090,812,600	11,263,989,807	23,272,101,119
II. Changes for the year							
(I) Total comprehensive income	—	—	17,089,603	—	—	2,445,274,279	2,462,363,882
(II) Owners' contributions and reductions in capital							
1. Repurchase H Shares	(12,734,400)	(172,397,153)	—	—	—	—	(185,131,553)
(III) Profit distributions							
1. Distributions to owners	—	—	—	—	—	(1,731,668,452)	(1,731,668,452)
(IV) Special reserve							
1. Transfer to special reserve in the current year	—	—	—	326,114,800	—	—	326,114,800
2. Amount utilised in the current year	—	—	—	(326,131,389)	—	—	(326,131,389)
Subtotal of (I) to (IV)	(12,734,400)	(172,397,153)	17,089,603	(16,589)	—	713,605,827	545,547,288
III. Closing balance of the current year	2,157,281,365	8,591,958,808	—	—	1,090,812,600	11,977,595,634	23,817,648,407

# Statement of Cash Flows

For the year ended 31 December 2015

RMB

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

	Note XIV	2015	2014
<b>I CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash receipts from sale of goods and rendering of services		<b>15,706,619,959</b>	10,354,098,803
Other cash receipts relating to operating activities		<b>178,609,596</b>	530,128,528
Sub-total of cash inflows from operating activities		<b>15,885,229,555</b>	10,884,227,331
Cash payments for goods purchased and services received		<b>(13,287,885,275)</b>	(7,443,435,816)
Cash payments to and on behalf of employees		<b>(606,364,127)</b>	(517,881,403)
Payments of various types of taxes		<b>(817,371,342)</b>	(1,042,208,063)
Other cash payments relating to operating activities		<b>(650,203,053)</b>	(261,299,224)
Sub-total of cash outflows used in operating activities		<b>(15,361,823,797)</b>	(9,264,824,506)
Net cash flow from operating activities	18	<b>523,405,758</b>	1,619,402,825
<b>II CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Cash receipts from disposals and recovery of investments		<b>2,123,924,612</b>	1,687,683,544
Cash receipts from investment income		<b>511,569,392</b>	1,196,197,658
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets		<b>450,529,070</b>	63,730,828
Other cash receipts relating to investing activities		—	123,001,216
Sub-total of cash inflows from investing activities		<b>3,086,023,074</b>	3,070,613,246
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets		<b>(1,455,254,388)</b>	(1,410,203,986)
Cash payments to acquire investments		<b>(62,623,207)</b>	(565,967,719)
Other cash payments relating to investing activities		<b>(4,805,990,382)</b>	(5,801,375,121)
Sub-total of cash outflows used in investing activities		<b>(6,323,867,977)</b>	(7,777,546,826)
Net cash flow used in investing activities		<b>(3,237,844,903)</b>	(4,706,933,580)
<b>III CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Cash receipts from borrowings		<b>4,484,925,770</b>	3,915,062,550
Cash receipts from gold leasing business		<b>5,117,054,825</b>	5,955,044,164
Cash receipts from issue of medium-term notes and ultra short-term financing bonds		<b>4,300,000,000</b>	2,500,000,000
Sub-total of cash inflows from financing activities		<b>13,901,980,595</b>	12,370,106,714
Cash repayments of borrowings		<b>(2,116,361,396)</b>	(1,303,378,700)
Cash repayments of gold leasing business		<b>(5,601,543,108)</b>	(5,228,228,903)
Cash payments for distribution of dividends or profits or settlement of interest expenses		<b>(2,297,605,967)</b>	(2,072,774,704)
Other cash payments relating to financing activities		<b>(165,080,804)</b>	(239,297,199)
Sub-total of cash outflows used in financing activities		<b>(10,180,591,275)</b>	(8,843,679,506)
Net cash flow from financing activities		<b>3,721,389,320</b>	3,526,427,208
<b>IV EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>		<b>213,080,926</b>	(2,133,313)
<b>V NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	18	<b>1,220,031,101</b>	436,763,140
Add: Opening balance of cash and cash equivalents		<b>3,292,309,160</b>	2,855,546,020
<b>VI CLOSING BALANCE OF CASH AND CASH EQUIVALENTS</b>	18	<b>4,512,340,261</b>	3,292,309,160

# Notes to Financial Statements

For the year ended 31 December 2015

RMB

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

## I. CORPORATE INFORMATION

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

As approved by the People's Government of Fujian Province (Min Zheng Ti Gu (2000) No.22), on 17 August 2000, Minxi Xinghang State-owned Assets Investment Company Limited ("Minxi Xinghang") as the principal promoter, together with other promoters including Xinhua Industry Group Company Limited, Shanghang County Jinshan Trading Company Limited ("Shanghang County Jinshan Trading"), Fujian Xinhua Engineering Company Limited, Xiamen Hengxing Group 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 in relation to Issuing Overseas Listed Foreign Shares by Fujian Zijin Mining Industry Company Limited" (Zheng Jian Guo He Zi [2003] No.41) granted by the China Securities Regulatory 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; and Minxi Xinghang, Fujian Gold Group and Minxi Geological Team sold their 36,413,090 state-owned shares at an issue price of HKD3.3 (approximately RMB3.516) per share. As a result of the 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 conversion of capital reserve into share capital, the Company converted its capital reserve of RMB131,413,091 into 1,314,130,910 shares with a nominal value of RMB0.1 per share; the Company's registered capital was then changed to RMB262,826,182. Pursuant to the Resolution at the Annual General Meeting dated 31 May 2005 for year 2004 on the conversion of capital reserve into share capital, the Company converted capital reserve of RMB262,826,182 into 2,628,261,820 shares with a nominal value of RMB0.1 per share; the Company's registered capital was then changed to RMB525,652,364. Pursuant to the Resolution at the Annual General Meeting for the year 2005, dated 18 May 2006, on the conversion of capital reserve into share capital, the Company converted capital reserve of RMB525,652,364 into 5,256,523,640 shares with a nominal value of RMB0.1 per share (i.e., every 10 existing ordinary shares for 10 newly issued ordinary shares as a bonus issue based on the 5,256,523,640 issued shares as at the end of 2005). Pursuant to the Resolution at the Annual General Meeting for the year 2006, dated 30 April 2007, on the conversion of capital reserve into share capital, the Company converted capital reserve of RMB262,826,182 into 2,628,261,820 shares with a nominal value of RMB0.1 per share (i.e., every 10 existing ordinary shares for 2.5 newly issued ordinary shares as a bonus issue based on the 10,513,047,280 issued shares as at the end of 2006). As such, the Company's registered capital was changed to RMB1,314,130,910. On 25 April 2008, as approved by the 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 means 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 on 27 April 2009, representing a total of 33.87% of the issued capital. Up to the end of reporting period, all the Company's issued shares are publicly floating.

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

## 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.

On 28 May 2014, the Company held the 2013 Annual General Meeting, the first A Shareholders' class meeting in 2014 and the first H Shareholders' class meeting in 2014. A resolution in relation to the proposal of granting a general mandate to the board of directors of the Company to repurchase H shares was approved. The Company carried out repurchases of H shares on 3 January 2014, 10 January 2014, 7 February 2014, 15 September 2014, 18 September 2014, 19 September 2014, 22 September 2014, 28 October 2014, 6 November 2014, 7 November 2014, 18 November 2014, respectively. As at 31 December 2014, the aggregate number of repurchased H shares reached 127,344,000. Details are disclosed in Note V.38.

On 11 May 2015, the Company held the 2014 Annual General Meeting, the first A Shareholders' class meeting in 2015 and the first H Shareholders' class meeting in 2015. A resolution in relation to the proposal of granting a general mandate to the board of directors of the Company to repurchase H shares was approved. The Company carried out repurchases of H shares on 9 June 2015, 10 June 2015, 17 June 2015, 18 June 2015, 19 June 2015, 22 June 2015, 23 June 2015, 26 June 2015, 29 June 2015, and 30 June 2015, respectively. As at 31 December 2015, the aggregate number of repurchased H shares reached 29,570,000. Details are disclosed in Note V.38.

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

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

The financial statements were approved by the Company's board of directors on 25 March 2016. 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.

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

## II. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

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

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

As at 31 December 2015, the Group recorded current assets of RMB21,794,847,042 and current liabilities of RMB31,526,388,423. 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 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:

# Notes to Financial Statements *(continued)*

For the year ended 31 December 2015

RMB

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

## II. BASIS OF PREPARATION OF FINANCIAL STATEMENTS *(continued)*

- (1) The Group was approved by the National Association of Financial Market Institutional Investors to register ultra short-term financing bonds and the balance of unissued amount in 2015 was RMB7 billion. The Company issued ultra short-term financing bonds of RMB2 billion from 12 January 2016 to 13 January 2016, RMB2 billion on 18 March 2016, and RMB1 billion on 22 March 2016, respectively. Details are disclosed in Note XII. As at the approval date of this report, the unissued bonds amounted to RMB4 billion, which will be issued before 15 September 2017 depending on the financial condition of the Company.
- (2) The Group was approved by the China Securities Regulatory Commission in February 2016 to issue corporate bonds of no more than RMB8 billion in face value to qualified investors in the upcoming two years. The Company issued the first tranche of RMB5 billion on 21 March 2016. Details are disclosed in Note XII.
- (3) The Company submitted application for non-public issuance of A Shares of RMB9 billion to China Securities Regulatory Commission, and received approval on 1 February 2016. Details are disclosed in Note XII.
- (4) The Group has sufficient bank line of credit.

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.

## III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

The Group has made accounting policies and accounting estimates according to its own operation and production characteristics, which are mainly reflected in bad debt provisions for receivables, inventory costing methods, and depreciation methods for fixed assets.

### 1. Statement of compliance with CAS

The financial statements have been prepared in accordance with CAS, and presented truthfully and completely the Company's and Group's financial position as at 31 December 2015, and the Company's and Group's financial performance and cash flows for the year then ended.

### 2. Accounting period

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

### 3. Functional currency

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

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

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

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

#### 4. 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 enterprises under common control, the party which obtains control of other combining enterprise(s) on the combination date is the acquirer, and the other combining enterprise(s) is (are) the acquiree(s). The combination date is the date on which the acquirer actually obtains control of the acquiree(s).

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

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

If the business combination not involving enterprises under common control is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in investment income in current year. For the other comprehensive income generated under equity method from the equity interest which is already held before the acquisition date, the same accounting treatment of which the investee directly disposes the related assets and liabilities should be used, changes in owners' equity of the investee other than net profit or loss, other comprehensive income and profits distribution are recognised in profit or loss when the investments are disposed of.

#### 5. Consolidation of financial statements

The scope of consolidation in the consolidated financial statements is determined on the basis of control. The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 December 2015. A subsidiary is an 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.

The accounting policies and accounting periods of the Company and subsidiaries should be consistent in the preparation of the consolidated financial statements. Where the accounting policies adopted by subsidiaries are probably inconsistent with those of the Company, appropriate adjustments are made to the subsidiaries' financial statements in accordance with the accounting policies of the Company. All 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 not involving enterprises under common control, the operating results and cash flows of the acquiree shall be included in the consolidated financial statements of the Group from the acquisition date till the date that such control ceases. In 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 as at the acquisition date.

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

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

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



# Notes to Financial Statements *(continued)*

For the year ended 31 December 2015

RMB

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

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

### 6. Joint arrangement

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

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

### 7. Cash and cash equivalents

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

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

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

For the purpose of preparing the consolidated financial statements, financial statements of a foreign operation are translated from its functional currency into RMB using the following method: assets and liabilities on the balance sheet are translated at the spot exchange rate prevailing at the end of reporting period; 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 as other comprehensive income. 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.

### 9. 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.

**III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES** *(continued)***9. Financial instruments** *(continued)***Recognition and derecognition of financial instruments** *(continued)*

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 is 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.

The Group derecognises a financial liability only when the underlying present obligation is settled, discharged or expired. An agreement 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 new financial liability should be recognised in profit or loss for the current period.

All regular means of purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular means of purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace. 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 assets is determined on its classification:

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

The Group's financial assets at FVTPL include financial assets held for trading and financial assets designated upon initial recognition as at FVTPL. A financial asset is classified as held for trading if one of the following conditions is satisfied: (1) it has been acquired principally for the purpose of selling in the near term; or (2) it is part of a portfolio of identified financial instruments that the Group manages together and there is objective evidence that the Group has a recent actual pattern of short-term profit-taking; or (3) it is a derivative that is not designated 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 FVTPL is recognised as profit or loss.

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

*Held-to-maturity investments*

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

*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 2015

RMB

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

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

### 9. Financial instruments *(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 FVTPL, loans and receivables or held to maturity investments. Available-for-sale investments are subsequently measured at fair value. The discounted or premium amount of available-for-sale investments is amortised using the effective interest method and the amortisation is recognised as an interest income or expense. Except for impairment losses and exchange differences arising from foreign currency monetary financial assets 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. 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 of the Group are classified into financial liabilities at FVTPL and other financial liabilities. For financial liabilities at FVTPL, transaction costs are immediately recognised in profit or loss. For other financial liabilities, transaction costs are included at their initial recognised amounts.

Subsequent measurement of financial liabilities is determined on the classification.

##### *Financial liabilities at FVTPL*

The Group's financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL. A financial liability is classified as held for trading if one of the following conditions is satisfied: (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.

#### **Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts, or there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

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

### 9. 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 FVTPL are measured at the higher of: (a) the amount of the best estimate of the expenditure required to settle the present obligation at the balance sheet date; 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, and cross currency swap contracts for hedging interest rate and foreign exchange rate fluctuation risk, respectively. Derivatives are initially measured at fair value at the date when the derivative contracts are entered into, and are subsequently measured at fair value. Derivatives are recognised as assets when the fair value is positive and as liabilities when the fair value is negative. For derivatives which are 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, they 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 the end of each reporting period. If there is objective evidence that a financial asset is impaired, the Group determines the amount of any impairment loss. Objective evidence that a financial asset is impaired is an evidence that, arising from one or more events that occurred after the initial recognition of the asset, the estimated future cash flows of the financial asset, which can be reliably measured, have been affected. Evidence of impairment may include indications that a debtor or a group of debtors is experiencing significant financial difficulty, a debtor or debtors breach(es) contract (i.e. default or delinquency in interest or principal payments, etc.), it is very probable that they will enter bankruptcy or other financial reorganisation, and observable data indicates that there is a measurable decrease in the estimated future cash flows.

#### *Financial assets measured at amortised cost*

If a financial asset measured at amortised cost is impaired, the carrying amount of the financial asset is reduced through the use of an allowance account to the present value of estimated future cash flows (excluding future credit losses that have not been incurred). The reduced amount is recognised in profit or loss. 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. Interest income continues to be accrued on the reduced carrying amount and are accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans and receivables together with any associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group.

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.

# Notes to Financial Statements *(continued)*

For the year ended 31 December 2015

RMB

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

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

### 9. Financial instruments *(continued)*

#### **Impairment of financial assets *(continued)***

##### *Financial assets measured at amortised cost (continued)*

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

##### *Available-for-sale investments*

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

Objective evidence that an available-for-sale equity instrument investment is impaired includes significant or prolonged decline in the fair value below its cost. "Significant" is evaluated against the original cost of the investment and "prolonged" against the length of period in which the fair value has been below its original cost. Where there is evidence of impairment, the cumulative loss is measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in the statement of profit or loss. Impairment losses on equity instruments classified as available-for-sale are not reversed through the statement of profit or loss. Increases in their fair value after impairment are recognised directly in other comprehensive income.

The determination of what is "significant" or "prolonged" requires judgement. In making this judgement, the Group evaluates, among other factors, the duration or extent to which the fair value of an investment is less than its cost.

In the case of debt instruments classified as available-for-sale, impairment is assessed based on the same criteria as financial assets measured at amortised cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortised cost and the current fair value, less any impairment loss on that investment previously recognised in the statement of profit or loss. Future interest income continues to be accrued based on the reduced carrying amount of the asset and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

If, subsequent to the recognition of an impairment loss on an available-for-sale debt instrument, there is objective evidence of a recovery in the fair value of the financial asset, which can be related objectively to an event occurring after the impairment is recognised, the previously recognised impairment loss is reversed and recognised in profit or loss.

##### *Financial assets measured at cost*

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

#### **Transfer of financial assets**

The Group derecognises a financial asset when it has transferred substantially all the risks and rewards of ownership of the financial asset to the transferee. The Group does not derecognise those financial assets as transferred when it retains substantially all the risks and rewards of the ownership.

If the Group neither transfers nor retains substantially all the risks and rewards of ownership of financial assets, the related accounting treatments 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.

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

### 9. Financial instruments *(continued)*

#### **Transfer of financial assets *(continued)***

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the amount of guarantee. The amount of guarantee is the maximum amount of consideration that the Group could be required to repay.

### 10. Receivables

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

A receivable that exceeds RMB10,000,000 and in which 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 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 there is objective evidence that an impairment loss has been incurred, the carrying amount of the receivable is reduced to the present value of estimated future cash flows. The amount of reduction is recognised as an impairment loss in profit or loss.

### 11. Inventories

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

Inventories are initially measured at cost. Cost of inventories comprises all costs of purchase, costs of conversion, cost of land, cost of construction and other expenditures. The actual cost of inventories upon delivery is calculated using the weighted average method. Consumable materials included low value consumption and packing materials, which are recorded at cost in full upon delivery. Some spare parts and materials directly related to production are amortised periodically (for example, steel ball is depreciated using the units-of-production method, and 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.

At the end of reporting period, 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 raw materials, provision for decline in value is made based on the categories of inventories. For finished goods, provision for decline in value is made on an item-by-item basis.

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

### 12. Long-term equity investments

Long-term equity investments include equity investments in subsidiaries, joint arrangements and associates.

The long-term equity investment is initially measured at its cost. For a long-term equity investment involving enterprises under common control, the initial investment cost of the long-term equity investment is the attributable share of the carrying amount of the owners' equity of the merged party in the ultimate controlling party's consolidated financial statements at the date of combination. The difference between initial investment cost and the carrying amount of the consideration is adjusted against capital reserve. If the capital reserve is not sufficient to absorb the difference, any excess shall be adjusted against retained earnings. For the other comprehensive income which is already held before the acquisition date, on the disposal of the investment, the same accounting treatment of the related assets and liabilities directly disposed of by the investee should be used, changes in owners' equity of the investee other than net profit or loss, other comprehensive income and profits distribution are recognised in profit or loss when the investments are disposed of. Among which, those remain as long-term equity investments will be charged into the statement of profit or loss proportionately, those transferred as financial instruments will be fully charged to the statement of profit or loss. For a long-term equity investment acquired through business combination not involving enterprises under common control, the initial investment cost of a long-term equity investment is the cost of acquisition. For a long-term equity investment acquired through business combination not involving enterprises under common control and achieved in stages, the initial investment cost of the long-term equity investment is the aggregate of the carrying amount of the equity interest held in the acquiree prior to the acquisition date and the cost of the additional investment at the acquisition date. The investment cost is the aggregate of the fair values, at the acquisition date, of the assets given, liabilities incurred or assumed, and equity securities issued by the acquirer in exchange for control of the acquiree. For the other comprehensive income generated under equity method which is already held before the acquisition date, on the disposal of the investment, the same accounting treatment of the related assets and liabilities directly disposed of by the investee should be used, changes in owners' equity of the investee other than net profit or loss, other comprehensive income and profits distribution are recognised in profit or loss when the investments are disposed of. Among which, those remained as long-term equity investments will be charged into the statement of profit or loss proportionately, those transferred as financial instruments will be fully charged to the statement of profit or loss. For long-term equity investment which is a financial instrument and already held before the acquisition date, the accumulated fair value changes previously recorded as other comprehensive income should be transferred into the profit or loss for the period under cost method. 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 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 Company has control are accounted for using the cost method in the Company's separate financial statements. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Under the cost method, a long-term equity investment is measured at initial investment cost. If there are additional investments or disinvestments, the cost of the long-term equity investment shall be adjusted. Investment income is recognised in the period in accordance with the attributable share of cash dividends or profits distribution declared by the investee.

For long-term equity investments over which the Group has joint control or significant influence, the Group accounts for such long-term equity investments using the equity method. Joint control is the contractually agreed sharing of control over an arrangement, which exists only when the 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 operational policy decisions of the investee but is not control or joint control over those policies.

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

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

On disposal of a long-term equity investment, the difference between the proceeds actually received and the carrying amount is recognised in profit or loss for the period. For the other comprehensive income generated from a long-term equity investment under equity method, if the equity method is not applied any more, the same accounting treatment of which the investee directly disposes the related assets and liabilities should be used, changes in owners' equity of the investee other than net profit or loss, other comprehensive income and profits distribution are recognised in profit or loss for the period. If the equity method is still applied, the same accounting treatment of the related assets and liabilities directly disposed of by the investee should be used and recognised in profit or loss for the period in proportion, and changes in owners' equity of the investee other than net profit or loss, other comprehensive income and profits distribution are recognised in profit or loss for the period on pro-rata basis.

### 13. Investment properties

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

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

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

### 14. 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.



# Notes to Financial Statements *(continued)*

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

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

### 14. Fixed assets *(continued)*

Fixed assets are initially measured at cost and the effect of any expected costs of abandoning the asset at the end of its use is considered. The cost of a fixed asset is the aggregate cost of purchase price, related taxes and any directly attributable expenditure for bringing the asset to its working condition for its intended use. When the Company was established, 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 Fixed assets) is depreciated over its designated estimated production using the units-of-production method; an asset formed by work safety fund and production maintenance fund is depreciated one time. Other fixed assets are depreciated over their useful lives using the straight-line method, except that the joint operation, BNL, uses units-of-production method. The depreciation period, estimated net residual value rate and annual depreciation rate of each category of fixed assets are as follows:

Category	Depreciation period	Estimated net residual value rate	Annual depreciation rate
Buildings	8-50 years	0%-5%	1.90-12.50%
Power generation and transmission equipment	8-30 years	0%-5%	3.17-12.50%
Plant, machinery and equipment	5-15 years	0%-5%	6.33-20.00%
Motor vehicles	4-10 years	0%-5%	9.50-25.00%
Furniture, fixtures and others	3-10 years	0%-5%	9.50-33.33%

In addition, fixed assets held under finance lease are depreciated using the same depreciation method as other fixed assets. The assets are depreciated over their estimated useful lives where ownership of the assets can be reasonably estimated to be gained when the lease periods end; otherwise, the leased assets are depreciated over the shorter of the lease terms and the estimated useful lives of the assets.

The Group reviews the useful life and estimated net residual value of a fixed asset and the depreciation method applied at least once at each financial year-end, and adjusts for any changes when necessary.

### 15. Construction in progress

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

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

### 16. 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.

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 have commenced.

**III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES** *(continued)***16. Borrowing costs** *(continued)*

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 except those become ready for their intended use or sale. The borrowing costs incurred during these periods shall be recognised in profit or loss for the current period until the acquisition, construction or production is resumed.

**17. Intangible assets**

Intangible assets are recognised and measured on initial recognition at cost only if the related economic benefits will probably flow into the Group and their costs can be measured reliably. However, the intangible assets acquired through business combination not involving enterprises under common control should be measured at fair value separately as intangible assets when their fair values can be reliably measured.

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

A mining right (included in Note V.16 Intangible assets) is amortised using the units-of-production method. An exploration right will not be amortised until it is transferred to mining right which is amortised using the units-of-production method. Other intangible assets are amortised over their useful lives using the straight-line method. The estimated useful lives of each category of intangible assets are as follows:

<b>Categories</b>	<b>Useful lives</b>
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 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.

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

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

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

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

### 17. Intangible assets *(continued)*

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

### 18. Long-term deferred assets

Long-term deferred assets represent expenses already incurred and to be amortised over a period longer than one year. Long-term deferred assets mainly include land compensation cost and others. Land compensation costs are amortised evenly over the estimated beneficial useful lives of 5 to 50 years, whereas other long-term deferred assets are amortised over respective estimated useful lives.

### 19. Impairment of assets

Impairment of assets other than inventories, deferred tax assets and financial assets are recognised based on the following method:

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

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

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

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated on a reasonable basis to each of the Group's cash-generating units, or to relevant groups of cash-generating units if it is difficult to do so. Each unit or group of units to which the goodwill is so allocated represents those 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, if there is evidence of 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 recoverable amount of the asset group or set of asset groups is lower than its carrying amount, an impairment loss on goodwill shall be recognised. Firstly, the impairment loss shall be allocated to reduce the carrying amount of any goodwill allocated to the asset group or set of asset groups. Then, the impairment loss shall be allocated to the other assets of the asset group or set of asset groups (excluding goodwill) on the basis of the proportion of the carrying amount of each asset in the asset group or set of asset groups.

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

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

### 20. Employee benefits

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

#### **Short-term employee benefits**

During an accounting period when employees render service to the entity, the amount of short-term employee benefits should be recognised as a liability, and be recognised in profit or loss for the period or in cost of related assets.

#### **Post-employment benefits (define contribution plans)**

The employees in the Group participate in social insurance and unemployment insurance scheme administrated by the local governments, and the related expenditures are recorded in cost of related assets or profit or loss in the period when they are incurred.

#### **Termination benefits**

The Group recognises a liability and charges 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.

### 21. Contingent liabilities

Except for contingent consideration and contingent liabilities arising from business combinations not involving enterprises under common control, contingent liabilities are recognised when the Group has an obligation related to a contingency, which meets all of the following conditions:

- (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 end of reporting period, taking into account factors pertaining to a contingency such as the risks, uncertainties and time value of money. The carrying amount of a contingent liability is reviewed at the end of reporting period. Where there is objective evidence that the recognised carrying amount does not reflect the best estimation of the contingency, the contingent liability would be adjusted according to the best estimated amount.

### 22. 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 incurred or to be incurred can be measured reliably. The amount of sale of goods is determined by the contract or agreed price received or receivable from the buyer, except that the received or receivable contract or agreed price is unfair. For transaction based on contracted deferred payment, which embedded a contract of financing, the revenue should be measured by the fair value of the contracted price.

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

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

### 22. Revenue *(continued)*

#### Revenue from the rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably at the end of reporting period, 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.

### 23. 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 purchasing, constructing or forming long-term assets. If the government document is implicit, the Company should make a judgement based on the basic conditions to obtain the government grants, and recognise them as asset-related government grants if the conditions are for purchasing, constructing or forming long-term assets. Otherwise, the government grants should be income-related.

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.

### 24. 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.

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

### 24. Income tax *(continued)*

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 end of reporting period, for temporary differences between the carrying amounts of certain assets or liabilities and their tax base, or between 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 taxable temporary difference arises from: the initial recognition of goodwill or the initial recognition of an asset or liability in transactions that are not business combinations and, at the time of the transaction, affects neither the accounting profit, taxable profit or loss nor deductible losses; and,
- (2) In respect of taxable temporary differences associated with investments in subsidiaries, interests in joint arrangement and associates, 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 temporary differences, deductible losses and tax credits can be utilised, except:

- (1) Where the deductible temporary differences arises from transactions that are not business combinations and, at the time of the transaction, affects neither the accounting profit, taxable profit or loss nor deductible losses; and
- (2) In respect of deductible temporary differences associated with investments in subsidiaries, interests in joint arrangements and associates, 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 end of reporting period, deferred tax assets and liabilities are measured at applicable tax rates according to the requirements of tax laws during the period that the assets are expected to be recovered or the liability expected to be repaid. The recognition of deferred tax assets and liabilities also take the recovery or the repayment terms into account.

At the end of reporting period, 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 end of reporting period, the carrying amount of unrecognised deferred tax assets is reviewed and recognised to the extent it is probable that available taxable profits in the future will allow all or part of 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.

### 25. 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 rentals are charged to profit or loss in the period in which they actually incur.

#### **As lessor under operating leases**

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

# Notes to Financial Statements *(continued)*

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

### 25. Leases *(continued)*

#### **As lessee under finance leases**

An asset held under finance leases is initially recognised at the lower between the leased assets' fair value and the present value of minimum lease payments on the lease commencement date. The amount of long-term payables will be recognised as minimum lease payments accordingly, and the differences between the leased assets' fair value and the present value of minimum lease payments will be recorded as unrecognised financing costs which will be amortised by the effective interest method over the term of the relevant lease. Contingent rentals will be recognised in profit or loss when they actually incur.

### 26. Share repurchase

The considerations and transaction costs occurred in repurchasing the Company's own equity instruments are deducted from equity. Equity movements are recognised on the issue (including refinance), repurchase, sale, or cancellation of the Group's own equity instruments.

### 27. Profit distribution

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

### 28. 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 at the same time. For the utilisation of the fee to pay for safety relevant expenses, the special reserves shall be reversed directly. Capitalised expenditure shall be aggregated and recognised in fixed assets when the asset is ready for its intended use. The actual expenditure shall be offset with the balance of special reserves and full depreciation is provided for the asset at the same amount.

### 29. 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 is one that is accessible by the Group as at the measurement date. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Unobservable inputs are adopted only when observable inputs are not available.

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 obtainable on measurement date

Level 2 – based on inputs, other than quoted price included within level 1, that are observable, either directly or indirectly, for the assets or liabilities

Level 3 – based on inputs for the assets or liabilities that are unobservable

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

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

### 30. Significant accounting judgements and estimates

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts and disclosure of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the balance sheet date. 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 which have the most significant effect on the amounts recognised in the financial statements:

##### *Corporate income tax*

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

##### *Joint arrangement - the investment in the off-shore mining fund by the Group*

The Group has determined that although the Group holds 90.5% 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, and the Group and Sprott have joint control over the investment committee of Sprott Fund. As such, the Group recognised its investment in the Sprott Fund as an investment in a joint venture.

##### *Joint arrangement - the investment in Barrick (Niugini) Limited ("BNL") by the Group*

The Group has determined that BNL is jointly controlled by Gold Mountains (H.K.), a wholly-owned subsidiary of the Company, and Barrick (PD) Australia Pty Limited, and each of the parties has rights to the assets, obligations for the liabilities of BNL, and is eligible to BNL's output and recognises the expenses incurred in the proportion of 50%. Therefore, the Group recognised its investment in BNL as an investment in a joint operation.

##### *Joint arrangement - the investment in Kamo Holding Limited ("Kamo") by the Group*

The Group has determined that Kamo is jointly controlled by Gold Mountains (H.K.), a wholly-owned subsidiary of the Company, and Ivanhoe Mines US LLC, and the two parties have rights to the net assets of Kamo in proportion of 49.5% each. As such, the Group recognised its investment in Kamo as an investment in a joint venture.

#### **Estimation uncertainty**

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that may cause a material adjustment to the carrying amounts of assets and liabilities, are discussed below.

##### *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.



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

### 30. Significant accounting judgements and estimates *(continued)*

#### **Estimation uncertainty** *(continued)*

##### *Inventory provision determined on net realisable value*

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

##### *Impairment of available-for-sale investments*

The Group classifies certain assets as available-for-sale investments and directly recognises movements of their fair value in other comprehensive income. When the fair value declines, management makes assumption about the decline in value to determine whether there is an impairment that should be recognised in the statement of 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. 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 assets group exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its present value of future cash flows. The calculation of the fair value less costs to sell is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

##### *Impairment of goodwill*

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

##### *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.

##### *Exploration expenditures*

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

##### *Proved mineral reserves*

Proved mineral reserves are estimated based on professional knowledge, experience and industrial practice. Most of the time, the estimation basis on probing and estimation may not be very accurate. The estimation is updated in accordance with new technologies and new information. Any changes in estimation will have impacts on amounts of mining assets' depreciation and mining rights' amortisation using the units-of-production method, and on the stripping ratio which was used in the capitalisation of stripping costs. That may result in changes of or impacts on the Group's development and operation programme, and the Group's operation and operating results.

##### *Deferred tax assets*

To the extent that it is probable that there are sufficient taxable profits to offset deductible losses, deferred tax assets shall be recognised for all unused deductible losses. Substantial management's 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.

**III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES** *(continued)***30. Significant accounting judgements and estimates** *(continued)***Estimation uncertainty** *(continued)**Estimated compensation*

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

*Provision for environmental rehabilitation and restoration of mines*

Pursuant to the regulations in the countries where the mines locate, the Group recognises provision for environmental rehabilitation and restoration of mines. The amount of provision is an estimate based upon the life of mining tenement, mine closure and cost of such rehabilitation, which depends on an overall judgement of management.

**IV. TAX****1. Major taxes and tax rates**

Value-added tax ("VAT")	Sales of final gold products and carrying-gold minerals are exempted from VAT. The VAT rate for mining and processing of iron concentrates and non-ferrous metals such as gold concentrates, copper concentrates, zinc concentrates, and copper cathodes, zinc bullions, material sales and processing is 17%. The taxpayer is required to remit the VAT balance after deducting the VAT paid on eligible purchases to the tax authority.  VAT tax rate for transportation service income is 11%, and that for trademark royalty income and technical service income is 6%. Small-scale taxpayer's VAT tax rate for all the income mentioned above is 3%.
Business tax	Business tax rate for real-estate rental income and hotel service revenue is 5%, and that for construction labor income is 3%.
Urban maintenance and construction tax	Levied on actual payment of turnover tax at rates ranging from 1% to 7%.
Resource tax	Tax rates for gold resources ranged from RMB1.5 to RMB7 (2014: RMB2 to RMB8.5) per tonne depending on the gold ore quantity; tax rates for copper resources ranged from RMB6 to RMB7 (2014: RMB6 to RMB7) per tonne depending on the copper ore quantity; tax rates for iron resource ranged from RMB6.4 to RMB12.8 (2014: RMB12 to RMB12.8) per tonne according to the ore quantity of the concentrates; tax rate for zinc-lead resources was RMB20 (2014: RMB20) per tonne according to the ore quantity of the concentrates.
Resource compensation fee	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%.
Corporate income tax	Provision for tax for the Company and the Company's subsidiaries incorporated and operating in the PRC has been made at the rate of 25% based on the taxable profits, except for certain companies in the Group which enjoyed tax concession and preferential tax rate under approval documents and are further mentioned below. Provision for tax for the Company's subsidiaries incorporated and operating in Hong Kong has been made at the rate of 16.5% on the assessable profits for the year. Provision for tax for the Company's subsidiaries incorporated and operating in Australia and the Democratic Republic of the Congo has been made at the rate of 30% on the assessable profits for the year. Provision for tax for the Company's subsidiaries incorporated and operating in South Africa has been made at the rate of 28% on the assessable profits. Provision for tax for the Company's subsidiaries incorporated and operating in the Republic of Tajikistan has been made at the rate of 15% on the assessable profits for the year. Provision for tax for the Company's subsidiaries incorporated and operating in the Russian Federation has been made at the rate of 20% on the assessable profits for the year. Provision for tax for the Company's subsidiaries incorporated and operating in the Kyrgyz Republic has been made at the rate determined by the scope of the revenue.

# Notes to Financial Statements *(continued)*

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## IV. TAX *(continued)*

### 2. Tax incentives

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 the Catalogue of Industrial Structure Adjustment Guidance (2011 version) (Revised) (The National Development and Reform Commission Order [2013] No. 21) and which derive over 70% of their operating income from the encouraged industries could apply for tax incentives. After getting in-charge tax bureau's approval, those enterprises could enjoy a reduced corporate income tax ("CIT") rate of 15%. In 2015, the following subsidiaries obtained the in-charge tax bureau's approval and were granted a reduced CIT rate of 15%:

- (1) Pursuant to the Notice of Tax Issue (Ha Di Shui Tong Reduction [2015] No.72) issued by the Xinjiang Autonomous Region Habahe County Local Tax Bureau on 12 February 2015, Xinjiang Ashele Copper Company Limited ("Xinjiang Ashele") was entitled to a tax concession of Western Development at a preferential CIT rate of 15% in 2015.
- (2) Pursuant to the Tax Preference Application approved by Xinjiang Autonomous Region Wuqia County State Tax Bureau on 25 March 2015, Wuqia County Jinwang Mining Development Company Limited ("Wuqia Jinwang") was entitled to a tax concession of Western Development at a preferential CIT rate of 15% in 2015.
- (3) Pursuant to the Reference Table of Corporate Income Tax issued by the State Tax Bureau of Hunchun Border Economic Cooperation Zone on 22 February 2016, Hunchun Zijin Mining Company Limited ("Hunchun Zijin") was entitled to a tax concession of Western Development at a preferential CIT rate of 15% in 2015.

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 1. CASH AND CASH EQUIVALENTS

	2015	2014
Cash	6,800,046	4,544,293
Bank deposit	4,785,504,001	3,381,995,140
Other monetary funds (Note 1)	705,991,258	753,133,335
	<b>5,498,295,305</b>	4,139,672,768

Note 1: As at 31 December 2015, the balance of other monetary funds mainly included: (1) Land restoration and environmental rehabilitation costs of RMB66,308,378 (31 December 2014: RMB63,458,096). Pursuant to the rules of Longyan Municipal Government, the Company provided land restoration and environmental rehabilitation costs and deposited the fund in a specified bank account. The fund was restricted to the use of land restoration and environmental rehabilitation; (2) Guarantee deposits of RMB64,952,233 (31 December 2014: RMB54,715,758), which were restricted to use; (3) Time deposits with maturity for more than three months of RMB521,336,401 (31 December 2014: RMB509,667,366); (4) Deposit in the Shanghai Gold Exchange of RMB53,394,246 (31 December 2014: RMB125,221,023); and (5) Dedicated deposit for donation of nil (31 December 2014: RMB71,092).

As at 31 December 2015, cash and cash equivalents of RMB510,984,359 (31 December 2014: RMB397,748,850) were 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 deposits earn interest at the respective rates of different maturities.

# Notes to Financial Statements *(continued)*

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## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

### 2. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2015	2014
Held-for-trading financial assets		
Held-for-trading equity investments (Note 1)	263,630,628	114,615,762
Derivative financial assets (Note 2)	143,268,440	60,641,750
Cross currency swap ("CCS") (Note 3)	14,359,008	—
Others (Note 4)	127,094,654	136,990,115
	<b>548,352,730</b>	<b>312,247,627</b>

Note 1: The investments in stocks aimed at making short-term profits.

Note 2: In the derivative financial assets, 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 2015, gains on changes in fair value arising from gold forward contracts were RMB1,936,000 (31 December 2014: gains of RMB2,540,478).

Note 3: The Group has used CCS contracts to hedge the currency risk and interest rate risk. As at 31 December 2015, gains on changes in fair value arising from CCS contracts were RMB14,359,008.

Note 4: The Group has purchased money market funds in overseas markets through Essence Securities Co., Ltd. As at 31 December 2015, the money market funds have been disposed (31 December 2014: losses on changes in fair value of RMB1,006,089). The Group has purchased the funds through securities companies and the domestic secondary market. As at 31 December 2015, losses on changes in fair value arising from the funds were RMB7,848,659 (31 December 2014: gains of RMB4,521,160).

### 3. BILLS RECEIVABLE

	2015	2014
Bank acceptance bills	235,873,037	537,013,069
Commercial acceptance bills	28,500,000	1,471,633
	<b>264,373,037</b>	538,484,702

Bills receivable which have been pledged are as follows:

	2015	2014
Bank acceptance bills	3,470,000	6,600,000

Bills receivable endorsed or discounted by the Group to other parties which were not yet due at balance sheet date are as follows:

	2015		2014	
	Derecognised	Not derecognised	Derecognised	Not derecognised
Bank acceptance bills	253,331,072	—	404,367,014	—

As at 31 December 2015, there were no bills receivable which were converted to trade receivables due to the drawer's inability to settle the note on maturity (31 December 2014: Nil).

# Notes to Financial Statements *(continued)*

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## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

### 4. TRADE RECEIVABLES

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

An ageing analysis of the trade receivables is as follows:

	2015	2014
Within 1 year	<b>744,550,678</b>	1,204,922,684
Over 1 year but within 2 years	<b>113,127,156</b>	17,117,052
Over 2 years but within 3 years	<b>10,267,525</b>	8,577,001
Over 3 years	<b>3,554,066</b>	1,594,371
	<b>871,499,425</b>	1,232,211,108
Less: Bad debt provision	<b>6,816,697</b>	4,135,644
	<b>864,682,728</b>	1,228,075,464

The sales of gold bullions are settled on the transaction dates. The credit periods on the sales of other products such as copper cathodes, zinc bullions and ore concentrates range from one to six months. The Group maintains strict control over its outstanding receivables. Overdue balances are reviewed regularly. As mentioned above and because of 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 for the trade receivables are as follows:

	At 1 January	Additions	Reversal	Write-off	At 31 December
<b>2015</b>	<b>4,135,644</b>	<b>2,834,823</b>	<b>(111,269)</b>	<b>(42,501)</b>	<b>6,816,697</b>
2014	7,443,532	4,119,219	—	(7,427,107)	4,135,644

	2015					2014				
	Carrying amount		Bad debt provision		Net book value	Carrying amount		Bad debt provision		Net book value
	Amount	Proportion (%)	Amount	Proportion (%)		Amount	Proportion (%)	Amount	Proportion (%)	
Individually significant and for which bad debt provision has been assessed individually	618,112,522	70.93	—	—	618,112,522	932,872,837	75.71	—	—	932,872,837
Individually not significant but for which bad debt provision has been assessed individually	253,386,903	29.07	6,816,697	2.69	246,570,206	299,338,271	24.29	4,135,644	1.38	295,202,627
	<b>871,499,425</b>	<b>100.00</b>	<b>6,816,697</b>	<b>0.78</b>	<b>864,682,728</b>	1,232,211,108	100.00	4,135,644	0.34	1,228,075,464

In 2015, the provision for bad debt was RMB2,834,823 (2014: RMB4,119,219), and RMB111,269 was reversed (2014: Nil).

In 2015, Xiamen Zijin Construction Design Co., Ltd., the Group's subsidiary, wrote off a bad debt provision of RMB42,501. In 2014, the client of Fujian Jinyi Copper Co., Ltd. ("Jinyi Copper"), the Group's subsidiary, went bankrupt, the trade receivables on it were uncollectible. Therefore, the actual write-off amount of bad debt provision for the prior year was RMB7,427,107.

