

*For identification purpose only



ZiJin

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

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

ANNUAL REPORT 2020



使命 Missions

以優質礦物原料為中國及全球經濟增長助力，成為國際金屬礦業市場重要力量之一

As a Major Supplier of Mineral Products, We Aim to be an Important Contributor for as well as a Recognized Market Player in Domestic and International Economies.

戰略目標 Strategy

高技術效益型特大國際礦業集團，不斷為社會和投資者創造價值，員工及企業關聯者也同時獲益

To Be a Global Leading Mining Company Featured with High-tech and Strong Profitability, To Create Value for the Society and Investors and to Bring Benefits to Stakeholders.



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Corporate Information

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

EXECUTIVE DIRECTORS

Chen Jinghe (Chairman)
Lan Fusheng (Vice-chairman)
Zou Laichang (President)
Lin Hongfu
Lin Hongying
Xie Xionghui

NON-EXECUTIVE DIRECTOR

Li Jian

INDEPENDENT NON-EXECUTIVE DIRECTORS

Zhu Guang
Mao Jingwen
Li Changqing
He Fulong
Suen Man Tak
Bo Shao Chuan (Appointed on 29 December 2020)

AUDIT AND INTERNAL CONTROL COMMITTEE

Li Changqing
He Fulong
Zou Laichang
Lin Hongying
Li Jian
Zhu Guang
Suen Man Tak
Bo Shao Chuan (Appointed as a committee member on 29 December 2020)

AUTHORISED REPRESENTATIVE

Chen Jinghe
Lan Fusheng

SUPERVISORS

Lin Shuiqing
Fan Wensheng
Xu Qiang
Liu Wenhong
Cao Sanxing

COMPANY SECRETARY

Fan Cheung Man

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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

LEGAL ADDRESS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

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

LEGAL CONSULTANT OF THE COMPANY (HONG KONG LAWS)

Chungs Lawyers in association with DeHeng Law Offices

AUDITOR

PRC Auditor:
Ernst & Young Hua Ming LLP

HONG KONG H SHARE REGISTRAR AND TRANSFER OFFICE

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

WEBSITE

www.zjky.cn

STOCK CODE

Hong Kong Stock Exchange: 02899
Shanghai Stock Exchange: 601899

Corporate Information *(continued)*

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

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
Altynken	Altynken Limited Liability Company, a subsidiary of the Company
Aurora	AGM Inc., a wholly-owned subsidiary of the Company
Bayannur Zijin	Bayannur Zijin Non-ferrous Metals Co., Ltd., a subsidiary of the Company
Bisha	Bisha Mining Share Company, a subsidiary of the Company
Board, Board of Directors	The board of Directors of the Company
CAD	Canadian dollar, the lawful currency of Canada
Chemicals Co.	Fujian Zijin Mineral Processing Chemicals Co., Ltd., a subsidiary of the Company
COMMUS	La Compagnie Minière de Musonoie Global Société par Actions Simplifiée, a subsidiary of the Company
Company, Group, Zijin, Zijin Mining	Zijin Mining Group Co., Ltd.*
Continental Gold	Continental Gold Limited Sucursal Colombia, a subsidiary of the Company
CSRC	China Securities Regulatory Commission
Čukaru Peki Copper and Gold Mine	The Čukaru Peki Copper and Gold Mine held by Serbia Zijin Mining Doo (formerly known as the Timok project), divided into the Upper Zone and the Lower Zone
Director(s)	The director(s) of the Company
DR Congo	The Democratic Republic of the Congo
Ernst and Young	Ernst & Young Hua Ming LLP
Guizhou Zijin	Guizhou Zijin Mining Co., Ltd., a subsidiary of the Company
Guyana Goldfields	Guyana Goldfields Inc., a wholly-owned subsidiary of the Company
H Share(s)	The overseas-listed foreign invested share(s) in the Company's share capital, with a nominal value of RMB0.10 each, which are listed on the Hong Kong Stock Exchange
HKD	Hong Kong dollar, the lawful currency of Hong Kong
Hong Kong	the Hong Kong Special Administrative Region of the PRC
Hong Kong Stock Exchange	The Stock Exchange of Hong Kong Limited
Heilongjiang Duobaoshan	Heilongjiang Duobaoshan Copper Industry Inc., a wholly-owned subsidiary of the Company
Heilongjiang Zijin Copper	Heilongjiang Zijin Copper Co., Ltd., a wholly-owned subsidiary of the Company
Hunchun Zijin	Hunchun Zijin Mining Co., Ltd., a wholly-owned subsidiary of the Company
Ivanhoe	Ivanhoe Mines Ltd.
Julong Copper	Tibet Julong Copper Co., Ltd., a subsidiary of the Company
Kamoa	Kamoa Holding Limited
Listing Rules	The Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
Longnan Zijin	Longnan Zijin Mining Co., Ltd., a subsidiary of the Company
Longxing	Longxing Limited Liability Company, a subsidiary of the Company
Luoyang Kunyu	Luoyang Kunyu Mining Co., Ltd., a subsidiary of the Company
Makeng Mining	Fujian Makeng Mining Co., Ltd., an associate of the Company
Malipo Tungsten Group	Wenshan Malipo Zijin Tungsten Group Co., Ltd., a subsidiary of the Company
Minxi Xinghang	Minxi Xinghang State-owned Assets Investment Company Limited, a substantial shareholder of the Company
Neimenggu Golden China	Neimenggu Golden China Minerals Inc., a wholly-owned subsidiary of the Company
Norton	Norton Gold Fields Pty Limited, a wholly-owned subsidiary of the Company
Porgera	Barrick (Niugini) Limited, a company under joint operation of the Company
PRC, China	The People's Republic of China but for the purpose of this report, excludes Hong Kong SAR, Macau SAR and Taiwan
RMB	Renminbi, the lawful currency of the PRC
Serbia Zijin Copper	Serbia Zijin Copper Doo Bor, a subsidiary of the Company
Serbia Zijin Mining	Serbia Zijin Mining Doo, a wholly-owned subsidiary of the Company
SFO	Securities and Futures Ordinance (Cap. 571 of the laws of Hong Kong)

