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Zijin Mining Group Co., Ltd.*

紫金礦業集團股份有限公司

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

(Stock code: 2899)

Announcement in relation to Changes in Accounting Policies

I. Summary of changes in accounting policies

The Ministry of Finance of the People's Republic of China (the "PRC") has newly promulgated or revised part of the Accounting Standards for Business Enterprises since April 2017 (the "New Standard(s)"), mainly including:

- (1) "Accounting Standard for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments";
- (2) "Accounting Standard for Business Enterprises No. 23 - Transfer of Financial Assets";
- (3) "Accounting Standard for Business Enterprises No. 24 - Hedge Accounting";
- (4) "Accounting Standard for Business Enterprises No. 37 - Presentation and Reporting of Financial Instruments";
- (5) "Accounting Standard for Business Enterprises No. 42 - Non-current Assets Held for Sale, Disposal Groups and Discontinued Operations";
- (6) "Accounting Standard for Business Enterprises No. 16 - Government Grants"; and
- (7) "Accounting Standard for Business Enterprises No. 14 - Revenue".

Among which, "Accounting Standard for Business Enterprises No. 42 - Non-current Assets Held for Sale, Disposal Groups and Discontinued Operations" became effective from 28 May 2017, and "Accounting Standard for Business Enterprises No. 16 - Government Grants" became effective from 12 June 2017. The rest of the New Standards will become effective on the companies which are concurrently listed on the domestic and overseas markets from 1 January 2018.

On 23 January 2018, the sixth term of the board of directors of Zijin Mining Group Co., Ltd.* (the "Company") convened the first extraordinary meeting in 2018 and considered and approved the resolution in relation to changes in accounting policies. It is not necessary to table the matters in relation to the current changes in accounting policies to the shareholders' general meeting for consideration.

II. Changes in accounting policies

(1) Changes in accounting policies in relation to financial instruments

1. Major changes in relation to “Accounting Standard for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments”, “Accounting Standard for Business Enterprises No. 23 - Transfer of Financial Assets”, “Accounting Standard for Business Enterprises No. 24 - Hedge Accounting” and “Accounting Standard for Business Enterprises No. 37 - Presentation and Reporting of Financial Instruments” are as follows:

- (1) Using the “business model” and “contractual cash flow characteristics” for holding the financial assets as the basis of determination, financial assets shall be classified into three types, namely, “financial assets measured at amortised cost”, “financial assets measured at fair value through other comprehensive income” and “financial assets measured at fair value through profit or loss”;
- (2) Accounting policy for provision for impairment losses on financial assets shall be changed from the approach of “loss occurred” to “expected loss”, and the scope of impairment provision shall also be enlarged;
- (3) For equity investments held for non-trading purpose which are designated as financial assets at fair value through other comprehensive income, during disposal, the portion which was subsequently measured in other comprehensive income shall be used to adjust retained earnings instead of being transferred to profit or loss for the current period;
- (4) The determination principle and accounting treatment of transfer of financial assets are further clarified;
- (5) In respect of hedge accounting, the scope of qualified hedged items and hedging instruments shall be enlarged, and quantitative assessment shall be replaced by qualitative assessment for assessing hedge effectiveness. The “re-balanced” mechanism on hedging relationship shall be introduced;
- (6) The disclosure requirements for financial instruments shall be adjusted accordingly.

2. Impacts of the changes on the Company

Pursuant to the provisions regarding the transition from the old standard to the New Standards, enterprises shall retrospectively adjust the retained earnings or other comprehensive income at the beginning of the period instead of restating the comparable figures of the prior period. As such, the Company will change its accounting policies from the beginning of 2018 and present the financial statements based on the requirements of the New Standards, and the comparative figures of the prior period will not be restated. The Company will adjust the figures of retained earnings and other comprehensive income at the beginning of 2018 in respect of the effects of the conversion to the New Standards from the old standards.

The implementation of the abovementioned New Standards will affect the opening retained earnings and other comprehensive income for the year 2018.