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## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

### 4. TRADE RECEIVABLES *(continued)*

As at 31 December 2015, the five entities with the largest balances of trade receivables are as follows:

Name of entity	Amount	Proportion of trade receivables (%)	Ageing	Closing balance of bad debt provision
Xinjiang Bayi Steel Group Company Limited ("Bayi Steel")	84,535,206	9.70	Within 1 year	—
Xinjiang Tulip Trading Co., Ltd.	78,471,325	9.00	Within 1 year	—
Golmud West Steel Trading Co., Ltd.	65,735,684	7.54	Within 1 year	—
Intercontinental Resources HK Co., Ltd.	46,476,680	5.33	Within 1 year	—
The Perth Mint Australia	37,442,542	4.30	Within 1 year	—
	<b>312,661,437</b>	<b>35.87</b>		—

As at 31 December 2014, the five entities with the largest balances of trade receivables are as follows:

Name of entity	Amount	Proportion of trade receivables (%)	Ageing	Closing balance of bad debt provision
Jinchuan Group Company Limited ("Jinchuan Group")	311,240,643	25.26	Within 1 year	—
Shanghai Red Heron International Trade Co., Ltd.	111,964,890	9.09	Within 1 year	—
Bayi Steel	66,433,565	5.39	Within 1 year	—
Xiamen Tungsten Joint Stock Company Limited	52,917,682	4.29	Within 1 year	—
Xining Special Steel Co., Ltd. ("Xining Special Steel")	51,953,639	4.22	Within 1 year	—
	594,510,419	48.25		—

### 5. PREPAYMENTS

Ageing analysis of the prepayments is as follows:

	2015		2014	
	Carrying amount	Proportion (%)	Carrying amount	Proportion (%)
Within 1 year	727,382,869	85.76	498,961,356	76.56
Over 1 year but within 2 years	51,020,746	6.02	79,014,057	12.12
Over 2 years but within 3 years	23,901,167	2.82	60,725,206	9.32
Over 3 years	45,822,159	5.40	13,047,913	2.00
	<b>848,126,941</b>	<b>100.00</b>	651,748,532	100.00
Less: Bad debt provision	5,657,090		1,780,383	
	<b>842,469,851</b>		649,968,149	

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### V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

#### 5. PREPAYMENTS *(continued)*

As at 31 December 2015, there were no prepayments with significant balances aged over one year (31 December 2014: Nil).

The five entities with the largest balances of prepayments at 31 December 2015 are as follows:

Name of entity	Amount	Proportion of prepayments (%)
Penavico Shenzhen Logistics Limited, Tianjin Branch ("Shenzhen Penavico")	<b>95,962,782</b>	<b>11.31</b>
MRI Trading AG	<b>93,570,592</b>	<b>11.03</b>
Louis Dreyfus Commodities Metals Trading Co., Ltd.	<b>79,400,412</b>	<b>9.36</b>
Xiamen Zijin Zhonghang Real Estate Company Limited ("Xiamen Zijin Zhonghang")	<b>58,643,463</b>	<b>6.91</b>
Xinjiang Hezhong International Trading Co., Ltd.	<b>27,602,379</b>	<b>3.25</b>
	<b>355,179,628</b>	<b>41.86</b>

The five entities with the largest balances of prepayments at 31 December 2014 are as follows:

Name of entity	Amount	Proportion of prepayments (%)
Xiamen Zijin Zhonghang	69,147,271	10.61
Shenzhen Penavico	57,132,085	8.77
Jiayou International Logistics (Beijing) Company Limited	29,538,797	4.53
Xinjiang Xinqiang Recycling Company Limited	22,400,000	3.44
Xiamen Qingtuo Trading Company Limited	18,390,000	2.82
	196,608,153	30.17

#### 6. OTHER RECEIVABLES

Ageing analysis of the other receivables is as follows:

	2015	2014
Within 1 year	<b>976,164,493</b>	797,880,908
Over 1 year but within 2 years	<b>50,422,531</b>	350,560,090
Over 2 years but within 3 years	<b>22,608,484</b>	115,251,587
Over 3 years	<b>328,049,421</b>	237,013,029
	<b>1,377,244,929</b>	1,500,705,614
Less: Bad debt provision	<b>161,608,696</b>	234,160,438
	<b>1,215,636,233</b>	1,266,545,176

# Notes to Financial Statements *(continued)*

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## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

### 6. OTHER RECEIVABLES *(continued)*

Movements in bad debt provision for other receivables are as follows:

	<b>At 1 January</b>	<b>Additions</b>	<b>Reversal</b>	<b>Write-off</b>	<b>At 31 December</b>
<b>2015</b>	<b>234,160,438</b>	<b>1,108,502</b>	<b>(10,980,847)</b>	<b>(62,679,397)</b>	<b>161,608,696</b>
2014	165,755,786	80,595,738	(89,770)	(12,101,316)	234,160,438

	2015					2014				
	Carrying amount		Bad debt provision		Net book value	Carrying amount		Bad debt provision		Net book value
	Amount	Proportion (%)	Amount	Proportion (%)		Amount	Proportion (%)	Amount	Proportion (%)	
Individually significant and for which bad debt provision has been assessed individually	924,497,708	67.13	150,992,416	16.33	773,505,292	1,033,941,729	68.90	212,792,416	20.58	821,149,313
Individually not significant but for which bad debt provision has been assessed individually	452,747,221	32.87	10,616,280	2.34	442,130,941	466,763,885	31.10	21,368,022	4.58	445,395,863
	<b>1,377,244,929</b>	<b>100</b>	<b>161,608,696</b>	<b>11.73</b>	<b>1,215,636,233</b>	<b>1,500,705,614</b>	<b>100</b>	<b>234,160,438</b>	<b>15.60</b>	<b>1,266,545,176</b>

As at 31 December 2015, other receivables, which were individually significant and for which bad debt provision has been provided, were as follows:

	<b>Carrying amount</b>	<b>Bad debt provision</b>	<b>Proportion (%)</b>	<b>Reason for providing bad debt provision</b>
Xiamen Zijin Tongguan Investment Development Company Limited ("Zijin Tongguan")	175,755,365	140,992,416	80.22	No progress for the project in which the borrowing is used
Chongli Dongping Gold Mining Company Limited ("Chongli Dongping")	10,034,878	10,000,000	99.65	Borrower is incapable to make repayments
	<b>185,790,243</b>	<b>150,992,416</b>		

As at 31 December 2014, other receivables, which were individually significant and for which bad debt provision has been provided, were as follows:

	<b>Carrying amount</b>	<b>Bad debt provision</b>	<b>Proportion (%)</b>	<b>Reason for providing bad debt provision</b>
Zijin Tongguan	157,444,785	140,992,416	89.55	No progress for the project in which the borrowing is used
Mongolia Tianhong Mining Company Limited ("Mongolia Tianhong")	61,800,000	61,800,000	100.00	Borrower is in long-term loss
Chongli Dongping	10,034,878	10,000,000	99.65	Borrower is incapable to operate
	<b>229,279,663</b>	<b>212,792,416</b>		



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

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

### 6. OTHER RECEIVABLES *(continued)*

In 2015, the provision for bad debt was RMB1,108,502 (2014: RMB80,595,738), and RMB10,980,847 was reversed (2014: RMB89,770).

In 2015, other receivables written off amounted to RMB62,679,397 (2014: RMB12,101,316).

Other receivables by nature are as follows:

	2015	2014
Advanced material costs	<b>140,789,003</b>	120,396,745
Due from non-controlling shareholders	<b>54,566,943</b>	54,673,792
Staff loan and reserve fund	<b>36,751,641</b>	38,759,953
Due from third parties	<b>137,331,317</b>	300,203,672
Receivables from associates and joint ventures	<b>177,123,355</b>	168,611,139
Security and deposits	<b>101,754,981</b>	168,940,107
Interest receivables	<b>4,953,731</b>	11,699,344
Receivables from disposal of assets	<b>124,503,515</b>	130,658,293
Deferred expenses	<b>185,622,637</b>	156,543,432
Receivables for settlement of forwards	<b>154,617,360</b>	162,070,984
Others	<b>259,230,446</b>	188,148,153
	<b>1,377,244,929</b>	1,500,705,614
Less: Bad debt provision	<b>161,608,696</b>	234,160,438
	<b>1,215,636,233</b>	1,266,545,176

The five entities with the largest balances of other receivables as at 31 December 2015 are as follows:

Name of entity	Nature	Amount	Ageing	Proportion of other receivables (%)	Closing balance of bad debt provision
Zijin Tongguan (Note 1)	Due from associates and joint ventures	175,755,365	Within 1 year/ over 1 year but within 2 years/over 3 years	12.76	140,992,416
PRC Urat Customs ("Urat Customs") (Note 2)	Deposits	58,817,505	Within 1 year/ over 1 year but within 2 years	4.27	—
Longkou City Jinhe Industrial and Trading Co., Ltd. ("Jinhe Industrial and Trading") (Note 3)	Receivables from transfer of equity investments	54,700,000	Over 1 year but within 2 years	3.97	—
Wuping County Tianan City Construction Investment and Development Co. Ltd. ("Wuping Tianan") (Note 4)	Due from third parties	43,950,000	Over 3 years	3.19	—
Bank of China Fujian Branch (Note 6)	Receivables for settlement of forwards	41,257,251	Within 1 year	3.00	—
		374,480,121		27.19	140,992,416

# Notes to Financial Statements *(continued)*

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## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

### 6. OTHER RECEIVABLES *(continued)*

The five entities with the largest balances of other receivables as at 31 December 2014 are as follows:

Name of entity	Nature	Amount	Ageing	Proportion of other receivables (%)	Closing balance of bad debt provision
Zijin Tongguan (Note 1)	Due from associates and joint ventures	157,444,785	Within 1 year/ over 1 year but within 2 years/over 3 years	10.49	140,992,416
Urat Customs (Note 2)	Deposits	125,840,050	Within 1 year	8.39	—
Mr. He Maoxiong (Note 5)	Due from third-parties	80,000,000	Over 3 years	5.33	—
Bank of China Fujian Branch (Note 6)	Receivables for settlement of forwards	69,433,377	Within 1 year	4.63	—
Crédit Agricole Bank (Note 6)	Receivables for settlement of forwards	68,887,387	Within 1 year	4.59	—
		501,605,599		33.43	140,992,416

Note 1: The balance was mainly borrowings due from Zijin Tongguan offered by the Company from 2012 to 2015. As at 31 December 2015, the loans and operation funds offered to Zijin Tongguan by the Company amounted to RMB175,755,365 accumulatively, which had no pledge and were interest-free. However, Monterrico Metals Plc., a subsidiary of Zijin Tongguan, was temporarily unable to carry out development because of the unresolved community relationship problems. Consequently, the management of the Group considered that there were signs of impairment in borrowings and other receivables of Zijin Tongguan, and made a bad debt provision for the borrowings and receivables due from Zijin Tongguan amounting to RMB140,992,416.

Note 2: Zijin Copper Company Limited ("Zijin Copper"), a subsidiary of the Group, imported copper concentrates via Urat Customs. Zijin Copper was required to pay deposits for import. Balance of the deposit was RMB58,817,505 as at 31 December 2015 (31 December 2014: RMB125,840,050).

Note 3: Zijin International Mining Company Limited ("Zijin International Mining"), a subsidiary of the Group, signed an equity transfer agreement of Longkou Jinfeng Company Limited with Jinhe Industrial and Trading in November 2014. According to the agreement, the share transfer price was RMB84,600,000. As at 31 December 2015, Jinhe Industrial and Trading had paid RMB29,900,000 and the remaining balance of RMB54,700,000 was unpaid.

Note 4: In 2009, Zijin Mining Group Southern Investment Company Limited ("Southern Investment"), Wuping Zijin Mining Company Limited ("Wuping Zijin"), and Shanghang Jinshan Mining Company Limited, subsidiaries of the Group, provided a total amount of RMB50,000,000 to Wuping Tianan as borrowings. The borrowings were used for the local residents' resettlement and land development of the ninth phase of the old city reconstruction project of Wuping County. As at 31 December 2015, the borrowings of RMB43,950,000 were not recovered.

Note 5: In December 2009, Zijin Mining Group Qinghai Company Limited ("Qinghai Zijin"), a subsidiary of the Group, planned to acquire the shares of Bindi Potash 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. Parts of the deposit amounting to RMB20,000,000, RMB78,000,000, RMB20,000,000 and RMB10,000,000 were repaid by Mr. He Maoxiong to Qinghai Zijin in 2012, 2013, 2014 and 2015, respectively. As at 30 December 2015, the rest of the deposit amounting to RMB70,000,000 was not recovered. On 30 December 2015, Qinghai Zijin entered into an equity transfer agreement with Mr. He Maoxiong, pursuant to which Qinghai Zijin agreed to accept the swap of 3.5982% of equity interest in Bindi Potash with the RMB70,000,000 remaining deposit as consideration. Such agreement was approved by the shareholders' meeting of Bindi Potash on the same day. The investment in Bindi Potash was recognised as an available-for-sale investment by Qinghai Zijin. As the fair value of 3.5982% of equity interest amounted to RMB187,106,400, a non-operating income of RMB117,106,400 was recognised at the same time.

Note 6: The Company entrusted Bank of China and Crédit Agricole Bank to carry out gold forward transactions and silver forward transactions. The transactions were denominated in USD, while there was no physical delivery of gold or silver. Before maturity, the Company terminated the transactions through offsetting positions and the transaction parties settled the spread and other expenses in USD. As at 31 December 2015, gains on settled forward contracts amounted to RMB41,257,251 (31 December 2014: RMB138,320,764).

# Notes to Financial Statements *(continued)*

For the year ended 31 December 2015

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

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

### 7. INVENTORIES

	2015			2014		
	Carrying amount	Inventory provision	Net book value	Carrying amount	Inventory provision	Net book value
Raw materials	3,209,088,612	(31,823,611)	3,177,265,001	3,380,821,280	(32,119,983)	3,348,701,297
Work in progress	3,579,247,568	(4,716,135)	3,574,531,433	3,447,584,035	(1,416,244)	3,446,167,791
Finished goods	1,576,542,944	(101,256,860)	1,475,286,084	1,410,330,719	(96,795,588)	1,313,535,131
Properties under development	2,689,084,580	—	2,689,084,580	2,239,792,956	—	2,239,792,956
Reusable materials	35,151,382	—	35,151,382	5,720,365	—	5,720,365
	<b>11,089,115,086</b>	<b>(137,796,606)</b>	<b>10,951,318,480</b>	10,484,249,355	(130,331,815)	10,353,917,540

The movements of inventory provision are as follows:

2015	At 1 January	Additions	Reductions Reversal or write-off	At 31 December
Raw materials	32,119,983	264,466,099	(264,762,471)	31,823,611
Work in progress	1,416,244	14,224,579	(10,924,688)	4,716,135
Finished goods	96,795,588	101,637,334	(97,176,062)	101,256,860
	<b>130,331,815</b>	<b>380,328,012</b>	<b>(372,863,221)</b>	<b>137,796,606</b>

2014	At 1 January	Additions	Reductions Reversal or write-off	At 31 December
Raw materials	76,180,762	192,889,321	(236,950,100)	32,119,983
Work in progress	1,772,330	2,402,410	(2,758,496)	1,416,244
Finished goods	12,286,322	105,761,729	(21,252,463)	96,795,588
	90,239,414	301,053,460	(260,961,059)	130,331,815

2015	Basis of net realisable value	Basis of making provision for inventories	Reasons for reversal
Raw materials	Market price of raw materials/market price of relevant finished goods	Defective and obsolete/decrease in market price of relevant finished goods	Increase in market price of relevant finished goods
Work in progress	Market price of relevant finished goods	Decrease in market price of finished goods	Increase in market price of finished goods
Finished goods	Market price/contract price	Decrease in market price	Increase in market price
2014	Basis of net realisable value	Basis of making provision for inventories	Reasons for reversal
Raw materials	Market price of raw materials/market price of relevant finished goods	Defective and obsolete/decrease in market price of relevant finished goods	Increase in market price of relevant finished goods
Work in progress	Market price of relevant finished goods	Decrease in market price of finished goods	Increase in market price of finished goods
Finished goods	Market price/contract price	Decrease in market price	Increase in market price

# Notes to Financial Statements *(continued)*

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

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

### 7. INVENTORIES *(continued)*

As at 31 December 2015, there was no inventory pledged as collateral (31 December 2014: RMB492,959,037). Details are disclosed in Note V.58.

As at 31 December 2015, carrying amount of inventories included capitalised interest expense of RMB37,983,363 (31 December 2014: RMB57,286,686).

### 8. CURRENT PORTION OF NON-CURRENT ASSETS

	2015	2014
Long-term receivables due within one year	<b>458,040,000</b>	—

### 9. OTHER CURRENT ASSETS

	2015	2014
Deposit for forward contracts	<b>156,235,835</b>	212,346,626
Deposit for gold transactions	<b>1,113,281</b>	3,995,378
Liquid cash for forward contracts	<b>128,685,311</b>	15,825,608
Deductible taxes (Note 1)	<b>728,428,642</b>	527,636,689
Others	<b>137,215,609</b>	369,510,863
	<b>1,151,678,678</b>	1,129,315,164

Note 1: Balance represented the recoverable amount of value-added tax and corporate income tax prepaid by the Group.

### 10. AVAILABLE-FOR-SALE INVESTMENTS

	2015			2014		
	Carrying amount	Impairment provision	Net book value	Carrying amount	Impairment provision	Net book value
Available-for-sale equity instruments						
Measured at fair value	<b>446,220,051</b>	<b>(21,109,288)</b>	<b>425,110,763</b>	167,657,409	(81,618,459)	86,038,950
Measured at cost	<b>553,509,207</b>	<b>(6,611,323)</b>	<b>546,897,884</b>	435,957,175	(26,710,423)	409,246,752
	<b>999,729,258</b>	<b>(27,720,611)</b>	<b>972,008,647</b>	603,614,584	(108,328,882)	495,285,702

Available-for-sale investments measured at fair value are as follows:

	2015	2014
Cost of equity instruments	<b>488,256,952</b>	169,704,751
Fair value	<b>425,110,763</b>	86,038,950
Accumulated changes in fair value recognised as other comprehensive income	<b>(42,036,901)</b>	(2,047,342)
Impairment provision at 31 December	<b>(21,109,288)</b>	(81,618,459)

# Notes to Financial Statements *(continued)*

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

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

### 10. AVAILABLE-FOR-SALE INVESTMENTS *(continued)*

Available-for-sale investments measured at cost are as follows:

2015

	Carrying amount				Impairment provision				Proportion of equity interest (%)	Cash dividends received for the year
	At 1 January	Additions	Reductions	At 31 December	At 1 January	Additions	Reductions	At 31 December		
Sichuan Liwu Copper Company Limited ("Liwu Copper")	19,850,000	—	—	19,850,000	—	—	—	—	5.77	4,000,000
Fujian Shanghang Rural Commercial Bank Company Limited ("Shanghang Rural Commercial Bank")	89,900,000	—	—	89,900,000	—	—	—	—	10.00	15,600,000
Nanjing China Net Communication Company Limited ("Nanjing China Net")	25,000,000	—	—	25,000,000	—	—	—	—	8.62	—
Hunan Nonferrous Metals Corporation Limited ("Hunan Nonferrous Metals")	30,000,000	—	(30,000,000)	—	—	—	—	—	N/A	—
Fujian Shanghang Xingcheng Guarantee Company Limited ("Xingcheng Guarantee") (Note1)	50,000,000	—	—	50,000,000	—	—	—	—	20.00	—
Muli County Rongda Mining Company Limited ("Muli Rongda")	62,017,517	—	—	62,017,517	—	—	—	—	12.00	2,400,000
Xinjiang Xinxin Mining Industry Company Limited ("Xinjiang Xinxin")	18,314,097	—	—	18,314,097	—	—	—	—	2.56	—
Wulatehouqi Ruifeng Lead Refinery Company Limited ("Wulatehouqi Ruifeng")	10,500,000	—	—	10,500,000	(6,611,323)	—	—	(6,611,323)	3.03	—
Luoyang Yongning Gold and Lead Refinery Company Limited ("Luoyang Yongning")	39,600,000	—	(39,600,000)	—	(20,099,100)	—	20,099,100	—	N/A	—
CASA Mining Limited ("Casa Mining")	41,932,791	—	—	41,932,791	—	—	—	—	8.01	—
Solantera Resources Ltd. ("Solantera Resources")	7,771,757	—	—	7,771,757	—	—	—	—	2.80	—
Zhenfeng Rural Credit Cooperative Union	11,074,000	—	—	11,074,000	—	—	—	—	9.80	1,460,200
Xinjiang Tianshan Railway Company Limited ("Xinjiang Tianshan Railway")	19,200,000	—	—	19,200,000	—	—	—	—	12.00	—
Luoyang Commercial Bank	1,000,000	—	—	1,000,000	—	—	—	—	0.12	325,000
Jiangxi Jinhuan Mining Company Limited ("Jiangxi Jinhuan") (Note 2)	4,864,063	—	—	4,864,063	—	—	—	—	55.00	—
Bindi Potash (Note 3)	—	187,106,400	—	187,106,400	—	—	—	—	3.60	—
Others	4,932,950	45,632	—	4,978,582	—	—	—	—	N/A	—
	435,957,175	187,152,032	(69,600,000)	553,509,207	(26,710,423)	—	20,099,100	(6,611,323)		23,785,200

# Notes to Financial Statements (continued)

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## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

### 10. AVAILABLE-FOR-SALE INVESTMENTS (continued)

Available-for-sale investments measured at cost are as follows: (continued)

2014

	Carrying amount				Impairment provision				Proportion of equity interest (%)	Cash dividends received for the year
	At 1 January	Additions	Reductions	At 31 December	At 1 January	Additions	Reductions	At 31 December		
Liwu Copper	19,850,000	—	—	19,850,000	—	—	—	—	5.77	5,000,000
Shanghai Rural Commercial Bank	89,900,000	—	—	89,900,000	—	—	—	—	10.00	15,000,000
Nanjing China Net	25,000,000	—	—	25,000,000	—	—	—	—	8.62	150,000
Hunan Nonferrous Metals	30,000,000	—	—	30,000,000	—	—	—	—	0.82	—
Xingcheng Guarantee (Note 1)	—	50,000,000	—	50,000,000	—	—	—	—	20.00	—
Muli Rongda	62,017,517	—	—	62,017,517	—	—	—	—	12.00	6,960,000
Xinjiang Xinxin	18,314,097	—	—	18,314,097	—	—	—	—	2.56	—
Wulatehouqi Ruifeng	10,500,000	—	—	10,500,000	(6,611,323)	—	—	(6,611,323)	3.03	—
Luoyang Yongning	40,000,000	—	(400,000)	39,600,000	(20,099,100)	—	—	(20,099,100)	8.00	—
Casa Mining	42,142,585	—	(209,794)	41,932,791	—	—	—	—	8.01	—
Solantera Resources	7,771,757	—	—	7,771,757	—	—	—	—	2.80	—
Zhenfeng Rural Credit Cooperative Union	11,074,000	—	—	11,074,000	—	—	—	—	9.80	—
Xinjiang Tianshan Railway	19,200,000	—	—	19,200,000	—	—	—	—	12.00	—
Luoyang Commercial Bank	1,000,000	—	—	1,000,000	—	—	—	—	0.12	520,000
Jiangxi Jinhuan (Note 2)	—	6,575,000	(1,710,937)	4,864,063	—	—	—	—	55.00	—
Others	4,932,950	—	—	4,932,950	—	—	—	—	N/A	—
	381,702,906	56,575,000	(2,320,731)	435,957,175	(26,710,423)	—	—	(26,710,423)		27,630,000

Movements of impairment provision for available-for-sale investments are as follows:

	2015	2014
Impairment provision at 1 January	<b>108,328,882</b>	157,779,940
Additions	<b>740,039</b>	26,810,425
<i>Including: transferred from other comprehensive income</i>	<b>740,039</b>	<b>26,810,425</b>
Reductions	<b>(81,348,310)</b>	(76,261,483)
Impairment provision at 31 December	<b>27,720,611</b>	108,328,882

Note 1: Pursuant to the Capital Increase Agreement of Fujian Shanghai Xingcheng Guarantee Company Limited, the Company holds 20% preference shares of Xingcheng Guarantee, and is entitled to preferential rights over other shareholders of Xingcheng Guarantee in respect of profit and residual asset distribution. However, the right to participate in the daily decision-making and management of Xingcheng Guarantee is restricted. In addition, the Company neither appointed directors to Xingcheng Guarantee nor had a significant influence on operations and decision-making of Xingcheng Guarantee. As such, the Company recognised its investment in Xingcheng Guarantee as an available-for-sale investment.

Note 2: The shareholders' meeting on 13 March 2014 convened by Jiangxi Jinhuan resolved that starting from 2014, Huanmin Mining Company Limited ("Huanmin Mining"), a subsidiary of the Company, which held 55% equity interest in Jiangxi Jinhuan, would neither invest in nor participate in management of Jiangxi Jinhuan. Meanwhile, Huanmin Mining entrusted Jiangxi Jinyuan Mineral Group Company Limited ("Jiangxi Jinyuan"), which holds 45% equity interest in Jiangxi Jinhuan, to manage Jiangxi Jinhuan and its equity interest in Jiangxi Jinhuan will be further diluted with the step-up increase in investment by Jiangxi Jinyuan. As at 31 December 2015, there were no changes in shareholding percentage. The management of the Group considers that they had not involved in the management of Jiangxi Jinhuan and had no significant influence over it. As such, the Group recognised its investment in Jiangxi Jinhuan as an available-for-sale investment.

Note 3: The details of the investment in Bindi Potash are disclosed in Note V.6.

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

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

### 11. LONG-TERM EQUITY INVESTMENTS

	2015			2014		
	Carrying amount	Impairment	Net book value	Carrying amount	Impairment	Net book value
Investments in joint ventures	3,685,819,145	(12,350,855)	3,673,468,290	2,169,591,710	(12,350,855)	2,157,240,855
Investments in associates	3,430,410,946	(162,757,584)	3,267,653,362	3,351,866,936	(162,757,584)	3,189,109,352
Total	7,116,230,091	(175,108,439)	6,941,121,652	5,521,458,646	(175,108,439)	5,346,350,207

### 2015

	Movements during the year								At 31 December 2015	Provision for impairment losses at 31 December 2015
	At 1 January 2015	Additions	Reductions	Income under the equity method	Other comprehensive income	Other changes in equity	Cash dividends declared by investee	Provision for impairment losses		
<b>Joint Ventures</b>										
Gold Eagle Mining Investment Limited ("Gold Eagle Mining")	1,151,364,631	—	—	(4,619,021)	—	—	—	—	1,146,745,610	—
Sprott-Zijin Mining Fund ("Sprott Fund")	614,217,305	—	—	(102,689,556)	—	—	—	—	511,527,749	—
Shandong Guoda Gold Company Limited ("Shandong Guoda")	180,421,263	—	—	(4,215,454)	—	—	(8,442,102)	—	167,763,707	(12,350,855)
Xiamen Zijin Zhonghang	103,971,197	—	—	280,647,397	—	—	(210,714,300)	—	173,904,294	—
Guizhou Funeng Zijin Energy Company Limited ("Guizhou Funeng Zijin")	74,816,879	—	—	—	—	—	—	—	74,816,879	—
Guizhou Southwest Zijin Gold Development Company Limited ("Southwest Zijin Gold")	21,116,923	—	—	(758,403)	—	—	—	—	20,358,520	—
Fujian Longhu Fishery Ecological Development Company Limited ("Fujian Longhu Fishery")	9,946,931	—	—	(649,911)	—	—	—	—	9,297,020	—
Gold Mountains Sprott Capital Management Limited ("Gold Mountains Sprott")	1,385,726	—	—	(256,865)	—	—	—	—	1,128,861	—
Kamoa	—	1,564,368,918	—	(6,643,268)	—	—	—	—	1,557,725,650	—
Fujian Zijin Cuifu Jewellery Development Co., Ltd. ("Zijin Cuifu")	—	10,200,000	—	—	—	—	—	—	10,200,000	—
Subtotal	2,157,240,855	1,574,568,918	—	160,814,919	—	—	(219,156,402)	—	3,673,468,290	(12,350,855)

# Notes to Financial Statements (continued)

For the year ended 31 December 2015

RMB

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

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

### 11. LONG-TERM EQUITY INVESTMENTS (continued)

2015 (continued)

	Movements during the year									At 31 December 2015	Provision for impairment losses at 31 December 2015
	At 1 January 2015	Additions	Reductions	Income under the equity method	Other comprehensive income	Other changes in equity	Cash dividends declared by investee	Provision for impairment losses	Transferred to investments in subsidiaries		
<b>Associates</b>											
Fujian Makeng Mining Company Limited ("Longyan Makeng")	763,887,299	—	—	3,260,812	—	—	(20,741,700)	—	—	746,406,411	—
Xinjiang Tianlong Mining Company Limited ("Xinjiang Tianlong")	394,514,912	—	—	(28,653,983)	—	—	—	—	—	365,860,929	—
Zijin Tongguan Wengfu Zijin Chemical Industry Company Limited ("Wengfu Zijin")	319,013,928	—	—	(4,048,670)	—	49,286,939	—	—	—	364,252,197	(162,757,584)
Xinjiang Wuxin Copper Company Limited ("Wuxin Copper")	304,110,270	—	—	(14,612,299)	—	—	—	—	—	289,497,971	—
Fujian Haixia Technology Company Limited ("Haixia Technology")	214,813,130	—	—	(189,317,218)	—	—	—	—	—	25,495,912	—
Wancheng Commercial Dongshengmiao Company Limited ("Wancheng Commercial")	208,720,703	—	—	9,404,382	—	—	(9,660,000)	—	—	208,465,085	—
NKWE Platinum Limited ("NKWE")	161,212,933	—	—	957,391	—	—	(2,375,000)	—	—	159,795,324	—
Xiamen Modern Terminals Company Limited ("Xiamen Modern Terminals")	128,709,702	137,782,245	—	(15,323,150)	—	—	—	—	(251,168,797)	—	—
Tibet Yulong Copper Company Limited ("Tibet Yulong")	124,667,205	—	—	7,815,311	—	—	—	—	—	132,482,516	—
Shanghai Xinyuan Water Supply Company Limited ("Shanghai Xinyuan")	121,531,998	—	—	14,205,192	—	—	—	—	—	135,737,190	—
Yanbian SMEs Credit Security Investment Company Limited ("Yanbian Credit Security")	114,063,970	—	—	6,136	—	—	—	—	—	114,070,106	—
Xinjiang Kanas Tourism Development Company Limited ("Kanas Tourism")	66,814,677	—	—	4,564,080	—	—	—	—	—	71,378,757	—
Qinghai Copper Company Limited ("Qinghai Copper")	57,144,676	—	—	5,311,735	—	—	—	—	—	62,456,411	—
Shanghai Ting River Hydropower Company Limited ("Ting River Hydropower")	48,000,000	224,000,000	—	—	—	—	—	—	—	272,000,000	—
Songpan Zijin Industrial and Trading Company Limited ("Songpan Zijin")	45,691,626	—	—	3,434,506	—	—	(980,000)	—	—	48,146,132	—
Wuping Zijin Hydropower Company Limited ("Wuping Zijin Hydropower")	39,249,785	—	—	—	—	—	—	—	—	39,249,785	—
Hunchun Jindi Mining Company Limited ("Hunchun Jindi")	36,821,610	—	—	3,012,530	—	—	(2,496,000)	—	—	37,338,140	—
Longyan Zijin AVIC Real Estate Development Company Limited ("Longyan Zijin AVIC")	35,291,201	14,000,000	—	(1,814,427)	—	—	—	—	—	47,476,774	—
Luoyang Huayin Guarantee Investment Company Limited ("Luoyang Huayin")	2,043,264	147,000,000	—	(5,286,005)	—	—	—	—	—	143,757,259	—
Kuitun Yutong Logistics Company Limited ("Kuitun Yutong")	1,806,463	—	—	—	—	—	—	—	—	1,806,463	—
Zisen (Xiamen) Supply Chain Management Company Limited ("Zisen (Xiamen)")	1,000,000	—	—	—	—	—	—	—	—	1,000,000	—
	—	980,000	—	—	—	—	—	—	—	980,000	—
Subtotal	3,189,109,352	523,762,245	—	(207,083,677)	—	49,286,939	(36,252,700)	—	(251,168,797)	3,267,653,362	(162,757,584)
Total	5,346,350,207	2,098,331,163	—	(46,268,758)	—	49,286,939	(255,409,102)	—	(251,168,797)	6,941,121,652	(175,108,439)



# Notes to Financial Statements (continued)

For the year ended 31 December 2015

RMB

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

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

### 11. LONG-TERM EQUITY INVESTMENTS (continued)

2014

	Movements during the year								At 31 December 2014	Provision for impairment losses at 31 December 2014
	At 1 January 2014	Additions	Reductions	Income under the equity method	Other comprehensive income	Other changes in equity	Cash dividends declared by investee	Provision for impairment losses		
<b>Joint ventures</b>										
Shandong Guoda	182,844,781	—	—	6,591,182	—	—	(9,014,700)	—	180,421,263	(12,350,855)
Xiamen Zijin Zhonghang	115,768,138	—	—	(11,796,941)	—	—	—	—	103,971,197	—
Gold Eagle Mining	1,175,152,774	—	—	(23,788,143)	—	—	—	—	1,151,364,631	—
Southwest Zijin Gold	23,422,578	—	—	(2,305,655)	—	—	—	—	21,116,923	—
Guizhou Funeng Zijin	—	100,000,000	—	(25,183,121)	—	—	—	—	74,816,879	—
Gold Mountains Sprott	1,108,498	—	—	277,228	—	—	—	—	1,385,726	—
Sprott Fund	582,417,000	—	—	31,800,305	—	—	—	—	614,217,305	—
Fujian Longhu Fishery	10,884,985	—	—	(938,054)	—	—	—	—	9,946,931	—
<b>Subtotal</b>	<b>2,091,598,754</b>	<b>100,000,000</b>	<b>—</b>	<b>(25,343,199)</b>	<b>—</b>	<b>—</b>	<b>(9,014,700)</b>	<b>—</b>	<b>2,157,240,855</b>	<b>(12,350,855)</b>
<b>Associates</b>										
Ting River Hydropower	43,728,247	—	—	1,963,379	—	—	—	—	45,691,626	—
Wuping Zijin Hydropower	43,115,648	—	—	2,777,962	—	—	(9,072,000)	—	36,821,610	—
Qinghai Copper	48,000,000	—	—	—	—	—	—	—	48,000,000	—
Haixia Technology	194,880,884	—	—	23,499,819	—	—	(9,660,000)	—	208,720,703	—
Shanghang Xinyuan	114,052,955	—	—	11,015	—	—	—	—	114,063,970	—
Hunchun Jindi	35,853,799	—	—	(562,598)	—	—	—	—	35,291,201	—
Yanbian Credit Security	61,496,752	—	—	5,817,925	—	—	(500,000)	—	66,814,677	—
Kanas Tourism	60,615,375	—	—	(3,470,699)	—	—	—	—	57,144,676	—
Longyan Makeng	246,911,606	493,000,000	—	23,975,693	—	—	—	—	763,887,299	—
Songpan Zijin	39,249,785	—	—	—	—	—	—	—	39,249,785	—
Wancheng Commercial	157,191,080	—	—	23,021,853	—	—	(19,000,000)	—	161,212,933	—
Tibet Yulong	99,709,073	—	—	21,822,925	—	—	—	—	121,531,998	—
Xinjiang Tianlong	410,177,031	—	—	(15,662,119)	—	—	—	—	394,514,912	—
Wuxin Copper	271,421,017	—	—	(56,607,887)	—	—	—	—	214,813,130	—
Luoyang Huayin	1,806,463	—	—	—	—	—	—	—	1,806,463	—
Xiamen Modern Terminals	120,055,195	—	—	4,612,010	—	—	—	—	124,667,205	—
Wengfu Zijin	304,000,000	—	—	110,270	—	—	—	—	304,110,270	—
Zijin Tongguan	324,294,272	—	—	(5,280,344)	—	—	—	—	319,013,928	(162,757,584)
Kuitun Yutong	1,000,000	—	—	—	—	—	—	—	1,000,000	—
Longyan Zijin AVIC	10,000,000	—	—	(7,956,736)	—	—	—	—	2,043,264	—
NKWE	—	130,945,709	—	(6,404,922)	4,168,915	—	—	—	128,709,702	—
<b>Subtotal</b>	<b>2,587,559,182</b>	<b>623,945,709</b>	<b>—</b>	<b>11,667,546</b>	<b>4,168,915</b>	<b>—</b>	<b>(38,232,000)</b>	<b>—</b>	<b>3,189,109,352</b>	<b>(162,757,584)</b>
<b>Total</b>	<b>4,679,157,936</b>	<b>723,945,709</b>	<b>—</b>	<b>(13,675,653)</b>	<b>4,168,915</b>	<b>—</b>	<b>(47,246,700)</b>	<b>—</b>	<b>5,346,350,207</b>	<b>(175,108,439)</b>

# Notes to Financial Statements *(continued)*

For the year ended 31 December 2015

RMB

*(English translation is for reference only. 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:

	At 1 January 2015	Additions	Reductions	At 31 December 2015
2015				
Joint venture – Shandong Guoda	12,350,855	—	—	12,350,855
Associate – Zijin Tongguan	162,757,584	—	—	162,757,584
	<b>175,108,439</b>	—	—	<b>175,108,439</b>
<hr/>				
	At 1 January 2014	Additions	Reductions	At 31 December 2014
2014				
Joint venture – Shandong Guoda	12,350,855	—	—	12,350,855
Associate – Zijin Tongguan	162,757,584	—	—	162,757,584
	<b>175,108,439</b>	—	—	<b>175,108,439</b>

### 12. INVESTMENT PROPERTIES

Buildings subsequently measured at cost:

	2015	2014
Cost		
At 1 January	<b>195,587,112</b>	129,070,324
Transferred from construction in progress	<b>1,496,689</b>	66,516,788
At 31 December	<b>197,083,801</b>	195,587,112
Accumulated depreciation		
At 1 January	<b>21,302,417</b>	16,626,053
Depreciation for the year	<b>7,378,872</b>	4,676,364
At 31 December	<b>28,681,289</b>	21,302,417
Provision for impairment loss		
At 1 January and 31 December	—	—
Net book value		
At 31 December	<b>168,402,512</b>	174,284,695
At 1 January	<b>174,284,695</b>	112,444,271

The investment properties were leased to third parties under operating leases.

\* The Group's investment properties are situated in Mainland China and are held under medium-term leases.

As at 31 December 2015, there were no investment properties for which certificates of title have not been obtained (31 December 2014: RMB65,979,111).

# Notes to Financial Statements (continued)

For the year ended 31 December 2015

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

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

### 13. FIXED ASSETS

#### 2015

	Buildings	Mining assets	Power generation and transmission equipment	Plant, machinery and equipment	Motor vehicles	Furniture and fixtures and others	Total
<b>Cost</b>							
At 1 January 2015	6,213,227,618	14,672,274,526	1,132,354,184	10,424,455,937	774,590,132	359,871,744	33,576,774,141
Purchase additions	93,120,033	587,955,425	24,861,630	(572,760,912)	353,453,267	46,809,190	533,438,633
Transferred from construction in progress	687,055,339	3,532,606,206	148,233,006	1,066,816,872	3,752,243	4,554,819	5,443,018,485
Business combination not involving enterprises under common control	—	36,607,518	2,031,990	9,771,000	674,142	268,631	49,353,281
Additions from a joint operation	19,782,070	1,008,471,539	—	459,593,930	—	—	1,487,847,539
Disposals or write-off	(43,979,391)	(203,789,761)	(2,527,730)	(129,138,497)	(64,212,248)	(11,248,208)	(454,895,835)
At 31 December 2015	6,969,205,669	19,634,125,453	1,304,953,080	11,258,738,330	1,068,257,536	400,256,176	40,635,536,244
<b>Accumulated depreciation</b>							
At 1 January 2015	1,149,350,863	3,114,826,246	392,050,873	3,195,191,305	426,286,697	185,570,478	8,463,276,462
Depreciation for the year	333,165,550	1,047,802,491	86,924,988	919,752,472	238,530,175	36,978,367	2,663,154,043
Business combination not involving enterprises under common control	—	565,183	11,356	61,111	9,477	—	647,127
Disposals or write-off	(14,702,957)	(128,123,472)	(1,605,631)	(95,983,633)	(44,647,488)	(9,391,430)	(294,454,611)
At 31 December 2015	1,467,813,456	4,035,070,448	477,381,586	4,019,021,255	620,178,861	213,157,415	10,832,623,021
<b>Impairment</b>							
At 1 January 2015	2,972,485	62,173,529	1,526,618	42,798,449	500,731	1,243	109,973,055
Impairment provided for the year	401,973	272,188,596	38,422	61,326,218	1,142,477	33,827	335,131,513
Disposals or write-off	—	—	—	(1,526,056)	—	(16,577)	(1,542,633)
At 31 December 2015	3,374,458	334,362,125	1,565,040	102,598,611	1,643,208	18,493	443,561,935
<b>Net book value</b>							
At 31 December 2015	5,498,017,755	15,264,692,880	826,006,454	7,137,118,464	446,435,467	187,080,268	29,359,351,288
At 1 January 2015	5,060,904,270	11,495,274,751	738,776,693	7,186,466,183	347,802,704	174,300,023	25,003,524,624

#### 2014

	Buildings	Mining assets	Power generation and transmission equipment	Plant, machinery and equipment	Motor vehicles	Furniture and fixtures and others	Total
<b>Cost</b>							
At 1 January 2014	5,557,273,827	10,480,924,830	930,690,699	8,417,397,010	767,487,485	322,623,660	26,476,397,511
Purchase additions	6,297,814	705,433,323	15,954,066	300,896,982	126,298,337	22,305,032	1,177,185,554
Transferred from construction in progress	700,142,218	3,505,601,323	203,421,051	1,918,359,125	3,409,128	22,974,345	6,353,907,190
Business combination not involving enterprises under common control	59,954,461	350,107,622	22,047,234	76,346,530	8,117,619	12,075,119	528,648,585
Disposals or write-off	(110,440,702)	(369,792,572)	(39,758,866)	(288,543,710)	(130,722,437)	(20,106,412)	(959,364,699)
At 31 December 2014	6,213,227,618	14,672,274,526	1,132,354,184	10,424,455,937	774,590,132	359,871,744	33,576,774,141
<b>Accumulated depreciation</b>							
At 1 January 2014	872,694,800	2,540,065,231	334,993,012	2,487,136,659	408,361,659	162,839,664	6,806,091,025
Depreciation for the year	283,620,133	769,020,791	79,273,354	820,132,475	79,592,936	32,499,843	2,064,139,532
Business combination not involving enterprises under common control	15,069,725	64,314,909	7,573,148	27,349,817	5,383,313	5,392,341	125,083,253
Disposals or write-off	(22,033,795)	(258,574,685)	(29,788,641)	(139,427,646)	(67,051,211)	(15,161,370)	(532,037,348)
At 31 December 2014	1,149,350,863	3,114,826,246	392,050,873	3,195,191,305	426,286,697	185,570,478	8,463,276,462
<b>Impairment</b>							
At 1 January 2014	42,804,831	206,291,589	2,460,845	61,922,782	2,496,440	999,448	316,975,935
Impairment provided for the year	495,085	17,145,900	491,108	2,160,133	489,931	245	20,782,402
Disposals or write-off	(40,327,431)	(161,263,960)	(1,425,335)	(21,284,466)	(2,485,640)	(998,450)	(227,785,282)
At 31 December 2014	2,972,485	62,173,529	1,526,618	42,798,449	500,731	1,243	109,973,055
<b>Net book value</b>							
At 31 December 2014	5,060,904,270	11,495,274,751	738,776,693	7,186,466,183	347,802,704	174,300,023	25,003,524,624
At 1 January 2014	4,641,774,196	7,734,568,010	593,236,842	5,868,337,569	356,629,386	158,784,548	19,353,330,551

# Notes to Financial Statements *(continued)*

For the year ended 31 December 2015

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

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

### 13. FIXED ASSETS *(continued)*

Fixed assets that are fully depreciated but still in use are as follows:

	2015		2014	
	Cost	Net book value	Cost	Net book value
Buildings	34,244,893	180,355	11,182,151	50,268
Mining assets	905,388,962	5,775,359	722,350,586	2,427,789
Power generation and transmission equipment	37,980,430	1,525,105	30,365,996	1,013,175
Plant, machinery and equipment	597,430,681	18,968,284	360,710,215	11,122,829
Motor vehicles	102,869,569	3,618,545	99,392,518	3,492,365
Furniture and fixtures and others	97,453,545	3,575,605	70,899,770	2,478,713
	<b>1,775,368,080</b>	<b>33,643,253</b>	1,294,901,236	20,585,139

Fixed assets that are temporarily idle are as follows:

#### 2015

	Cost	Accumulated depreciation	Impairment	Net book value
Buildings	24,961,888	(9,835,805)	(1,960,667)	13,165,416
Mining assets	55,956,628	(15,887,437)	(1,948,685)	38,120,506
Plant, machinery and equipment	84,242,485	(31,838,680)	(9,644,936)	42,758,869
Motor vehicles	18,564,162	(14,199,890)	(448,888)	3,915,384
Power generation and transmission equipment	5,954,199	(3,170,737)	(684,854)	2,098,608
Furniture and fixtures and others	1,951,087	(1,643,288)	(25,149)	282,650
	<b>191,630,449</b>	<b>(76,575,837)</b>	<b>(14,713,179)</b>	<b>100,341,433</b>

#### 2014

	Cost	Accumulated depreciation	Impairment	Net book value
Buildings	27,579,743	(7,768,563)	(1,570,564)	18,240,616
Mining assets	33,420,652	(8,912,864)	(1,801,281)	22,706,507
Plant, machinery and equipment	103,293,120	(49,165,415)	(12,674,342)	41,453,363
Motor vehicles	9,181,124	(5,044,103)	(448,888)	3,688,133
Power generation and transmission equipment	7,440,585	(3,021,419)	(615,497)	3,803,669
Furniture and fixtures and others	3,285,361	(1,159,460)	(1,063)	2,124,838
	<b>184,200,585</b>	<b>(75,071,824)</b>	<b>(17,111,635)</b>	<b>92,017,126</b>

# Notes to Financial Statements *(continued)*

For the year ended 31 December 2015

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

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

### 13. FIXED ASSETS *(continued)*

Fixed assets leased under finance leases are as follows:

2015

	Cost	Accumulated depreciation	Impairment	Net book value
Plant, machinery and equipment	4,040,000	(453,097)	—	3,586,903
Motor vehicles	3,149,806	(897,402)	—	2,252,404
	<b>7,189,806</b>	<b>(1,350,499)</b>	—	<b>5,839,307</b>

2014

	Cost	Accumulated depreciation	Impairment	Net book value
Plant, machinery and equipment	4,040,000	(133,264)	—	3,906,736
Motor vehicles	3,342,888	(569,370)	—	2,773,518
	7,382,888	(702,634)	—	6,680,254

There were no fixed assets of the Group leased out under finance leases.