Corporate Information *(continued)*

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Shanghai Stock Exchange	Shanghai Stock Exchange
Shanxi Zijin	Shanxi Zijin Mining Co., Ltd., a wholly-owned subsidiary of the Company
Supervisor(s)	The supervisor(s) of the Company
Supervisory Committee	The supervisory committee of the Company
Tibet Zijin	Tibet Zijin Industrial Co., Ltd., a wholly-owned subsidiary of the Company
Urad Rear Banner Zijin	Urad Rear Banner Zijin Mining Co., Ltd., a subsidiary of the Company
USD	United States dollar, the lawful currency of the United States of America
West Copper	Qinghai West Copper Co., Ltd., a wholly-owned subsidiary of the Company
Wuping Zijin	Wuping Zijin Mining Co., Ltd., a subsidiary of the Company
Xinjiang Ashele, Ashele Copper	Xinjiang Habahe Ashele Copper Co., Ltd., a subsidiary of the Company
Xinjiang Jinbao	Xinjiang Jinbao Mining Co., Ltd., a subsidiary of the Company
Xinjiang Zijin Non-ferrous	Xinjiang Zijin Non-ferrous Metals Co., Ltd., a wholly-owned subsidiary of the Company
Yuanyang Huaxi	Yuanyang Huaxi Gold Co., Ltd., a subsidiary of the Company
Zeravshan	Joint Venture Zeravshan Limited Liability Company, a subsidiary of the Company
Zijin Copper	Zijin Copper Co., Ltd., a wholly-owned subsidiary of the Company
Zijin Jiabo	Shanghang Zijin Jiabo Electronics New Material Technology Co., Ltd., a subsidiary of the Company
Zijin Mining & Metallurgy Technology	Xiamen Zijin Mining and Metallurgy Technology Co., Ltd., a wholly-owned subsidiary of the Company
Zijin Testing	Fujian Zijin Mining and Metallurgy Testing Technology Co., Ltd., a wholly-owned subsidiary of the Company
Zijin Zinc	Xinjiang Zijin Zinc Co., Ltd., a wholly-owned subsidiary of the Company

Corporate Information *(continued)*

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GENERAL

Zijin Mining Group Company Limited* (formerly known as Fujian Zijin Mining Industry Company Limited*) was incorporated on 6 September 2000 with the approval of the People's Government of Fujian Province as a joint stock limited company in the 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 Hong Kong Stock Exchange. The Company was the first Mainland gold production enterprise listed overseas. In 2004, 2005, 2006 and 2007, for 4 consecutive years the Company applied reserves to issue new shares, and in April 2008, the Company issued 1.4 billion A Shares at RMB7.13 per share and was listed on the Shanghai Stock Exchange on 25 April 2008 at a nominal value of RMB0.1 each. Pursuant to a resolution in relation to the proposal of conversion of capital reserve into share capital passed at the 2010 annual general meeting, on the basis of 5 new shares for every 10 existing shares, additional 7,270,654,550 shares were issued on the basis of a total of 14,541,309,100 issued shares at the end of 2010. After the conversion, the total number of shares increased to 21,811,963,650 shares. The Company implemented repurchase of H Shares from 21 August 2013 to 13 January 2016 and repurchased 271,220,000 H Shares in total. The shares repurchased mentioned above were cancelled. The total number of shares of the Company decreased by 271,220,000, and the registered capital decreased by RMB27,122,000. After the deduction, the total number of shares of the Company was 21,540,743,650, and the registered capital was RMB2,154,074,365. The Company issued 1,490,475,241 Renminbi-denominated ordinary A Shares under non-public issuance in 2017 and issued 2,346,041,055 Renminbi-denominated ordinary A Shares under public issuance in 2019. The registered capital increased by RMB383,651,629.6. The registered capital of the Company correspondingly changed to RMB2,537,725,994.6. As at 31 December 2020, the registered capital of the Company was RMB2,537,725,994.6 comprising 5,736,940,000 H Shares, representing about 22.61% of the total issued shares, and 19,640,319,946 A Shares, representing about 77.39% of the total issued shares.