(2) Changes in accounting policies in relation to government grants

1. Details of the changes

Pursuant to the “Accounting Standard for Business Enterprises No. 16 - Government Grants” revised by the

Ministry of Finance of the PRC, government grants related to assets shall offset the carrying amount of such assets or shall be recognised as deferred income. For government grants related to income, those related to the daily operating activities of enterprises can be included in other income or offset relevant costs based on the nature of business; for government grants not related to the daily operating activities of enterprises, they shall be included in non-operating income and expenses.

2. Impacts of the changes on the Company

The Company will revise the presentation of financial statements pursuant to the requirements of “Accounting Standard for Business Enterprises No. 16 - Government Grants” as revised by the Ministry of Finance of the PRC and add the “other income” item in the statement of profit or loss; the government grants existed as at 1 January 2017 will be adjusted based on the prospective application method. The new government grants received between 1 January 2017 and the effective date of the standard will be adjusted according to the revised standard. The changes will not have any significant impact on the Company’s net profit, total assets and net assets in the current period of 2017, and there will be no retrospective adjustment for the prior period.

(3) Changes in accounting policies in relation to non-current assets held for sale, disposal groups and discontinued operations

1. Details of the changes

Pursuant to the “Notice in relation to Issuance of ‘Accounting Standard for Business Enterprises No. 42 - Non-current Assets Held for Sale, Disposal Groups and Discontinued Operations’” issued by the Ministry of Finance of the PRC, prospective application method shall be adopted in relation to the changes in accounting policies for “non-current assets held for sale, disposal groups and discontinued operations”. There will be no retrospective adjustment for the prior period.

2. Impacts of the changes on the Company

The Company has no non-current asset held for sale, disposal group and discontinued operation subject to the standard for the year 2017.

(4) Changes in accounting policies in relation to revenue

1. Details of the changes

“Accounting Standard for Business Enterprises No. 14 - Revenue” incorporates the current revenue and construction contract standards into a unified revenue recognition model; replaces the risk-and-reward approach with the transfer-of-control approach as the criteria for the time of revenue recognition; identifies each of the performance obligations in the contracts and subsequently recognises the revenue accordingly upon the complete fulfilment of each of the performance obligations; provides a clearer guidance on the accounting treatment of contracts concerning multiple trading arrangements; and expressly formulates the revenue recognition and measurement of certain specific transactions (or matters).

2. Impacts of the changes on the Company

Pursuant to the provisions regarding the transition from the old standard to the New Standard, enterprises that firstly apply this standard shall, based on the cumulative effect of initially applying this standard, adjust the opening balance of retained earnings and the amount of other relevant items in the financial statements of the current period, and shall not adjust the information of the comparative period. The implementation of this standard will not result in material change in the Company's revenue recognition, and will not have any significant impact on the net profit, total assets and net assets of the Company for the current and prior periods.

III. Opinion of independent directors and supervisory committee

The independent directors and the supervisory committee of the Company agree with the changes in accounting policies of the Company and are of the view that:

- (1) The changes in accounting policies are reasonable according to the stipulations of relevant documents of the Ministry of Finance of the PRC. They conform to the relevant requirements of the Ministry of Finance of the PRC, China Securities Regulatory Commission, Shanghai Stock Exchange and other regulatory authorities, reflect the Company's financial conditions and operating results in a more objective and fairer manner, and are in line with the interests of the Company and its shareholders.
- (2) The procedures for the review of the changes in accounting policies are in compliance with the requirements of relevant laws and regulations and the articles of association of the Company.

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

Investors and shareholders are advised by the board of directors to exercise caution when dealing in the shares of the Company.

As at the date of this announcement, the Board of Directors of the Company comprises Messrs. Chen Jinghe (Chairman), Lan Fusheng, Zou Laichang, Lin Hongfu, Fang Qixue, and Ms. Lin Hongying as executive directors, Mister. Li Jian as non-executive director, and Messrs. Lu Shihua, Zhu Guang, Sit Hoi Wah, Kenneth, and Cai Meifeng as independent non-executive directors.

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

Fujian, the PRC, 23 January 2018

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