Fixed assets of which certificates of title have not been obtained are as follows:

Item	Net book value as at 31 December 2015	Net book value as at 31 December 2014	Reasons why certificates of title have not been obtained
Buildings	852,299,998	714,631,597	In the process of applying
Mining assets	304,327,533	858,144,512	In the process of applying
	<b>1,156,627,531</b>	1,572,776,109	

### 14. CONSTRUCTION IN PROGRESS

2015			2014		
Carrying amount	Impairment provision	Net book value	Carrying amount	Impairment provision	Net book value
6,165,352,908	(4,588,984)	6,160,763,924	7,969,374,135	(4,588,984)	7,964,785,151

# Notes to Financial Statements *(continued)*

For the year ended 31 December 2015

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

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

### 14. CONSTRUCTION IN PROGRESS *(continued)*

The movements of important construction in progress in 2015 are as follows:

	Budget	At 1 January 2015	At 31 December 2015	Transferred to fixed assets	Other reductions	At 31 December 2015	Contribution to budget	Progress of construction	Balance of capitalised interest as at 31 December 2015	Including: capitalised interest for the year	Interest rate of capitalisation (%)	Source of funds
Altyken infrastructure project	1,489,177,700	1,108,278,059	401,191,023	—	(753,461)	1,508,715,621	101%	95%	163,382,515	85,979,600	6.00-12.00	Loan/Equity fund
Jinhao Iron infrastructure project	2,065,284,300	71,981,472	647,020,645	—	—	719,002,117	97%	99%	169,452	—	N/A	Equity Fund
Ashele Copper infrastructure project	939,014,500	372,611,335	355,591,507	(28,015,309)	(142,068,401)	558,119,132	83%	85%	10,723,710	11,152,778	5.10	Loan/Equity fund
Zhishan gold and copper mine joint open pit mining project	2,689,177,413	541,143,421	395,480,893	(501,166,520)	(16,967,706)	418,490,088	63%	67%	—	—	N/A	Equity fund
ZGC infrastructure project	1,411,800,000	336,249,634	58,738,060	(3,407,156)	(1,803,527)	389,777,011	88%	99%	194,230,386	63,208,055	7.00-12.00	Loan/Equity fund
Hunchun Zijin infrastructure project	1,698,200,000	891,310,341	772,220,883	(1,494,767,912)	—	168,763,312	94%	99%	4,616,073	34,903,513	3.15	Loan/Equity fund
Russia Longxing infrastructure project	2,649,200,000	2,674,110,573	193,355,243	(2,799,277,008)	—	68,188,808	101%	99%	7,810,443	75,694,330	5.51-8.00	Loan/Equity fund
Others	4,399,100,070	1,973,689,300	1,005,599,896	(616,384,580)	(28,607,797)	2,334,296,819	N/A	N/A	129,072,312	65,302,878	N/A	Loan/Equity fund
	17,340,953,983	7,969,374,135	3,829,198,150	(5,443,018,485)	(190,200,892)	6,165,352,908			510,004,591	336,241,154		
Impairment provision		(4,588,984)				(4,588,984)						
		7,964,785,151				6,160,763,924						

# Notes to Financial Statements (continued)

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

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

### 14. CONSTRUCTION IN PROGRESS (continued)

The movements of important construction in progress in 2014 are as follows:

	Budget	At 1 January 2014	Additions	Transferred to fixed assets	Other reductions	At 31 December 2014	Contribution to budget	Progress of construction	Balance of capitalised interest as at 31 December 2014	Including capitalised interest for the year	Interest rate of capitalisation (%)	Source of funds
Russia Longxing infrastructure project	2,496,500,000	2,092,490,089	581,620,484	—	—	2,674,110,573	106%	99%	252,736,675	95,167,857	5.51-8.00	Loan/Equity fund
Alтынken infrastructure project	1,489,177,700	473,907,040	634,371,019	—	—	1,108,278,059	74%	89%	77,402,915	49,376,349	12.00	Loan/Equity fund
Hunchun Zijin infrastructure project	1,830,502,600	394,547,191	726,490,081	(220,925,917)	(8,801,014)	891,310,341	63%	67%	10,597,969	10,597,969	3.50-6.00	Loan/Equity fund
Zhijishan gold and copper mine joint open pit mining project	1,983,553,517	364,043,336	413,998,672	(236,898,587)	—	541,143,421	83%	61%	—	—	N/A	Equity fund
Jinhao Iron infrastructure project	2,104,130,500	1,653,432,510	375,846,654	(1,924,207,406)	(33,090,286)	71,981,472	96%	98%	169,452	21,699,317	5.70-6.60	Loan/Equity fund
Others	10,034,463,516	5,109,089,090	1,716,895,076	(3,971,875,280)	(171,558,617)	2,682,550,269	N/A	N/A	230,151,427	322,568,676	N/A	Loan/Equity fund
	19,938,327,833	10,087,509,256	4,449,221,986	(6,353,907,190)	(213,449,917)	7,969,374,135			571,058,438	499,410,168		
Impairment provision		(101,308,644)				(4,588,984)						
		9,986,200,612				7,964,785,151						

# Notes to Financial Statements *(continued)*

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

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

### 14. CONSTRUCTION IN PROGRESS *(continued)*

Movements in impairment provision for construction in progress:

2015	At 1 January 2015	Additions	Reductions	At 31 December 2015	Reasons for provision
Chongli Zijin infrastructure project	227,165	—	—	227,165	Expected recoverable amount less than carrying amount
Xinjiang Jinbao infrastructure project	3,649,228	—	—	3,649,228	Suspension of construction
Others	712,591	—	—	712,591	Expected recoverable amount less than carrying amount
	<b>4,588,984</b>	—	—	<b>4,588,984</b>	

2014	At 1 January 2014	Additions	Reductions	At 31 December 2014	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	Suspension of construction
Hunchun Zijin infrastructure project	5,250,107	—	(5,250,107)	—	Note 1
Others	712,591	—	—	712,591	Expected recoverable amount less than carrying amount
	101,308,644	—	(96,719,660)	4,588,984	

Note 1: In 2014, the Group disposed of the subsidiaries related to the above constructions, thus the impairment provision made in the prior years was written off.



# Notes to Financial Statements *(continued)*

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

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

### 15. CONSTRUCTION MATERIALS

	2015	2014
Dedicated materials	184,091,663	82,679,821
Dedicated equipment	56,044,077	191,332,189
	<b>240,135,740</b>	274,012,010

### 16. INTANGIBLE ASSETS

#### 2015

	Exploration and mining rights	Land use rights	Membership of Shanghai Gold Exchange and others	Total
Cost				
At 1 January 2015	9,952,776,500	1,548,274,537	182,263,743	11,683,314,780
Purchase additions	249,183,187	67,735,574	3,627,029	320,545,790
Business combination not involving enterprises under common control	492,660,347	—	—	492,660,347
Additions from a joint operation	237,241,098	—	—	237,241,098
Other additions	—	303,685,234	—	303,685,234
Disposals or write-off	(345,838,319)	(4,158,313)	(145,675)	(350,142,307)
At 31 December 2015	10,586,022,813	1,915,537,032	185,745,097	12,687,304,942
Accumulated amortisation				
At 1 January 2015	1,573,118,991	204,760,173	18,607,295	1,796,486,459
Amortisation provided for the year	363,720,936	60,103,513	4,357,219	428,181,668
Business combination not involving enterprises under common control	446,900	—	—	446,900
Disposals or write-off	(2,102,527)	(939,920)	(5,575)	(3,048,022)
At 31 December 2015	1,935,184,300	263,923,766	22,958,939	2,222,067,005
Impairment				
At 1 January 2015	426,523,934	—	75,170,307	501,694,241
Impairment provided for the year (Note 1)	13,500,000	—	—	13,500,000
Disposals or write-off (Note 2)	(333,925,729)	—	—	(333,925,729)
At 31 December 2015	106,098,205	—	75,170,307	181,268,512
Net book value				
At 31 December 2015	8,544,740,308	1,651,613,266	87,615,851	10,283,969,425
At 1 January 2015	7,953,133,575	1,343,514,364	88,486,141	9,385,134,080

Note 1: Judging from the Group's exploration results, the exploration work of Shaanxi Dadi Mining Company Limited ("Shaanxi Dadi") may not be able to continue. Thus, an impairment provision of RMB13,500,000 was provided for exploration rights in the current period.

Note 2: In the current period, Longyan City Taixin Resources Development Company Limited and Kingbao Mining Limited were disposed of, which led to the write-off of impairment of RMB3,280,000 and RMB330,645,729 respectively.

# Notes to Financial Statements *(continued)*

For the year ended 31 December 2015

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

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

### 16. INTANGIBLE ASSETS *(continued)*

2014

	Exploration and mining rights	Land use rights	Membership of Shanghai Gold Exchange and others	Total
<b>Cost</b>				
At 1 January 2014	9,035,548,281	1,331,127,403	170,545,238	10,537,220,922
Purchase additions	418,828,119	71,617,594	11,457,755	501,903,468
Business combination not involving enterprises under common control	796,251,691	155,538,872	260,750	952,051,313
Other additions	39,408,748	—	—	39,408,748
Disposals or write-off	(337,260,339)	(10,009,332)	—	(347,269,671)
At 31 December 2014	9,952,776,500	1,548,274,537	182,263,743	11,683,314,780
<b>Accumulated amortisation</b>				
At 1 January 2014	1,223,948,749	147,761,972	15,751,639	1,387,462,360
Amortisation provided for the year	302,535,281	45,702,413	2,594,906	350,832,600
Business combination not involving enterprises under common control	82,715,785	13,751,859	260,750	96,728,394
Disposals or write-off	(36,080,824)	(2,456,071)	—	(38,536,895)
At 31 December 2014	1,573,118,991	204,760,173	18,607,295	1,796,486,459
<b>Impairment</b>				
At 1 January 2014	576,267,938	—	75,170,307	651,438,245
Impairment provided for the year (Note 3)	23,280,000	—	—	23,280,000
Disposals or write-off (Note 4)	(173,024,004)	—	—	(173,024,004)
At 31 December 2014	426,523,934	—	75,170,307	501,694,241
<b>Net book value</b>				
At 31 December 2014	7,953,133,575	1,343,514,364	88,486,141	9,385,134,080
At 1 January 2014	7,235,331,594	1,183,365,431	79,623,292	8,498,320,317

Note 3: Judging from the Group's exploration results, the exploration work of Shandong Longkou Jinfeng Company Limited ("Longkou Jinfeng") and Longyan City Taixin Resources Development Company Limited may not be able to continue. Thus, impairment provisions of RMB20,000,000 and RMB3,280,000 were provided for the exploration rights of the aforesaid two companies respectively.

Note 4: Mongolia Tianhong, Longkou Jinfeng and Longkou Jintai Gold Company Limited ("Longkou Jintai") were disposed of in 2014, which led to the write-off of impairment of RMB44,014,711, RMB61,615,712 and RMB67,393,581 respectively.

# Notes to Financial Statements *(continued)*

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

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

### 16. INTANGIBLE ASSETS *(continued)*

Land use rights of which the certificates of title have not been obtained as at 31 December 2015 are as follows:

	Net book value	Reasons why certificates of title have not been obtained
Land beside the Zijin Avenue	14,206,990	In progress of applying
Land use rights of Wulatehouqi Zijin	77,044,229	In progress of applying
Land use rights of Duobaoshan (storage of explosives, management and living areas)	586,835,738	In progress of applying
Land use rights of Xinjiang Ashele's new tailing pool	99,832,608	In progress of applying

\* All the lands owned by the Group are situated in Mainland China and held under medium-term leases.

### 17. GOODWILL

2015

	At 1 January 2015	Additions Business combination not involving enterprises under common control	Reductions Disposal	At 31 December 2015
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 Investment Company")	1,241,101	—	—	1,241,101
Shanxi Zijin Mining Company Limited ("Shanxi Zijin")	2,503,610	—	—	2,503,610
Xinyi Zijin Mining Company Limited ("Xinyi Zijin")	44,319,632	—	—	44,319,632
Norton Gold Fields Ltd. ("Norton Gold Fields")	157,778,981	—	—	157,778,981
Wulatehouqi Zijin Mining Company Limited ("Wulate Zijin")	119,097,944	—	—	119,097,944
Bayannaer Zijin Non-ferrous Metal Company Limited ("Bayannaer Zijin")	14,531,538	—	—	14,531,538
Zijin Copper	4,340,000	—	—	4,340,000
Sino Trend Hydropower Investment Limited ("Sino Trend Hydropower")	79,642,197	—	—	79,642,197
	<b>541,078,337</b>	—	—	<b>541,078,337</b>

# Notes to Financial Statements *(continued)*

For the year ended 31 December 2015

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

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

### 17. GOODWILL *(continued)*

2014

	At 1 January 2014	Additions Business combination not involving enterprises under common control	Reductions Disposal	At 31 December 2014
Xinjiang Ashele	12,906,890	—	—	12,906,890
Qinghai West	455,874	—	—	455,874
Hunchun Zijin	71,099,520	—	—	71,099,520
Yunnan Huaxi	33,161,050	—	—	33,161,050
Xiamen Investment Company	1,241,101	—	—	1,241,101
Shanxi Zijin	2,503,610	—	—	2,503,610
Longkou Jintai	14,291,025	—	(14,291,025)	—
Xinyi Zijin	44,319,632	—	—	44,319,632
Longkou Jinye	3,106,883	—	(3,106,883)	—
Longkou Jinfeng	5,550,718	—	(5,550,718)	—
Norton Gold Fields	157,778,981	—	—	157,778,981
Wulate Zijin	119,097,944	—	—	119,097,944
Bayannaoer Zijin	14,531,538	—	—	14,531,538
Zijin Copper	4,340,000	—	—	4,340,000
Sino Trend Hydropower	79,642,197	—	—	79,642,197
	564,026,963	—	(22,948,626)	541,078,337

Changes in the impairment of goodwill are as follows:

2015

	At 1 January 2015	Additions Provision	Reductions Disposal	At 31 December 2015
Xinyi Zijin	44,319,632	—	—	44,319,632

2014

	At 1 January 2014	Additions Provision	Reductions Disposal	At 31 December 2014
Longkou Jintai	14,291,025	—	(14,291,025)	—
Xinyi Zijin	44,319,632	—	—	44,319,632
Longkou Jinye	3,106,883	—	(3,106,883)	—
Longkou Jinfeng	5,550,718	—	(5,550,718)	—
	67,268,258	—	(22,948,626)	44,319,632

# Notes to Financial Statements *(continued)*

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

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

### 17. GOODWILL *(continued)*

Goodwill arising from business combinations has been allocated to the following asset groups for impairment testing:

- Zinc bullion asset group
- Processed gold asset group
- Ore concentrates asset group
- Hydropower asset group

The recoverable amounts of the above asset groups have been determined based on the present value of future cash flow projection of each asset group. The future cash flow projections are based on the estimated cash flows of financial budgets covering a three-year period approved by management. The pre-tax discount rates applied to cash flow projections ranged from 11% to 17% (2014: 12% to 24%) and cash flows beyond the three-year period are extrapolated using an inflation rate of 3% (2014: 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.

The carrying amounts of goodwill allocated to relevant asset group are as follows:

	Zinc bullion	Processed gold	Ore concentrates	Hydropower	Total
<b>2015</b>	<b>14,531,538</b>	<b>1,241,101</b>	<b>445,663,501</b>	<b>79,642,197</b>	<b>541,078,337</b>
2014	14,531,538	1,241,101	445,663,501	79,642,197	541,078,337

Details of the key assumptions which are used for calculating the present value of future cash flow projections are as follows:

Gross profit	—	The basis used to determine the value assigned to the future gross profit is the average gross profit 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 are the discount rates before tax reflecting the specific risks of related asset groups.
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 used for the sales price, discount rates and raw materials price inflation for each asset group are consistent with external sources of information.

# Notes to Financial Statements *(continued)*

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

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

### 18. LONG-TERM DEFERRED ASSETS

2015

	At 1 January	Additions	Amortisation	Other reductions	At 31 December
Land compensation costs (Note 1)	195,756,635	5,091,913	(28,449,131)	—	172,399,417
Others (Note 2)	930,335,541	238,328,963	(181,234,763)	(75,608,228)	911,821,513
	<b>1,126,092,176</b>	<b>243,420,876</b>	<b>(209,683,894)</b>	<b>(75,608,228)</b>	<b>1,084,220,930</b>

2014

	At 1 January	Additions	Amortisation	Other reductions	At 31 December
Land compensation costs (Note 1)	194,955,156	21,347,968	(20,546,489)	—	195,756,635
Others (Note 2)	898,752,089	281,386,098	(210,268,399)	(39,534,247)	930,335,541
	<b>1,093,707,245</b>	<b>302,734,066</b>	<b>(230,814,888)</b>	<b>(39,534,247)</b>	<b>1,126,092,176</b>

Note 1: The land compensation costs related 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 2015 and 31 December 2014, other long-term deferred assets mainly included: mining shaft development expenditure of RMB238,856,821 and RMB183,737,490, respectively; highway tolls of RMB41,815,926 and RMB54,063,028, respectively; amortisation costs of bi-polar plates of RMB224,340,837 and RMB216,268,285, respectively; resource integration fees of RMB20,553,970 and RMB24,196,563, respectively; forest compensation expenditure of RMB175,192,463 and RMB214,107,104, respectively, and reconstruction costs of power supply lines of RMB22,822,238 and RMB23,363,411, 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.

### 19. DEFERRED TAX ASSETS/LIABILITIES

Deferred tax assets and deferred tax liabilities before offsetting:

	2015		2014	
	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets
Deferred tax assets				
Impairment provision	462,188,542	115,547,135	424,144,311	106,036,078
Elimination of unrealised profit arising from intra-group transactions	381,875,108	100,866,928	322,839,683	80,709,921
Deductible losses	1,492,725,309	388,299,589	1,867,923,606	466,980,901
Differences in depreciation policies	107,855,521	26,963,880	131,778,563	32,944,640
Changes in the fair value of available-for-sale investments	1,184,996	296,249	—	—
Expenses accrued but not yet paid and others	563,286,871	161,237,878	722,940,277	180,735,069
	<b>3,009,116,347</b>	<b>793,211,659</b>	<b>3,469,626,440</b>	<b>867,406,609</b>

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

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

### 19. DEFERRED TAX ASSETS/LIABILITIES *(continued)*

As at 31 December 2015, deferred tax assets generated from the above deductible temporary differences were recognised to the extent that it was probable that taxable profits would be available against which the deductible temporary differences can be utilised.

	2015		2014	
	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities
Deferred tax liabilities				
Fair value adjustments arising from business combination not involving enterprises under common control	<b>1,509,728,864</b>	<b>375,168,953</b>	1,726,034,871	429,999,876
Changes in fair value of financial liabilities at fair value through profit or loss	<b>184,264,963</b>	<b>46,066,241</b>	73,575,639	18,393,910
Differences in amortisation policies for exploration and development costs	<b>306,872,577</b>	<b>92,061,773</b>	483,138,843	144,941,653
	<b>2,000,866,404</b>	<b>513,296,967</b>	2,282,749,353	593,335,439

Deductible temporary differences and deductible tax losses of deferred tax assets not recognised are as follows:

	2015	2014
Deductible temporary differences	<b>1,412,918,656</b>	2,171,796,841
Deductible tax losses	<b>4,737,915,465</b>	1,675,816,544
	<b>6,150,834,121</b>	3,847,613,385

Deductible losses of unrecognised deferred tax assets will be expired in the following years:

	2015	2014
2015	—	45,067,164
2016	<b>474,219,962</b>	96,990,502
2017	<b>459,129,374</b>	446,702,660
2018	<b>567,887,911</b>	511,090,177
2019	<b>1,927,027,277</b>	575,966,041
2020 and the following years	<b>1,309,650,941</b>	—
	<b>4,737,915,465</b>	1,675,816,544

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

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

### 20. OTHER NON-CURRENT ASSETS

	2015	2014
Exploration and development costs	2,395,891,982	2,335,066,760
Prepaid investment costs, prepayment for exploration and mining rights and others (Note 1)	3,223,350,149	2,072,660,339
	<b>5,619,242,131</b>	<b>4,407,727,099</b>

Note 1: As at 31 December 2015, 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 RMB49,530,419 (2014: RMB65,537,699); prepaid exploration and mining rights of RMB36,007,579 (2014: RMB36,027,579); prepaid investment costs of RMB154,200,000 (2014: RMB383,022,000); prepayment for purchase of equipment of RMB276,871,834 (2014: RMB128,831,419); prepayment for purchase of Yongding Longhu integrated development rights of RMB204,962,108, of which accrued provision for impairment in previous years was RMB90,000,000 and the net amount after provision was RMB14,962,108 (2014: original value was RMB204,962,108 and net book value was RMB114,962,108); long-term receivables of RMB1,701,430,603 (2014: RMB1,233,391,340); deposit for restoration and improvement of ecological environment in mines of RMB135,871,813 (2014: RMB98,329,440); ores of RMB599,006,983 which were expected not to be processed within one year (2014: Nil).

### 21. PROVISION FOR IMPAIRMENT OF ASSETS

#### 2015

	At				At
	1 January	Additions	Reductions		31 December
	2015		Reversal	Write-off	2015
Bad debt provision	240,076,465	7,978,579	(11,186,340)	(62,786,221)	174,082,483
<i>Including: Trade receivables</i>	<i>4,135,644</i>	<i>2,834,823</i>	<i>(111,269)</i>	<i>(42,501)</i>	<i>6,816,697</i>
<i>Other receivables</i>	<i>234,160,438</i>	<i>1,108,502</i>	<i>(10,980,847)</i>	<i>(62,679,397)</i>	<i>161,608,696</i>
<i>Prepayments</i>	<i>1,780,383</i>	<i>4,035,254</i>	<i>(94,224)</i>	<i>(64,323)</i>	<i>5,657,090</i>
Inventory provision	130,331,815	380,328,012	(290,137,863)	(82,725,358)	137,796,606
Impairment of available-for-sale investments	108,328,882	740,039	—	(81,348,310)	27,720,611
Impairment of long-term equity investments	175,108,439	—	—	—	175,108,439
Impairment of fixed assets	109,973,055	335,131,513	—	(1,542,633)	443,561,935
Impairment of construction in progress	4,588,984	—	—	—	4,588,984
Impairment of intangible assets	501,694,241	13,500,000	—	(333,925,729)	181,268,512
Impairment of goodwill	44,319,632	—	—	—	44,319,632
Impairment of other current assets	2,650,000	—	(2,650,000)	—	—
Impairment of other non-current assets	141,004,189	36,981,183	—	(3,629,261)	174,356,111
	<b>1,458,075,702</b>	<b>774,659,326</b>	<b>(303,974,203)</b>	<b>(565,957,512)</b>	<b>1,362,803,313</b>



# Notes to Financial Statements (continued)

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

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

### 21. PROVISION FOR IMPAIRMENT OF ASSETS (continued)

2014

	At		At			
	1 January	Additions	Reductions			31 December
	2014		Reversal	Write-off		2014
Bad debt provision	175,047,373	84,714,957	(89,770)	(19,596,095)	240,076,465	
<i>Including: Trade receivables</i>	<i>7,443,532</i>	<i>4,119,219</i>	<i>—</i>	<i>(7,427,107)</i>	<i>4,135,644</i>	
<i>Other receivables</i>	<i>165,755,786</i>	<i>80,595,738</i>	<i>(89,770)</i>	<i>(12,101,316)</i>	<i>234,160,438</i>	
<i>Prepayments</i>	<i>1,848,055</i>	<i>—</i>	<i>—</i>	<i>(67,672)</i>	<i>1,780,383</i>	
Inventory provision	90,239,414	301,053,460	(186,252,858)	(74,708,201)	130,331,815	
Impairment of available-for-sale investments	157,779,940	26,810,425	—	(76,261,483)	108,328,882	
Impairment of long-term equity investments	175,108,439	—	—	—	175,108,439	
Impairment of fixed assets	316,975,935	20,782,402	—	(227,785,282)	109,973,055	
Impairment of construction in progress	101,308,644	—	—	(96,719,660)	4,588,984	
Impairment of intangible assets	651,438,245	23,280,000	—	(173,024,004)	501,694,241	
Impairment of goodwill	67,268,258	—	—	(22,948,626)	44,319,632	
Impairment of other current assets	—	2,650,000	—	—	2,650,000	
Impairment of other non-current assets	51,000,000	90,004,189	—	—	141,004,189	
	1,786,166,248	549,295,433	(186,342,628)	(691,043,351)	1,458,075,702	

### 22. SHORT-TERM BORROWINGS

	2015	2014
Unsecured and non-guaranteed loans	<b>5,394,474,750</b>	4,531,121,572
Secured loans with securities under the Group's custody (Note 1)	—	20,000,000
	<b>5,394,474,750</b>	4,551,121,572

Note 1: As at 31 December 2015, the Group had no secured bank loans. As at 31 December 2014, a land use right of RMB20,847,021 of Kuitun Tongguan, a subsidiary of the Group, was pledged to secure a bank borrowing of RMB20,000,000 from Bank of China, Kuitun Branch, with a maturity of one year.

As at 31 December 2015, the interest rates of the above borrowings ranged from 0.65% to 5.88% per annum (31 December 2014: 1.33% to 7.20% per annum).

As at 31 December 2015 and 31 December 2014, there were no short-term borrowings of the Group that were overdue but not yet repaid.

# Notes to Financial Statements *(continued)*

For the year ended 31 December 2015

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

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

### 23. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	2015	2014
Held-for-trading financial liabilities		
Gold leasing business (Note 1)	<b>6,411,589,909</b>	8,085,325,834
Derivative financial liabilities (Note 2)	<b>393,282,945</b>	512,212,666
	<b>6,804,872,854</b>	8,597,538,500

Note 1: The Group financed by leasing gold from banks and subsequently selling 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 ranges from 180 days to 1 year. As at 31 December 2015, gains on changes in fair value of the financial liabilities were RMB370,183,706 (31 December 2014: Gains of RMB403,482,327).

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 2015, losses on changes in fair value arising from the above derivative financial liabilities were RMB353,466,885 (31 December 2014: Losses of RMB496,394,933).

### 24. BILLS PAYABLE

	2015	2014
Bank acceptances	<b>231,175,265</b>	282,976,147

As at 31 December 2015, there were no bills payable that were due but unpaid (31 December 2014: Nil). As at 31 December 2015, bills payable of RMB231,175,265 would be due in 2016.

### 25. TRADE PAYABLES

\*As at 31 December 2015, an ageing analysis of the trade payables, based on the invoice dates, is as follows:

	2015	2014
Within 1 year	<b>4,090,194,880</b>	3,798,019,773
Over 1 year but within 2 years	<b>173,463,348</b>	162,094,487
Over 2 years but within 3 years	<b>160,961,200</b>	20,381,490
Over 3 years	<b>18,221,079</b>	30,916,793
	<b>4,442,840,507</b>	4,011,412,543

Trade payables are interest-free and are normally settled within three months.

# Notes to Financial Statements *(continued)*

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

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

### 25. TRADE PAYABLES *(continued)*

As at 31 December 2015, the significant balances of trade payables aged more than one year are as follows:

	Balance	Reason for not being settled
China First Metallurgical Group Co., Ltd.	51,965,547	Construction payment not yet settled
Fujian Xingwanxiang Construction Group Co., Ltd.	33,771,088	Construction payment not yet settled
Hangzhou Steam Turbine Engineering Co., Ltd.	28,984,059	Construction payment not yet settled
Fujian Province Shanghang County Huahui Mine Industrial Co., Ltd. Wujia Branch	25,353,992	Construction payment not yet settled
China 15th Metallurgical Construction Co., Ltd.	24,999,039	Construction payment not yet settled
Chongqing Industrial Equipment Installation Group Co., Ltd.	22,644,414	Construction payment not yet settled
Kaifeng Air Separation Group Co., Ltd.	22,349,510	Equipment purchase payment not yet settled
Fujian Chenghui Construction Engineering Co., Ltd. Wujia Branch	20,207,844	Construction payment not yet settled
Beijing Lideheng Environmental Protection Engineering Co., Ltd.	16,821,097	Construction payment not yet settled
Jiangsu Wannanda Construction Group Co., Ltd. Xinjiang Branch	12,087,768	Construction payment not yet settled
	259,184,358	

### 26. ADVANCES FROM CUSTOMERS

	2015	2014
Advances from sales of commodity housing	<b>1,604,973,213</b>	693,627,593
Advances from sales of goods	<b>313,173,626</b>	311,587,793
	<b>1,918,146,839</b>	1,005,215,386

As at 31 December 2015, there was no significant balance of advances from customers aged more than one year (31 December 2014: Nil).

As at 31 December 2015, there was no settled but uncompleted project arising from construction contracts (31 December 2014: Nil).

# Notes to Financial Statements *(continued)*

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

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

### 27. EMPLOYEE BENEFITS PAYABLE

2015

	At 1 January	Additions	Reductions	At 31 December
Short-term employee benefits	381,005,672	2,332,052,823	(2,149,705,659)	563,352,836
Post-employment benefits (defined contribution plan)	7,243,369	151,927,989	(155,672,169)	3,499,189
Termination benefit	—	45,021,740	(43,890,101)	1,131,639
Other employee benefits within 1 year	1,195,002	446,605	(5,280)	1,636,327
	<b>389,444,043</b>	<b>2,529,449,157</b>	<b>(2,349,273,209)</b>	<b>569,619,991</b>

2014

	At 1 January	Additions	Reductions	At 31 December
Short-term employee benefits	308,922,801	2,446,183,134	(2,374,100,263)	381,005,672
Post-employment benefits (defined contribution plan)	9,419,802	184,462,159	(186,638,592)	7,243,369
Termination benefit	—	11,787,105	(11,787,105)	—
Other employee benefits within 1 year	3,081,925	12,707,113	(14,594,036)	1,195,002
	<b>321,424,528</b>	<b>2,655,139,511</b>	<b>(2,587,119,996)</b>	<b>389,444,043</b>

Short-term employee benefits are as follows:

2015

	At 1 January	Additions	Reductions	At 31 December
Wages or salaries, bonuses, allowances and subsidies	302,420,659	1,934,878,015	(1,769,382,875)	467,915,799
Staff welfare	292,741	153,633,304	(124,385,554)	29,540,491
Social security contributions	99,650	79,400,397	(79,530,498)	(30,451)
<i>Including: Medical insurance</i>	<i>(298,557)</i>	<i>52,922,228</i>	<i>(52,732,860)</i>	<i>(109,189)</i>
<i>    Accident insurance</i>	<i>321,941</i>	<i>22,047,875</i>	<i>(22,339,565)</i>	<i>30,251</i>
<i>    Maternity insurance</i>	<i>76,266</i>	<i>4,430,294</i>	<i>(4,458,073)</i>	<i>48,487</i>
Housing fund	2,310,276	85,987,609	(85,636,963)	2,660,922
Union running costs and employee education costs	46,475,005	54,686,079	(47,875,201)	53,285,883
Short-term compensated absence	—	21,931,126	(21,931,126)	—
Short-term profit-sharing plan (Note 1)	29,407,341	1,536,293	(20,963,442)	9,980,192
	<b>381,005,672</b>	<b>2,332,052,823</b>	<b>(2,149,705,659)</b>	<b>563,352,836</b>

# Notes to Financial Statements *(continued)*

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

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

### 27. EMPLOYEE BENEFITS PAYABLE *(continued)*

2014

	At 1 January	Additions	Reductions	At 31 December
Wages or salaries, bonuses, allowances and subsidies	224,639,245	2,023,049,569	(1,945,268,155)	302,420,659
Staff welfare	—	164,967,217	(164,674,476)	292,741
Social security contributions	35,543	93,360,472	(93,296,365)	99,650
<i>Including: Medical insurance</i>	—	<i>63,469,878</i>	<i>(63,768,435)</i>	<i>(298,557)</i>
<i>Accident insurance</i>	<i>35,543</i>	<i>23,745,776</i>	<i>(23,459,378)</i>	<i>321,941</i>
<i>Maternity insurance</i>	—	<i>6,144,818</i>	<i>(6,068,552)</i>	<i>76,266</i>
Housing fund	2,318,317	85,233,473	(85,241,514)	2,310,276
Union running costs and employee education costs	34,376,671	58,928,798	(46,830,464)	46,475,005
Short-term compensated absence	—	17,265,082	(17,265,082)	—
Short-term profit-sharing plan (Note 1)	47,553,025	3,378,523	(21,524,207)	29,407,341
	308,922,801	2,446,183,134	(2,374,100,263)	381,005,672

Defined contribution plan is as follows:

2015

	At 1 January	Additions	Reductions	At 31 December
Basic pension insurance	6,336,603	140,584,263	(144,121,101)	2,799,765
Unemployment insurance	906,766	11,343,726	(11,551,068)	699,424
	7,243,369	151,927,989	(155,672,169)	3,499,189

2014

	At 1 January	Additions	Reductions	At 31 December
Basic pension insurance	8,478,892	169,026,473	(171,168,762)	6,336,603
Unemployment insurance	940,910	15,435,686	(15,469,830)	906,766
	9,419,802	184,462,159	(186,638,592)	7,243,369

Note 1: The short-term profit-sharing plan was determined by a certain percentage of the increased amount of the Group's net assets.

### 28. TAXES PAYABLE

	2015	2014
Value-added tax	24,773,192	33,734,151
Business tax	10,625,792	13,903,385
Corporate income tax	336,577,552	274,957,068
Resource tax	46,506,570	88,047,593
Resource compensation fee	201,431,641	162,435,498
Others	78,672,172	82,994,161
	698,586,919	656,071,856

# Notes to Financial Statements *(continued)*

For the year ended 31 December 2015

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

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

### 29. DIVIDENDS PAYABLE

<b>Non-controlling shareholders</b>	<b>2015</b>	2014
China Non-ferrous Metal Import and Export Xinjiang Company	<b>40,000,000</b>	—
Gansu Jiuzhou Exploration Mining Company Limited	<b>36,261,394</b>	—
Xinjiang Uyghur Autonomous Region Geology and Mineral Exploration and Development Bureau	<b>26,000,000</b>	—
Guizhou Province Geology and Mineral Resources Exploration and Development Bureau Team 105	<b>7,500,000</b>	3,000,000
Xinjiang Baokai Nonferrous Metals Mining Co., Ltd.	<b>4,000,000</b>	—
Luoning County Funiu Mining Development Center	<b>1,866,599</b>	21,866,599
China Gold Henan Company	<b>1,687,500</b>	4,373,320
Guizhou Mineral Exploration Development Company	—	3,000,000
Zhenfeng County Industrial Investment Company Limited	—	2,000,000
Others	<b>1,685,488</b>	1,698,251
	<b>119,000,981</b>	35,938,170

### 30. OTHER PAYABLES

	<b>2015</b>	2014
Payables for construction work and equipment	<b>1,444,369,226</b>	1,221,970,221
Payables for exploration and mining rights	<b>415,494,072</b>	165,579,572
Donations payable	<b>8,661,028</b>	3,730,756
Amounts due to third parties	<b>383,272,811</b>	535,290,530
Withholding income tax	<b>28,862,580</b>	20,765,686
Deposit	<b>272,721,990</b>	227,981,898
Investment costs payable for equities and debts	<b>922,041,124</b>	6,000,000
Payables for agent service	<b>12,721,728</b>	10,244,609
Payables for losses on futures contracts	<b>117,521,614</b>	—
Accrued maintenance costs	<b>17,259,533</b>	10,644,874
Due to non-controlling shareholders	<b>32,255,421</b>	32,972,201
Interest payables	<b>275,649,946</b>	166,884,400
Others	<b>358,365,497</b>	224,664,512
	<b>4,289,196,570</b>	2,626,729,259

# Notes to Financial Statements *(continued)*

For the year ended 31 December 2015

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

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

### 30. OTHER PAYABLES *(continued)*

As at 31 December 2015, the significant balance of other payables aged more than one year is as follows:

	Balance	Reason for not being settled
China 8th Metallurgical Construction Group Company Limited	35,411,887	Construction payments not yet settled
Zijin Mining Charitable Foundation	27,988,401	Deposit not yet settled
Mr. Zhu Hongxing	27,892,481	Payables not yet settled
Shanghang County Local Bureau of Finance	22,509,000	Expense of exploration rights not yet settled
Suzhou Hailu Heavy Industry Company Limited	20,191,383	Construction payments not yet settled
Xiamen Minxing Investment Company Limited	19,600,000	Payables not yet settled
Shanghai Clear Environmental Protection Science and Technology Co., Ltd.	19,100,000	Construction payments not yet settled
Shanxi Industrial Equipment Installation Company Limited	18,255,732	Construction payments not yet settled
China 15th Metallurgical Construction Company Limited	16,906,482	Construction payments not yet settled
Committee of Jingmei Village	16,579,636	Entrusted investment not yet settled
Jiangxi Installation Engineering Co., Ltd. Jilin Branch	16,246,116	Construction payments not yet settled
Fujian Shanghang Hongyang Mining Engineering Company Limited ("Hongyang Mining")	15,730,729	Equipment rental expense not yet settled
	256,411,847	

### 31. CURRENT PORTION OF NON-CURRENT LIABILITIES

	2015	2014
Long-term borrowings due within one year	<b>2,921,400,286</b>	1,327,611,097
Long-term payables due within one year	<b>20,000,000</b>	20,000,000
Bonds payable due within one year	<b>3,112,251,963</b>	—
	<b>6,053,652,249</b>	1,347,611,097

### 32. OTHER CURRENT LIABILITIES

	2015	2014
Short-term financing bonds (Note 1)	<b>1,004,821,498</b>	—

Note 1: On 23 October 2015, the Company issued RMB1 billion ultra-short term financing bonds. The date of initial interest accrued was 26 October 2015, the maturity date was set on 22 July 2016. The duration is 270 days. The coupon rate is 3.2% and the face value per unit is RMB100. The bonds were issued at par value.

# Notes to Financial Statements *(continued)*

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

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

### 33. LONG-TERM BORROWINGS

	2015	2014
Secured loans with securities under the Group's custody (Note 1)	—	214,000,000
Guaranteed loans (Note 2)	—	428,330,000
Unsecured and non-guaranteed loans	<b>12,172,588,706</b>	9,024,757,643
Subtotal	<b>12,172,588,706</b>	9,667,087,643
Including: Long-term borrowings due within one year (Note V.31)	<b>(2,921,400,286)</b>	(1,327,611,097)
	<b>9,251,188,420</b>	8,339,476,546

Note 1: As at 31 December 2015, there were no secured loans. As at 31 December 2014, inventories with a carrying amount of RMB492,959,037 of Fujian Zijin Real Estate Company Limited ("Zijin Real Estate"), a subsidiary of the Company, were pledged as collateral against bank borrowings of RMB214,000,000 from Industrial Bank Co., Ltd.

Note 2: As at 31 December 2015, the Company had no guaranteed loans. As at 31 December 2014, Heilongjiang Zijin Longxing Mining Company Limited ("Heilongjiang Longxing"), a subsidiary of the Company, borrowed USD70,000,000 from the Export-Import Bank of China, of which, USD21,000,000 was guaranteed by Heilongjiang Longxing International Resources Development Group Company Limited ("Longxing International"), a non-controlling shareholder of Heilongjiang Longxing.

As at 31 December 2015, interest rates of the Group's long-term borrowings ranged from 1.20% to 6.15% per annum (2014: 1.45% to 7.21% per annum).

\* Maturity analysis of long-term borrowings is as follows:

	2015	2014
Within 1 year or repayable on demand	<b>2,921,400,286</b>	1,327,611,097
Over 1 year but within 2 years	<b>4,607,768,401</b>	2,913,298,418
Over 2 years but within 5 years	<b>3,108,907,072</b>	3,955,042,279
Over 5 years	<b>1,534,512,947</b>	1,471,135,849
	<b>12,172,588,706</b>	9,667,087,643

### 34. BONDS PAYABLE

	2015	2014
Bonds payable	<b>3,112,251,963</b>	2,923,716,925
Medium-term notes	<b>8,300,000,000</b>	5,000,000,000
Subtotal	<b>11,412,251,963</b>	7,923,716,925
Including: Bonds payable due within one year (Note V.31)	<b>(3,112,251,963)</b>	—
	<b>8,300,000,000</b>	7,923,716,925



# Notes to Financial Statements *(continued)*

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

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

### 34. BONDS PAYABLE *(continued)*

As at 31 December 2015, the balance of bonds payable is as follows:

Currency	Face value	Issue date	Duration of the bond	Issue value of the bond	At 1 January	Issued in the current year	Interest accrued for current year	Amortisation of discount/premium	Interest paid for the year	At 31 December
RMB	2,500,000,000	23 October 2013	5 years	2,500,000,000	2,500,000,000	—	142,500,000	—	(142,500,000)	2,500,000,000
RMB	2,500,000,000	5 September 2014	5 years	2,500,000,000	2,500,000,000	—	137,500,000	—	(137,500,000)	2,500,000,000
RMB	3,300,000,000	11 September 2015	5 years	3,300,000,000	—	3,300,000,000	44,366,667	—	—	3,300,000,000
Bonds payable due within one year										
USD	280,000,000	30 June 2011	5 years	280,000,000	278,461,743	—	11,900,000	1,013,717	(11,900,000)	279,475,460
USD	200,000,000	24 July 2011	5 years	200,000,000	199,450,942	—	8,500,000	362,005	(8,500,000)	199,812,947

As at 31 December 2014, the balance of bonds payable is as follows:

Currency	Face value	Issue date	Duration of the bond	Issue value of the bond	At 1 January	Issued in the current year	Interest accrued for current year	Amortisation of discount/premium	Interest paid for the year	At 31 December
USD	280,000,000	30 June 2011	5 years	280,000,000	277,493,411	—	11,900,000	968,332	(11,900,000)	278,461,743
USD	200,000,000	24 July 2011	5 years	200,000,000	199,104,494	—	8,500,000	346,448	(8,500,000)	199,450,942
RMB	2,500,000,000	23 October 2013	5 years	2,500,000,000	2,500,000,000	—	151,173,611	—	(142,500,000)	2,500,000,000
RMB	2,500,000,000	5 September 2014	5 years	2,500,000,000	—	2,500,000,000	36,395,833	—	—	2,500,000,000

Zijin International Finance Company Limited ("International Finance"), a subsidiary of the Company, issued credit enhanced bonds with total face 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 face 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.

On 24 July 2011, the second batch of bonds with total face value of USD200,000,000 (the "Further Bonds") was issued by International Finance 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 face 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 those of 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 limits of medium-term notes of RMB6,000,000,000 and RMB4,000,000,000 with the National Association of Financial Market Institutional Investors. In 2014, the Company wrote off credit limit of RMB1,700,000,000. The Company issued medium-term notes with face values of RMB2,500,000,000 on 23 October 2013, RMB2,500,000,000 on 5 September 2014 and RMB3,300,000,000 on 11 September 2015 respectively, totalling RMB8,300,000,000 with maturity of five years and coupon rates of 5.7%, 5.5% and 4.4% respectively. Interest on the bonds is payable annually.

As at 31 December 2015, there were no bonds that were due but not yet paid (31 December 2014: Nil).

# Notes to Financial Statements *(continued)*

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## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

### 35. LONG-TERM PAYABLES

	2015	2014
Payables for acquisition of equities/debts	<b>712,827,145</b>	—
Payables for acquisition of mining rights	<b>23,823,576</b>	21,095,456
Entrusted investment	<b>234,206,740</b>	234,206,740
Deposit for restoration and improvement of ecological environment in mines	<b>91,475,464</b>	82,827,054
Others	<b>128,891,814</b>	95,734,836
Subtotal	<b>1,191,224,739</b>	433,864,086
Including: Long-term payables due within one year (Note V.31)	<b>(20,000,000)</b>	(20,000,000)
	<b>1,171,224,739</b>	413,864,086

\* Maturity analysis of long-term payables is as follows:

	2015	2014
Within 1 year or repayable on demand	<b>20,000,000</b>	20,000,000
Over 1 year but within 2 years	<b>568,244,809</b>	171,951,063
Over 2 years but within 5 years	<b>383,715,937</b>	54,731,828
Over 5 years	<b>219,263,993</b>	187,181,195
	<b>1,191,224,739</b>	433,864,086

### 36. PROVISION

2015	1 January 2015	Additions	Reductions	31 December 2015
Provision for environmental rehabilitation and restoration of mines	<b>177,486,513</b>	<b>560,409,274</b>	<b>(17,491,359)</b>	<b>720,404,428</b>
	1 January 2014	Additions	Reductions	31 December 2014
Provision for environmental rehabilitation and restoration of mines	147,115,898	30,370,615	—	177,486,513

Norton Gold Fields, a subsidiary of the Group, and BNL, a joint operation of the Group, recognised a provision for environmental rehabilitation and restoration of mines based on the estimation of the useful life of mines, timing of closing pit and the expenditures to be incurred at the time of closing pit.

# Notes to Financial Statements *(continued)*

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## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

### 37. DEFERRED INCOME

As at 31 December 2015 and 31 December 2014, the Group's deferred income was government grants relating to assets. The components and movements are as follows:

2015	1 January 2015	Additions	Reductions	31 December 2015
Government grants	538,727,221	25,757,850	(61,209,645)	503,275,426

2014	1 January 2014	Additions	Reductions	31 December 2014
Government grants	549,332,668	80,257,881	(90,863,328)	538,727,221

As at 31 December 2015, the items related to government grants are as follows:

	1 January 2015	Additions	Recognised as non- operating income for the year	Other movements	31 December 2015	Related to assets or income
Expenditures for science projects	3,745,128	3,030,000	(990,025)	(14,151)	5,770,952	Assets
Fund for environmental protection projects	64,615,770	12,650,000	(6,432,054)	—	70,833,716	Assets
Refund of land compensation	111,977,857	—	(2,371,504)	—	109,606,353	Assets
Fund for comprehensive utilisation of mineral resources	351,987,347	10,000,000	(49,604,776)	—	312,382,571	Assets
Other financial subsidies	6,401,119	77,850	(1,797,135)	—	4,681,834	Assets
	538,727,221	25,757,850	(61,195,494)	(14,151)	503,275,426	

As at 31 December 2014, the items related to government grants are as follows:

	1 January 2014	Additions	Recognised as non- operating income for the year	Other movements	31 December 2014	Related to assets or income
Expenditures for science projects	7,226,660	3,463,491	(6,945,023)	—	3,745,128	Assets
Fund for environmental protection projects	65,705,777	14,650,000	(15,696,766)	(43,241)	64,615,770	Assets
Refund of land compensation	112,030,566	5,043,158	(4,543,158)	(552,709)	111,977,857	Assets
Fund for comprehensive utilisation of mineral resources	343,147,607	50,000,000	(41,160,260)	—	351,987,347	Assets
Other financial subsidies	21,222,058	7,101,232	(20,478,622)	(1,443,549)	6,401,119	Assets
	549,332,668	80,257,881	(88,823,829)	(2,039,499)	538,727,221	

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## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

### 38. SHARE CAPITAL

The nominal value of each share of the Company is RMB0.1. The types and structures of the shares are as follows:

#### 2015

	At 1 January		Movements	At 31 December	
	Number of shares	Proportion	Others (Note 1)	Number of shares	Proportion
1. Non-restricted tradable shares					
RMB ordinary shares	15,803,803,650	73.26%	—	15,803,803,650	73.36%
Foreign-owned shares listed overseas	5,769,010,000	26.74%	(29,570,000)	5,739,440,000	26.64%
Total non-restricted tradable shares	21,572,813,650	100.00%	(29,570,000)	21,543,243,650	100.00%
2. Total shares	21,572,813,650	100.00%	(29,570,000)	21,543,243,650	100.00%

#### 2014

	At 1 January		Movements	At 31 December	
	Number of shares	Proportion	Others	Number of shares	Proportion
1. Non-restricted tradable shares					
RMB ordinary shares	15,803,803,650	72.83%	—	15,803,803,650	73.26%
Foreign-owned shares listed overseas	5,896,354,000	27.17%	(127,344,000)	5,769,010,000	26.74%
Total non-restricted tradable shares	21,700,157,650	100.00%	(127,344,000)	21,572,813,650	100.00%
2. Total shares	21,700,157,650	100.00%	(127,344,000)	21,572,813,650	100.00%

In 2015, details about repurchasing of H Shares are as follows:

Date of repurchase	Number of shares repurchased	Aggregate repurchase price (HKD)	Highest price paid per share (HKD)	Lowest price paid per share (HKD)
9 June 2015	3,592,000	10,635,440	2.98	2.95
10 June 2015	6,200,000	18,043,600	2.95	2.82
17 June 2015	6,500,000	17,507,700	2.72	2.64
18 June 2015	3,172,000	8,583,580	2.72	2.69
19 June 2015	3,000,000	8,045,500	2.70	2.66
22 June 2015	296,000	783,040	2.65	2.64
23 June 2015	150,000	403,000	2.69	2.68
26 June 2015	290,000	792,700	2.76	2.72
29 June 2015	2,370,000	6,131,240	2.63	2.51
30 June 2015	4,000,000	10,394,200	2.65	2.52
	29,570,000	81,320,000		

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## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

### 38. SHARE CAPITAL *(continued)*

In 2014, details about repurchasing of H Shares are as follows:

Date of repurchase	Number of shares repurchased	Aggregate repurchase price (HKD)	Highest price paid per share (HKD)	Lowest price paid per share (HKD)
3 January 2014	23,728,000	40,445,232	1.71	1.68
10 January 2014	17,700,000	29,885,032	1.70	1.67
7 February 2014	12,874,000	20,752,236	1.63	1.58
15 September 2014	4,284,000	8,369,172	1.95	1.94
18 September 2014	7,080,000	13,832,712	1.95	1.94
19 September 2014	2,344,000	4,580,307	1.95	1.95
22 September 2014	4,264,000	8,331,715	1.95	1.94
28 October 2014	22,876,000	44,273,698	1.94	1.88
6 November 2014	7,900,000	15,340,416	1.94	1.92
7 November 2014	4,294,000	8,347,663	1.94	1.94
18 November 2014	20,000,000	39,936,777	2.00	1.97
	127,344,000	234,094,960		

Note 1: At the 2014 Annual General Meeting, the First A Shareholders' class meeting in 2015 and the First H Shareholders' class meeting in 2015 convened by the Company on 11 May 2015, a resolution in relation to the proposal of granting a general mandate to the Board of Directors of the Company to repurchase H Shares was approved. As at 31 December 2015, the number of H Shares repurchased was 29,570,000 in aggregate. 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 2015, the Company's total registered capital was RMB2,154,324,365 (31 December 2014: RMB2,157,281,365).

### 39. CAPITAL RESERVE

#### 2015

	At 1 January 2015	Additions	Reductions	At 31 December 2015
Share premium (Note 1)	7,330,994,361	68,822,379	(121,604,822)	7,278,211,918
Others	(1,042,372)	—	(44,630,989)	(45,673,361)
	7,329,951,989	68,822,379	(166,235,811)	7,232,538,557

#### 2014

	At 1 January 2014	Additions	Reductions	At 31 December 2014
Share premium (Note 1)	7,503,391,514	—	(172,397,153)	7,330,994,361
Others	(1,042,372)	—	—	(1,042,372)
	7,502,349,142	—	(172,397,153)	7,329,951,989

Note 1: Because of the acquisitions of the non-controlling interests of the Company's subsidiaries, Norton Gold Fields and Fujian Jinshan Construction Engineering Co., Ltd., the share premium correspondingly increased by RMB19,535,440 and decreased by RMB60,246,222 in 2015 respectively (2014: Nil). According to the holding proportion of equity interest, an increase of share premium of capital reserve of RMB49,286,939 has been recognised from the associate, Zijin Tongguan. Due to the repurchases of H Shares, the capital reserve decreased by RMB61,358,600 (2014: RMB172,397,153).

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## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

### 40. OTHER COMPREHENSIVE INCOME

The movements of other comprehensive income attributable to the parent in the balance sheet is as follows:

#### 2015

	Opening balance	Movements			Closing balance
		Amount before tax	Income tax	Amount after tax	
Changes in fair value of available-for-sale investments	(66,022,699)	(37,431,296)	296,249	(37,135,047)	(103,157,746)
Exchange differences arising from translation of financial statements denominated in foreign currencies	(381,318,792)	(345,701,137)	—	(345,701,137)	(727,019,929)
	(447,341,491)	(383,132,433)	296,249	(382,836,184)	(830,177,675)

#### 2014

	Opening balance	Movements			Closing balance
		Amount before tax	Income tax	Amount after tax	
Changes in fair value of available-for-sale investments	(77,564,125)	18,122,450	(6,581,024)	11,541,426	(66,022,699)
Exchange differences arising from translation of financial statements denominated in foreign currencies	(382,214,854)	896,062	—	896,062	(381,318,792)
	(459,778,979)	19,018,512	(6,581,024)	12,437,488	(447,341,491)

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

#### 2015

	Amount before tax	Less: amount of other comprehensive income recognised in previous period transferred into profit and loss during the current period	Less: income tax	Attributable to the parent	Attributable to non-controlling interests
Other comprehensive income to be reclassified to profit or loss in subsequent periods					
Changes in fair value of available-for-sale investments	74,876,576	112,307,872	(296,249)	(37,135,047)	—
Exchange differences arising from translation of financial statements denominated in foreign currencies	(345,701,137)	—	—	(345,701,137)	(28,497,328)
	(270,824,561)	112,307,872	(296,249)	(382,836,184)	(28,497,328)

# Notes to Financial Statements *(continued)*

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## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

### 40. OTHER COMPREHENSIVE INCOME *(continued)*

2014

	Amount before tax	Less: amount of other comprehensive income recognised in previous period transferred into profit and loss during the current period	Less: income tax	Attributable to the parent	Attributable to non-controlling interests
Other comprehensive income to be reclassified to profit or loss in subsequent periods					
Changes in fair value of available-for-sale investments	58,107,985	39,985,535	6,581,024	11,541,426	—
Exchange differences arising from translation of financial statements denominated in foreign currencies	896,062	—	—	896,062	(19,781,959)
	59,004,047	39,985,535	6,581,024	12,437,488	(19,781,959)

### 41. SPECIAL RESERVE

2015

	At 1 January 2015	Additions	Reductions	At 31 December 2015
Production maintenance fund	—	15,775,884	(15,775,884)	—
Safety fund	108,445,194	602,665,595	(571,586,328)	139,524,461
	108,445,194	618,441,479	(587,362,212)	139,524,461

2014

	At 1 January 2014	Additions	Reductions	At 31 December 2014
Production maintenance fund	—	21,848,712	(21,848,712)	—
Safety fund	101,948,305	626,365,463	(619,868,574)	108,445,194
	101,948,305	648,214,175	(641,717,286)	108,445,194

# Notes to Financial Statements *(continued)*

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## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

### 42. SURPLUS RESERVE

	At 1 January 2015	Additions	Reductions	At 31 December 2015
2015				
Statutory reserve	1,319,401,104	—	—	1,319,401,104

	At 1 January 2014	Additions	Reductions	At 31 December 2014
2014				
Statutory reserve	1,319,401,104	—	—	1,319,401,104

Pursuant to the stipulations of the Company Law of the PRC, provision for statutory reserve is optional if the aggregate balance of the statutory reserve reaches 50% of a company's registered capital. In the current year, the balance of the statutory reserve has reached 50% of the Company's registered capital. Therefore, no provision for statutory reserve was made. The Company can provide a discretionary reserve after the provision for statutory reserve is made. Discretionary reserve can be used to offset accumulated losses for previous years or be transferred to issue capital on approval.

### 43. RETAINED EARNINGS

	2015	2014
At 1 January	17,591,716,635	16,978,322,418
Net profit attributable to the owners of the parent	1,655,671,617	2,345,062,669
Less: Appropriation for the statutory reserve	—	—
Dividends distribution	1,725,825,092	1,731,668,452
At 31 December	17,521,563,160	17,591,716,635

On 11 May 2015, the 2014 annual general meeting of the Company approved the final cash dividend of RMB0.08 per ordinary share in aggregate of RMB1,725,825,092.

On 28 May 2014, the 2013 annual general meeting of the Company approved the final cash dividend of RMB0.08 per ordinary share in aggregate of RMB1,731,668,452.

### 44. OPERATING INCOME AND OPERATING COSTS

	2015		2014	
	Operating income	Operating costs	Operating income	Operating costs
Principal operations	73,760,622,049	67,688,883,834	58,308,431,070	50,653,548,999
Other operations	542,951,690	318,845,749	452,102,858	228,218,556
	74,303,573,739	68,007,729,583	58,760,533,928	50,881,767,555

During the year of 2015, more than 99% (2014: more than 99%) of the operating income arose from sales of commodities. As such, the management of the Group considers that disclosure of the operating income and costs based on the nature of income is unnecessary.



# Notes to Financial Statements *(continued)*

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## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

### 45. TAXES AND SURCHARGES

	2015	2014
Consumption tax	<b>484,626</b>	646,464
Business tax	<b>49,714,051</b>	60,301,648
Urban maintenance and construction tax	<b>45,307,747</b>	58,657,813
Resource tax	<b>653,156,080</b>	637,241,752
Education surcharges	<b>30,871,933</b>	36,349,550
Others	<b>30,127,570</b>	45,218,947
	<b>809,662,007</b>	838,416,174

### 46. SELLING EXPENSES

	2015	2014
Salaries and welfares	<b>64,691,606</b>	59,647,516
Transportation expenses	<b>505,539,476</b>	711,922,723
Unloading expenses	<b>4,525,566</b>	4,588,797
Storage expenses	<b>3,907,122</b>	3,716,996
Packing expenses	<b>7,448,120</b>	11,483,847
Insurance expenses	<b>6,913,949</b>	4,423,815
Charge of commission sales	<b>14,791,111</b>	15,386,494
Advertising expenses	<b>5,975,639</b>	5,883,175
Depreciation expenses	<b>7,441,920</b>	6,623,785
Material consumption	<b>5,451,876</b>	6,410,856
Others	<b>65,175,013</b>	75,424,916
	<b>691,861,398</b>	905,512,920

### 47. ADMINISTRATIVE EXPENSES

	2015	2014
Salaries and welfares	<b>1,063,225,464</b>	911,531,550
Office expenses	<b>108,591,978</b>	131,162,264
Travelling and meeting expenses	<b>66,441,384</b>	44,732,587
Stipulated fees	<b>271,259,307</b>	294,748,642
Taxes	<b>144,017,783</b>	108,466,498
Depreciation and amortisation	<b>359,347,327</b>	237,733,050
Research and development expenses	<b>252,964,144</b>	96,198,991
Audit fees*	<b>14,967,075</b>	20,913,509
Repair and maintenance costs	<b>22,694,739</b>	25,123,594
Professional consulting expenses	<b>83,275,750</b>	48,519,473
Exploration expenses	<b>55,425,461</b>	101,723,522
Pre-operating costs	—	12,146,203
Others	<b>178,530,214</b>	142,124,353
	<b>2,620,740,626</b>	2,175,124,236

\* In the year of 2015, the auditors' remuneration of the Company was RMB8,100,000 (2014: RMB7,460,000).

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## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

### 48. FINANCIAL EXPENSES

	2015	2014
Interest expenses:	<b>1,443,645,087</b>	1,336,798,557
Including: *Bank loans	<b>977,002,228</b>	1,015,288,458
*Bonds payable	<b>466,642,859</b>	321,510,099
Less: Interest income	<b>146,452,526</b>	168,134,064
Capitalised interest expenses	<b>374,224,517</b>	556,696,854
Exchange (gains)/losses	<b>(74,716,245)</b>	49,486,592
Bank charges	<b>97,416,469</b>	106,499,785
	<b>945,668,268</b>	767,954,016

Capitalised interest expenses were included in construction in progress and inventories. In 2015, no interest income arose from impaired financial assets (2014: Nil).

\* In the current year, interest on bank loans and bonds payable wholly repayable within five years amounted to RMB1,359,391,630 (2014: RMB1,265,956,380). Interest on bank loans not wholly repayable within five years amounted to RMB84,253,457 (2014: RMB70,842,177).

### 49. IMPAIRMENT LOSSES ON ASSETS

	2015	2014
Impairment on fixed assets	<b>335,131,513</b>	20,782,402
Provision for decline in value of inventories	<b>90,190,149</b>	114,800,602
Impairment on other non-current assets	<b>36,981,183</b>	90,004,189
Impairment on intangible assets	<b>13,500,000</b>	23,280,000
Impairment on available-for-sale investments	<b>740,039</b>	26,810,425
Impairment on other current assets	<b>(2,650,000)</b>	2,650,000
Bad debt provision for trade and other receivables	<b>(3,207,761)</b>	84,625,187
	<b>470,685,123</b>	362,952,805

### 50. LOSSES ON CHANGES IN FAIR VALUE

	2015	2014
Financial assets at fair value through profit or loss (Note 1)	<b>(210,879,019)</b>	74,386,856
Financial liabilities at fair value through profit or loss (Note 2)	<b>85,366,791</b>	(215,600,229)
	<b>(125,512,228)</b>	(141,213,373)

Note 1: In year 2015, gains or losses on changes in fair value of financial assets at fair value through profit or loss included: (a) net losses on changes in fair value arising from stocks and funds of RMB307,864,716 (2014: net gains of RMB28,688,646); (b) net gains on changes in fair value of futures of RMB83,023,880 (2014: net gains of RMB15,637,586), which included net losses on changes in fair value of gold futures of RMB604,478 (2014: net gains of RMB2,540,478) arising from gold futures contracts entered into by the Group in accordance with the repayment terms of gold leasing business for the purpose of hedging price fluctuation risk arising from gold leasing business; (c) net gains on changes in fair value of other financial assets of RMB13,961,817 (2014: net gains of RMB30,060,624).

Note 2: In year 2015, gains or losses on changes in fair value of financial liabilities at fair value through profit or loss included (a) net losses on changes in fair value arising from the gold leasing business of RMB33,298,621 (2014: net losses of RMB741,580,718); (b) net gains on changes in fair value of gold futures of RMB142,928,048 (2014: net gains of RMB515,929,316) arising from gold futures contracts entered into by the Group in accordance with the repayment terms of gold leasing business for the purpose of hedging price fluctuation risk arising from gold leasing business; and (c) net losses on changes in fair value of other financial liabilities of RMB24,262,636 (2014: net gains of RMB10,051,173).

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## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

### 51. INVESTMENT INCOME

	2015	2014
(Losses)/gains from long-term equity investments under the equity method	<b>(44,237,294)</b>	21,433,814
<i>Including: Share of (losses)/profits of associates</i>	<b>(205,052,213)</b>	21,540,546
<i>Share of profits/(losses) of joint ventures</i>	<b>160,814,919</b>	(106,732)
Gains on disposal of long-term equity investments	<b>3,131,710</b>	4,676,957
<i>Including: Gains on disposal of subsidiaries</i>	<b>3,131,710</b>	4,676,957
Gains on disposal of financial assets and financial liabilities at fair value through profit or loss (Note 1)	<b>1,229,029,431</b>	667,352,138
Gains from available-for-sale investments	<b>129,811,228</b>	12,619,622
<i>Including: Investment income from available-for-sale investments measured at cost</i>	<b>23,785,200</b>	28,386,297
<i>Gains/(losses) on disposal of available-for-sale investments measured at fair value (Note 2)</i>	<b>106,026,028</b>	(15,766,675)
Others	<b>(4,960,676)</b>	66,483,577
	<b>1,312,774,399</b>	772,566,108

\* In the year of 2015, investment income from investments in listed companies was RMB84,677,776 (2014: losses of RMB54,460,952), and investment income from investments in unlisted companies was RMB1,228,096,623 (2014: gains of RMB827,027,060).

Note 1: In the year of 2015, the investment income resulting from disposal of financial assets at fair value through profit or loss included gains of RMB1,496,866,592 on the settlement of futures contracts (2014: gains of RMB631,373,077).

Note 2: In the years of 2015 and 2014, investment gains or losses resulting from disposal of available-for-sale investments were mainly generated from the disposal of stock investments.

### 52. NON-OPERATING INCOME

	2015	2014	Non-recurring profits or losses in 2015
Gains on disposal of non-current assets	<b>8,862,317</b>	53,043,654	8,862,317
<i>Including: Gains on disposal of fixed assets</i>	<b>8,762,317</b>	11,043,785	8,762,317
Government grants	<b>184,276,134</b>	161,694,394	184,276,134
Penalty income	<b>7,734,115</b>	8,290,123	7,734,115
Gains on debt for equity swap of Bindi Potash (Note1)	<b>117,106,400</b>	—	117,106,400
Gains on further investment for business combination (Note 2)	<b>66,814,497</b>	—	66,814,497
Others	<b>34,226,486</b>	13,713,050	34,226,486
	<b>419,019,949</b>	236,741,221	419,019,949

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## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

### 52. NON-OPERATING INCOME *(continued)*

Analysis of government grants recognised in the profit or loss in the current period is as follows:

	2015	2014
Government grants related to assets:		
Expenditures for science projects	990,025	6,945,023
Environmental protection	6,432,054	15,696,766
Refund of land compensation	2,371,504	4,543,158
Comprehensive utilisation of mineral resources (Note 3)	49,604,776	41,160,260
Others	1,797,135	20,478,622
	<b>61,195,494</b>	88,823,829
Government grants related to income:		
Special government rewards (Note 4)	30,678,386	6,189,578
VAT subsidies	331,234	498,142
Tax refunds	19,101,991	16,809,008
Others (Note 5)	72,969,029	49,373,837
	<b>123,080,640</b>	72,870,565
	<b>184,276,134</b>	161,694,394

Note 1: For the gains on debt for equity swap of Bindi Potash, please refer to Note V.6 for detail.

Note 2: The Group originally held 26.35% equity interest in NKWE and this year it further acquired another 34.12% equity interest in NKWE, making NKWE a subsidiary of the Group. Since the combination cost of acquiring the subsidiary is less than the shared fair value of the net identifiable assets of the subsidiary at the acquisition date, the difference was recognised as non-operating income. Please refer to Note VI.1 for detail.

Note 3: In the year of 2015, non-operating income totalling RMB49,604,776 was recognised regarding amortisation of government's subsidies for the anti-seepage construction and infrastructure stripping construction of the Company's Zijinshan copper mine.

Note 4: Mainly included: in the year of 2015, Hunchun Zijin received electricity incentives from the government and the special fund for heavy metal's prevention and treatment for the year of 2014 totalling RMB14,519,000. Other subsidiaries received rewards of RMB16,159,386 from business support fund, exemplary enterprise award, financial support fund and so on.

Note 5: Mainly included: Zijin Copper received the second interest discount fund of RMB23,350,000. Xinjiang Aletai Jinhao Iron Company Limited ("Jinhao Iron") received freight subsidies of RMB17,432,728 from Xinjiang Uygur Autonomous Region Economic and Information Technology Commission in 2015. Luoning Zijin received subsidy of RMB7,000,000 for unleashing potentials and raising efficiency.

### 53. NON-OPERATING EXPENSES

	2015	2014	Non-recurring profits or losses in 2015
Losses on disposal of non-current assets	46,337,101	151,038,028	46,337,101
<i>Including: Losses on disposal of fixed assets</i>	<b>46,131,740</b>	<i>118,881,145</i>	<i>46,131,740</i>
<i>Losses on disposal of other non-current assets</i>	<b>205,361</b>	<i>32,156,883</i>	<i>205,361</i>
Donations	119,506,973	185,845,063	119,506,973
Penalties	35,035,997	8,047,755	35,035,997
Net losses arising from natural disasters	1,846	9,850	1,846
Losses on stocktaking	17,852	1,463,895	17,852
Others	76,436,894	26,357,597	76,436,894
	<b>277,336,663</b>	372,762,188	277,336,663

# Notes to Financial Statements *(continued)*

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

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

### 54. INCOME TAX EXPENSES

	2015	2014
Current income tax	<b>749,031,700</b>	617,705,361
Deferred tax expenses	<b>(5,547,273)</b>	70,990,638
	<b>743,484,427</b>	688,695,999

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

	2015	2014
Profit before tax	<b>2,086,172,191</b>	3,324,137,990
Tax at the statutory tax rate (Note 1)	<b>521,543,048</b>	831,034,497
Effect of different tax rates applicable to certain subsidiaries	<b>(175,459,407)</b>	(184,044,511)
Adjustments in respect of current tax of previous periods	<b>(106,279,360)</b>	(218,580,802)
Income not subject to tax (Note 2)	<b>(34,764,912)</b>	(77,417,192)
Expenses not deductible for tax (Note 3)	<b>45,311,202</b>	50,265,301
Tax losses utilised from previous periods	<b>(45,097,412)</b>	(48,493,671)
Effect of unrecognised deductible temporary differences and deductible tax losses	<b>538,231,268</b>	335,932,377
Tax charge at the Group's effective tax rate	<b>743,484,427</b>	688,695,999

Note 1: Provision for the PRC corporate income tax expenses has been made at applicable tax rates based on the estimated taxable profits. For the year 2015, there was no assessable profit arising in Hong Kong (2014: 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 loss of long-term equity investments under the equity method of RMB44,237,294 (2014: profit of RMB21,433,814), share of profits of available-for-sale investments under the cost method of RMB23,785,200 (2014: RMB28,386,297) 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 RMB39,659,161 (2014: RMB26,160,760).

Note 3: Included donations not deductible for tax purposes of RMB31,135,699 (2014: RMB52,775,730).

### 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:

	2015	2014
Earnings		
Consolidated net profit attributable to the owners of the parent	<b>1,655,671,617</b>	2,345,062,669
Shares		
Weighted average number of ordinary shares outstanding	<b>21,556,915,502</b>	21,634,580,077
Earnings per share	<b>0.08</b>	0.11

# Notes to Financial Statements *(continued)*

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

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

### 56. NOTES TO STATEMENT OF CASH FLOWS

Significant cash flows of the Group are as follows:

	2015	2014
Other cash receipts relating to operating activities		
Interest income	<b>153,198,139</b>	163,706,366
Government grants	<b>148,824,339</b>	140,663,983
Gains on the settlement of futures contracts and others	<b>1,958,022,060</b>	634,142,761
	<b>2,260,044,538</b>	938,513,110
Other cash payments relating to operating activities		
Transportation expenses, insurance expenses, commission charges and other selling expenses	<b>(619,727,872)</b>	(839,241,619)
Office expenses, meeting expenses and other administrative expenses	<b>(727,465,284)</b>	(510,856,787)
Donations	<b>(114,126,964)</b>	(219,291,391)
Others	<b>(92,121,607)</b>	(124,752,239)
	<b>(1,553,441,727)</b>	(1,694,142,036)
Other cash receipts relating to investing activities		
Cash receipts from time deposits with maturity for more than three months	<b>509,667,366</b>	341,789,835
Other cash payments relating to investing activities		
Cash paid for time deposits with maturity for more than three months	<b>(521,336,401)</b>	(509,667,366)
Cash paid for acquisition of debts	<b>(1,836,291,246)</b>	—
	<b>(2,357,627,647)</b>	(509,667,366)
Other cash receipts relating to financing activities		
Borrowings from third parties	<b>137,275,522</b>	360,304,291
Other cash payments relating to financing activities		
H Shares repurchase	<b>(64,315,600)</b>	(185,131,553)
Repayment of borrowings to third parties	<b>(289,293,241)</b>	(74,463,813)
Bank charges and others	<b>(97,416,469)</b>	(106,499,785)
	<b>(451,025,310)</b>	(366,095,151)

# Notes to Financial Statements *(continued)*

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

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

### 57. 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:

	2015	2014
Net profit	<b>1,342,687,764</b>	2,635,441,991
Add: Provision for impairment losses of assets	<b>470,685,123</b>	362,952,805
Depreciation of investment properties	<b>7,378,872</b>	4,676,364
Depreciation of fixed assets	<b>2,663,154,043</b>	2,064,139,532
Amortisation of intangible assets	<b>428,181,668</b>	350,832,600
Amortisation of long-term deferred assets	<b>209,683,894</b>	230,814,888
Net losses on disposal of fixed assets, intangible assets and other long-term assets	<b>37,474,784</b>	97,994,374
Losses on changes in the fair values	<b>125,512,228</b>	141,213,373
Financial expenses	<b>1,166,837,039</b>	886,601,488
Investment income	<b>184,092,193</b>	(86,855,057)
Decrease/(increase) in deferred tax assets	<b>74,491,199</b>	(78,807,893)
(Decrease)/increase in deferred tax liabilities	<b>(80,038,472)</b>	149,798,531
Increase in inventories	<b>(299,042,129)</b>	(2,290,270,294)
Decrease in receivables from operating activities	<b>392,957,545</b>	155,941,682
Increase in payables from operating activities	<b>3,642,774,373</b>	1,587,928,997
Increase in special reserve	<b>31,079,267</b>	6,496,889
Exploration and development expenses written off	<b>55,425,461</b>	101,723,522
Others	<b>(183,920,897)</b>	—
Net cash flow from operating activities	<b>10,269,413,955</b>	6,320,623,792
	<b>2015</b>	2014
Closing balance of cash	<b>4,530,704,047</b>	3,136,098,878
Less: Opening balance of cash	<b>3,136,098,878</b>	3,330,935,614
Add: Closing balance of cash equivalents	<b>314,994,246</b>	375,661,578
Less: Opening balance of cash equivalents	<b>375,661,578</b>	689,997,407
Net increase/(decrease) in cash and cash equivalents	<b>1,333,937,837</b>	(509,172,565)

# Notes to Financial Statements *(continued)*

For the year ended 31 December 2015

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

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

### 57. SUPPLEMENTARY INFORMATION TO THE STATEMENT OF CASH FLOWS *(continued)*

#### (2) Acquisition or disposal of subsidiaries and other business units

Information about acquisition of subsidiaries and other business units

	2015	2014
Consideration for acquisition of subsidiaries and other business units	<b>1,134,991,357</b>	1,367,249,080
Cash and cash equivalents for acquisition of subsidiaries and other business units	<b>803,359,541</b>	1,367,249,080
Less: cash and cash equivalents held by subsidiaries and other business units	<b>44,137,150</b>	48,218,269
Net cash flow used in acquisitions of subsidiaries and other business units	<b>759,222,391</b>	1,319,030,811

Information about disposal of subsidiaries and other business units

	2015	2014
Consideration for the disposal of subsidiaries and other business units	—	104,801,692
Cash and cash equivalents received from the disposal of subsidiaries and other business units	—	104,801,692
Less: cash and cash equivalents held by subsidiaries and others business units	—	8,725,922
Net cash flow from the disposal of subsidiaries and other business units	—	96,075,770

#### (3) Cash and cash equivalents

	2015	2014
Cash	<b>4,530,704,047</b>	3,136,098,878
<i>Including: Cash on hand</i>	<b>6,800,046</b>	4,544,293
<i>Cash at banks that can be readily drawn on demand</i>	<b>4,523,904,001</b>	3,131,554,585
Cash equivalents	<b>314,994,246</b>	375,661,578
Closing balance of cash and cash equivalents	<b>4,845,698,293</b>	3,511,760,456

No cash and cash equivalents of the Group were restricted for use.



# Notes to Financial Statements *(continued)*

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

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

### 58. ASSETS WITH RESTRICTIONS ON TITLE

	2015	2014
Inventories (Note 1)	—	492,959,037
Intangible assets (Note 2)	—	20,847,021
	—	513,806,058

Note 1: As at 31 December 2015, no inventories were under restrictions on title. As at 31 December 2014, inventories with a carrying amount of RMB492,959,037 of Zijin Real Estate, a subsidiary of the Company, were pledged as collateral against bank borrowings of RMB214,000,000 from Industrial Bank Co., Ltd.

Note 2: As at 31 December 2015, no intangible assets were under restrictions on title. As at 31 December 2014, a land use right with a carrying amount of RMB20,847,021 of Kuitung Tongguan, a subsidiary of the Company, was pledged as collateral against bank borrowings of RMB20,000,000, with maturity of 1 year from December 2014 to December 2015.

### 59. FOREIGN CURRENCY MONETARY ITEMS

	2015			2014		
	Original amount	Exchange rate	RMB	Original amount	Exchange rate	RMB
Cash and cash equivalents						
HKD	44,427,040	0.8378	37,220,974	261,306,302	0.7889	206,144,542
USD	387,413,561	6.4936	2,515,708,700	58,636,024	6.1190	358,793,829
GBP	5	9.6159	48	—	9.5437	2
CAD	1,358,087	4.6814	6,357,748	26,574	5.2755	140,191
AUD	41,754,166	4.7276	197,396,995	19,608,624	5.0174	98,384,309
RUB	1,707,505	0.0884	150,943	8,689,267	0.1105	960,164
EUR	5,541,985	7.0952	39,321,492	627,093	7.4556	4,675,352
Others	N/A	N/A	14,070	N/A	N/A	13,890
Trade receivables						
AUD	7,919,989	4.7276	37,442,540	6,349,029	5.0174	31,855,618
USD	8,634,420	6.4936	56,068,470	—	—	—
Other receivables						
HKD	6,004,183	0.8378	5,030,305	35,403,613	0.7889	27,929,910
USD	8,875,531	6.4936	57,634,148	6,581,347	6.1190	40,271,260
AUD	5,232,479	4.7276	24,737,068	—	—	—
Other non-current assets						
USD	260,714,513	6.4936	1,692,975,762	77,302,474	6.1190	473,013,838
Total foreign currency monetary assets			4,670,059,263			1,242,182,905

# Notes to Financial Statements *(continued)*

For the year ended 31 December 2015

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

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

### 59. FOREIGN CURRENCY MONETARY ITEMS *(continued)*

	2015			2014		
	Original amount	Exchange rate	RMB	Original amount	Exchange rate	RMB
Short-term borrowings						
USD	594,367,472	6.4936	3,859,584,616	676,231,785	6.1190	4,137,862,292
EUR	156,956,414	7.0952	1,113,637,149	—	—	—
AUD	50,000	4.7276	236,380	—	—	—
Trade payables						
USD	309,380,891	6.4936	2,008,995,754	329,056,787	6.1190	2,013,498,479
AUD	9,064,833	4.7276	42,854,904	40,569,437	5.0174	203,553,095
Other payables						
HKD	132,088	0.8378	110,663	1,071,963	0.7889	845,672
USD	147,360,055	6.4936	956,897,253	1,809,504	6.1190	11,072,358
AUD	32,182,057	4.7276	152,143,893	1,048,810	5.0174	5,262,301
Current portion of non-current liabilities						
USD	794,981,358	6.4936	5,162,290,946	99,230,000	6.1190	607,188,370
EUR	27,645,000	7.0952	196,146,804	—	—	—
Long-term borrowings						
EUR	83,913,897	7.0952	595,385,884	30,500,000	7.4556	227,395,800
USD	1,044,991,385	6.4936	6,785,756,057	936,992,842	6.1190	5,733,459,199
AUD	144,804,446	4.7276	684,577,499	144,871,112	5.0174	726,876,317
CAD	115,372,004	4.6814	540,102,500	—	—	—
Bonds payable						
USD	—	6.4936	—	477,912,685	6.1177	2,923,716,925
Long-term payables						
USD	122,944,749	6.4936	798,354,022	12,950,000	6.1190	79,241,050
AUD	965,431	4.7276	4,564,172	403,759	5.0174	2,025,820
Total foreign currency monetary liabilities			22,901,638,496			16,671,997,678

## Notes to Financial Statements *(continued)*

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

### VI. CHANGES IN THE SCOPE OF CONSOLIDATION

#### 1. ACQUISITION OF SUBSIDIARIES

##### 1) Fanshi County Yilian Gold Mine Co., Ltd. ("Yilian Gold Mine")

Acquisition date	Acquisition cost	Percentage of equity acquired (%)	Share acquisition method	Transfer Date	Acquisition basis
1 January 2015	88,740,000	98.6	Acquisition	1 January 2015	Equity transfer completed

The fair values and carrying amounts of the identifiable assets and liabilities of Yilian Gold Mine on acquisition date were as follows:

	1 January 2015 Fair value	1 January 2015 Carrying amount
Cash and cash equivalents	1,313,991	1,313,991
Prepayments	1,632,699	1,632,699
Inventories	1,539,574	1,539,574
Other current assets	413,462	413,462
Fixed assets	48,453,603	48,453,603
Construction in progress	4,518,486	4,518,486
Intangible assets	38,702,611	13,407,000
Long-term deferred assets	257,585	257,585
Trade payables	(60,000)	(60,000)
Other payables	(6,772,011)	(6,772,011)
Net assets	90,000,000	64,704,389
Less: non-controlling interests	1,260,000	905,861
Net assets acquired	88,740,000	63,798,528
Combination cost - cash	88,740,000	

From the acquisition date to 31 December 2015, the operating results and cash flows of Yilian Gold Mine were as below:

	From 1 January 2015 to 31 December 2015
Operating income	2,989,976
Net loss	15,094,378
Net cash inflow	3,033,854

# Notes to Financial Statements *(continued)*

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

## VI. CHANGES IN THE SCOPE OF CONSOLIDATION *(continued)*

### 1. ACQUISITION OF SUBSIDIARIES *(continued)*

#### 2) NKWE Platinum Limited (“NKWE”)

The acquisition of NKWE is achieved in stages, the information of the equity interest acquired in prior and current period is as below:

Acquisition date	Number of ordinary shares	Percentage of equity acquired (%)	Initial acquisition cost	Share acquisition method
31 March 2011	9,685,883	1.08	20,626,317	Acquisition
31 October 2012	890,877	0.10	513,114	Acquisition
31 December 2013	19,000,000	2.12	10,317,190	Acquisition
5 May 2014	202,576,000	22.60	123,260,082	Acquisition
27 May 2014	4,000,000	0.45	2,304,120	Acquisition
7 October 2015	305,833,120	34.12	137,782,245	Acquisition
	541,985,880	60.47	294,803,068	

On 20 July 2015, Jin Jiang Mining Limited (“Jin Jiang Mining”), the Company’s wholly-owned subsidiary, entered into a sale of shares agreement with Genorah Resources (Pty) Limited (“Genorah”, established in South Africa) and Genorah Resources Australia Proprietary Limited (“Genorah Australia”, a wholly-owned subsidiary of Genorah) as well as NKWE and NKWE Platinum (South Africa) (Pty) Limited (“NKWE SA”, a subsidiary of NKWE, with 70% of its shares held by NKWE), pursuant to which Jin Jiang Mining acquired 305,833,120 fully paid ordinary shares in NKWE held by Genorah and Genorah Australia (accounted for 34.12% of NKWE’s issued ordinary shares) without any encumbrances at the price of AUD0.10 per share in cash. The total amount was AUD30,583,312 (equivalent to approximately RMB137,782,245). The equity transfer procedures of the acquisition were completed on 7 October 2015. At this point, the Group holds 60.47% equity interest in NKWE in aggregate. NKWE’s board of director consists of 6 directors and 4 of the 6 directors were appointed by the Group. The Group also has a right to appoint the chairman, whose appointment commenced on 7 October 2015. At this point, the Group has already gained control in NKWE.

The carrying amount of the previously held 236,152,760 ordinary shares (26.35% of NKWE outstanding ordinary shares) was RMB116,473,950 at the acquisition date. According to NKWE’s average trading price at the acquisition date (AUD0.09 per share) and the number of weighted-average ordinary share held by the Group, the fair value of such equity interest at the acquisition date was AUD21,253,748 (approximately equivalent to RMB94,772,589) and a remeasurement loss of fair value of RMB21,701,361 was recorded.

# Notes to Financial Statements *(continued)*

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

## VI. CHANGES IN THE SCOPE OF CONSOLIDATION *(continued)*

### 1. ACQUISITION OF SUBSIDIARIES *(continued)*

#### 2) NKWE Platinum Limited ("NKWE") *(continued)*

The fair values and carrying amount of the identifiable assets and liabilities of NKWE as at the acquisition date were as follows:

	7 October 2015 Fair value	7 October 2015 Carrying amount
Cash and cash equivalents	1,161,729	1,161,729
Trade receivables	40,241,230	40,241,230
Prepayments	249,429	249,429
Other current assets	2,390,189	2,390,189
Fixed assets	252,551	252,551
Intangible assets	453,510,836	592,665,305
Other non-current assets	2,278,695	2,278,695
Other payables	(5,013,829)	(5,013,829)
Net assets	495,070,830	634,225,299
Less: non-controlling interests	195,701,499	358,378,720
Net assets acquired	299,369,331	275,846,579
Amount exceeded the combination cost recognised in profit or loss for the current period	66,814,497	
Combination cost		
– Cash	115,622,542	
– Other payables	22,159,703	
– Fair value of the previously held equity interest at the acquisition date	94,772,589	
	232,554,834	

From the acquisition date to 31 December 2015, the operating results and cash flows of NKWE were as below:

	From 8 October 2015 to 31 December 2015
Operating income	—
Net loss	1,599,629
Net cash outflow	1,301,778

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## VI. CHANGES IN THE SCOPE OF CONSOLIDATION *(continued)*

### 2. ACQUISITION OF A JOINT OPERATION

#### **Barrick (Niugini) Limited (“BNL”)**

On 26 May 2015, the Company, together with Gold Mountains (H.K.), a wholly-owned subsidiary of the Company, and Barrick as well as Barrick Australia entered into a share acquisition agreement. Gold Mountains (H.K.) acquired a 50% equity interest in BNL from Barrick Australia as well as 50% of shareholders' loans provided by Barrick and its affiliates to BNL. The consideration of USD298,000,000 (equivalent to approximately RMB1,904,011,400) for the acquisition was in the form of cash and consisted of two parts: a) purchase consideration for 774,888,390 ordinary shares of BNL (equal to 50% of total equity interest in BNL) without any encumbrance was USD100,000,000 (equivalent to approximately RMB638,930,000); and b) purchase consideration for 50% of USD396,000,000 shareholder's loans provided by Barrick and its affiliates to BNL without any encumbrance was USD198,000,000 (equivalent to approximately RMB1,265,081,400). In addition, according to the agreement, the final purchase consideration of 50% equity interest in BNL also included: a) working capital adjustment of USD13,333,000 (equivalent to approximately RMB85,188,537); and b) tax credit adjustment of USD14,020,000 (equivalent to approximately RMB89,577,986). The acquisition was completed on 31 August 2015.

According to a cooperation agreement, BNL is jointly controlled by Gold Mountains (H.K.) and Barrick Australia. Each of the parties has rights to the assets, obligations for the liabilities of BNL, and is eligible to BNL's output and recognises the expenses incurred in the proportion of 50%. Therefore, the management of the Group determines this arrangement as a joint operation.

The fair values and carrying amounts of the identifiable assets and liabilities of BNL as at the acquisition date were as follows:

	<b>31 August 2015 Fair value</b>	<b>31 August 2015 Carrying amount</b>
Bank deposits	83,322,861	83,322,861
Trade receivables	133,894,171	133,894,171
Inventories	1,986,216,134	2,187,095,726
Other current assets	179,155,972	224,980,032
Fixed assets	2,975,695,078	2,957,261,948
Intangible assets	474,482,197	—
<b>Total assets</b>	<b>5,832,766,413</b>	<b>5,586,554,738</b>
Trade payables	337,821,459	337,821,459
Provision	1,337,389,108	1,330,999,808
Long-term payables	2,530,162,800	2,530,162,800
<b>Total liabilities</b>	<b>4,205,373,367</b>	<b>4,198,984,067</b>
50% of total assets acquired	2,916,383,207	2,793,277,369
50% of total liabilities incurred	2,102,686,684	2,099,492,034
<b>50% of net assets acquired</b>	<b>813,696,523</b>	<b>693,785,335</b>
Combination cost		
– Cash	638,930,000	
– Long-term payables	174,766,523	
	<b>813,696,523</b>	

# Notes to Financial Statements *(continued)*

For the year ended 31 December 2015

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

## VI. CHANGES IN THE SCOPE OF CONSOLIDATION *(continued)*

### 2. ACQUISITION OF A JOINT OPERATION *(continued)*

#### **Barrick (Niugini) Limited ("BNL")** *(continued)*

From the acquisition date to 31 December 2015, the operating results and cash flows recognised on the basis of 50% proportionate interests in accordance with the agreement were as below:

	<b>1 September 2015 to 31 December 2015</b>
Operating income	<b>597,906,760</b>
Net profit	<b>179,802,609</b>
Net cash inflow	<b>46,694,369</b>

### 3. DISPOSAL OF SUBSIDIARIES

Company name	Place of registration	Principal activities	Proportion of equity attributable to the Group	Proportion of voting right attributable to the Group	Reason for deconsolidation
Longyan City Taixin Resources Development Co., Ltd. ("Taixin Resources")	Longyan City, Fujian Province	Geological exploration	51%	51%	De-registration
Guizhou Zhenfeng Zijin Mining Co., Ltd. ("Zhenfeng Zijin")	Qiaxinan Prefecture, Guizhou Province	Mining	47%	47%	De-registration
Hubei Province Hefeng County Zijin Mining Co., Ltd. ("Hefeng Zijin")	Enshi Prefecture, Hubei Province	Geological exploration	100%	100%	De-registration
Inner Mongolia Zijin Mining Co., Ltd. ("Inner Mongolia Zijin")	Hohhot City, Inner Mongolia Autonomous Region	Investment holding	100%	100%	De-registration
Kingbao Mining Ltd. ("Kingbao Mining")	Hong Kong Special Administrative Region	Nickel mining	90%	90%	De-registration
Damaoqi Zijin Phosphorus Industry Co., Ltd. ("Damaoqi Zijin")	Baotou City, Inner Mongolia Autonomous Region	Non-metal mining	100%	100%	De-registration
Jinfeng (Tajikistan) International Mining Co., Ltd. ("Jinfeng Tajikistan")	Tajikistan	Investment	100%	100%	De-registration

**VI. CHANGES IN THE SCOPE OF CONSOLIDATION** *(continued)***4. NEWLY ESTABLISHED KEY SUBSIDIARIES**

Jin Heng Mining Company Limited (“Jin Heng Mining”) was incorporated in the British Virgin Islands on 28 February 2015 with registered capital of USD1. Gold Mountains (H.K.), a wholly-owned subsidiary of the Company, contributed USD1 to hold 100% equity interest in Jin Heng Mining. As at 31 December 2015, the registered capital and the paid-up capital of Jin Heng Mining were USD1 respectively. As Gold Mountains (H.K.) holds 100% equity interest in Jin Heng Mining, Jin Heng Mining was included in the scope of consolidation.

Harbour Able Limited was incorporated in the British Virgin Islands on 30 April 2015 with registered capital of USD1. Gold Mountains (H.K.), a wholly-owned subsidiary of the Company, contributed USD1 to hold 100% equity interest in Harbour Able Limited. As at 31 December 2015, the registered capital and the paid-up capital of Harbour Able Limited were USD1 respectively. As Gold Mountains (H.K.) holds 100% equity interest in Harbour Able Limited, Harbour Able Limited was included in the scope of consolidation.

Zhuoxin Investments Limited (“Zhuoxin Investments”) was incorporated in the British Virgin Islands on 31 May 2015 with registered capital of USD1. Gold Mountains (H.K.), a wholly-owned subsidiary of the Company, contributed USD1 to hold 100% equity interest in Zhuoxin Investments. As at 31 December 2015, the registered capital and the paid-up capital of Zhuoxin Investments were USD1 respectively. As Gold Mountains (H.K.) holds 100% equity interest in Zhuoxin Investments, Zhuoxin Investments was included in the scope of consolidation.

Zijin Mining Group Capital Investment Co., Ltd. (“Capital Investment Company”) was incorporated in Xiamen Free Trade Zone, Fujian Province, China on 15 June 2015 with registered capital of RMB1,000,000,000. The Company holds 100% equity interest in Capital Investment Company. As at 31 December 2015, the registered capital of Capital Investment Company was RMB1,000,000,000 and the paid-up capital was RMB200,000,000 respectively. The Company holds 100% equity interest in Capital Investment Company. Therefore, Capital Investment Company was included in the scope of consolidation.

Hunchun Zijin Logistics Co., Ltd. (“Hunchun Zijin Logistics”) was incorporated in Hunchun City, Jilin Province, China on 10 July 2015 with registered capital of RMB3,000,000. All the capital was contributed by Hunchun Zijin, a subsidiary of the Company. As at 31 December 2015, the registered capital and the paid-up capital of Hunchun Zijin Logistics were RMB3,000,000 respectively. Hunchun Zijin holds 100% equity interest in Hunchun Zijin Logistics. Therefore, Hunchun Zijin Logistics was included in the scope of consolidation.

Fujian Zijin Precious Metal Materials Co., Ltd. (“Zijin Precious Metal”) was incorporated in Longyan City, Fujian Province, China on 15 July 2015 with registered capital of RMB10,000,000. The Company’s subsidiary, Zijin Copper Co., Ltd. (“Zijin Copper”) and Fujian Zifu Jinlong New Material Technology Co., Ltd. (“Zifu Jinlong”) acquired 60% and 40% equity interest in Zijin Precious Metal by investing RMB6,000,000 and RMB4,000,000 in cash respectively. As at 31 December 2015, the registered capital and the paid-up capital of Zijin Precious Metal were RMB10,000,000 respectively. Zijin Copper holds 60% equity interest in Zijin Precious Metal. Therefore, Zijin Precious Metal was included in the scope of consolidation.

Zijin Jinhang (Shenzhen) E-commerce Co., Ltd. (“Jinhang E-commerce”) was incorporated in Shenzhen City, Guangdong Province, China on 5 August 2015 with registered capital of RMB50,000,000. The Company and natural persons Zhao Jugang, Chen Jianhai, Guo Feng and Qin Hao hold 70%, 15%, 10%, 3% and 2% of the equity interest in Jinhang E-commerce respectively. As at 31 December 2015, the registered capital and the paid-up capital of Jinhang E-commerce were RMB50,000,000 and RMB10,000,000 respectively. The Company and natural persons Zhao Jugang, Chen Jianhai, Guo Feng and Qin Hao contributed RMB7,000,000, RMB1,500,000, RMB1,000,000, RMB300,000 and RMB200,000 in cash corresponding to the proportion of shareholding. The Company holds 70% equity interest in Jinhang E-commerce. Therefore, Jinhang E-commerce was included in the scope of consolidation.



# Notes to Financial Statements *(continued)*

For the year ended 31 December 2015

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

## VII. INVESTMENTS IN OTHER ENTITIES

### 1. INVESTMENTS IN THE SUBSIDIARIES

Status of the Company's major subsidiaries is as follows:

#### (1) Major subsidiaries acquired by establishment or investment

Company name	Principal place of business	Place of registration	Principal activities	Registered capital RMB	Proportion of ownership interest	
					Direct	Indirect
Gold Mountains (H.K.)	Hong Kong	Hong Kong	Trading and investment	HKD838,500,001	100%	—
Zijin Copper	Shanghang County, Longyan City, Fujian Province	Shanghang County, Longyan City, Fujian Province	Refining and sales of copper cathode, gold, silver and crude selenium; production and sales of industrial vitriol and copper sulphate	2,116,300,000	100%	—
Xinyi Zijin	Xinyi City, Guangdong Province	Xinyi City, Guangdong Province	Refining, processing and sales of tin and gold; mining resources technical support	200,000,000	100%	—
Qinghai West	Maqin County, Guoluo Prefecture, Qinghai Province	Maqin County, Guoluo Prefecture, Qinghai Province	Exploration and mining of copper, zinc and cobalt mines and technical consulting	120,000,000	100%	—
Zijin Real Estate	Xiamen City, Fujian Province	Xiamen City, Fujian Province	Real estate development and operation, lease of construction machinery and equipment	500,000,000	60%	40%
International Finance	Hong Kong	Hong Kong	Bond issuance	HKD1	—	100%
Zijin Mining Group Finance Company Limited ("Finance Company")	Shanghang County, Longyan City, Fujian Province	Shanghang County, Longyan City, Fujian Province	Financing consultancy to member units; credit verification and related advisory; agent services; assisting member units to settle payments; approved insurance agency services; guarantee provision to member units; entrusted loans and investments among member units; bill acceptance and discounting among member units; internal account settlement and clearing among member units; acceptance of deposits from member units; application for loans and financial leasing; inter-company borrowings; underwriting corporate bonds for member units; equity investments 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	95%	—

# Notes to Financial Statements *(continued)*

For the year ended 31 December 2015

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

## VII. INVESTMENTS IN OTHER ENTITIES *(continued)*

### 1. INVESTMENTS IN THE SUBSIDIARIES *(continued)*

#### (2) Major subsidiaries acquired by business combination not involving enterprises under common control

Company name	Principal place of business	Place of registration	Principal activities	Registered capital RMB	Proportion of ownership interest	
					Direct	Indirect
Xinjiang Ashele	Aletai City, Xinjiang Uyghur Autonomous Region	Aletai City, Xinjiang Uyghur Autonomous Region	Exploration and development of geological resources; production, processing and sales of mineral products; technological services of geological mining; motor transportation; environmental protection, development of tourism and hotel investment	250,000,000	51%	—
Norton Gold Fields	Australia	Australia	Production of gold; geological resource exploration and related information and technological services	AUD186,844,557	—	100%
Bayannaer Zijin	Bayannaer City, Inner Mongolia	Bayannaer City, Inner Mongolia	Refining, mining, milling and processing of zinc and other non-ferrous metals, ferrous metals and energy mineral resources, sale of mineral products	375,000,000	67.20%	—
Hunchun Zijin	Hunchun City, Jilin Province	Hunchun City, Jilin Province	Mining, refining and processing of gold, copper and other non-ferrous metal and non-metallic mineral products; sale of mineral products; mineral resources exploration information and technical services	200,000,000	96.63%	3.37%
Luoyang Zijin Yinhui Gold Refinery Company Limited ("Luoyang Yinhui")	Luoyang City, Henan Province	Luoyang City, Henan Province	Refinery of gold and silver; testing and examination; purchase of gold ore; gold transaction agency; sales of mineral products and mining pit design and research	150,000,000	70%	—

# Notes to Financial Statements *(continued)*

For the year ended 31 December 2015

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

## VII. INVESTMENTS IN OTHER ENTITIES *(continued)*

### 1. INVESTMENTS IN THE SUBSIDIARIES *(continued)*

Details of the Group's subsidiaries that have material non-controlling interests are set out below:

2015

	Percentage of equity interest held by non-controlling interests	Profit/(Loss) for this year attributable to non-controlling interests	Dividend paid to non-controlling interests	Accumulated balances of non-controlling interests at the reporting date
Xinjiang Ashele	49.00%	163,725,352	(392,000,000)	602,561,404
Heilongjiang Duobaoshan	49.00%	(2,449,849)	—	612,511,264
Guizhou Zijin	44.00%	40,350,478	(22,000,000)	373,630,406
Bayannaer Zijin	32.80%	2,238,259	—	297,585,393
Xinjiang Jinbao	44.00%	28,856,007	(220,000,000)	249,106,425
Yunnan Huaxi	47.00%	1,343,391	(46,900,000)	217,595,690
Jinhao Iron	61.48%	(325,796,741)	—	(231,937,973)
Wenshan Malipo Zijin	24.08%	(15,652,980)	(8,992,800)	242,008,281
Huanmin Mining	49.00%	(1,135,647)	—	242,717,668
Inner Mongolia Jinzhong	42.75%	(27,223,111)	—	153,808,759
Chongli Zijin	40.00%	8,993,956	(42,015,822)	153,971,791
Longnan Zijin	15.78%	13,457,542	(40,080,153)	132,801,903
Altynken	40.00%	—	—	143,416,476
NKWE	39.53%	(632,333)	—	169,620,267
Luoyang Kunyu	30.00%	(14,619,914)	—	279,685,437
Kuitun Tongguan	49.00%	(71,002,830)	—	(119,794,186)
Malipo Jinwei Mining Company Limited ("Malipo Jinwei")	61.28%	(33,140,508)	—	97,883,965
Heilongjiang Longxing	30.00%	(34,557,607)	—	76,695,282
Others	Not applicable	(45,737,318)	(47,399,349)	697,213,028
<b>Total</b>		<b>(312,983,853)</b>	<b>(819,388,124)</b>	<b>4,391,081,280</b>

# Notes to Financial Statements *(continued)*

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

## VII. INVESTMENTS IN OTHER ENTITIES *(continued)*

### 1. INVESTMENTS IN THE SUBSIDIARIES *(continued)*

Details of the Group's subsidiaries that have material non-controlling interests are set out below: *(continued)*

2014

	Percentage of equity interest held by non-controlling interests	Profit/(Loss) for this year attributable to non-controlling interests	Dividend paid to non-controlling interests	Accumulated balances of non-controlling interests at the reporting date
Xinjiang Ashele	49.00%	288,846,608	(392,000,000)	838,439,846
Heilongjiang Duobaoshan	49.00%	64,678,343	—	611,450,915
Guizhou Zijin	44.00%	26,297,882	(22,000,000)	355,076,960
Bayannaer Zijin	32.80%	(11,647,710)	—	295,619,104
Xinjiang Jinbao	44.00%	160,381,695	—	440,250,418
Yunnan Huaxi	47.00%	2,091,566	—	263,152,299
Jinhao Iron	61.48%	(199,348,885)	—	93,858,768
Wenshan Malipo Zijin	24.08%	(8,558,395)	(19,263,520)	221,144,565
Huanmin Mining	49.00%	(164,583)	—	243,853,315
Norton Gold Fields	17.57%	9,262,552	—	224,996,415
Inner Mongolia Jinzhong	42.75%	2,036,392	—	197,946,639
Chongli Zijin	40.00%	62,014,691	(56,383,546)	186,993,657
Longnan Zijin	15.78%	3,019,852	(3,818,760)	158,298,230
Malipo Jinwei	61.28%	(19,074,580)	—	131,023,921
Altynken	40.00%	—	—	144,993,263
Heilongjiang Longxing	30.00%	(16,489,362)	—	111,252,889
Others	Not applicable	(72,966,744)	(56,648,688)	1,091,116,345
<b>Total</b>		<b>290,379,322</b>	<b>(550,114,514)</b>	<b>5,609,467,549</b>

# Notes to Financial Statements (continued)

For the year ended 31 December 2015

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

## VII. INVESTMENTS IN OTHER ENTITIES (continued)

### 1. INVESTMENTS IN THE SUBSIDIARIES (continued)

The major financial information of the above subsidiaries is stated below. These amounts are before elimination of internal sales:

	2015						2014					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Xinjiang Ashele	883,555,665	2,036,119,847	2,919,675,512	(618,832,385)	(1,060,545,000)	(1,679,377,385)	692,841,921	1,847,684,930	2,540,526,851	(294,481,728)	(512,945,000)	(807,426,728)
Heilongjiang Duobaoshan	217,457,530	2,525,950,423	2,743,407,953	(1,044,441,618)	(413,020,410)	(1,457,462,028)	340,687,190	2,550,539,290	2,891,226,480	(1,146,613,772)	(464,372,000)	(1,610,985,772)
Guizhou Zijin	744,734,584	1,402,186,120	2,146,920,704	(881,040,328)	(400,000,000)	(1,281,040,328)	546,039,803	1,322,466,063	1,868,505,866	(815,166,202)	(230,000,000)	(1,045,166,202)
Bayannaoer Zijin	1,020,478,239	2,498,564,492	3,519,042,731	(1,456,442,330)	(1,214,000,801)	(2,670,443,131)	737,005,369	2,626,334,589	3,363,339,958	(1,304,301,595)	(1,208,981,207)	(2,513,282,802)
Xinjiang Jinbao	815,318,451	597,273,675	1,412,592,126	(861,774,511)	(8,155,562)	(869,930,073)	983,476,744	540,002,765	1,523,479,509	(438,054,126)	(9,022,697)	(447,076,823)
Yunnan Huaxi	148,216,603	177,672,830	325,889,433	(989,819)	—	(989,819)	229,753,790	176,642,320	406,396,110	(354,775)	—	(354,775)
Jinhao Iron	190,550,823	1,759,832,938	1,950,383,761	(1,251,627,221)	(778,000,000)	(2,029,627,221)	949,074,428	2,076,254,540	3,025,328,968	(1,721,420,845)	(853,222,108)	(2,574,642,953)
Wenshan Malipo Zijin	413,505,538	1,659,113,529	2,072,619,067	(927,636,531)	—	(927,636,531)	1,571,827,789	194,036,448	1,765,864,237	(523,412,594)	—	(523,412,594)
Huanmin Mining	38,330,299	450,156,020	488,686,319	(38,127,624)	(128,084,013)	(166,211,637)	36,718,836	449,370,511	486,089,347	(37,973,443)	(123,323,575)	(161,297,018)
Inner Mongolia Jinzhong	90,798,755	397,417,792	488,216,547	(211,928,708)	(40,000,000)	(251,928,708)	105,896,288	449,195,052	555,091,340	(233,432,503)	(40,000,000)	(273,432,503)
Chongli Zijin	72,979,840	616,457,209	689,437,049	(266,035,189)	(70,338)	(266,105,527)	66,809,882	644,158,507	710,968,389	(202,812,578)	(25,484)	(202,838,062)
Longnan Zijin	109,710,849	775,040,540	884,751,389	(539,434,195)	(76,195,128)	(615,629,323)	146,697,970	736,320,706	883,018,676	(341,269,516)	(211,552,082)	(552,821,598)
Altynken	20,882,575	1,884,152,284	1,905,034,859	(1,969,190,476)	(2,919,869)	(1,972,110,345)	56,593,099	1,448,874,323	1,505,467,422	(1,565,392,907)	(3,208,033)	(1,568,600,940)
NKWE	41,221,541	554,716,188	595,937,729	(4,620,218)	—	(4,620,218)	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Luoyang Kunyu	61,091,933	829,591,552	890,683,485	(215,818,441)	(90,323,576)	(306,142,017)	46,067,754	783,827,601	829,895,355	(204,069,782)	(32,595,456)	(236,665,238)
Kuitun Tongguan	95,152,534	561,173,164	656,325,698	(587,100,619)	(25,273,720)	(612,374,339)	194,662,475	634,844,626	829,507,101	(225,119,493)	(416,450,000)	(641,569,493)
Malipo Jinwei	40,875,157	235,636,840	276,511,997	(147,073,823)	—	(147,073,823)	85,015,584	253,380,830	338,396,414	(154,879,108)	—	(154,879,108)
Heilongjiang Longxing	1,165,754,834	744,099,128	1,909,853,962	(1,174,457,233)	(429,500,000)	(1,603,957,233)	1,076,443,829	744,399,343	1,820,843,172	(609,131,052)	(790,830,000)	(1,399,961,052)

	2015				2014			
	Operating income	Net profit/(loss)	Total comprehensive income	Cash flow from operating activity	Operating income	Net profit/(loss)	Total comprehensive income	Cash flow from operating activity
Xinjiang Ashele	1,183,531,698	334,133,371	334,133,371	268,733,674	1,397,962,097	587,958,691	587,958,691	478,657,304
Heilongjiang Duobaoshan	991,336,128	(1,458,452)	(1,458,452)	341,296,130	1,109,918,768	131,996,619	131,996,619	273,332,401
Guizhou Zijin	1,455,766,975	92,079,420	92,079,420	99,600,376	1,834,055,186	84,951,035	84,951,035	119,214,459
Bayannaoer Zijin	3,134,860,136	6,823,959	6,823,959	297,458,171	3,078,001,449	(35,511,310)	(35,511,310)	369,493,427
Xinjiang Jinbao	340,013,564	(33,740,633)	(33,740,633)	116,817,372	1,411,320,199	459,693,404	459,693,404	394,314,267
Yunnan Huaxi	256,320	2,858,279	2,858,279	(4,177,353)	313,177	941,023	941,023	2,628,439
Jinhao Iron	607,558,434	(529,929,475)	(529,929,475)	(39,122,708)	877,539,000	(324,252,613)	(324,252,613)	(265,934,176)
Wenshan Malipo Zijin	279,370,362	(62,741,782)	(62,741,782)	115,196,863	—	(35,542,394)	(35,542,394)	114,716,191
Huanmin Mining	—	(2,317,647)	(2,317,647)	(1,815,767)	—	(3,081,725)	(3,081,725)	(1,234,743)
Inner Mongolia Jinzhong	73,226,495	(44,763,914)	(44,763,914)	8,375,271	254,905,532	23,679,368	23,679,368	75,188,250
Chongli Zijin	375,571,388	20,240,751	20,240,751	114,597,550	556,143,879	148,581,545	148,581,545	260,501,121
Longnan Zijin	553,715,684	185,780,940	185,780,940	206,958,989	492,881,476	119,758,511	119,758,511	154,132,560
Altynken	—	—	—	—	—	—	—	—
NKWE	—	(1,599,629)	(1,599,629)	(4,531,940)	Not applicable	Not applicable	Not applicable	Not applicable
Luoyang Kunyu	348,356,260	(8,688,649)	(8,688,649)	2,853,089	232,718,086	(8,781,028)	(8,781,028)	58,421,329
Kuitun Tongguan	56,804,811	(144,903,734)	(144,903,734)	410,034,008	120,923,406	(68,977,109)	(68,977,109)	33,595,710
Malipo Jinwei	45,835,961	(54,080,032)	(54,080,032)	13,801,053	102,441,474	(31,126,676)	(31,126,676)	1,703,300
Heilongjiang Longxing	—	(114,985,391)	(114,985,391)	(28,260,123)	61,245,223	(54,964,538)	(54,964,538)	22,240,514

# Notes to Financial Statements *(continued)*

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

## VII. INVESTMENTS IN OTHER ENTITIES *(continued)*

### 2. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES

2015

Company name	Principal place of business	Place of registration	Principal activities	Registered capital RMB	Proportion of ownership interest		Accounting treatment
					Directly	Indirectly	
<b>Joint ventures</b>							
Shandong Guoda (Note 1)	Zhaoyuan City, Shandong Province	Zhaoyuan City, Shandong Province	Production of gold, silver, copper cathode and vitriol; sale of self-produced products	173,430,000	—	30.05%	Equity method
Xiamen Zijin Zhonghang	Xiamen City, Fujian Province	Xiamen City, Fujian Province	Development, operation and management of real estate, property management, business information consulting services, marketing and technical consulting	250,000,000	—	50%	Equity method
Gold Eagle Mining (Note 2)	Hong Kong	Hong Kong	Trading and investment	HKD3,498,500	—	45%	Equity method
Southwest Zijin Gold	Zhenfeng County, Guizhou Province	Zhenfeng County, Guizhou Province	Research and development of manufacturing technology, design and processing, wholesale, retail and technical consultation of precious metals and jewellery products	100,000,000	—	50%	Equity method
Guizhou Funeng Zijin (Note 3)	Anshun City, Guizhou Province	Anshun City, Guizhou Province	Power and electricity investment	200,000,000	—	50%	Equity method
Gold Mountains Sprott	Cayman Islands	Cayman Islands	Fund management	USD50,000	—	60%	Equity method
Sprott Fund	Cayman Islands	Cayman Islands	Fund-raising and investment	USD50,000	—	90.50%	Equity method
Fujian Longhu Fishery	Longyan City, Fujian Province	Longyan City, Fujian Province	Ecological aquaculture, fishing, aquatic product processing, recreational fishing business, tourism, tourism real estate development	21,500,000	—	51.16%	Equity method
Zijin Cuifu (Note 4)	Longyan City, Fujian Province	Longyan City, Fujian Province	Trade of precious metals, fine processing of gold, processing and retail of jewellery products, diamond and jade, recovery of metal materials	20,000,000	—	51.00%	Equity method
Kamoa	Democratic Republic of the Congo	Barbados	Mining of copper mineral	USD14,000	—	49.5%	Equity method

# Notes to Financial Statements *(continued)*

For the year ended 31 December 2015

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

## VII. INVESTMENTS IN OTHER ENTITIES *(continued)*

### 2. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES *(continued)*

2015 *(continued)*

Company name	Principal place of business	Place of registration	Principal activities	Registered capital RMB	Proportion of ownership interest		Accounting treatment
					Directly	Indirectly	
<b>Associates</b>							
Ting River Hydropower	Shanghang County, Fujian Province	Shanghang County, Fujian Province	Hydroelectric power generation	69,000,000	—	49%	Equity method
Wuping Zijin Hydropower	Wuping County, Fujian Province	Wuping County, Fujian Province	Hydroelectric power generation and investment in hydropower industry	60,000,000	—	48%	Equity method
Qinghai Copper	Xining City, Qinghai Province	Xining City, Qinghai Province	Refinery of copper	800,000,000	—	34%	Equity method
Haixia Technology (Note 5)	Yongan City, Fujian Province	Yongan City, Fujian Province	Production of dynamite for civilian use	231,500,000	—	16.06%	Equity method
Shanghang Xinyuan	Shanghang County, Fujian Province	Shanghang County, Fujian Province	Pipe water supply	300,000,000	—	38%	Equity method
Hunchun Jindi (Note 6)	Hunchun City, Yanbian Korean Autonomous Prefecture	Hunchun City, Yanbian Korean Autonomous Prefecture	Analysis and testing of mineral geological exploration, technology development, consulting and transfer, sale of mineral products	100,000,000	—	51%	Equity method
Yanbian Credit Security	Yanbian Korean Autonomous Prefecture	Yanbian Korean Autonomous Prefecture	Provide loan guarantees for SMEs and individuals	200,000,000	—	25%	Equity method
Kanas Travel	Buerjin County, Xinjiang	Buerjin County, Xinjiang	Catering and travel services	107,000,000	—	21.09%	Equity method
Longyan Makeng	Longyan City, Fujian Province	Longyan City, Fujian Province	Iron and molybdenum mining	700,000,000	41.5%	—	Equity method
Songpan Zijin	Songpan County, Ngawa Tibetan and Qiang Autonomous Prefecture	Songpan County, Ngawa Tibetan and Qiang Autonomous Prefecture	Sale of industrial production data, equipment and instruments, development, manufacture and sale of general machinery	80,000,000	34%	—	Equity method

# Notes to Financial Statements *(continued)*

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

## VII. INVESTMENTS IN OTHER ENTITIES *(continued)*

### 2. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES *(continued)*

2015 *(continued)*

Company name	Principal place of business	Place of registration	Principal activities	Registered capital RMB	Proportion of ownership interest		Accounting treatment
					Directly	Indirectly	
<i>Associates (continued)</i>							
Wancheng Commercial	Wulatehouqi, Bayannaer City, Inner Mongolia	Wulatehouqi, Bayannaer City, Inner Mongolia	Mining, processing and sale of zinc, lead, vitriol, copper and iron	73,440,000	10%	37.5%	Equity method
Tibet Yulong	Changdu County, Changdu Prefecture, Tibet Autonomous Region	Changdu County, Changdu Prefecture, Tibet Autonomous Region	Mining of copper mineral and geological studies	625,000,000	22%	—	Equity method
Xinjiang Tianlong	Fukang City, Xinjian, Xinjiang	Fukang City, Xinjian, Xinjiang	Limestone mining, cement production, intensive processing and refinery of non-ferrous metals	868,935,192	—	16.42%	Equity method
Wuxin Copper	Fukang City, Xinjian, Xinjiang	Fukang City, Xinjian, Xinjiang	Sale, processing and refinery of copper, gold, silver and other non-ferrous metals	830,000,000	—	34%	Equity method
Luoyang Huayin	Luoyang City, Henan Province	Luoyang City, Henan Province	Providing guarantee for financing, bill discounted acceptance and performance	10,000,000	—	20%	Equity method
Xiamen Modern Terminals	Xiamen City, Fujian Province	Xiamen City, Fujian Province	Dock construction, dock and other port facilities operation; cargo loading and storage operation (under permission in licence)	355,580,000	—	25%	Equity method
Wengfu Zijin	Shanghang County, Fujian Province	Shanghang County, Fujian Province	Production of monoammonium phosphate, diammonium hydrogen phosphate, gypsum block, and cement additive	782,000,000	—	38.87%	Equity method
Zijin Tongguan	Xiamen City, Fujian Province	Xiamen City, Fujian Province	Investment holding of mining companies, wholesale and retail of mineral products, refinery of copper	1,350,000,000	45%	—	Equity method
Kuitun Yutong	Kuitun City, Xinjiang	Kuitun City, Xinjiang	Logistics and transportation services	5,000,000	—	20%	Equity method
Longyan Zijin AVIC	Longyan City, Fujian Province	Longyan City, Fujian Province	Development, operation and management of real estate, property management, car park service	20,408,163	—	49%	Equity method
Zisen (Xiamen)	Xiamen City, Fujian Province	Xiamen City, Fujian Province	Management of supply chain; investment management and consultation; consultation of investment and business information	10,000,000	—	49%	Equity method



# Notes to Financial Statements *(continued)*

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

## VII. INVESTMENTS IN OTHER ENTITIES *(continued)*

### 2. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES *(continued)*

2014

Company name	Principal place of business	Place of registration	Principal activities	Registered capital RMB	Proportion of ownership interest		Accounting treatment
					Directly	Indirectly	
<b>Joint ventures</b>							
Shandong Guoda (Note 1)	Zhaoyuan City, Shandong Province	Zhaoyuan City, Shandong Province	Production of gold, silver, copper cathode and vitriol; sale of self-produced products	173,430,000	—	30.05%	Equity method
Xiamen Zijin Zhonghang	Xiamen City, Fujian Province	Xiamen City, Fujian Province	Development, operation and management of real estate, property management, business information consulting services, marketing and technical consulting	250,000,000	—	50%	Equity method
Gold Eagle Mining (Note 2)	Hong Kong	Hong Kong	Trading and investment	HKD3,498,500	—	45%	Equity method
Southwest Zijin Gold	Zhenfeng County, Guizhou Province	Zhenfeng County, Guizhou Province	Research and development of manufacturing technology, design and processing, wholesale, retail and technical consultation of precious metals and jewellery products	100,000,000	—	50%	Equity method
Guizhou Funeng Zijin (Note 3)	Anshun City, Guizhou Province	Anshun City, Guizhou Province	Power and electricity investment	200,000,000	—	50%	Equity method
Gold Mountains Sprott	Cayman Islands	Cayman Islands	Fund management	USD50,000	—	60%	Equity method
Sprott Fund	Cayman Islands	Cayman Islands	Fund-raising and investment	USD50,000	—	82.89%	Equity method
Fujian Longhu Fishery	Longyan City, Fujian Province	Longyan City, Fujian Province	Ecological aquaculture, fishing, aquatic product processing, recreational fishing business, tourism, tourism real estate development	21,500,000	—	51.16%	Equity method

# Notes to Financial Statements *(continued)*

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

## VII. INVESTMENTS IN OTHER ENTITIES *(continued)*

### 2. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES *(continued)*

2014 *(continued)*

Company name	Principal place of business	Place of registration	Principal activities	Registered capital RMB	Proportion of ownership interest		Accounting treatment
					Directly	Indirectly	
<b>Associates</b>							
Ting River Hydropower	Shanghang County, Fujian Province	Shanghang County, Fujian Province	Hydroelectric power generation	69,000,000	—	49%	Equity method
Wuping Zijin Hydropower	Wuping County, Fujian Province	Wuping County, Fujian Province	Hydroelectric power generation and investment in hydropower industry	60,000,000	—	48%	Equity method
Qinghai Copper	Xining City, Qinghai Province	Xining City, Qinghai Province	Refinery of copper	800,000,000	—	30%	Equity method
Haixia Technology (Note 5)	Yongan City, Fujian Province	Yongan City, Fujian Province	Production of dynamite for civilian use	231,500,000	—	16.06%	Equity method
Shanghang Xinyuan	Shanghang County, Fujian Province	Shanghang County, Fujian Province	Pipe water supply	300,000,000	—	38%	Equity method
Hunchun Jindi (Note 6)	Hunchun City, Yanbian Korean Autonomous Prefecture	Hunchun City, Yanbian Korean Autonomous Prefecture	Analysis and testing of mineral geological exploration, technology development, consulting and transfer, sale of mineral products	100,000,000	—	40%	Equity method
Yanbian Credit Security	Yanbian Korean Autonomous Prefecture	Yanbian Korean Autonomous Prefecture	Provide loan guarantees for SMEs and individuals	200,000,000	—	25%	Equity method
Kanas Travel	Buerjin County, Xinjiang	Buerjin County, Xinjiang	Catering and travel services	107,000,000	—	21.09%	Equity method
Longyan Makeng	Longyan City, Fujian Province	Longyan City, Fujian Province	Iron and molybdenum mining	700,000,000	41.5%	—	Equity method
Songpan Zijin	Songpan County, Ngawa Tibetan and Qiang Autonomous Prefecture	Songpan County, Ngawa Tibetan and Qiang Autonomous Prefecture	Sale of industrial production data, equipment and instruments, development, manufacture and sale of general machinery	80,000,000	34%	—	Equity method
Wancheng Commercial	Wulatehouqi, Bayannaer City, Inner Mongolia	Wulatehouqi, Bayannaer City, Inner Mongolia	Mining, processing and sale of zinc, lead, vitriol, copper and iron	73,440,000	10%	37.5%	Equity method
Tibet Yulong	Changdu County, Changdu Prefecture, Tibet Autonomous Region	Changdu County, Changdu Prefecture, Tibet Autonomous Region	Mining of copper mineral and geological studies	625,000,000	22%	—	Equity method
Xinjiang Tianlong	Fukang City, Xinjiang	Fukang City, Xinjiang	Limestone mining, cement production, intensive processing and refining of non-ferrous metals	868,935,192	—	16.42%	Equity method
Wuxin Copper	Fukang City, Xinjiang	Fukang City, Xinjiang	Sale, processing and refinery of copper, gold, silver and other non-ferrous metals	830,000,000	—	34%	Equity method
Luoyang Huayin	Luoyang City, Henan Province	Luoyang City, Henan Province	Providing guarantee for financing, bill discounted acceptance and performance	10,000,000	—	20%	Equity method

# Notes to Financial Statements *(continued)*

For the year ended 31 December 2015

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

## VII. INVESTMENTS IN OTHER ENTITIES *(continued)*

### 2. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES *(continued)*

2014 *(continued)*

Company name	Principal place of business	Place of registration	Principal activities	Registered capital RMB	Proportion of ownership interest		Accounting treatment
					Directly	Indirectly	
<i>Associates (continued)</i>							
Xiamen Modern Terminals	Xiamen City, Fujian Province	Xiamen City, Fujian Province	Dock construction, dock and other port facilities operation; cargo loading and storage operation (under permission in licence)	355,580,000	—	25%	Equity method
Wengfu Zijin	Shanghang County, Fujian Province	Shanghang County, Fujian Province	Production of monoammonium phosphate, diammonium hydrogen phosphate, gypsum block, and cement additive (under development)	782,000,000	—	38.87%	Equity method
Zijin Tongguan	Xiamen City, Fujian Province	Xiamen City, Fujian Province	Investment holding of mining companies, wholesale and retail of mineral products, refinery of copper	1,350,000,000	45%	—	Equity method
Kuitun Yutong	Kuitun City, Xinjiang	Kuitun City, Xinjiang	Logistics and transportation services	5,000,000	—	20%	Equity method
Longyan Zijin AVIC	Longyan City, Fujian Province	Longyan City, Fujian Province	Development, operation and management of real estate, property management, car park service	20,408,163	—	49%	Equity method
NKWE	South Africa	Bermuda	Mining	AUD77,488,679	—	26.35%	Equity method

Note 1: Pursuant to the articles of association of Shandong Guoda, the board of directors of Shandong Guoda consists of five directors, including two appointed by the Group and three appointed by Shandong Zhaojin Group Zhaoyuan Gold Refinery Company Limited. The operating decisions of Shandong Guoda are effective only when approved by two-thirds of the directors. Therefore, the management considers that the Group has joint control over Shandong Guoda, and accounts for it as a joint venture.

Note 2: Pursuant to the shareholders' agreement related to Gold Eagle Mining, 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 two-thirds of the directors. Therefore, the management considers that the Group has joint control over Gold Eagle Mining, and accounts for it as a joint venture.

Note 3: In December 2014, Guizhou Zijin and Fujian Coal and Electric Company Limited jointly established Guizhou Funeng Zijin in the respective shareholding ratios of 50% and 50%. Pursuant to the agreement between the two parties, the board of directors of Guizhou Funeng Zijin consists of five directors, including two appointed by the Group and three appointed by Fujian Coal and Electric Company Limited. The operating decisions of Guizhou Funeng Zijin are effective only when approved by two-thirds of the directors. Therefore, the management considers that the Group has joint control over Guizhou Funeng Zijin, and accounts for it as a joint venture.

Note 4: On 3 February 2015, Southern Investment, a wholly-owned subsidiary of the Company, jointly established Zijin Cuifu with Fujian Jincui Jewellery Development Company Limited ("Jincui") in the respective shareholding ratios of 51% and 49%. The board of directors of Zijin Cuifu consists of five directors, including three appointed by Southern Investment (including the chairman) and two appointed by Jincui. The operation of Zijin Cuifu is carried out under contracted operation by the general manager delegated by Jincui. The operating decisions of Zijin Cuifu are effective only when approved by over two-thirds of the directors. Therefore, the management considers that the Group has joint control over Zijin Cuifu, and accounts for it as a joint venture.

Note 5: Pursuant to the articles of association of Haixia Technology, the board of directors of Haixia Technology consists of six directors, including one appointed by the Group, three appointed by Fujian Province Mechanical and Electrical (Holding) Company Limited and two appointed by Fujian Energy Group Company Limited. The chairman of supervisory committee, deputy general manager and the chief financial officer of Haixia Technology are appointed by the Group. Therefore, the management of the Group considers that the Group has significant influence over the financial and operating decisions of Haixia Technology, and accounts for it as an associate.

Note 6: In June 2015, Hunchun Zijin entered into an agreement with Jilin Hunchun Border Economic Cooperation Zone Infrastructure Investment Company Limited ("Cooperation Zone"). Cooperation Zone transferred 11% equity interest in Hunchun Jindi to Hunchun Zijin. However, after the increase in shareholding, the proportion of directors delegated by Hunchun Zijin in the board of directors of Hunchun Jindi does not change. Hunchun Zijin cannot affect the operating decisions of Hunchun Jindi and no controlling power is assumed. Therefore, the management of the Group considers that the Group merely has significant influence over Hunchun Jindi, and accounts for it as an associate.

# Notes to Financial Statements *(continued)*

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

## VII. INVESTMENTS IN OTHER ENTITIES *(continued)*

### 2. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES *(continued)*

The significant joint ventures of the Group include Shandong Guoda, Xiamen Zijin Zhonghang, Gold Eagle Mining and Kamao, which are accounted for using the equity method.

The financial information of the above significant joint ventures is set out below, which was adjusted to book value per consolidated financial statements in accordance with the Group's accounting policies:

#### 2015

	Shandong Guoda	Xiamen Zijin Zhonghang	Gold Eagle Mining	Kamao
Current assets	885,911,835	897,731,109	697,065,269	86,845,406
<i>Including: Cash and cash equivalents</i>	146,897,651	552,496,088	649,625,241	63,877,543
Non-current assets	450,190,720	619,935	3,215,376,497	307,887,550
<b>Total assets</b>	<b>1,336,102,555</b>	<b>898,351,044</b>	<b>3,912,441,766</b>	<b>394,732,956</b>
Current liabilities	(730,803,899)	(550,542,456)	(1,222,191,809)	(53,702,072)
Non-current liabilities	(5,915,754)	—	(27,225,000)	(2,420,684,208)
<b>Total liabilities</b>	<b>(736,719,653)</b>	<b>(550,542,456)</b>	<b>(1,249,416,809)</b>	<b>(2,474,386,280)</b>
Non-controlling interests	—	—	—	—
Equity attributable to owners of the parent	599,382,902	347,808,588	2,663,024,958	(2,079,653,324)
Share of net assets based on proportion of ownership interest	180,114,562	173,904,294	1,198,361,231	(1,029,428,395)
Adjustments				
Impairment provision	(12,350,855)	—	—	—
<b>Book value of equity investments</b>	<b>167,763,707</b>	<b>173,904,294</b>	<b>1,146,745,610</b>	<b>1,557,725,650</b>
Operating income	2,626,897,404	1,916,615,793	40,799,304	—
Financial expenses				
Including: Interest income	(2,878,844)	(4,577,973)	—	—
Including: Interest expenses	22,820,196	17,763	36,240,590	11,644,407
Income tax expenses	6,498,804	183,959,108	—	—
Net (loss)/profit	(14,028,133)	561,294,794	(10,264,491)	(13,995,996)
Other comprehensive income	—	—	(36,038,692)	—
Total comprehensive (loss)/income	(14,028,133)	561,294,794	(46,303,183)	(13,995,996)
Dividends received	8,442,102	210,714,300	—	—

# Notes to Financial Statements *(continued)*

For the year ended 31 December 2015

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

## VII. INVESTMENTS IN OTHER ENTITIES *(continued)*

### 2. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES *(continued)*

The financial information of the above significant joint ventures is set out below, which was adjusted to book value per consolidated financial statements in accordance with the Group's accounting policies: *(continued)*

2014

	Shandong Guoda	Xiamen Zijin Zhonghang	Gold Eagle Mining
Current assets	933,266,844	1,483,056,280	943,868,697
<i>Including: Cash and cash equivalents</i>	<i>158,549,665</i>	<i>758,098,339</i>	<i>56,984,249</i>
Non-current assets	506,148,791	937,795	3,091,524,962
<b>Total assets</b>	<b>1,439,415,635</b>	<b>1,483,994,075</b>	<b>4,035,393,659</b>
Current liabilities	(790,545,630)	(1,276,051,681)	(1,401,732,381)
Non-current liabilities	(7,365,452)	—	(75,073,209)
<b>Total liabilities</b>	<b>(797,911,082)</b>	<b>(1,276,051,681)</b>	<b>(1,476,805,590)</b>
Non-controlling interests	—	—	—
Equity attributable to owners of the parent	641,504,553	207,942,394	2,558,588,069
Share of net assets based on proportion of ownership interest	192,772,118	103,971,197	1,151,364,631
Adjustments			
Impairment provision	(12,350,855)	—	—
<b>Book value of equity investments</b>	<b>180,421,263</b>	<b>103,971,197</b>	<b>1,151,364,631</b>
Operating income	2,176,189,499	11,850,000	—
Financial expenses			
Including: Interest income	762,700	2,734,639	3,147,519
Including: Interest expenses	23,712,718	5,293,114	37,756,639
Income tax expenses	6,849,192	2,357,356	—
Net profit/(loss)	21,934,050	(23,593,882)	(52,862,539)
Other comprehensive income	—	—	—
Total comprehensive income/(loss)	21,934,050	(23,593,882)	(52,862,539)
Dividends received	9,014,700	—	—

# Notes to Financial Statements *(continued)*

For the year ended 31 December 2015

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

## VII. INVESTMENTS IN OTHER ENTITIES *(continued)*

### 2. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES *(continued)*

The significant associates of the Group include Longyan Makeng, Tibet Yulong, Zijin Tongguan, Haixia Technology, Xiamen Modern Terminals, Wuxin Copper, Xinjiang Tianlong and Wengfu Zijin, which are accounted for using the equity method.

The financial information of the above significant associates is set out below, which was adjusted to book value per consolidated financial statements in accordance with the Group's accounting policies:

#### 2015

	Longyan Makeng	Tibet Yulong	Zijin Tongguan	Haixia Technology	Xiamen Modern Terminals	Wuxin Copper	Xinjiang Tianlong	Wengfu Zijin
Current assets	401,428,785	423,375,723	3,928,019	1,175,997,195	132,547,314	1,364,519,179	2,325,559,279	432,465,244
Non-current assets	3,251,629,800	4,552,046,583	1,588,428,884	755,281,939	910,726,509	2,221,522,075	1,889,707,255	2,186,441,042
Total assets	3,653,058,585	4,975,422,306	1,592,356,903	1,931,279,134	1,043,273,823	3,586,041,254	4,215,266,534	2,618,906,286
Current liabilities	(1,571,112,084)	(1,835,475,260)	(394,737,430)	(549,230,000)	(44,393,518)	(2,666,230,405)	(1,689,531,372)	(1,014,307,722)
Non-current liabilities	(1,082,450,000)	(2,522,959,819)	(26,486,627)	(84,010,000)	(468,950,241)	(844,822,872)	(297,565,946)	(859,813,457)
Total liabilities	(2,653,562,084)	(4,358,435,079)	(421,224,057)	(633,240,000)	(513,343,759)	(3,511,053,277)	(1,987,097,318)	(1,874,121,179)
Non-controlling interests	—	—	111,118,950	310,552,943	—	—	—	—
Equity attributable to owners of the parent	999,496,501	616,987,227	1,060,013,896	987,486,191	529,930,064	74,987,977	2,228,169,216	744,785,107
Share of net assets based on proportion of ownership interest	414,791,048	135,737,190	527,009,781	208,465,085	132,482,516	25,495,912	365,860,929	289,497,971
Adjustments								
Impairment provision	—	—	(162,757,584)	—	—	—	—	—
Goodwill	331,615,363	—	—	—	—	—	—	—
Book value of equity investments	746,406,411	135,737,190	364,252,197	208,465,085	132,482,516	25,495,912	365,860,929	289,497,971
Operating income	451,643,083	346,944,354	—	1,244,578,844	152,344,903	2,095,847,832	1,577,237,309	1,651,489,960
Income tax expenses	2,855,168	1,914,624	1,698,442	33,595,250	4,516,738	11,333	—	698,721
Net profit/(loss)	7,857,378	64,569,054	(8,997,045)	58,557,794	31,261,244	(556,815,346)	(174,508,723)	(37,592,742)
Other comprehensive income	—	—	—	—	—	—	—	—
Total comprehensive income/(loss)	7,857,378	64,569,054	(8,997,045)	58,557,794	31,261,244	(556,815,346)	(174,508,723)	(37,592,742)
Dividends received	20,741,700	—	—	9,660,000	—	—	—	—

# Notes to Financial Statements *(continued)*

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

## VII. INVESTMENTS IN OTHER ENTITIES *(continued)*

### 2. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES *(continued)*

The financial information of the above significant associates is set out below, which was adjusted to book value per consolidated financial statements in accordance with the Group's accounting policies: *(continued)*

2014

	Longyan Makeng	Tibet Yulong	Zijin Tongguan	Haixia Technology	Xiamen Modern Terminals	Wuxin Copper	Xinjiang Tianlong	Wengfu Zijin
Current assets	363,699,504	252,757,653	11,951,500	576,590,000	29,543,848	2,608,821,100	829,369,211	317,961,733
Non-current assets	2,917,671,868	3,812,933,214	1,444,768,369	604,444,145	984,017,284	2,293,078,645	3,457,931,422	2,196,338,080
<b>Total assets</b>	<b>3,281,371,372</b>	<b>4,065,690,867</b>	<b>1,456,719,869</b>	<b>1,181,034,145</b>	<b>1,013,561,132</b>	<b>4,901,899,745</b>	<b>4,287,300,633</b>	<b>2,514,299,813</b>
Current liabilities	(1,583,752,250)	(1,086,814,155)	(360,721,986)	(374,960,000)	(30,942,072)	(2,790,219,475)	(1,412,812,648)	(829,246,537)
Non-current liabilities	(656,000,000)	(2,426,458,539)	(25,394,523)	(55,820,000)	(483,950,240)	(1,479,876,946)	(575,450,036)	(902,675,427)
<b>Total liabilities</b>	<b>(2,239,752,250)</b>	<b>(3,513,272,694)</b>	<b>(386,116,509)</b>	<b>(430,780,000)</b>	<b>(514,892,312)</b>	<b>(4,270,096,421)</b>	<b>(1,988,262,684)</b>	<b>(1,731,921,964)</b>
Non-controlling interests	—	—	239,177,820	178,165,174	—	—	—	—
Equity attributable to owners of the parent	1,041,619,122	552,418,173	831,425,540	572,088,971	498,668,820	631,803,324	2,299,037,949	782,377,849
Share of net assets based on proportion of ownership interest	432,271,936	121,531,998	481,771,512	208,720,703	124,667,205	214,813,130	394,514,912	304,110,270
Adjustments								
Impairment provision	—	—	(162,757,584)	—	—	—	—	—
Goodwill	331,615,363	—	—	—	—	—	—	—
<b>Book value of equity investments</b>	<b>763,887,299</b>	<b>121,531,998</b>	<b>319,013,928</b>	<b>208,720,703</b>	<b>124,667,205</b>	<b>214,813,130</b>	<b>394,514,912</b>	<b>304,110,270</b>
Operating income	593,396,317	232,708,400	—	977,420,000	129,098,703	1,369,673,550	1,749,596,577	1,415,752,374
Income tax expenses	20,379,728	12,838,825	—	24,210,000	2,571,117	—	—	163,813
Net profit/(loss)	57,772,754	99,195,114	(11,734,098)	84,470,952	18,448,040	(166,493,785)	(91,271,089)	283,689
Other comprehensive income	—	—	—	—	—	—	—	—
<b>Total comprehensive income/(loss)</b>	<b>57,772,754</b>	<b>99,195,114</b>	<b>(11,734,098)</b>	<b>84,470,952</b>	<b>18,448,040</b>	<b>(166,493,785)</b>	<b>(91,271,089)</b>	<b>283,689</b>
Dividends received	—	—	—	9,660,000	—	—	—	—

# Notes to Financial Statements *(continued)*

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

## VII. INVESTMENTS IN OTHER ENTITIES *(continued)*

### 2. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES *(continued)*

The following table illustrates the aggregate financial information of the Group's joint ventures and associates that are not individually significant:

	2015	2014
Joint ventures		
Aggregate book value of the Group's investments in joint ventures	<b>627,329,029</b>	721,483,764
Items below were calculated by the proportion of equity interest		
Share of net (loss)/profit of joint ventures	<b>(104,354,735)</b>	28,833,823
Share of other comprehensive income of joint ventures	—	—
Share of total comprehensive (loss)/income of joint ventures	<b>(104,354,735)</b>	28,833,823
Associates		
Aggregate book value of the Group's investments in associates	<b>999,455,151</b>	737,849,907
Items below were calculated by the proportion of equity interest		
Share of net (loss)/profit of associates	<b>(5,137,204)</b>	15,197,178
Share of other comprehensive income of associates	—	—
Share of total comprehensive (loss)/income of associates	<b>(5,137,204)</b>	15,197,178

### 3. JOINT OPERATION

Company name	Principal place of business	Place of registration	Principal activities	Proportion of ownership interest	Proportion of voting rights	Strategic or not
BNL	Papua New Guinea	Port Moresby, Papua New Guinea	Mining, processing and sales of gold	50%	50%	Yes

The Group has determined that BNL is jointly controlled by Gold Mountains (H.K.), a wholly-owned subsidiary of the Company, and Barrick Australia, and each of the parties has rights to the assets, obligations for the liabilities of BNL, and is eligible to BNL's output and recognises the expenses incurred in the proportion of 50%. Therefore, the Group recognised its investment in BNL as an investment in a joint operation.



# Notes to Financial Statements *(continued)*

For the year ended 31 December 2015

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## VIII. FINANCIAL INSTRUMENTS AND RISKS

### 1. CLASSIFICATION OF FINANCIAL INSTRUMENTS

The carrying amounts of each category of financial instruments as at the end of reporting date are as follows:

#### 2015

##### Financial assets

	Financial assets at fair value through profit or loss		Loans and receivables	Available-for-sale investments	Total
	Designated as such upon initial recognition	Held-for-trading			
Cash and cash equivalents	—	—	5,431,986,927	—	5,431,986,927
Financial assets at fair value through profit or loss	233,812,157	314,540,573	—	—	548,352,730
Bills receivable	—	—	264,373,037	—	264,373,037
Trade receivables	—	—	864,682,728	—	864,682,728
Other receivables	—	—	1,030,013,596	—	1,030,013,596
Current portion of non-current assets	—	—	458,040,000	—	458,040,000
Other current assets	—	—	423,250,036	—	423,250,036
Available-for-sale investments	—	—	—	425,110,763	425,110,763
Other non-current assets – long-term receivables	—	—	1,701,430,603	—	1,701,430,603
	233,812,157	314,540,573	10,173,776,927	425,110,763	11,147,240,420

##### Financial liabilities

	Financial liabilities at fair value through profit or loss		Other financial liabilities	Total
	Designated as such upon initial recognition	Held-for-trading		
Short-term borrowings	—	—	5,394,474,750	5,394,474,750
Financial liabilities at fair value through profit or loss	—	6,804,872,854	—	6,804,872,854
Bills payable	—	—	231,175,265	231,175,265
Trade payables	—	—	4,442,840,507	4,442,840,507
Dividends payable	—	—	119,000,981	119,000,981
Other payables	—	—	4,243,074,457	4,243,074,457
Current portion of non-current liabilities	—	—	6,053,652,249	6,053,652,249
Other current liabilities	—	—	1,004,821,498	1,004,821,498
Long-term borrowings	—	—	9,251,188,420	9,251,188,420
Bonds payable	—	—	8,300,000,000	8,300,000,000
Long-term payables	—	—	1,079,749,275	1,079,749,275
	—	6,804,872,854	40,119,977,402	46,924,850,256

# Notes to Financial Statements *(continued)*

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

## VIII. FINANCIAL INSTRUMENTS AND RISKS *(continued)*

### 1. CLASSIFICATION OF FINANCIAL INSTRUMENTS *(continued)*

2014

Financial assets

	Financial assets at fair value through profit or loss		Loans and receivables	Available- for-sale investments	Total
	Designated as such upon initial recognition	Held-for- trading			
Cash and cash equivalents	—	—	4,076,143,580	—	4,076,143,580
Financial assets at fair value through profit or loss	—	312,247,627	—	—	312,247,627
Bills receivable	—	—	538,484,702	—	538,484,702
Trade receivables	—	—	1,228,075,464	—	1,228,075,464
Other receivables	—	—	1,227,785,223	—	1,227,785,223
Other current assets	—	—	601,678,475	—	601,678,475
Available-for-sale investments	—	—	—	86,038,950	86,038,950
Other non-current assets – long-term receivables	—	—	1,233,391,340	—	1,233,391,340
	—	312,247,627	8,905,558,784	86,038,950	9,303,845,361

Financial liabilities

	Financial liabilities at fair value through profit or loss		Other financial liabilities	Total
	Designated as such upon initial recognition	Held-for- trading		
Short-term borrowings	—	—	4,551,121,572	4,551,121,572
Financial liabilities at fair value through profit or loss	—	8,597,538,500	—	8,597,538,500
Bills payable	—	—	282,976,147	282,976,147
Trade payables	—	—	4,011,412,543	4,011,412,543
Dividends payable	—	—	35,938,170	35,938,170
Other payables	—	—	2,226,614,441	2,226,614,441
Current portion of non-current liabilities	—	—	1,347,611,097	1,347,611,097
Long-term borrowings	—	—	8,339,476,546	8,339,476,546
Bonds payable	—	—	7,923,716,925	7,923,716,925
Long-term payables	—	—	331,037,032	331,037,032
	—	8,597,538,500	29,049,904,473	37,647,442,973

# Notes to Financial Statements *(continued)*

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

## VIII. FINANCIAL INSTRUMENTS AND RISKS *(continued)*

### 2. RISK OF FINANCIAL INSTRUMENTS

The Group's principal financial instruments, other than derivative financial instruments, include 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 support the Group's operations.

The Group's principal derivative financial instruments mainly include forward contracts with the purpose of market risk management. The management will manage the market risk of the derivative financial instruments in accordance with the variance between actual metal prices in the active market and estimated target prices, etc.

The Group's principal risks of financial instruments are credit risk, liquidity risk, and market risk. Policies of the risk management of the Group are summarised below.

#### **Credit risk**

The Group only trades with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms should be 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 offshore transactions that are not denominated in the functional currency of the relevant operating unit, the Group does not provide the credit terms except those with specific approvals provided by the head of credit control.

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 carrying amount of these instruments. The Group is also exposed to credit risk for providing financial guarantees. Detailed information is disclosed in Note XI.

Since the Group only trades with recognised and creditworthy third parties, there is no requirement for collateral. Concentrations of credit risk are managed through customer/counterparty, by geographical region and by industry sector. There are no significant concentrations of credit risk within the Group as the customer bases of the Group's trade receivables are widely dispersed in different sectors and industries. The Group does not hold any collateral or other credit enhancements over its trade receivable balances.

There is no significant past due relating to those financial assets that were not impaired individually or aggregately.

As at 31 December 2015, trade receivables that were not past due but impaired were related to a large number of diversified customers without default history.

#### **Liquidity risk**

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.

The Group aims to maintain the balance between continuity and flexibility in funding by obtaining debentures, bank borrowings and other loans. As at 31 December 2015, 59% of the Group's borrowings (31 December 2014: 58%) would mature within 12 months.

# Notes to Financial Statements *(continued)*

For the year ended 31 December 2015

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

## VIII. FINANCIAL INSTRUMENTS AND RISKS *(continued)*

### 2. RISK OF FINANCIAL INSTRUMENTS *(continued)*

#### Liquidity risk *(continued)*

The table below summarises the maturity profile of the Group's financial liabilities as at the end of the reporting periods based on the contractual undiscounted cash flows:

#### 2015

	Within 1 year	Over 1 year but within 5 years	Over 5 years	Total
Short-term borrowings	5,433,963,830	—	—	5,433,963,830
Financial liabilities at fair value through profit or loss	6,804,872,854	—	—	6,804,872,854
Bills payable	231,175,265	—	—	231,175,265
Trade payables	4,442,840,507	—	—	4,442,840,507
Dividends payable	119,000,981	—	—	119,000,981
Other payables	4,243,074,457	—	—	4,243,074,457
Current portion of non-current liabilities	6,187,250,940	—	—	6,187,250,940
Other current liabilities	1,028,821,498	—	—	1,028,821,498
Long-term borrowings	297,804,295	8,332,366,152	1,685,776,379	10,315,946,826
Bonds payable	425,200,000	9,460,316,667	—	9,885,516,667
Long-term payables	22,420,674	993,858,510	246,657,403	1,262,936,587
	<b>29,236,425,301</b>	<b>18,786,541,329</b>	<b>1,932,433,782</b>	<b>49,955,400,412</b>

#### 2014

	Within 1 year	Over 1 year but within 5 years	Over 5 years	Total
Short-term borrowings	4,595,990,813	—	—	4,595,990,813
Financial liabilities at fair value through profit or loss	8,597,538,500	—	—	8,597,538,500
Bills payable	282,976,147	—	—	282,976,147
Trade payables	4,011,412,543	—	—	4,011,412,543
Dividends payable	35,938,170	—	—	35,938,170
Other payables	2,226,614,441	—	—	2,226,614,441
Current portion of non-current liabilities	1,386,944,610	—	—	1,386,944,610
Long-term borrowings	343,209,800	7,933,038,142	1,835,811,746	10,112,059,688
Bonds payable	409,827,600	8,931,432,928	—	9,341,260,528
Long-term payables	22,420,674	260,783,239	123,099,141	406,303,054
	<b>21,912,873,298</b>	<b>17,125,254,309</b>	<b>1,958,910,887</b>	<b>40,997,038,494</b>

# Notes to Financial Statements *(continued)*

For the year ended 31 December 2015

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

## VIII. FINANCIAL INSTRUMENTS AND RISKS *(continued)*

### 2. RISK OF FINANCIAL INSTRUMENTS *(continued)*

#### Market risk

##### *Interest rate risk*

The Group's interest rate risk exposures arise primarily from its 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 2015, approximately 61% (2014: 60%) of the interest-bearing borrowings were fixed-rate debts.

The table below demonstrates the sensitivity analysis of the impact (of floating-rate borrowings) on the net profit and other comprehensive income after tax when reasonable and possible fluctuations of interest rate occur, under the assumption that other variables were held constant.

	Increase/(decrease) in basis point	Increase/(decrease) in net profit	Increase/ (decrease) in other comprehensive income after tax	Total increase/ (decrease) in equity
<b>2015</b>				
RMB	100/(100)	(7,415,174)/7,415,174	—	(7,415,174)/7,415,174
USD	100/(100)	(89,149,579)/89,149,579	—	(89,149,579)/89,149,579
EUR	100/(100)	(3,396,402)/3,396,402	—	(3,396,402)/3,396,402
AUD	100/(100)	(4,793,698)/4,793,698	—	(4,793,698)/4,793,698
CAD	100/(100)	(3,166,600)/3,166,600	—	(3,166,600)/3,166,600
	Increase/(decrease) in basis point	Increase/(decrease) in net profit	Increase/ (decrease) in other comprehensive income after tax	Total increase/ (decrease) in equity
<b>2014</b>				
RMB	100/(100)	(11,152,396)/11,152,396	—	(11,152,396)/11,152,396
USD	100/(100)	(67,852,467)/67,852,467	—	(67,852,467)/67,852,467
EUR	100/(100)	(3,773,125)/3,773,125	—	(3,773,125)/3,773,125
AUD	100/(100)	(4,144,794)/4,144,794	—	(4,144,794)/4,144,794

# Notes to Financial Statements *(continued)*

For the year ended 31 December 2015

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

## VIII. FINANCIAL INSTRUMENTS AND RISKS *(continued)*

### 2. RISK OF FINANCIAL INSTRUMENTS *(continued)*

#### Market risk *(continued)*

##### Currency risk

There are limited hedging instruments available in the PRC that can be used to reduce the currency risk arising from transactions between RMB and other currencies. This year, the Group adopted cross currency swap to manage the currency risk.

The table below demonstrates the sensitivity analysis of the impact on the net profit and other comprehensive income after tax when there were reasonable and possible changes in the exchange rates against the Great British pound, United States dollar, Hong Kong dollar, Canadian dollar, Australian dollar, Russian ruble and Euro, under the assumption that other variables were held constant.

2015	Increase/(decrease) in exchange rate	Increase/(decrease) in net profit	Increase/ (decrease) in other comprehensive income after tax	Total increase/ (decrease) in equity
If RMB weakens against USD	10%	(1,470,340,637)	—	(1,470,340,637)
If RMB strengthens against USD	(10%)	1,470,340,637	—	1,470,340,637
If RMB weakens against GBP	10%	767,392	107,873	875,265
If RMB strengthens against GBP	(10%)	(767,392)	(107,873)	(875,265)
If RMB weakens against HKD	10%	5,561,291	—	5,561,291
If RMB strengthens against HKD	(10%)	(5,561,291)	—	(5,561,291)
If RMB weakens against CAD	10%	(31,305,985)	41,547,103	10,241,118
If RMB strengthens against CAD	(10%)	31,305,985	(41,547,103)	(10,241,118)
If RMB weakens against AUD	10%	(61,354,244)	—	(61,354,244)
If RMB strengthens against AUD	(10%)	61,354,244	—	61,354,244
If RMB weakens against EUR	10%	(186,584,835)	—	(186,584,835)
If RMB strengthens against EUR	(10%)	186,584,835	—	186,584,835

2014	Increase/(decrease) in exchange rate	Increase/(decrease) in net profit	Increase/ (decrease) in other comprehensive income after tax	Total increase/ (decrease) in equity
If RMB weakens against USD	10%	(1,499,215,797)	—	(1,499,215,797)
If RMB strengthens against USD	(10%)	1,499,215,797	—	1,499,215,797
If RMB weakens against GBP	10%	11,009,720	140,130	11,149,850
If RMB strengthens against GBP	(10%)	(11,009,720)	(140,130)	(11,149,850)
If RMB weakens against HKD	10%	27,598,159	—	27,598,159
If RMB strengthens against HKD	(10%)	(27,598,159)	—	(27,598,159)
If RMB weakens against CAD	10%	291,413	134,897	426,310
If RMB strengthens against CAD	(10%)	(291,413)	(134,897)	(426,310)
If RMB weakens against RUB	10%	96,016	—	96,016
If RMB strengthens against RUB	(10%)	(96,016)	—	(96,016)
If RMB weakens against AUD	10%	(77,547,536)	—	(77,547,536)
If RMB strengthens against AUD	(10%)	77,547,536	—	77,547,536
If RMB weakens against EUR	10%	(22,272,045)	—	(22,272,045)
If RMB strengthens against EUR	(10%)	22,272,045	—	22,272,045

# Notes to Financial Statements *(continued)*

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

## VIII. FINANCIAL INSTRUMENTS AND RISKS *(continued)*

### 2. RISK OF FINANCIAL INSTRUMENTS *(continued)*

#### Market risk *(continued)*

##### Equity instruments price risk

Equity instruments price risk is the risk that the fair values of equity securities change as a result of changes in the levels of equity indices and the values of individual securities. The Group was exposed to equity price risk arising from individual equity investments classified as financial assets at fair value through profit or loss (Note V.2) and available-for-sale investments (Note V.10) as at 31 December 2015. The Group's listed investments were listed on the Shanghai, Hong Kong, Toronto, New York, London and Australian stock exchanges, etc., and were measured at quoted market prices at the end of the reporting period.

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 2015	Highest/lowest 2015	31 December 2014	Highest/lowest 2014
Shanghai – A Share Index	3,539	5,166/2,927	3,235	3,239/1,991
Hong Kong – Hang Seng Index	21,914	28,443/20,557	23,605	25,363/21,138
Toronto TSX Venture Exchange	526	707/496	696	1,050/637
Toronto Stock Exchange	13,010	15,451/12,696	14,632	15,658/13,486
New York Stock Exchange	10,143	11,240/9,601	10,839	10,949/10,834
London Stock Exchange Index	6,242	7,104/5,874	6,531	6,878/6,183
Australian Securities Exchange Index	5,296	5,929/5,022	5,411	5,626/5,190

The table below demonstrates the sensitivity analysis of the impact on the profit before tax and other comprehensive income after tax if the fluctuation was 10% on the basis of the carrying amount as at 31 December 2015 towards fair value of equity instruments, under the assumption that other variables were held constant and any tax impact was excluded. For available-for-sale investments (and only for the purpose of this sensitivity analysis), 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 profit before tax	Increase/ (decrease) in other comprehensive income after tax	Total increase/ (decrease) in equity
<b>2015</b>				
Financial assets at fair value through profit or loss				
Shanghai Stock Exchange	12,560,950	1,256,095/(1,256,095)	—	1,256,095/(1,256,095)
Hong Kong Stock Exchange	13,472,289	1,347,229/(1,347,229)	—	1,347,229/(1,347,229)
Toronto Stock Exchange	67,022	6,702/(6,702)	—	6,702/(6,702)
Toronto TSX Venture Exchange	220,617,882	22,061,788/(22,061,788)	—	22,061,788/(22,061,788)
New York Stock Exchange	2,544,973	254,497/(254,497)	—	254,497/(254,497)
Australian Securities Exchange	14,367,512	1,436,751/(1,436,751)	—	1,436,751/(1,436,751)
Available-for-sale investments				
Toronto TSX Venture Exchange	415,471,035	—	41,547,104/(41,547,104)	41,547,104/(41,547,104)
London Stock Exchange	1,078,734	—	107,873/(107,873)	107,873/(107,873)
Shanghai Stock Exchange	8,560,994	—	856,099/(856,099)	856,099/(856,099)

# Notes to Financial Statements *(continued)*

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

## VIII. FINANCIAL INSTRUMENTS AND RISKS *(continued)*

### 2. RISK OF FINANCIAL INSTRUMENTS *(continued)*

#### Market risk *(continued)*

##### Equity instruments price risk *(continued)*

	Carrying amount of equity investments	Increase/(decrease) in profit before tax	Increase/ (decrease) in other comprehensive income after tax	Total Increase/ (decrease) in equity
2014				
Financial assets at fair value through profit or loss				
Shanghai Stock Exchange	9,712,510	971,251/(971,251)	—	971,251/(971,251)
Hong Kong Stock Exchange	42,752,808	4,275,281/(4,275,281)	—	4,275,281/(4,275,281)
Toronto Stock Exchange	181,440	18,144/(18,144)	—	18,144/(18,144)
Toronto TSX Venture Exchange	978,199	97,820/(97,820)	—	97,820/(97,820)
New York Stock Exchange	33,449,941	3,344,994/(3,344,994)	—	3,344,994/(3,344,994)
London Stock Exchange	—	—	—	—
Australian Securities Exchange	27,540,864	2,754,086/(2,754,086)	—	2,754,086/(2,754,086)
Available-for-sale investments				
Toronto TSX Venture Exchange	1,348,968	—	134,897/(134,897)	134,897/(134,897)
London Stock Exchange	1,401,298	—	140,130/(140,130)	140,130/(140,130)
Australian Securities Exchange	20,004,562	—	2,000,456/(2,000,456)	2,000,456/(2,000,456)
Hong Kong Stock Exchange	63,284,122	—	6,328,412/(6,328,412)	6,328,412/(6,328,412)

##### Commodity price risk

The Group's exposure to commodity price risk principally relates to the market price fluctuation in major metals, such as gold, copper, zinc and silver. The price fluctuation can affect the Group's operating results.

The Group entered into forward contracts for the sale of gold, copper, zinc and silver. The holding positions of these forward contracts were approved by the board of directors of the Company. All forward commodity contracts can only be carried out under the approval of the board of directors of the Company and executed by the Company's forward exchange team which is composed of top management of the Company. The price range of the forward commodity contracts is closely monitored by the forward exchange team. As at 31 December 2015, most forward commodity contracts had been closed out.

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.



# Notes to Financial Statements *(continued)*

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

## VIII. FINANCIAL INSTRUMENTS AND RISKS *(continued)*

### 3. CAPITAL MANAGEMENT

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, repurchase shares or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2015 and 31 December 2014.

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 debt-to-asset ratio under 65%. The debt-to-asset ratio as at the end of the reporting periods was as follows:

	2015	2014
Total assets	<b>83,914,033,655</b>	75,159,587,648
Total liabilities	<b>51,985,778,403</b>	41,490,665,303
Debt-to-asset ratio	<b>62%</b>	55%

## IX. DISCLOSURE OF FAIR VALUE

### 1. ASSETS AND LIABILITIES MEASURED AT FAIR VALUE

#### 2015

	Fair value measurement using			Total
	Quoted price in active markets Level 1	Significant observable inputs Level 2	Significant unobservable inputs Level 3	
Measured at fair value				
Financial assets at fair value through profit or loss				
Held-for-trading equity investments	263,630,628	—	—	263,630,628
Derivative financial assets	143,268,440	—	—	143,268,440
Cross currency swap	—	14,359,008	—	14,359,008
Others	127,094,654	—	—	127,094,654
Available-for-sale investments				
Listed available-for-sale equity instruments	425,110,763	—	—	425,110,763
Total assets measured at fair value	<b>959,104,485</b>	<b>14,359,008</b>	—	<b>973,463,493</b>
Financial liabilities at fair value through profit or loss				
Gold leasing business	6,411,589,909	—	—	6,411,589,909
Derivative financial liabilities	393,282,945	—	—	393,282,945
Total liabilities measured at fair value	<b>6,804,872,854</b>	—	—	<b>6,804,872,854</b>

# Notes to Financial Statements *(continued)*

For the year ended 31 December 2015

RMB

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

## IX. DISCLOSURE OF FAIR VALUE *(continued)*

### 1. ASSETS AND LIABILITIES MEASURED AT FAIR VALUE *(continued)*

2014

	Fair value measurement using			Total
	Quoted price in active markets Level 1	Significant observable inputs Level 2	Significant unobservable inputs Level 3	
Measured at fair value				
Financial assets at fair value through profit or loss				
Held-for-trading equity investments	114,615,762	—	—	114,615,762
Derivative financial assets	60,641,750	—	—	60,641,750
Others	136,990,115	—	—	136,990,115
Available-for-sale investments				
Listed available-for-sale equity instruments	86,038,950	—	—	86,038,950
<b>Total assets measured at fair value</b>	<b>398,286,577</b>	<b>—</b>	<b>—</b>	<b>398,286,577</b>
Financial liabilities at fair value through profit or loss				
Gold leasing business	8,085,325,834	—	—	8,085,325,834
Derivative financial liabilities	512,212,666	—	—	512,212,666
<b>Total liabilities measured at fair value</b>	<b>8,597,538,500</b>	<b>—</b>	<b>—</b>	<b>8,597,538,500</b>

In years 2015 and 2014, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfer into or out of Level 3.

### 2. ASSETS AND LIABILITIES DISCLOSED AT FAIR VALUE

2015

	Fair value measurement using			Total
	Quoted price in active markets Level 1	Significant observable inputs Level 2	Significant unobservable inputs Level 3	
Long-term receivables	—	2,159,470,603	—	2,159,470,603
Borrowings	—	17,567,063,456	—	17,567,063,456
Bonds payable	—	11,412,251,963	—	11,412,251,963
Long-term payables	—	1,099,749,275	—	1,099,749,275

# Notes to Financial Statements *(continued)*

For the year ended 31 December 2015

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

## IX. DISCLOSURE OF FAIR VALUE *(continued)*

### 2. ASSETS AND LIABILITIES DISCLOSED AT FAIR VALUE *(continued)*

2014

	Fair value measurement using			Total
	Quoted price in active markets Level 1	Significant observable inputs Level 2	Significant unobservable inputs Level 3	
Long-term receivables	—	1,233,391,340	—	1,233,391,340
Borrowings	—	14,218,209,215	—	14,218,209,215
Bonds payable	—	7,923,716,925	—	7,923,716,925
Long-term payables	—	351,037,032	—	351,037,032

### 3. ESTIMATION OF FAIR VALUE

The net book values of the Group's financial instruments were approximate to their fair values.

The management has 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, current portion of non-current liabilities and other current liabilities, which were approximate to their carrying amounts due to their short-term maturities.

The fair values of financial assets and financial liabilities are the amounts 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 values of other non-current assets, short-term and long-term borrowings, long-term payables and bonds payable have been calculated by discounting the expected future cash flows using market profitability rates currently available for other financial instruments with similar terms, credit risk and remaining maturities. As at 31 December 2015, the Group's own non-performance risk for short-term and long-term borrowings was assessed to be insignificant. The fair values of listed equity investments are measured at quoted market prices.

The Group has entered into derivative financial instrument contracts with a number of counterparties (mainly financial institutions with high credit ratings). Derivative financial instruments, including forward contracts and cross currency swap contracts, are measured using a valuation technique that is similar to the forward pricing and swap models and the present value method. The model covers a number of market observable inputs, including credit quality of counterparties, spot and forward exchange rates and yield curves. The carrying values of forward contracts and cross currency swap contracts are approximate to their fair values.

# Notes to Financial Statements *(continued)*

For the year ended 31 December 2015

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

## X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

### 1. THE LARGEST SHAREHOLDER OF THE COMPANY

Name of the entity	Place of registration	Nature of business	Registered capital	Proportion of the Company's ownership	Proportion of the Company's voting powers	Ultimate controlling entity
Minxi Xinghang	No. 110 Zhenxing Road, Linjiang Village, Shanghang County, Longyan City, Fujian Province	Investment in Fujian	RMB368 million	26.33%	26.33%	Minxi Xinghang

### 2. SUBSIDIARIES OF THE COMPANY

Major subsidiaries of the Company are disclosed in Note VII.1.

### 3. JOINT VENTURES AND ASSOCIATES

Information about joint ventures and associates is disclosed in Note VII.2.

### 4. JOINT OPERATION

Information about joint operation is disclosed in Note VII.3.

### 5. OTHER RELATED PARTIES OF THE COMPANY

Name of entity	Relationship between the related parties and the Company
Sichuan Bureau of Geology and Mineral Exploration ("Sichuan Geology")	A non-controlling shareholder of Sichuan Ganzi Zijin Mining Company Limited ("Ganzi Zijin")
Hongyang Mining	A non-controlling shareholder of Guizhou Zijin
Chongli Finance Bureau State-owned Assets Management Center	A non-controlling shareholder of Chongli Zijin
Jilin The Sixth Geological Survey	A non-controlling shareholder of Tumen Shuguang Mining Company Limited
Longxing International	A non-controlling shareholder of Heilongjiang Longxing
Shanghang County Jinshan Trading	A non-controlling shareholder of the Company
Wellhope	A non-controlling shareholder of Golden China Nei Men

# Notes to Financial Statements *(continued)*

For the year ended 31 December 2015

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

## X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS *(continued)*

### 6. RELATED PARTY TRANSACTIONS

#### (A) Sales and purchases of products, rendering and receipt of services to and from related parties

Purchase of products/receipt of services from related parties

	Nature of transaction	Related party transaction's pricing method and decision making procedures	2015	2014
Wancheng Commercial	Purchase of zinc concentrates	Market Price	<b>251,271,907</b>	157,770,907
Haixia Technology	Purchase of raw materials	Market Price	<b>77,848,425</b>	8,026,665
Sichuan Geology	Exploration service	Market Price	<b>488,471</b>	1,422,200
Xiamen Zijin Zhonghang	Construction service	Market Price	<b>126,629,708</b>	202,809,959
Southwest Zijin Gold	Purchase of low-purity gold	Market Price	<b>1,089,461,458</b>	1,012,639,456
Shanghang County Jinshan Trading	Purchase of raw materials	Market Price	<b>5,773,423</b>	7,765,513
			<b>1,551,473,392</b>	1,390,434,700

Sales of products/rendering of services to related parties

	Nature of transaction	Related party transaction's pricing method and decision making procedures	2015	2014
Shandong Guoda	Sales of gold and copper ore	Market Price	<b>101,895,146</b>	131,412,905
Wengfu Zijin	Sales of vitriol/ rendering of design service	Market Price	<b>119,493,851</b>	116,740,557
Wuxin Copper	Sales of copper concentrates#/ rendering of examination and testing service	Market Price	<b>365,068,980</b>	228,019,941
			<b>586,457,977</b>	476,173,403

# Continuing connected transaction under the rules governing the listing of securities on the Stock Exchange of Hong Kong Limited

# Notes to Financial Statements *(continued)*

For the year ended 31 December 2015

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

## X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS *(continued)*

### 6. RELATED PARTY TRANSACTIONS *(continued)*

#### (B) Related party guarantees

- (1) Provision of guarantees by related party for bank loans of the Group

#### 2015

In 2015, there was no related party guarantee for bank loans of the Group.

#### 2014

Guarantor	Guaranteed party	Amount of the guarantee	Inception date of guarantee	Expiry date of guarantee	Whether performance of guarantee has been completed
Longxing International	Heilongjiang Longxing	USD21,000,000	29 December 2011	29 December 2020	No

Note: As at 31 December 2014, Heilongjiang Longxing, a subsidiary of the Company, owed a loan of USD70,000,000 to the Export-Import Bank of China, of which USD21,000,000 was guaranteed free of charge by Longxing International, a non-controlling shareholder of Heilongjiang Longxing.

- (2) The Group's provision of guarantees for bank loans of related parties

#### 2015

Guarantor	Guaranteed party	Amount of the guarantee	Inception date of guarantee	Expiry date of guarantee	Whether performance of guarantee has been completed
The Company	Wengfu Zijin (Note XI.2 (Note 1))	253,200,000	28 April 2011	27 April 2019	No

#### 2014

Guarantor	Guaranteed party	Amount of the guarantee	Inception date of guarantee	Expiry date of guarantee	Whether performance of guarantee has been completed
The Company	Wengfu Zijin (Note XI.2 (Note 1))	350,400,000	28 April 2011	27 April 2019	No
Northwest Company	Xinjiang Tianlong (Note XI.2 (Note 2))	80,000,000	16 January 2014	28 April 2017	No
		430,400,000			

# Notes to Financial Statements *(continued)*

For the year ended 31 December 2015

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

## X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS *(continued)*

### 6. RELATED PARTY TRANSACTIONS *(continued)*

#### (C) Borrowings from/to related parties

Borrowings from related parties

##### 2015

Borrower	Note	Amount of borrowings	Inception date	Maturity date	Annual interest rate
The Company	Note 1	30,000,000	10 December 2015	9 December 2027	1.20%

##### 2014

In 2014, there was no borrowing from related parties.

Borrowings to related parties

##### 2015

Borrowers	Notes	Amount of borrowings	Inception date	Maturity date	Annual interest rate
Ting River Hydropower	Note 2 <sup>#</sup>	3,000,000	23 October 2013	22 October 2016	5.25%
Ting River Hydropower	Note 2 <sup>#</sup>	6,600,000	1 November 2013	31 October 2016	4.99%
Ting River Hydropower	Note 2 <sup>#</sup>	9,000,000	8 November 2013	7 November 2016	4.99%
Ting River Hydropower	Note 2 <sup>#</sup>	8,500,000	16 January 2014	15 January 2017	6.30%
Zijin Tongguan	Note V.6 (Note 1)	9,000,000	13 April 2012	31 December 2016	—
Zijin Tongguan	Note V.6 (Note 1)	109,350,000	20 June 2012	31 December 2016	—
Zijin Tongguan	Note V.6 (Note 1)	9,000,000	14 January 2013	31 December 2016	—
Zijin Tongguan	Note V.6 (Note 1)	13,500,000	31 October 2013	31 December 2016	—
Zijin Tongguan	Note V.6 (Note 1)	5,400,000	31 July 2014	31 December 2016	—
Zijin Tongguan	Note V.6 (Note 1)	4,500,000	21 January 2015	31 December 2016	—
Zijin Tongguan	Note V.6 (Note 1)	6,300,000	29 May 2015	31 December 2016	—
Zijin Tongguan	Note V.6 (Note 1)	6,975,000	23 July 2015	31 December 2016	—
Zijin Tongguan	Note V.6 (Note 1)	2,286,000	15 December 2015	31 December 2016	—
Gold Eagle Mining	Note 3	147,274,848	11 July 2012	30 June 2018	LIBOR+2.60%
Gold Eagle Mining	Note 3	336,043,800	16 May 2014	15 May 2017	LIBOR+2.60%
Longyan Zijin AVIC	Note 4	27,440,000	12 September 2014	11 September 2016	10.00%
Longyan Zijin AVIC	Note 4	39,200,000	27 June 2014	26 June 2016	10.00%
Longyan Zijin AVIC	Note 4	343,000,000	20 March 2014	19 March 2016	10.00%
Longyan Zijin AVIC	Note 4	4,900,000	21 October 2014	20 October 2016	10.00%
Longyan Zijin AVIC	Note 4	4,900,000	17 December 2014	16 December 2016	10.00%
Kamoa	Note 5	1,176,336,893	8 December 2015	—	LIBOR+7%
		<b>2,272,506,541</b>			

<sup>#</sup> Continuing connected transaction under the rules governing the listing of securities on the Stock Exchange of Hong Kong Limited

# Notes to Financial Statements *(continued)*

For the year ended 31 December 2015

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

## X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS *(continued)*

### 6. RELATED PARTY TRANSACTIONS *(continued)*

#### (C) Borrowings from/to related parties *(continued)*

2014

Borrowers	Notes	Amount of borrowings	Inception date	Maturity date	Annual interest rate
Ting River Hydropower	Note 2 <sup>#</sup>	3,000,000	23 October 2013	22 October 2016	6.46%
Ting River Hydropower	Note 2 <sup>#</sup>	6,600,000	1 November 2013	31 October 2016	6.46%
Ting River Hydropower	Note 2 <sup>#</sup>	9,000,000	8 November 2013	7 November 2016	6.46%
Ting River Hydropower	Note 2 <sup>#</sup>	8,500,000	16 January 2014	15 January 2017	6.46%
Zijin Tongguan	Note V.6 (Note 1)	9,000,000	13 April 2012	12 April 2013	—
Zijin Tongguan	Note V.6 (Note 1)	109,350,000	20 June 2012	19 June 2013	—
Zijin Tongguan	Note V.6 (Note 1)	9,000,000	14 January 2013	13 January 2014	—
Zijin Tongguan	Note V.6 (Note 1)	13,500,000	31 October 2013	30 October 2014	—
Zijin Tongguan	Note V.6 (Note 1)	5,400,000	31 July 2014	31 December 2014	—
Gold Eagle Mining	Note 3	138,778,920	11 July 2012	30 June 2015	LIBOR+2.60%
Gold Eagle Mining	Note 3	316,658,250	16 May 2014	15 May 2017	LIBOR+2.60%
Longyan Zijin AVIC	Note 4	27,440,000	12 September 2014	11 September 2016	10.00%
Longyan Zijin AVIC	Note 4	39,200,000	27 June 2014	26 June 2016	10.00%
Longyan Zijin AVIC	Note 4	637,000,000	20 March 2014	19 March 2016	10.00%
Longyan Zijin AVIC	Note 4	4,900,000	21 October 2014	20 October 2016	10.00%
Longyan Zijin AVIC	Note 4	4,900,000	17 December 2014	16 December 2016	10.00%
		1,342,227,170			

<sup>#</sup> Continuing connected transaction under the rules governing the listing of securities on the Stock Exchange of Hong Kong Limited

Note 1: In 2015, a shareholder of the Company, Minxi Xinghang, provided a loan of RMB30,000,000 to the Company. This loan is without pledge.

Note 2: Finance Company, a subsidiary of the Company, provided loans to Ting River Hydropower, an associate of the Company, and these loans are provided without pledge. As at 31 December 2015, balance of the borrowings to Ting River Hydropower was RMB27,100,000 (31 December 2014: RMB27,100,000).

Note 3: In 2012, Jin Jian Global Mining Limited ("Jin Jian Global", formerly known as Thrive Build Investments Limited), a subsidiary of the Group, entered into an agreement with Gold Eagle Mining. Pursuant to the agreement, Jin Jian Global provided a loan of USD22,680,000, which was equivalent to RMB147,274,848 (2014: equivalent to RMB138,778,920) to Gold Eagle Mining. In 2014, Jin Jian Global provided an extra loan of USD51,750,000 which was equivalent to RMB336,043,800 (2014: equivalent to RMB316,658,250) to Gold Eagle Mining. The above loans were both unsecured with an interest rate of the one-year London Interbank Offered Rate plus 260 basis points.

Note 4: In 2014, the Company provided loans amounting to RMB713,440,000 in total to Longyan Zijin AVIC on an unsecured basis. In 2015, Longyan Zijin AVIC repaid RMB294,000,000 in advance and as at 31 December 2015, the balance of the borrowings unrepaid was RMB419,440,000 (31 December 2014: RMB713,440,000).

Note 5: Pursuant to acquisition agreement, Gold Mountains (H.K.), a subsidiary of the Group, acquired partially the shareholders' loan provided to Kamo in the amount of USD181,157,035, which was equivalent to RMB1,176,336,893. This loan was without fixed maturity date and unsecured with an interest rate of the one-year London Interbank Offered Rate plus 700 basis points.

#### (D) Other related party transactions

(1) Compensation of key management and directors' remuneration

	2015	2014
Directors' remuneration	20,067,873	15,006,673
Compensation of key management	10,581,000	10,423,711
	30,648,873	25,430,384

Details of directors' remuneration are disclosed in Note XIII.3.

(2) Commitment between the Group and related parties

Details of commitment between the Group and related parties are disclosed in Note XI.1.

(3) Joint external investment of the Group and related parties

In 2015, there was no joint external investment of the Group and related parties.



# Notes to Financial Statements *(continued)*

For the year ended 31 December 2015

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

## X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS *(continued)*

### 7. AMOUNTS DUE FROM RELATED PARTIES

	2015		2014	
	Carrying amount	Bad debt provision	Carrying amount	Bad debt provision
Trade receivables				
Wengfu Zijin	<b>8,236,935</b>	—	2,310,929	—
Shandong Guoda	—	—	3,165,844	—
	<b>8,236,935</b>	—	5,476,773	—
Prepayments				
Xiamen Zijin Zhonghang	<b>58,643,463</b>	—	69,147,271	—
Wancheng Commercial	<b>3,576,109</b>	—	—	—
Haixia Technology	<b>153,572</b>	—	2,753	—
Tibet Yulong	<b>1,853</b>	—	1,853	—
Shanghang County Jinshan Trading	<b>2,547,110</b>	—	—	—
	<b>64,922,107</b>	—	69,151,877	—
Other receivables				
Chongli Finance Bureau State-owned Assets Management Center	—	—	500,000	—
Sichuan Geology	<b>2,000,000</b>	—	2,000,000	—
Wancheng Commercial	<b>30,503</b>	—	—	—
Ting River Hydropower	—	—	5,968	—
Jilin The Sixth Geological Survey	<b>4,000,000</b>	—	4,000,000	—
Xinjiang Tianlong	—	—	6,122,667	—
Zijin Tongguan	<b>175,755,365</b>	<b>140,992,416</b>	157,444,785	140,992,416
	<b>181,785,868</b>	<b>140,992,416</b>	170,073,420	140,992,416
Current portion of non-current assets				
Longyan Zijin AVIC	<b>419,440,000</b>	—	—	—
Ting River Hydropower	<b>18,600,000</b>	—	—	—
	<b>438,040,000</b>	—	—	—
Other non-current assets				
Tibet Yulong	<b>132,000,000</b>	—	132,000,000	—
Ting River Hydropower	<b>8,500,000</b>	—	27,100,000	—
Qinghai Copper	—	—	192,000,000	—
Gold Eagle Mining	<b>516,603,709</b>	—	472,851,341	—
Longyan Zijin AVIC	—	—	713,440,000	—
Kamoa	<b>1,176,336,893</b>	—	—	—
	<b>1,833,440,602</b>	—	1,537,391,341	—

# Notes to Financial Statements *(continued)*

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

## X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS *(continued)*

### 8. AMOUNTS DUE TO RELATED PARTIES

	2015	2014
Trade payables		
Haixia Technology	<b>30,256,572</b>	2,904,264
Wancheng Commercial	—	25,431,592
Southwest Zijin Gold	<b>29,857,946</b>	3,926,474
	<b>60,114,518</b>	32,262,330
Advances from customers		
Wuxin Copper	<b>2,925,868</b>	—
Wengfu Zijin	<b>1,912,332</b>	—
Shandong Guoda	<b>14,830,674</b>	2,627,474
	<b>19,668,874</b>	2,627,474
Other payables		
Sichuan Geology	<b>488,471</b>	751,588
Hongyang Mining	<b>22,376,244</b>	19,627,468
Longyan Zijin AVIC	—	23,000,000
	<b>22,864,715</b>	43,379,056
Long-term payables		
Minxi Xinghang	<b>30,000,000</b>	—

Except for the amounts due from Ting River Hydropower, Gold Eagle Mining and Longyan Zijin AVIC which were interest-bearing and had a fixed term of repayment, the amount due from Kamo which was interest-bearing and without a fixed term of repayment and the amount due from Zijin Tongguan which was 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 loans provided by the Group to the directors as at 31 December 2015.

# Notes to Financial Statements *(continued)*

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

## XI. COMMITMENTS AND CONTINGENCIES

### 1. COMMITMENTS

	2015	2014
Contracted, but not provided		
Capital commitments (Note 1)	<b>1,315,854,359</b>	1,407,137,181
Investment commitments (Note 2, Note 3)	<b>195,727,500</b>	426,640,257
	<b>1,511,581,859</b>	1,833,777,438

Note 1: As at 31 December 2015, the capital commitments related to the acquisition and construction of property, plant, machinery and equipment, and mining assets were RMB1,315,285,955 (2014: RMB1,406,297,181).

Note 2: Xinxing Global, a wholly-owned subsidiary of the Group, signed a share subscription agreement with Pretium Resources Inc. of Canada on 8 December 2014. Xinxing Global subscribed a total of 12,836,826 common shares of Pretium Resources, Inc. with cash at the price of CAD6.3 per share. The total amount was CAD80,872,004. As at 19 January 2015, the subscription consideration was settled in full.

Note 3: On 31 December 2015, Jinyu (H.K.), a wholly-owned subsidiary of the Company, entered into a share transfer agreement with Wellhope. Jinyu (H.K.) agreed to accept the transfer of 45% equity interest in Golden China Nei Men, which was held by Wellhope, at the price of RMB195,727,500 in cash. When the acquisition is completed, Golden China Nei Men would become a wholly-owned subsidiary of the Group. Jinyu (H.K.) paid 70% of the purchase consideration to Wellhope on 29 February 2016, and the remaining 30% will be paid in April 2016.

### 2. CONTINGENCIES

	2015	2014
Guarantees provided to third parties		
Wengfu Zijin (Note 1)	<b>253,200,000</b>	350,400,000
Xinjiang Tianlong (Note 2)	<b>106,728,700</b>	80,000,000
Mortgage guarantee of small property owners (Note 3)	—	5,710,856
Subtotal	<b>359,928,700</b>	436,110,856
Contingencies arising from pending litigation		
Xinyi Zijin (Note 4)	<b>43,144,709</b>	68,190,631
Total	<b>403,073,409</b>	504,301,478

Note 1: As at 31 December 2015, the Company granted to Wengfu Zijin, an associate of the Group, joint guarantees in respect of bank loans at a cap of RMB450,000,000 (31 December 2014: RMB450,000,000). As at 31 December 2015, Wengfu Zijin utilised RMB253,200,000 (31 December 2014: RMB350,400,000) of the guarantee facility.

Note 2: As at 31 December 2015, Northwest Company, a subsidiary of the Company, granted to Xinjiang Tianlong, an associate of the Group, joint guarantees in respect of bank loans at a cap of RMB182,742,522 (31 December 2014: RMB90,000,000). As at 31 December 2015, Xinjiang Tianlong utilised RMB106,728,700 (31 December 2014: RMB80,000,000) of the guarantee facility. Xinjiang Investment and Development (Group) Company Limited is the controlling shareholder of Xinjiang Tianlong, and provided Xinjiang Tianlong full guarantees for its financing in 2015. Northwest Company, a subsidiary of the Company, provided counter guarantee for Xinjiang Investment and Development Group Company Limited based on its percentage of equity held in Xinjiang Tianlong.

Note 3: As at 31 December 2015, Zijin Real Estate, a subsidiary of the Company, did not grant any mortgage guarantee of small property owners to the buyers in respect of their mortgages (31 December 2014: RMB5,710,856).

## XI. COMMITMENTS AND CONTINGENCIES *(continued)*

### 2. CONTINGENCIES *(continued)*

Note 4: On 21 September 2010, the No.11 severe typhoon "Fanapi" caused the collapse of the tailing dam of Yinyan tin mine in Guangdong Province of Xinyi Zijin, a wholly-owned subsidiary of the Company, resulting in casualties and property losses in the houses, farmlands, water resources facilities downstream (the "Xinyi Dam Collapse Incident"). Later, the Company and Xinyi Zijin were sued in succession by the Xinyi Municipal Government, victims and entities affected by the Incident.

As at 31 December 2014, 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 Incident (except for the claims from nine hydropower stations including Shihuadi Hydropower Station and one water supply plant) shall be settled with an one-off compensation of RMB245,000,000 paid by Xinyi Zijin. The plaintiff then withdrew the lawsuits. As at 31 December 2014, Xinyi Zijin had already paid off the compensation of RMB245,000,000.

As at 31 December 2015, six hydropower stations including those from Shihuadi and one water supply plant claimed compensation for property losses of RMB70,663,798 from the Company and Xinyi Zijin.

As at 31 December 2015, Xinyi Municipal Court made the first verdict, ruling that Xinyi Zijin needs to compensate RMB27,519,089 for the victims, at the same time, the Company bore a supplementary liability for the compensation within an amount of RMB100,000,000 for the principal and interest. The Company and Xinyi Zijin had filed an appeal and the second hearing was not started yet.

As at 31 December 2015, Xinyi Zijin made a provision of RMB27,519,089 according to the first verdict.

Based on the Group's evaluation of the credit rating and repayment ability of the recipients of the guarantees, the management of the Group considered that the probability that recipients of the guarantees could not repay the liabilities and settle the obligations was remote, and it was unnecessary to accrue related contingent liabilities.

## XII. POST BALANCE SHEET EVENTS

The first batch of RMB2 billion ultra-short term financing bonds in 2016 was issued by the Company on 12 January 2016 and 13 January 2016 respectively. The date of initial interest accrued was 14 January 2016, and the expiry date was set on 24 March 2016. The duration was 70 days. The coupon rate at issuance was 2.66% and the face value was RMB100. The first batch of ultra-short term financing bonds expired on 24 March 2016. The second batch of RMB2 billion ultra-short term financing bonds in 2016 was issued by the Company on 18 March 2016. The date of initial interest accrued was 21 March 2016, and the expiry date was set on 18 November 2016. The duration was 242 days. The coupon rate at issuance was 2.80% and the face value was RMB100. The third batch of RMB1 billion ultra-short term financing bonds in 2016 was issued by the Company on 22 March 2016. The date of initial interest accrued was 23 March 2016, and the expiry date was set on 25 November 2016. The duration was 247 days. The coupon rate at issuance was 2.79% and the face value was RMB100.

On 1 February 2016, the Issuance Review Committee of the China Securities Regulatory Commission reviewed the application of the Company for non-public issuance of A shares at its 23rd meeting in 2016. According to results of the review concluded at the meeting, the Company's application for the non-public issuance of A Shares for RMB9 billion was approved.

In February 2016, the Company received the approval to issue corporate bonds with face value of not more than RMB8 billion publicly to qualified investors according to the approval document issued by the China Securities Regulatory Commission (Zheng Jian Xu Ke [2016] No.285). The corporate bonds would be issued by tranches. The base issuing size of the first tranche is RMB1.5 billion and can be issued with over-allotment up to RMB3.5 billion. The first tranche of the bonds is divided into two types. The duration of type one is 5 years, the issuer has an option of adjusting the coupon rate while the investors have an option of redemption at the end of the third year. The base issuing size is RMB1 billion; type two has a duration of 5 years and a primary base issuing size of RMB500 million. The issuing price is RMB100 each. The issuance will be carried out by enquiring coupon rate quotations from and placing to qualified investors offline in compliance with the "Administrative Measures for the Issuance and Trading of Corporate Bonds". The issuance of type one of the bonds was completed on 21 March 2016. The actual issuance size of type one was RMB3 billion with a final coupon rate of 2.99%; the actual issuance size of type two was RMB2 billion with a final coupon rate of 3.37%.

# Notes to Financial Statements *(continued)*

For the year ended 31 December 2015

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

## XIII. OTHER SIGNIFICANT EVENTS

### 1. OPERATING SEGMENT INFORMATION

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

- (1) the gold bullion segment engages in the production of gold bullion through the Group's integrated processes, i.e., mining, processing and refining;
- (2) the processed, refinery and trading gold segment engages in the production of gold bullion by processing gold concentrates produced by the Group or purchased from external suppliers and the gold bullion in the business of physical gold trading;
- (3) the gold concentrates segment engages in the production of gold concentrates that are up to smelting standard by processing gold ore produced by the Group;
- (4) the copper cathodes segment engages in the production of copper cathodes through the Group's integrated processes, i.e., mining, processing and refining;
- (5) the refinery copper segment engages in the production of copper cathodes by processing copper concentrates produced by the Group or purchased from external suppliers;
- (6) the copper concentrates segment engages in the production of copper concentrates that are up to smelting standard by processing copper ore produced by the Group;
- (7) other concentrates segment comprises, principally, the production of zinc concentrates, tungsten concentrates, lead concentrates and iron concentrates;
- (8) the zinc bullion segment engages in the production of zinc bullion;
- (9) segment of others comprises, principally, the production 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 operating profit before tax. The adjusted operating profit before tax is measured consistently with the Group's operating profit before tax except that interest income, finance costs, dividend income, fair value gains/losses from the Group's financial instruments as well as head office and corporate expenses are excluded from this measurement.

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

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

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the prevailing market prices.

# Notes to Financial Statements *(continued)*

For the year ended 31 December 2015

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

## XIII. OTHER SIGNIFICANT EVENTS *(continued)*

### 1. OPERATING SEGMENT INFORMATION *(continued)*

2015

Item	Processed, refinery and trading gold										Total
	Gold bullion	Gold bullion	Copper cathodes	Refinery copper	Copper concentrates	Other concentrates	Zinc bullion	Others	Eliminations		
Segment revenue:											
Sales to external customers	3,264,147,883	45,669,921,790	715,239,572	7,214,414,745	3,588,264,856	2,615,325,114	2,386,570,878	4,650,884,217	—	—	74,303,573,739
Intersegment sales	1,726,147,047	2,099,439,049	94,539,051	1,803,997,267	(6,567,677)	91,291,466	441,883,447	2,613,202,482	(8,905,736,690)	—	—
Total	4,990,294,930	47,769,360,839	809,778,623	9,018,412,012	3,581,697,179	2,706,616,580	2,828,454,325	7,264,086,699	(8,905,736,690)	—	74,303,573,739
Segment profit/(loss) #	787,147,725	(2,235,062)	102,765,306	6,994,159	841,258,243	578,114,658	(53,471,510)	(891,957,480)	—	—	1,984,429,430
Interest and dividend income											170,237,726
Unallocated income											1,098,342,074
Finance costs											(1,166,837,039)
Segment profit before tax											2,086,172,191
Assets and liabilities											
Segment assets	42,901,132,214	10,944,621,262	6,009,301,451	5,730,135,180	15,352,148,402	13,488,249,429	3,070,547,507	48,992,288,838	(82,287,812,469)	—	75,375,162,845
Unallocated assets											8,538,870,810
Total assets											83,914,033,655
Segment liabilities	26,083,872,223	7,864,885,860	3,422,386,356	3,885,401,404	8,151,280,273	10,880,430,630	2,366,723,969	41,268,244,383	(83,499,388,419)	—	26,743,184,523
Unallocated liabilities											25,242,593,880
Total liabilities											51,985,778,403
Other segment information											
Share of profits or losses of:											
Associates	—	—	515,410	—	(1,814,427)	7,821,447	—	(211,574,643)	—	—	(205,032,213)
Joint ventures	—	(4,973,857)	—	—	(6,643,268)	—	—	172,432,044	—	—	160,814,919
Impairment losses recognised in the statement of profit or loss	393,569	2,685,818	57,505,159	64,640,340	37,986,298	3,132,267	10,371,787	344,640,310	—	—	774,659,326
Impairment losses reversed in the statement of profit or loss	(1,796,855)	(2,073,826)	(108,076)	(551,110)	(3,744,195)	(3,132,267)	—	(29,808,257)	—	—	(303,974,203)
Unallocated non-cash income	145,646,021	2,064,029,534	22,121,020	383,142,374	92,376,651	72,172,059	118,459,443	278,962,260	—	—	(125,512,228)
Depreciation and amortisation	—	—	433,233,102	—	364,252,197	906,201,735	—	1,563,966,328	—	—	3,308,398,477
Investments in associates	—	188,122,227	—	—	1,557,725,650	—	—	1,927,620,413	—	—	3,267,653,362
Investments in joint ventures	—	—	—	—	—	—	—	—	—	—	3,673,468,290
Capital expenditure	2,948,099,180	640,409,200	103,970,759	30,990,023	826,340,682	1,060,492,802	2,453,958	954,645,372	—	—	8,699,604,423
Unallocated capital expenditure											9,005,252

# Notes to Financial Statements (continued)

For the year ended 31 December 2015

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

## XIII. OTHER SIGNIFICANT EVENTS (continued)

### 1. OPERATING SEGMENT INFORMATION (continued)

2014

Item	Gold bullion	Processed, refinery and trading gold	Gold concentrates	Copper cathodes	Refinery copper	Copper concentrates	Other concentrates	Zinc bullion	Others	Eliminations	Total
Segment revenue:											
Sales to external customers	3,772,700,143	28,576,978,492	3,749,519,460	640,766,970	8,843,099,727	4,042,981,754	3,312,472,587	2,436,801,233	3,385,213,562	—	58,760,533,928
Intersegment sales	52,392,342	2,550,842,509	261,629,424	101,706,071	994,296,414	113,939,505	142,547,107	385,047,343	3,003,882,431	(7,606,283,146)	—
Total	3,825,092,485	31,127,821,001	4,011,148,884	742,473,041	9,837,396,141	4,156,921,259	3,455,019,694	2,821,848,576	6,389,095,993	(7,606,283,146)	58,760,533,928
Segment profit/(loss) #	938,819,265	(32,373,610)	819,507,324	115,495,709	110,568,315	1,487,037,590	948,853,680	(1,773,988)	(453,378,100)	—	3,932,756,185
Interest and dividend income											196,520,361
Unallocated income											81,462,932
Finance costs											(886,601,488)
Segment profit before tax											3,324,137,990
Assets and liabilities											
Segment assets	33,565,848,457	10,879,383,581	9,835,508,955	6,266,229,998	6,129,709,370	15,275,109,225	14,173,606,233	2,948,935,298	45,535,752,841	(76,823,721,469)	67,786,362,489
Unallocated assets											7,373,225,159
Total assets											75,159,587,648
Segment liabilities	17,618,564,922	6,248,076,025	5,475,442,238	3,544,099,070	4,645,128,897	7,498,127,259	10,897,888,235	2,095,342,412	35,290,636,891	(74,399,691,908)	18,913,614,041
Unallocated liabilities											22,577,051,262
Total liabilities											41,490,665,303
Other segment information											
Share of profits or losses of Associates	—	—	—	(34,784,963)	—	(5,280,344)	56,891,527	—	4,714,326	—	21,540,546
Joint ventures	—	4,304,549	—	—	—	—	—	—	(4,411,281)	—	(106,732)
Impairment losses recognised in the statement of profit or loss	34,528,623	55,530,137	50,308,877	1,948,295	139,796,237	24,968,621	92,790,563	28,370	149,395,710	—	549,295,433
Impairment losses reversed in the statement of profit or loss	(148,482)	(6,766,099)	(301,224)	—	(175,604,542)	(37,266)	—	—	(3,485,015)	—	(186,342,628)
Unallocated non-cash income											(141,213,373)
Depreciation and amortisation	97,365,189	1,385,271,766	120,208,328	21,351,872	433,803,372	91,375,622	72,756,098	119,953,831	308,377,306	—	2,650,463,384
Investments in associates	—	—	—	384,345,128	—	319,013,928	925,100,232	—	1,560,650,064	—	3,189,109,352
Investments in joint ventures	—	201,538,186	—	—	—	—	—	—	1,955,702,669	—	2,157,240,855
Capital expenditure	2,195,065,225	144,038,459	2,409,996,209	32,222,604	63,874,566	336,328,614	1,055,134,838	315,140,656	1,553,358,144	—	8,105,159,315
Unallocated capital expenditure											9,988,988

# Notes to Financial Statements *(continued)*

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

## XIII. OTHER SIGNIFICANT EVENTS *(continued)*

### 1. OPERATING SEGMENT INFORMATION *(continued)*

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

#### Geographical information

Over 96% (2014: 97%) of the Group's operating income was derived from customers based in Mainland China, and over 79% (2014: 84%) of the Group's assets were located in Mainland China.

#### Information about a major customer

In the year of 2015, the Group's income from Shanghai Gold Exchange was RMB38,702,306,601 (2014: RMB32,129,711,740), which was mainly derived from gold bullion, processed, refinery and trading gold and gold concentrates segments.

### 2. LEASING

#### As lessor

As at 31 December 2015, irrevocable operating lease contracts entered into by the Group are as follows:

	2015	2014
Within 1 year (including 1 year)	6,611,274	5,911,134
Over 1 year but within 2 years (including 2 years)	6,324,714	5,333,325
Over 2 years but within 3 years (including 3 years)	4,382,388	4,787,250
Over 3 years but within 5 years (including 5 years)	2,230,085	3,191,778
Over 5 years	2,216,678	1,408,431
	<b>21,765,139</b>	20,631,918

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 2015 was RMB6,957,087 (2014: RMB5,776,645).

#### As lessee

Significant operating lease: pursuant to the operating lease agreements entered into with lessors, the minimum lease payments under irrevocable operating leases are fall due as follows:

	2015	2014
Within 1 year (including 1 year)	9,258,425	11,278,570
Over 1 year but within 2 years (including 2 years)	5,595,490	9,032,017
Over 2 years but within 3 years (including 3 years)	—	5,595,490
	<b>14,853,915</b>	25,906,077



# Notes to Financial Statements *(continued)*

For the year ended 31 December 2015

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

## XIII. OTHER SIGNIFICANT EVENTS *(continued)*

### \*3. DIRECTORS' AND SUPERVISORS' REMUNERATION

Directors' remuneration accrued during the year	2015	2014
Fees	475,000	300,000
Other emoluments:		
Basic salaries	13,480,000	12,120,000
Discretionary bonuses <sup>#</sup>	6,010,000	2,506,200
Pension scheme contributions	102,873	80,473
	19,592,873	14,706,673
	20,067,873	15,006,673

<sup>#</sup> The discretionary bonuses were determined by a certain percentage of the increased amount of the Group's net assets.

There were no emoluments paid by the Group to a director as an inducement to join or upon joining the Group or as compensation for loss of office during the year (2014: Nil).

#### (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:

	2015	2014
Mr. Qiu Guanzhou (Note 1)	175,000	—
Mr. Sit Hoi Wah, Kenneth	150,000	150,000
Mr. Lu Shihua	—	—
Mr. Ding Shida	—	—
Mr. Li Jian	150,000	150,000
	475,000	300,000

Note 1: Appointed as independent non-executive director of the Company on 23 October 2014.

# Notes to Financial Statements *(continued)*

For the year ended 31 December 2015

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

## XIII. OTHER SIGNIFICANT EVENTS *(continued)*

### \*3. DIRECTORS' AND SUPERVISORS' REMUNERATION *(continued)*

#### (b) Executive directors

The directors' remuneration accrued for executive directors during the year are as follows:

	Basic salaries	Discretionary bonuses	Pension scheme contributions	Total
<b>2015</b>				
Executive directors				
Mr. Chen Jinghe	2,375,000	1,240,000	25,111	3,640,111
Mr. Wang Jianhua	3,085,000	1,650,000	—	4,735,000
Mr. Qiu Xiaohua	1,200,000	300,000	—	1,500,000
Mr. Lan Fusheng	1,800,000	600,000	23,434	2,423,434
Mr. Zou Laichang	1,800,000	630,000	27,164	2,457,164
Mr. Lin Hongfu	1,780,000	690,000	27,164	2,497,164
Mr. Fang Qixue (Note 1)	1,440,000	900,000	—	2,340,000
	<b>13,480,000</b>	<b>6,010,000</b>	<b>102,873</b>	<b>19,592,873</b>
<b>2014</b>				
Executive directors				
Mr. Chen Jinghe	2,400,000	651,158	8,843	3,060,001
Mr. Wang Jianhua	3,120,000	946,450	—	4,066,450
Mr. Qiu Xiaohua	1,200,000	227,148	—	1,427,148
Mr. Lan Fusheng	1,800,000	227,148	22,556	2,049,704
Mr. Zou Laichang	1,800,000	227,148	24,537	2,051,685
Mr. Lin Hongfu	1,800,000	227,148	24,537	2,051,685
	12,120,000	2,506,200	80,473	14,706,673

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.

Note 1: Appointed as vice-president and chief engineer of the Company on 1 May 2015, and appointed as executive director on 11 May 2015.

# Notes to Financial Statements *(continued)*

For the year ended 31 December 2015

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

## XIII. OTHER SIGNIFICANT EVENTS *(continued)*

### \*3. DIRECTORS' AND SUPERVISORS' REMUNERATION *(continued)*

#### (c) Supervisors

The remuneration accrued for supervisors during the year are as follows:

	Basic salaries	Discretionary bonuses	Pension scheme contributions	Fees	Total
<b>2015</b>					
Supervisors					
Mr. Lin Shuiqing	1,800,000	580,000	—	—	2,380,000
Mr. Xu Qiang	—	—	—	120,000	120,000
Mr. Fan Wensheng	—	—	—	72,000	72,000
Mr. Liu Wenhong	—	—	—	72,000	72,000
Mr. Zhang Yumin	—	—	—	72,000	72,000
	<b>1,800,000</b>	<b>580,000</b>	<b>—</b>	<b>336,000</b>	<b>2,716,000</b>
<b>2014</b>					
Supervisors					
Mr. Lin Shuiqing	1,800,000	227,148	10,653	—	2,037,801
Mr. Xu Qiang	—	—	—	120,000	120,000
Mr. Fan Wensheng	—	—	—	72,000	72,000
Mr. Liu Wenhong	—	—	—	72,000	72,000
Mr. Zhang Yumin	—	—	—	72,000	72,000
	<b>1,800,000</b>	<b>227,148</b>	<b>10,653</b>	<b>336,000</b>	<b>2,373,801</b>

### \*4. THE FIVE HIGHEST PAID EMPLOYEES OF THE GROUP DURING THE YEAR

The five highest paid employees of the Group during the year included five directors (2014: four directors and one chairman of supervisory committee), details are as follows.

	2015	2014
Basic salaries	10,840,000	10,920,000
Discretionary bonuses	4,810,000	2,279,052
Pensions scheme contributions	102,873	66,589
	<b>15,752,873</b>	<b>13,265,641</b>

The number of highest paid employees whose pre-tax remuneration fell within the following bands is as follows:

	2015	2014
RMB2,000,001 - RMB2,500,000	3	3
RMB2,500,001 - RMB3,000,000	—	—
RMB3,000,001 - RMB3,500,000	—	1
RMB3,500,001 - RMB4,000,000	1	—
RMB4,000,001 - RMB4,500,000	—	1
RMB4,500,001 - RMB5,000,000	1	—

# Notes to Financial Statements *(continued)*

For the year ended 31 December 2015

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

## XIII. OTHER SIGNIFICANT EVENTS *(continued)*

### \*5. PENSION SCHEME CONTRIBUTIONS

	2015	2014
Net payment of pension scheme contributions	<b>140,584,263</b>	169,026,473

In 2015, the Group had no forfeited contributions available to reduce its contributions to the pension schemes in future years (2014: Nil).

### \*6. NET CURRENT (LIABILITIES)/ASSETS

	Group 31 December 2015	Group 31 December 2014	Company 31 December 2015	Company 31 December 2014
Current assets	<b>21,794,847,042</b>	19,618,226,590	<b>18,119,648,348</b>	13,625,502,425
Less: current liabilities	<b>31,526,388,423</b>	23,504,058,573	<b>8,579,326,745</b>	7,855,796,242
Net current (liabilities)/assets	<b>(9,731,541,381)</b>	(3,885,831,983)	<b>9,540,321,603</b>	5,769,706,183

### \*7. TOTAL ASSETS LESS CURRENT LIABILITIES

	Group 31 December 2015	Group 31 December 2014	Company 31 December 2015	Company 31 December 2014
Total assets	<b>83,914,033,655</b>	75,159,587,648	<b>46,555,230,825</b>	40,590,520,144
Less: current liabilities	<b>31,526,388,423</b>	23,504,058,573	<b>8,579,326,745</b>	7,855,796,242
Total assets less current liabilities	<b>52,387,645,232</b>	51,655,529,075	<b>37,975,904,080</b>	32,734,723,902

### 8. 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 equity investments in foreign listed companies specialising in the mining industry at a maximum amount 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. During the year of 2015, the Company did not pay any amount into the QDII account for delegating Essence to make equity investments (31 December 2014: RMB906,000,000). As at 31 December 2015, the closing balance of the QDII account was RMB11,504,231 (31 December 2014: RMB13,881,014).

# Notes to Financial Statements *(continued)*

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

## XIV. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS

### 1. TRADE RECEIVABLES

The trade receivables are interest-free with a credit period of one to six months.

An ageing analysis of the trade receivables is as follows:

	2015	2014
Within 1 year	<b>646,983,445</b>	515,446,841
Over 1 year but within 2 years	<b>481,656,390</b>	309,455,235
Over 2 years but within 3 years	<b>26,917,390</b>	228,337
Over 3 years	<b>165,815</b>	—
	<b>1,155,723,040</b>	825,130,413
Less: Bad debt provision	<b>169,799</b>	142,120
	<b>1,155,553,241</b>	824,988,293

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

	At 1 January	Additions	Reductions		At 31 December
			Reversal	Write-off	
<b>2015</b>	<b>142,120</b>	<b>29,020</b>	—	<b>(1,341)</b>	<b>169,799</b>
2014	88,513	53,607	—	—	142,120

	2015					2014				
	Carrying amount		Bad debt provision		Net book value	Carrying amount		Bad debt provision		Net book value
	Amount	Proportion (%)	Amount	Proportion (%)		Amount	Proportion (%)	Amount	Proportion (%)	
Individually significant and for which bad debt provision has been assessed individually	1,119,994,798	96.91	—	—	1,119,994,798	799,079,529	96.84	—	—	799,079,529
Individually not significant but for which bad debt provision has been assessed individually	35,728,242	3.09	169,799	0.48	35,558,443	26,050,884	3.16	142,120	0.55	25,908,764
	<b>1,155,723,040</b>	<b>100.00</b>	<b>169,799</b>	<b>0.01</b>	<b>1,155,553,241</b>	<b>825,130,413</b>	<b>100.00</b>	<b>142,120</b>	<b>0.02</b>	<b>824,988,293</b>

In 2015, the provision for bad debt was RMB29,020 (2014: RMB53,607), and there was no reversal of bad debt (2014: Nil).

In 2015, the actual amount of write-off of trade receivables was RMB1,341 (2014: Nil).

# Notes to Financial Statements *(continued)*

For the year ended 31 December 2015

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

## XIV. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS *(continued)*

### 1. TRADE RECEIVABLES *(continued)*

As at 31 December 2015, the five entities with the largest balances of trade receivables are as follows:

Name of entity	Amount	Proportion of trade receivables (%)	Ageing	Closing balance of bad debt provision
Zijin Copper	957,173,044	82.82	Within 1 year/ over 1 year but within 2 years	—
Fujian Zijin Copper Company Limited	163,391,410	14.14	Within 1 year/ over 1 year but within 2 years	—
Fujian Jinshan Gold Refinery Company Limited ("Jinshan Refinery")	7,038,208	0.61	Within 1 year	—
Wuping Zijin	600,286	0.05	Within 1 year	—
Longyan City Rongan Engineering Construction Co., Ltd.	574,068	0.05	Within 1 year	—
	<b>1,128,777,016</b>	<b>97.67</b>		—

As at 31 December 2014, the five entities with the largest balances of trade receivables are as follows:

Name of entity	Amount	Proportion of trade receivables (%)	Ageing	Closing balance of bad debt provision
Zijin Copper	750,993,316	91.02	Within 1 year/ over 1 year but within 2 years	—
Zijin Mining Group (Xiamen) Sales Company Limited ("Zijin Xiamen Sales")	37,094,831	4.50	Within 1 year/ over 1 year but within 2 years	—
Fuyun Jinshan Mining and Metallurgy Co., Ltd.	12,033,604	1.46	Within 1 year	—
Qinghai West	4,882,827	0.59	Within 1 year	—
Jinhao Iron	4,000,000	0.48	Within 1 year	—
	<b>809,004,578</b>	<b>98.05</b>		—

# Notes to Financial Statements *(continued)*

For the year ended 31 December 2015

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

## XIV. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS *(continued)*

### 2. OTHER RECEIVABLES

Ageing analysis of the other receivables is as follows:

	2015	2014
Within 1 year	<b>3,972,632,030</b>	2,306,066,959
Over 1 year but within 2 years	<b>1,344,654,231</b>	620,196,382
Over 2 years but within 3 years	<b>495,553,093</b>	1,732,213,988
Over 3 years	<b>4,543,524,765</b>	2,876,853,087
	<b>10,356,364,119</b>	7,535,330,416
Less: Bad debt provision	<b>145,987,988</b>	147,350,792
	<b>10,210,376,131</b>	7,387,979,624

Movements in bad debt provision for other receivables are as follows:

	At 1 January	Additions	Reversal	Write-off	At 31 December
<b>2015</b>	<b>147,350,792</b>	<b>567,383</b>	<b>(1,903,951)</b>	<b>(26,236)</b>	<b>145,987,988</b>
2014	147,339,482	20,786,194	—	(20,774,884)	147,350,792

	2015					2014				
	Carrying amount		Bad debt provision		Net book value	Carrying amount		Bad debt provision		Net book value
	Amount	Proportion (%)	Amount	Proportion (%)		Amount	Proportion (%)	Amount	Proportion (%)	
Individually significant and for which bad debt provision has been assessed individually	10,194,418,499	98.44	140,992,416	1.38	10,053,426,083	7,269,618,625	96.47	140,992,416	1.94	7,128,626,209
Individually not significant but for which bad debt provision has been assessed individually	161,945,620	1.56	4,995,572	3.08	156,950,048	265,711,791	3.53	6,358,376	2.39	259,353,415
	<b>10,356,364,119</b>	<b>100</b>	<b>145,987,988</b>	<b>1.41</b>	<b>10,210,376,131</b>	7,535,330,416	100	147,350,792	1.96	7,387,979,624

As at 31 December 2015, other receivables, which were individually significant and for which bad debt provision had been provided, were as follows:

	Carrying amount	Bad debt provision	Proportion (%)	Reason for providing bad debt provision
Zijin Tongguan	<b>166,541,460</b>	<b>140,992,416</b>	<b>84.66</b>	<b>No progress for the project in which the borrowing is used</b>

# Notes to Financial Statements *(continued)*

For the year ended 31 December 2015

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

## XIV. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS *(continued)*

### 2. OTHER RECEIVABLES *(continued)*

As at 31 December 2014, other receivables, which were individually significant and for which bad debt provision had been provided, were as follows:

	Carrying amount	Bad debt provision	Proportion (%)	Reason for providing bad debt provision
Zijin Tongguan	146,443,980	140,992,416	96.28	No progress for the project in which the borrowing is used

In 2015, the provision for bad debt was RMB567,383 (2014: RMB20,786,194), and RMB1,903,951 was reversed (2014: Nil).

In 2015, other receivables written off amounted to RMB26,236 (2014: RMB20,774,884).

Nature of other receivables is as follows:

	2015	2014
Security and deposits	<b>30,158,908</b>	34,662,627
Advanced material costs	<b>24,419,461</b>	22,973,979
Deferred expenses	<b>16,125,907</b>	43,883,838
Receivables for settlement of forwards	<b>39,932,234</b>	162,070,984
Staff loan and reserve fund	<b>2,061,333</b>	3,624,641
Due from subsidiaries	<b>9,566,834,568</b>	7,052,386,699
Due from associates and joint ventures	<b>589,251,046</b>	149,533,633
Others	<b>87,580,662</b>	66,194,015
	<b>10,356,364,119</b>	7,535,330,416
Less: Bad debt provision	<b>145,987,988</b>	147,350,792
	<b>10,210,376,131</b>	7,387,979,624



# Notes to Financial Statements *(continued)*

For the year ended 31 December 2015

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

## XIV. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS *(continued)*

### 2. OTHER RECEIVABLES *(continued)*

The five entities with the largest balances of other receivables as at 31 December 2015 are as follows:

Name of entity	Nature	Amount	Ageing	Proportion of other receivables (%)	Closing balance of bad debt provision
Gold Mountains (H.K.)	Due from subsidiaries	1,276,880,083	Within 1 year/ over 1 year but within 2 years/ over 2 years but within 3 years	12.33	—
Southern Investment	Due from subsidiaries	1,078,807,515	Within 1 year/ over 1 year but within 2 years/ over 2 years but within 3 years/ over 3 years	10.42	—
Zijin Real Estate	Due from subsidiaries	1,000,708,368	Within 1 year/ over 1 year but within 2 years/ over 2 years but within 3 years/ over 3 years	9.66	—
Northwest Company	Due from subsidiaries	658,790,056	Within 1 year/ over 1 year but within 2 years/ over 3 years	6.36	—
Heilongjiang Longxing	Due from subsidiaries	608,183,656	Within 1 year/ over 1 year but within 2 years/ over 2 years but within 3 years/ over 3 years	5.87	—
		4,623,369,678		44.64	—

# Notes to Financial Statements *(continued)*

For the year ended 31 December 2015

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

## XIV. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS *(continued)*

### 2. OTHER RECEIVABLES *(continued)*

The five entities with the largest balances of other receivables as at 31 December 2014 are as follows:

Name of entity	Nature	Amount	Ageing	Proportion of other receivables (%)	Closing balance of bad debt provision
Gold Mountains (H.K.)	Due from subsidiaries	1,070,679,037	Within 1 year/ over 1 year but within 2 years	14.21	—
Southern Investment	Due from subsidiaries	1,066,704,605	Within 1 year/ over 1 year but within 2 years/ over 2 years but within 3 years/ over 3 years	14.16	—
Zijin Real Estate	Due from subsidiaries	940,634,885	Within 1 year/ over 1 year but within 2 years/ over 2 years but within 3 years/ over 3 years	12.48	—
Northwest Company	Due from subsidiaries	683,535,758	Within 1 year/ over 3 years	9.07	—
ZGC	Due from subsidiaries	506,050,048	Within 1 year/ over 1 year but within 2 years	6.72	—
		4,267,604,333		56.64	—

### 3. AVAILABLE-FOR-SALE INVESTMENTS

	2015			2014		
	Carrying amount	Impairment provision	Net book value	Carrying amount	Impairment provision	Net book value
Available-for-sale equity instruments						
Measured at fair value	—	—	—	—	—	—
Measured at cost	184,750,000	—	184,750,000	214,750,000	—	214,750,000
	184,750,000	—	184,750,000	214,750,000	—	214,750,000

# Notes to Financial Statements *(continued)*

For the year ended 31 December 2015

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

## XIV. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS *(continued)*

### 3. AVAILABLE-FOR-SALE INVESTMENTS *(continued)*

Available-for-sale investments measured at cost:

2015

	Carrying amount				Impairment provision				Proportion of equity interest (%)	Cash dividends received for the year
	At 1 January	Additions	Reductions	At 31 December	At 1 January	Additions	Reductions	At 31 December		
Shanghai Rural Commercial Bank	89,900,000	—	—	89,900,000	—	—	—	—	10.00	15,600,000
Hunan Nonferrous Metals	30,000,000	—	(30,000,000)	—	—	—	—	—	—	—
Nanjing China Net	25,000,000	—	—	25,000,000	—	—	—	—	8.62	—
Liwu Copper	19,850,000	—	—	19,850,000	—	—	—	—	5.77	4,000,000
Xingcheng Guarantee	50,000,000	—	—	50,000,000	—	—	—	—	20.00	—
	214,750,000	—	(30,000,000)	184,750,000	—	—	—	—		19,600,000

2014

	Carrying amount				Impairment provision				Proportion of equity interest (%)	Cash dividends received for the year
	At 1 January	Additions	Reductions	At 31 December	At 1 January	Additions	Reductions	At 31 December		
Shanghai Rural Commercial Bank	89,900,000	—	—	89,900,000	—	—	—	—	10.00	15,000,000
Hunan Nonferrous Metals	30,000,000	—	—	30,000,000	—	—	—	—	1.37	—
Nanjing China Net	25,000,000	—	—	25,000,000	—	—	—	—	8.62	150,000
Liwu Copper	19,850,000	—	—	19,850,000	—	—	—	—	5.77	5,000,000
Xingcheng Guarantee	—	50,000,000	—	50,000,000	—	—	—	—	20.00	—
	164,750,000	50,000,000	—	214,750,000	—	—	—	—		20,150,000

Movements of impairment provision for available-for-sale investments are as follows:

	2015	2014
Available-for-sale equity instruments		
Impairment provision at 1 January	—	76,261,483
Additions	—	—
<i>Including: transferred from other comprehensive income</i>	—	—
Reductions	—	(76,261,483)
Impairment provision at 31 December	—	—

# Notes to Financial Statements *(continued)*

For the year ended 31 December 2015

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

## XIV. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS *(continued)*

### 4. LONG-TERM EQUITY INVESTMENTS

	2015			2014		
	Carrying amount	Impairment	Net book value	Carrying amount	Impairment	Net book value
Investments in subsidiaries	11,790,391,400	(286,919,351)	11,503,472,049	11,595,938,142	(286,919,351)	11,309,018,791
Investments in associates	1,487,998,524	(162,757,584)	1,325,240,940	1,445,812,057	(162,757,584)	1,283,054,473
	13,278,389,924	(449,676,935)	12,828,712,989	13,041,750,199	(449,676,935)	12,592,073,264

#### (i) Investments in subsidiaries

	1 January 2014	Additions	Reductions	31 December 2014	Additions	Reductions	31 December 2015	Provision for impairment at 31 December 2015
Zijin Copper	1,822,647,343	298,000,000	—	2,120,647,343	—	—	2,120,647,343	—
Zijin Mining Group								
Southwest Company Limited	1,184,821,221	—	—	1,184,821,221	1,946,778	—	1,186,767,999	—
Qinghai West	936,000,000	—	—	936,000,000	—	—	936,000,000	—
Gold Mountains (H.K.)	793,420,813	8,892,225	—	802,313,038	49,330,361	—	851,643,399	—
Luoyang Kunyu	—	700,000,000	—	700,000,000	1,316,274	—	701,316,274	—
Zijin Mining Group Northeast								
Asia Company Limited	669,723,750	3,172,623	—	672,896,373	510,319	—	673,406,692	—
Finance Company	475,000,000	—	—	475,000,000	—	—	475,000,000	—
Xiamen Investment Company	402,026,923	34,690	—	402,061,613	—	(5,000,000)	397,061,613	—
Longnan Zijin	370,505,723	—	—	370,505,723	—	—	370,505,723	(43,019,351)
Bayannaer Zijin	329,844,784	—	—	329,844,784	—	—	329,844,784	—
Northwest Company	304,257,777	20,278,179	—	324,535,956	2,210,245	—	326,746,201	—
Southern Investment	588,241,019	748,808	—	588,989,827	5,000,000	(275,785,150)	318,204,677	—
Huanmin Mining	306,000,000	—	—	306,000,000	—	—	306,000,000	—
Zijin Real Estate	300,000,000	—	—	300,000,000	—	—	300,000,000	—
Shanghai Jinshan								
Mining Company Limited	—	—	—	—	275,785,150	—	275,785,150	—
Xinyi Zijin	243,900,000	—	—	243,900,000	—	—	243,900,000	(243,900,000)
Capital Investment Company	—	—	—	—	200,000,000	—	200,000,000	—
Zijin International Mining								
Company Limited	173,780,454	14,799,202	—	188,579,656	19,357,058	—	207,936,714	—
Hunchun Zijin	185,437,500	—	—	185,437,500	—	—	185,437,500	—
Fujian Zijin Copper								
Company Limited	—	—	—	—	145,808,417	—	145,808,417	—

# Notes to Financial Statements *(continued)*

For the year ended 31 December 2015

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

## XIV. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS *(continued)*

### 4. LONG-TERM EQUITY INVESTMENTS *(continued)*

#### (i) Investments in subsidiaries *(continued)*

	1 January 2014	Additions	Reductions	31 December 2014	Additions	Reductions	31 December 2015	Provision for impairment at 31 December 2015
Chongli Zijin	142,500,000	—	—	142,500,000	—	—	142,500,000	—
Xinjiang Ashele	139,335,849	—	—	139,335,849	—	—	139,335,849	—
Henan Jinda	129,880,000	—	—	129,880,000	—	—	129,880,000	—
Shanxi Zijin	127,284,118	—	—	127,284,118	—	—	127,284,118	—
Luoyang Yinhui	105,000,000	—	—	105,000,000	—	—	105,000,000	—
Yunnan Huaxi	86,830,000	—	—	86,830,000	—	—	86,830,000	—
Ankang Zijin	78,241,710	7,794,378	—	86,036,088	1,751,383	—	87,787,471	—
Longsheng County Dexin Mining Company Limited	53,550,000	—	—	53,550,000	—	—	53,550,000	—
Xiamen Zijin Mining and Metallurgy Technology Company Limited	50,000,000	—	—	50,000,000	—	—	50,000,000	—
Xinjiang Jinneng Mining Co., Ltd.	50,000,000	—	—	50,000,000	—	—	50,000,000	—
Shenzhen Zijin Global Metals Exchange Company Limited	—	46,000,000	—	46,000,000	—	—	46,000,000	—
Zijin Mining Group Gansu Mining Development Company Limited	30,000,000	—	—	30,000,000	13,460,000	—	43,460,000	—
Guizhou Zijin	30,600,000	—	—	30,600,000	—	—	30,600,000	—
Tongling Zijin Mining Company Limited	25,500,000	—	—	25,500,000	—	—	25,500,000	—
Xiamen Boshang Zijin E-Commerce Company Limited	—	25,500,000	—	25,500,000	—	—	25,500,000	—
Ganzi Zijin	24,000,000	—	—	24,000,000	—	—	24,000,000	—
Zijin Mining Group (Xiamen) Sales Company Limited	20,000,000	—	—	20,000,000	—	—	20,000,000	—
Wuping Zijin	19,465,037	—	—	19,465,037	—	—	19,465,037	—
Zijin Xiangyu (Longyan) Logistics Company Limited	13,000,000	—	—	13,000,000	—	—	13,000,000	—
Fujian Zijin Hotel Management Company Limited	10,000,000	—	—	10,000,000	—	—	10,000,000	—
Fujian Zijin Metallurgy Testing Technology Company Limited	5,000,000	—	—	5,000,000	—	—	5,000,000	—
Anhui Zijin Mining Company Limited	6,000,000	—	(6,000,000)	—	—	—	—	—
Jinshan Refinery	298,000,000	—	(298,000,000)	—	—	—	—	—
Longkou Jintai	192,000,000	—	(192,000,000)	—	—	—	—	—
Jinshan Investment	8,000,000	—	(8,000,000)	—	—	—	—	—
Inner Mongolia Zijin	100,000,000	—	—	100,000,000	—	(100,000,000)	—	—
Fujian Jinyi Copper Co., Ltd. NKWE	140,004,185	4,919,831	—	144,924,016	413,949	(144,924,016)	413,949	—
	—	—	—	—	3,272,490	—	3,272,490	—
<b>Total</b>	<b>10,969,798,206</b>	<b>1,130,139,936</b>	<b>(504,000,000)</b>	<b>11,595,938,142</b>	<b>720,162,424</b>	<b>(525,709,166)</b>	<b>11,790,391,400</b>	<b>(286,919,351)</b>

# Notes to Financial Statements *(continued)*

For the year ended 31 December 2015

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

## XIV. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS *(continued)*

### 4. LONG-TERM EQUITY INVESTMENTS *(continued)*

#### (ii) Investments in associates

2015

Investee	Movements during the year										Provision for impairment losses at 31 December 2015
	At 1 January 2015	Additions	Reductions	Income under equity method	Other comprehensive income	Other changes in equity	Cash dividends declared by investee	Provision for impairment losses	Others	At 31 December 2015	
Longyan Makeng	763,887,299	—	—	3,260,812	—	—	(20,741,700)	—	—	746,406,411	—
Tibet Yulong	121,531,998	—	—	14,205,192	—	—	—	—	—	135,737,190	—
Songpan Zijin	39,249,785	—	—	—	—	—	—	—	—	39,249,785	—
Zijin Tongguan	319,013,928	—	—	(4,046,670)	—	49,286,939	—	—	—	364,252,197	(162,757,584)
Wancheng Commercial	39,371,463	—	—	723,894	—	—	(500,000)	—	—	39,595,357	—
Total	1,283,054,473	—	—	14,141,228	—	49,286,939	(21,241,700)	—	—	1,325,240,940	(162,757,584)

2014

Investee	Movements during the year										Provision for impairment losses at 31 December 2014
	At 1 January 2014	Additions	Reductions	Income under equity method	Other comprehensive income	Other changes in equity	Cash dividends declared by investee	Provision for impairment losses	Others	At 31 December 2014	
Longyan Makeng	246,911,606	493,000,000	—	23,975,693	—	—	—	—	—	763,887,299	—
Tibet Yulong	99,709,073	—	—	21,822,925	—	—	—	—	—	121,531,998	—
Songpan Zijin	39,249,785	—	—	—	—	—	—	—	—	39,249,785	—
Zijin Tongguan	324,294,272	—	—	(5,280,344)	—	—	—	—	—	319,013,928	(162,757,584)
Wancheng Commercial	38,013,081	—	—	5,358,382	—	—	(4,000,000)	—	—	39,371,463	—
Total	748,177,817	493,000,000	—	45,876,656	—	—	(4,000,000)	—	—	1,283,054,473	(162,757,584)

# Notes to Financial Statements *(continued)*

For the year ended 31 December 2015

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

## XIV. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS *(continued)*

### 5. FIXED ASSETS

2015

	Buildings	Mining assets	Power generation and transmission equipment	Plant, machinery and equipment	Motor vehicles	Furniture and fixtures and others	Total
<b>Cost</b>							
At 1 January 2015	560,837,147	3,230,437,138	47,306,602	782,918,494	82,893,360	90,920,875	4,795,313,616
Purchase additions	1,287,293	118,970,264	627,538	58,939,100	12,263,754	4,059,656	196,147,605
Transferred from construction in progress	57,751,230	434,105,021	3,722,023	6,534,957	—	348,428	502,461,659
Disposals or write-off	(11,781,295)	(35,560,346)	(57,200)	(23,423,623)	(3,720,544)	(3,600,396)	(78,143,404)
At 31 December 2015	608,094,375	3,747,952,077	51,598,963	824,968,928	91,436,570	91,728,563	5,415,779,476
<b>Accumulated depreciation</b>							
At 1 January 2015	117,974,690	1,089,625,150	24,096,327	419,368,233	46,595,861	53,820,842	1,751,481,103
Depreciation for the year	40,881,651	264,336,465	1,849,369	74,966,430	11,571,885	8,882,465	402,488,265
Disposals or write-off	(9,625,663)	(10,310,967)	(27,943)	(20,998,854)	(3,160,953)	(3,370,075)	(47,494,455)
At 31 December 2015	149,230,678	1,343,650,648	25,917,753	473,335,809	55,006,793	59,333,232	2,106,474,913
<b>Impairment</b>							
At 1 January 2015	—	—	13,157	2,367,386	—	967	2,381,510
Impairment provided for the year	—	286,562	—	527,137	—	665	814,364
Disposals or write-off	—	—	—	(22,968)	—	—	(22,968)
At 31 December 2015	—	286,562	13,157	2,871,555	—	1,632	3,172,906
<b>Net book value</b>							
At 31 December 2015	458,863,697	2,404,014,867	25,668,053	348,761,564	36,429,777	32,393,699	3,306,131,657
At 1 January 2015	442,862,457	2,140,811,988	23,197,118	361,182,875	36,297,499	37,099,066	3,041,451,003

# Notes to Financial Statements *(continued)*

For the year ended 31 December 2015

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

## XIV. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS *(continued)*

### 5. FIXED ASSETS *(continued)*

2014

	Buildings	Mining assets	Power generation and transmission equipment	Plant, machinery and equipment	Motor vehicles	Furniture and fixtures and others	Total
<b>Cost</b>							
At 1 January 2014	528,534,303	3,062,445,643	46,051,168	751,026,630	79,285,849	85,532,408	4,552,876,001
Purchase additions	704,866	45,235,172	196,520	66,529,720	7,281,245	7,136,055	127,083,578
Transferred from construction in progress	51,965,006	186,991,886	1,272,634	8,756,270	—	1,896,612	250,882,408
Disposals or write-off	(20,367,028)	(64,235,563)	(213,720)	(43,394,126)	(3,673,734)	(3,644,200)	(135,528,371)
At 31 December 2014	560,837,147	3,230,437,138	47,306,602	782,918,494	82,893,360	90,920,875	4,795,313,616
<b>Accumulated depreciation</b>							
At 1 January 2014	88,420,518	874,031,265	22,365,968	367,198,494	37,855,165	46,913,207	1,436,784,617
Depreciation for the year	29,896,662	234,090,473	1,885,060	63,476,701	11,439,018	9,947,998	350,735,912
Disposals or write-off	(342,490)	(18,496,588)	(154,701)	(11,306,962)	(2,698,322)	(3,040,363)	(36,039,426)
At 31 December 2014	117,974,690	1,089,625,150	24,096,327	419,368,233	46,595,861	53,820,842	1,751,481,103
<b>Impairment</b>							
At 1 January 2014	—	—	44,092	1,434,765	—	1,147	1,480,004
Impairment provided for the year	—	—	13,157	1,008,399	—	—	1,021,556
Disposals or write-off	—	—	(44,092)	(75,778)	—	(180)	(120,050)
At 31 December 2014	—	—	13,157	2,367,386	—	967	2,381,510
<b>Net book value</b>							
At 31 December 2014	442,862,457	2,140,811,988	23,197,118	361,182,875	36,297,499	37,099,066	3,041,451,003
At 1 January 2014	440,113,785	2,188,414,378	23,641,108	382,393,371	41,430,684	38,618,054	3,114,611,380

Fixed assets that are fully depreciated but still in use are as follows:

	2015		2014	
	Cost	Net book value	Cost	Net book value
Buildings	894,952	4,400	1,742,116	—
Mining assets	509,839,347	995,454	489,127,252	609,735
Power generation and transmission equipment	363,750	7,313	11,494,152	340,775
Plant, machinery and equipment	173,846,293	4,859,732	157,896,052	4,547,535
Motor vehicles	9,546,841	288,704	14,844,870	422,450
Furniture and fixtures and others	25,836,322	838,772	28,377,275	622,763
	<b>720,327,505</b>	<b>6,994,375</b>	703,481,717	6,543,258



# Notes to Financial Statements *(continued)*

For the year ended 31 December 2015

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

## XIV. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS *(continued)*

### 5. FIXED ASSETS *(continued)*

Fixed assets that are temporarily idle are as follows:

2015

	Cost	Accumulated depreciation	Impairment provision	Net book value
Mining assets	222,600	(95,109)	—	127,491
Power generation and transmission equipment	3,620	(2,268)	—	1,352
Plant, machinery and equipment	17,030,841	(5,904,870)	(2,291,607)	8,834,364
	17,257,061	(6,002,247)	(2,291,607)	8,963,207

2014

	Cost	Accumulated depreciation	Impairment provision	Net book value
Plant, machinery and equipment	7,480,868	(4,200,598)	(1,640,135)	1,640,135

There were no fixed assets of the Company leased or leased out under finance leases.

Fixed assets of which certificates of title have not been obtained as at 31 December 2015 are as follows:

Item	Net book value	Reasons why certificates of title have not been obtained
Buildings	152,939,845	In the process of applying

Fixed assets of which certificates of title have not been obtained as at 31 December 2014 are as follows:

Item	Net book value	Reasons why certificates of title have not been obtained
Buildings	145,183,220	In the process of applying

### 6. CONSTRUCTION IN PROGRESS

2015			2014		
Carrying amount	Impairment provision	Net book value	Carrying amount	Impairment provision	Net book value
571,988,264	—	571,988,264	667,056,609	—	667,056,609

# Notes to Financial Statements *(continued)*

For the year ended 31 December 2015

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

## XIV. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS *(continued)*

### 6. CONSTRUCTION IN PROGRESS *(continued)*

2015

	Budget	At 1 January 2015	Additions	Transferred to fixed assets	Other reductions	At 31 December 2015	Contribution to budget	Progress of construction	Balance of capitalised interest as at 31 December 2015	Including: capitalised interest for the year	Interest rate of capitalisation (%)	Source of funds
Zijinshan gold and copper mine joint open pit mining project	2,689,177,413	541,143,421	395,480,893	(501,166,520)	(16,967,706)	418,490,088	63%	67%	—	—	N/A	Equity fund
Zijin headquarters infrastructure project	155,867,717	124,847,688	28,521,697	(1,295,139)	—	152,074,246	121%	97%	—	—	N/A	Equity fund
Others	1,600,000	1,065,500	358,430	—	—	1,423,930	N/A	N/A	—	—	N/A	Equity fund
	2,846,645,130	667,056,609	424,361,020	(502,461,659)	(16,967,706)	571,988,264			—	—		
Impairment provision		—				—						
		667,056,609				571,988,264						

2014

	Budget	At 1 January 2014	Additions	Transferred to fixed assets	Other reductions	At 31 December 2014	Contribution to budget	Progress of construction	Balance of capitalised interest as at 31 December 2014	Including: capitalised interest for the year	Interest rate of capitalisation (%)	Source of funds
Zijinshan gold and copper mine joint open pit mining project	1,983,553,517	364,043,336	413,998,672	(236,898,587)	—	541,143,421	83%	61%	—	—	N/A	Equity fund
Zijin headquarters infrastructure project	160,694,734	90,807,679	47,234,417	(13,194,408)	—	124,847,688	117%	95%	—	—	N/A	Equity fund
Others	1,500,000	246,566	1,608,347	(789,413)	—	1,065,500	N/A	N/A	—	—	N/A	Equity fund
	2,145,748,251	455,097,581	462,841,436	(250,882,408)	—	667,056,609			—	—		
Impairment provision		—				—						
		455,097,581				667,056,609						

For the year ended 31 December 2015, there were no borrowing costs eligible for capitalisation of the Company (2014: Nil).

As at 31 December 2015, there was no impairment provision for construction in progress of the Company (31 December 2014: Nil).

# Notes to Financial Statements *(continued)*

For the year ended 31 December 2015

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

## XIV. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS *(continued)*

### 7. INTANGIBLE ASSETS

2015

	Exploration and mining rights	Land use rights	Membership of Shanghai Gold Exchange and others	Total
Cost				
At 1 January 2015	399,845,503	84,730,001	2,264,204	486,839,708
Purchase additions	—	14,649,924	1,711,713	16,361,637
Disposals or write-off	(11,745,701)	(2,712,224)	—	(14,457,925)
At 31 December 2015	388,099,802	96,667,701	3,975,917	488,743,420
Accumulated amortisation				
At 1 January 2015	183,643,084	12,931,299	1,190,388	197,764,771
Amortisation provided for the year	4,512,300	6,483,471	228,275	11,224,046
Disposals or write-off	—	(723,794)	—	(723,794)
At 31 December 2015	188,155,384	18,690,976	1,418,663	208,265,023
Impairment				
At 1 January 2015	—	—	—	—
Impairment provided for the year	—	—	—	—
Disposals or write-off	—	—	—	—
At 31 December 2015	—	—	—	—
Net book value				
At 31 December 2015	199,944,418	77,976,725	2,557,254	280,478,397
At 1 January 2015	216,202,419	71,798,702	1,073,816	289,074,937

# Notes to Financial Statements *(continued)*

For the year ended 31 December 2015

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

## XIV. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS *(continued)*

### 7. INTANGIBLE ASSETS *(continued)*

2014

	Exploration and mining rights	Land use rights	Membership of Shanghai Gold Exchange and others	Total
<b>Cost</b>				
At 1 January 2014	419,682,274	87,229,841	1,990,722	508,902,837
Purchase additions	—	—	273,482	273,482
Disposals or write-off	(19,836,771)	(2,499,840)	—	(22,336,611)
At 31 December 2014	399,845,503	84,730,001	2,264,204	486,839,708
<b>Accumulated amortisation</b>				
At 1 January 2014	193,903,178	11,457,084	908,020	206,268,282
Amortisation provided for the year	4,512,300	1,474,215	282,368	6,268,883
Disposals or write-off	(14,772,394)	—	—	(14,772,394)
At 31 December 2014	183,643,084	12,931,299	1,190,388	197,764,771
<b>Impairment</b>				
At 1 January 2014	—	—	—	—
Impairment provided for the year	—	—	—	—
Disposals or write-off	—	—	—	—
At 31 December 2014	—	—	—	—
<b>Net book value</b>				
At 31 December 2014	216,202,419	71,798,702	1,073,816	289,074,937
At 1 January 2014	225,779,096	75,772,757	1,082,702	302,634,555

### 8. LONG-TERM DEFERRED ASSETS

2015

	At 1 January 2015	Additions	Amortisation	Other reductions	At 31 December 2015
Land compensation costs (Note 1)	41,128,083	—	(9,175,897)	—	31,952,186
Others (Note 2)	122,879,872	77,224,294	(38,252,024)	—	161,852,142
	164,007,955	77,224,294	(47,427,921)	—	193,804,328

# Notes to Financial Statements *(continued)*

For the year ended 31 December 2015

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

## XIV. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS *(continued)*

### 8. LONG-TERM DEFERRED ASSETS *(continued)*

2014

	At 1 January 2014	Additions	Amortisation	Other reductions	At 31 December 2014
Land compensation costs (Note 1)	45,309,047	9,064,588	(13,245,552)	—	41,128,083
Others (Note 2)	131,492,436	17,960,291	(26,559,493)	(13,362)	122,879,872
	176,801,483	27,024,879	(39,805,045)	(13,362)	164,007,955

Note 1: The land compensation costs related to the compensation for the occupation of forest lands at mining sites. The amortisation period ranges from 5 to 50 years.

Note 2: Other long-term deferred assets mainly included forest compensation expenditure of RMB52,426,978 (31 December 2014: RMB56,806,430). The amortisation period is 10 years.

### 9. OTHER NON-CURRENT ASSETS

	2015	2014
Exploration and development costs	124,699,720	112,200,108
Prepaid investment costs, prepayment for exploration and mining rights and others (Note 1)	10,790,083,061	9,717,388,560
	10,914,782,781	9,829,588,668

Note 1: The Company's balance of prepaid investment costs, prepayment for exploration and mining rights and others mainly comprised of prepayment for land use rights of RMB6,000,000 (2014: RMB6,152,500); prepaid investment costs of RMB530,900,000 (2014: RMB478,000,000); long-term receivables of RMB10,253,039,388 (2014: RMB8,315,522,187).

### 10. PROVISION FOR IMPAIRMENT OF ASSETS

2015

	At 1 January 2015	Additions	Reductions		At 31 December 2015
			Reversal	Write-off	
Bad debt provision	147,492,912	1,050,632	(1,903,951)	(27,577)	146,612,016
<i>Including: Trade receivables</i>	142,120	29,020	—	(1,341)	169,799
<i>Other receivables</i>	147,350,792	567,383	(1,903,951)	(26,236)	145,987,988
<i>Prepayments</i>	—	454,229	—	—	454,229
Inventory provision	1,974,727	576,129	(1,320)	(141,840)	2,407,696
Impairment of long-term equity investments	449,676,935	—	—	—	449,676,935
Impairment of fixed assets	2,381,510	814,364	—	(22,968)	3,172,906
Impairment of other non-current assets	45,000,000	—	—	—	45,000,000
	646,526,084	2,441,125	(1,905,271)	(192,385)	646,869,553

# Notes to Financial Statements *(continued)*

For the year ended 31 December 2015

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

## XIV. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS *(continued)*

### 10. PROVISION FOR IMPAIRMENT OF ASSETS *(continued)*

2014

	At 1 January 2014	Additions	Reductions		At 31 December 2014
			Reversal	Write-off	
Bad debt provision	147,427,995	20,839,801	—	(20,774,884)	147,492,912
<i>Including: Trade receivables</i>	<i>88,513</i>	<i>53,607</i>	—	—	<i>142,120</i>
<i>Other receivables</i>	<i>147,339,482</i>	<i>20,786,194</i>	—	(20,774,884)	<i>147,350,792</i>
Inventory provision	2,080,724	621,723	(179,197)	(548,523)	1,974,727
Impairment of available-for-sale investments	76,261,483	—	—	(76,261,483)	—
Impairment of long-term equity investments	643,160,914	—	—	(193,483,979)	449,676,935
Impairment of fixed assets	1,480,004	1,021,556	—	(120,050)	2,381,510
Impairment of other non-current assets	45,000,000	—	—	—	45,000,000
	915,411,120	22,483,080	(179,197)	(291,188,919)	646,526,084

### 11. TRADE PAYABLES

Trade payables are interest-free and are normally settled within three months.

As at 31 December 2015, there was no significant balance of trade payables aged more than one year (31 December 2014: Nil).

### 12. BONDS PAYABLE

In 2013, the Company registered the maximum credit limits of medium-term notes of RMB6,000,000,000 and RMB4,000,000,000 with the National Association of Financial Market Institutional Investors. In 2014, the Company wrote off credit limit of RMB1,700,000,000. The Company issued medium-term notes with face values of RMB2,500,000,000 on 23 October 2013, RMB2,500,000,000 on 5 September 2014 and RMB3,300,000,000 on 11 September 2015 respectively, totalling RMB8,300,000,000, with maturity of five years and coupon rates of 5.7%, 5.5% and 4.4% respectively. Interest on the bonds is payable annually.

As at 31 December 2015, there were no bonds that were due but not yet paid (31 December 2014: Nil).

## Notes to Financial Statements *(continued)*

For the year ended 31 December 2015

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

### XIV. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS *(continued)*

#### 13. LONG-TERM PAYABLES

	2015	2014
Entrusted investment	<b>234,206,740</b>	234,206,740
Deposit for restoration and improvement of ecological environment in mines	<b>68,320,794</b>	68,320,794
Loan from a shareholder	<b>30,000,000</b>	—
Subtotal	<b>332,527,534</b>	302,527,534
Including: Long-term payables due within one year	<b>(10,000,000)</b>	(10,000,000)
	<b>322,527,534</b>	292,527,534

Maturity analysis of long-term payables is as follows:

	2015	2014
Within 1 year or repayable on demand	<b>10,000,000</b>	10,000,000
Over 1 year but within 2 years	<b>11,745,000</b>	153,000,000
Over 2 years but within 5 years	<b>163,250,990</b>	52,461,740
Over 5 years	<b>147,531,544</b>	87,065,794
	<b>332,527,534</b>	302,527,534

#### 14. OPERATING INCOME AND OPERATING COSTS

	2015		2014	
	Operating income	Operating costs	Operating income	Operating costs
Principal operations	<b>15,265,145,228</b>	<b>13,590,167,452</b>	9,422,186,946	7,532,727,489
Other operations	<b>233,438,301</b>	<b>177,200,399</b>	313,126,669	260,428,527
	<b>15,498,583,529</b>	<b>13,767,367,851</b>	9,735,313,615	7,793,156,016

#### 15. FINANCIAL EXPENSES

	2015	2014
Interest expenses:	<b>680,209,848</b>	438,830,566
<i>*Including: Bank loans</i>	<b>349,976,515</b>	251,261,122
<i>Bonds payable</i>	<b>330,233,333</b>	187,569,444
Less: Interest income	<b>840,406,781</b>	649,342,999
Exchange (gains)/losses	<b>(24,064,417)</b>	3,214,763
Bank charges	<b>60,014,448</b>	54,165,646
	<b>(124,246,902)</b>	(153,132,024)

In 2015, no capitalised interest expenses occurred (2014: Nil), and no interest income arose from impaired financial assets (2014: Nil).

# Notes to Financial Statements *(continued)*

For the year ended 31 December 2015

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

## XIV. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS *(continued)*

### 16. IMPAIRMENT LOSSES ON ASSETS

	2015	2014
Bad debt provision for trade and other receivables	<b>(853,319)</b>	20,839,801
Provision for decline in value of inventories	<b>574,809</b>	442,526
Impairment on fixed assets	<b>814,364</b>	1,021,556
	<b>535,854</b>	22,303,883

### 17. INVESTMENT INCOME

	2015	2014
Gains from long-term equity investments under the cost method and gains from available-for-sale investments at cost	<b>627,699,597</b>	1,207,778,974
Investment income from long-term equity investments under the equity method	<b>14,141,228</b>	45,876,656
Gains/(losses) on disposal of subsidiaries	<b>19,613,067</b>	(7,483,719)
Gains on disposal of financial assets and financial liabilities at fair value through profit or loss (Note 1)	<b>515,454,424</b>	446,587,153
Gains/(losses) on disposal of available-for-sale investments	<b>17,400,000</b>	(13,903,660)
Others	<b>(8,330,517)</b>	54,337,974
	<b>1,185,977,799</b>	1,733,193,378

Note 1: In 2015, investment income resulting from disposal of held-for-trading financial assets included gains of RMB523,700,734 on settlement of futures contracts (2014: Gains of RMB402,394,446).

### 18. SUPPLEMENTARY INFORMATION TO THE STATEMENT OF CASH FLOWS

#### (1) Supplementary information to the statement of cash flows

Reconciliation of net profit to cash flows from operating activities:

	2015	2014
Net profit	<b>1,736,789,458</b>	2,445,274,279
Add: Provision for impairment losses of assets	<b>535,854</b>	22,303,883
Depreciation of fixed assets	<b>402,488,265</b>	350,735,912
Amortisation of intangible assets	<b>11,224,046</b>	6,268,883
Amortisation of long-term deferred assets	<b>47,427,921</b>	39,805,045
Losses on disposal of fixed assets, intangible assets and other long-term assets	<b>9,725,254</b>	48,247,948
(Gains)/losses on changes in the fair values	<b>(137,859,197)</b>	68,681,553
Financial expenses	<b>740,224,296</b>	12,902,244
Investment income	<b>(1,381,691,957)</b>	(1,330,798,932)
Decrease in deferred tax assets	<b>12,189,086</b>	39,899,093
Increase in deferred tax liabilities	<b>27,630,156</b>	—
Decrease/(increase) in inventories	<b>233,798,366</b>	(170,178,255)
(Increase)/decrease in receivables from operating activities	<b>(1,486,559,473)</b>	124,795,725
Increase/(decrease) in payables from operating activities	<b>307,483,683</b>	(38,534,553)
Net cash flow from operating activities	<b>523,405,758</b>	1,619,402,825



# Notes to Financial Statements *(continued)*

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

## XIV. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS *(continued)*

### 18. SUPPLEMENTARY INFORMATION TO THE STATEMENT OF CASH FLOWS *(continued)*

#### (1) Supplementary information to the statement of cash flows *(continued)*

Movements of cash and cash equivalents

	2015	2014
Closing balance of cash	<b>2,238,665,178</b>	2,281,561,710
Less: Opening balance of cash	<b>2,281,561,710</b>	957,695,560
Add: Closing balance of cash equivalents	<b>2,273,675,083</b>	1,010,747,450
Less: Opening balance of cash equivalents	<b>1,010,747,450</b>	1,897,850,460
Net increase in cash and cash equivalents	<b>1,220,031,101</b>	436,763,140

#### (2) Cash and cash equivalents

	2015	2014
Cash	<b>2,238,665,178</b>	2,281,561,710
<i>Including: Cash on hand</i>	<b>98,122</b>	91,633
<i>Cash in bank that can be readily drawn on demand</i>	<b>2,238,567,056</b>	2,281,470,077
Cash equivalents	<b>2,273,675,083</b>	1,010,747,450
Closing balance of cash and cash equivalents	<b>4,512,340,261</b>	3,292,309,160

### 19. COMMITMENTS

	2015	2014
Capital commitments		
Contracted, but not provided (Note 1)	<b>230,198,337</b>	96,383,252

Note 1: As at 31 December 2015, the capital commitment related to the acquisition and construction of property, plant, machinery and equipment, and mining assets was RMB230,198,337 (2014: RMB96,383,252).

# Supplementary Information to Financial Statements

For the year ended 31 December 2015

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

## I. SUMMARY OF NON-RECURRING PROFIT OR LOSS

Items	2015
Net profit attributable to owners of the parent	<b>1,655,671,617</b>
Add/(less): Non-recurring profit or loss attributable to owners of the parent	
Net losses on disposal of non-current assets	<b>37,474,784</b>
Government grants recognised in the statement of profit or loss	<b>(184,276,134)</b>
Gains on bargain purchase as consideration for acquiring a subsidiary is less than the shared fair value of the identifiable net assets of the subsidiary when acquired	<b>(66,814,497)</b>
Losses on changes in fair value arising from held-for-trading financial assets and financial liabilities at fair value through profit or loss, investment losses on disposal of held-for-trading financial assets and financial liabilities and available-for-sale investments except for the effective portion of normal transactions qualified for hedge accounting, gold leasing business and forward contracts (Note 1)	<b>399,707,750</b>
Gains on debt for equity swap of Bindi Potash	<b>(117,106,400)</b>
Impairment on available-for-sale investments	<b>740,039</b>
Other non-operating income and expenses other than the aforesaid items	<b>189,038,961</b>
	<b>1,914,436,120</b>
Impact on income tax	<b>(35,413,711)</b>
	<b>1,879,022,409</b>
Impact on the non-controlling interests (after tax)	<b>(13,839,467)</b>
	<b>1,865,182,942</b>

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 – Non-recurring Profit or Loss. The futures contract transactions of the Group are directly related to the ordinary operating activities, of which the underlying assets are the mineral products or similar metal products of the Group, which are aimed at reducing the risk of significant profitability fluctuation from ordinary operations in light of price fluctuation. The transactions of futures contracts are frequent and the Group has continued and will continue to engage in such futures contracts in the foreseeable future. For the above-mentioned reasons, the profit or loss on futures contracts is not classified as non-recurring profit or loss.

Notes to significant non-recurring profit or loss items:

Note 1: Including the losses on changes in fair value of trading stocks, funds and currency swaps amounting to RMB293,505,709 and losses on disposal of stocks, funds and currency swaps amounting to RMB106,202,041.

## Supplementary Information to Financial Statements *(continued)*

For the year ended 31 December 2015

RMB

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

### II. RETURN ON NET ASSETS AND EARNINGS PER SHARE

#### 2015

		Return on net assets (%)		Basic earnings per share <sup>#</sup>
		Fully diluted	Weighted average	
Net profit attributable to ordinary shareholders of the parent	<b>1,655,671,617</b>	<b>6.01</b>	<b>6.01</b>	<b>0.08</b>
Net profit after non-recurring profit or loss attributable to ordinary shareholders of the Company	<b>1,865,182,942</b>	<b>6.77</b>	<b>6.77</b>	<b>0.09</b>

#### 2014

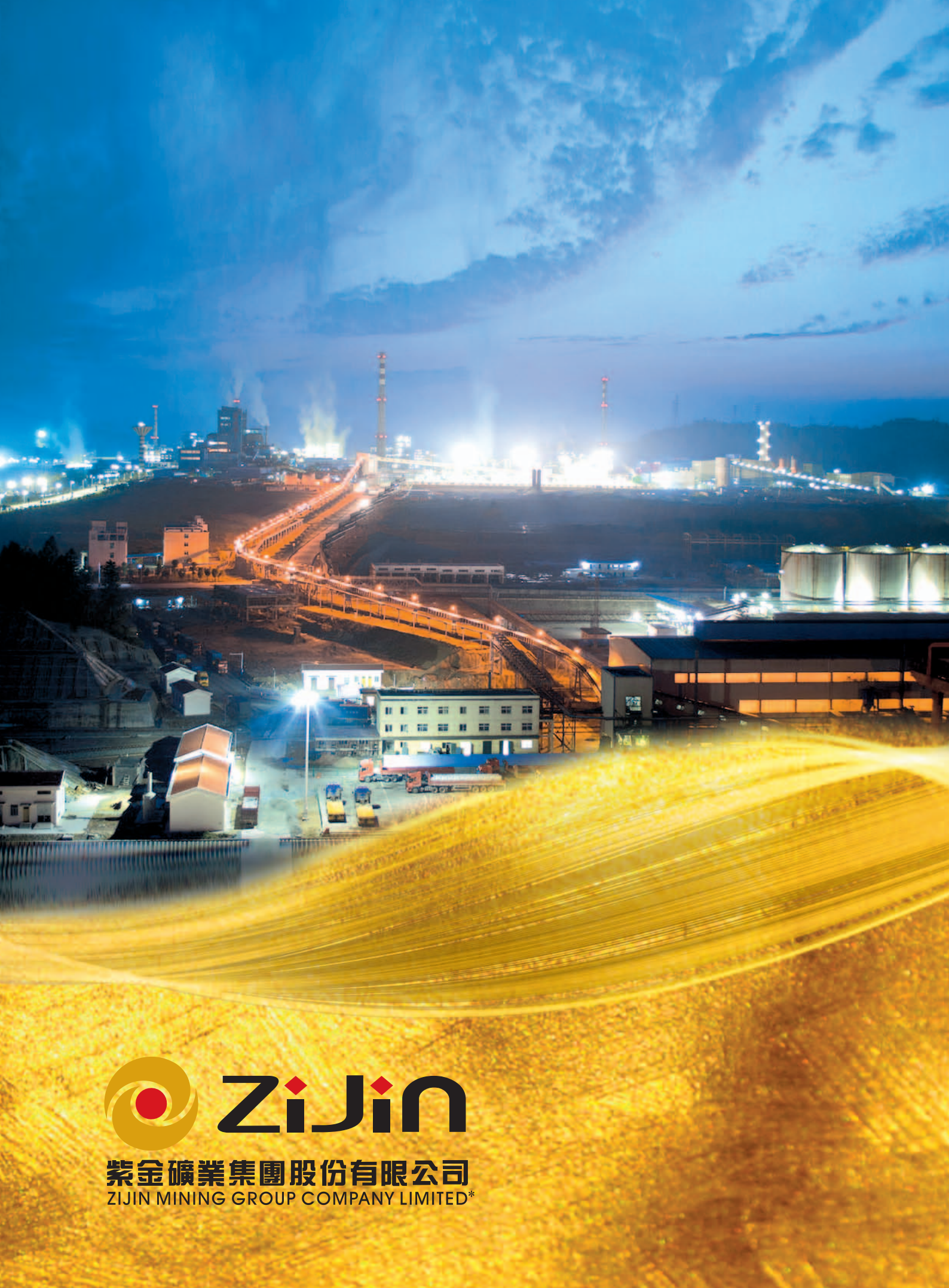
		Return on net assets (%)		Basic earnings per share <sup>#</sup>
		Fully diluted	Weighted average	
Net profit attributable to ordinary shareholders of the parent	2,345,062,669	8.36	8.47	0.11
Net profit after non-recurring profit or loss attributable to ordinary shareholders of the Company	2,501,701,453	8.92	9.03	0.12

Net assets attributable to ordinary shareholders of the Company

	2015	2014
Net assets at 31 December attributable to ordinary shareholders of the Company	<b>27,537,173,972</b>	28,059,454,796
Weighted average net assets attributable to ordinary shareholders of the Company	<b>27,557,058,230</b>	27,694,420,027

The above-mentioned return on net assets and earnings per share were calculated according to the Information Disclosure and Presentation Rules for Companies Making Public Offering of Securities No.9 – Calculation and Disclosure of Return on Net Assets and Earnings Per Share (revision 2010) issued by the CSRC.

<sup>#</sup> There were no potential dilutive ordinary shares for the year ended 31 December 2015 (2014: Nil).



**ZiJin**

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