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

As at the end of 2020, the Group owned 291 exploration rights covering a total area of 3,282.36 square kilometres and 236 mining rights covering a total area of 1,063.79 square kilometres.

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

Financial Highlights

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

2016 TO 2020 FINANCIAL INFORMATION AS PREPARED IN ACCORDANCE WITH CHINA ACCOUNTING STANDARDS FOR BUSINESS ENTERPRISES ("CAS") AND THE RELATED LAWS AND REGULATIONS:

For the year ended 31 December

RMB

	2020	2019	2018	2017	2016
OPERATING INCOME	171,501,338,490	136,097,978,018	105,994,246,123	94,548,619,098	78,851,137,811
Less: Operating costs	151,070,863,441	120,582,627,749	92,651,374,475	81,371,973,684	69,782,246,837
Taxes and surcharges	2,499,195,383	1,874,141,394	1,598,995,649	1,352,340,359	907,955,846
Selling expenses	427,684,618	574,433,782	887,451,338	748,942,449	667,483,736
Administrative expenses	3,845,610,597	3,689,326,869	2,964,964,865	2,694,689,753	2,627,244,848
Research and development expenses	582,514,953	476,341,941	274,380,222	299,380,476	195,227,412
Financial expenses	1,784,243,603	1,466,849,459	1,254,241,143	2,012,950,292	581,525,541
Add: Other income	342,312,056	290,839,484	227,613,533	228,882,015	–
Investment (losses)/income	(522,067,721)	34,406,224	1,060,522,923	155,670,082	(1,973,336,425)
Including: Share of profits/(losses) of associates and joint ventures	209,744,927	96,011,495	373,063,390	(29,259,162)	92,415,676
Gains/(Losses) on changes in fair value	342,356,736	(59,752,112)	(135,783,729)	750,200,343	756,641,718
Credit impairment gains/(losses)	130,622,540	(65,619,609)	82,017,400	–	–
Impairment losses on assets	(357,114,009)	(368,381,596)	(1,500,399,230)	(2,220,905,893)	(560,842,460)
Gains/(Losses) on disposal of non-current assets	12,407,033	(23,675,053)	84,561,738	44,456,123	1,053,649
OPERATING PROFIT	11,239,742,530	7,242,074,162	6,181,371,066	5,026,644,755	2,312,970,073
Add: Non-operating income	138,757,205	50,080,938	365,953,586	57,610,854	251,616,241
Less: Non-operating expenses	532,472,561	317,876,334	417,144,870	516,295,416	438,534,608
PROFIT BEFORE TAX	10,846,027,174	6,974,278,766	6,130,179,782	4,567,960,193	2,126,051,706
Less: Income tax expenses	2,387,988,221	1,913,374,082	1,447,503,229	1,320,410,996	438,783,804
NET PROFIT	8,458,038,953	5,060,904,684	4,682,676,553	3,247,549,197	1,687,267,902
Attributable to owners of the parent	6,508,553,913	4,283,957,365	4,093,773,630	3,507,717,627	1,839,798,820
Attributable to non-controlling shareholders	1,949,485,040	776,947,319	588,902,923	(260,168,430)	(152,530,918)
Subtotal of net other comprehensive income/(loss) after tax	774,643,629	1,289,614,297	(1,174,485,390)	60,783,965	158,270,647
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	9,232,682,582	6,350,518,981	3,508,191,163	3,308,333,162	1,845,538,549
Attributable to:					
Owners of the parent	7,825,158,001	5,488,413,806	2,933,737,518	3,547,511,861	2,027,288,735
Non-controlling shareholders	1,407,524,581	862,105,175	574,453,645	(239,178,699)	(181,750,186)

Financial Highlights *(continued)*

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As at 31 December

	2020	2019	2018	2017	2016
	RMB' 000	RMB' 000	RMB' 000	RMB' 000	RMB' 000
Assets and liabilities					
Total assets	182,313,250	123,830,947	112,879,303	89,315,263	89,217,700
Total liabilities	107,716,809	66,751,349	65,605,591	51,672,418	58,101,192
Non-controlling interests	18,057,887	5,893,633	6,818,278	2,643,122	3,354,033
Equity attributable to owners of the parent	56,538,554	51,185,965	40,455,434	34,999,723	27,762,475

LIQUIDITY

	2020	2019	2018	2017	2016
	RMB' 000	RMB' 000	RMB' 000	RMB' 000	RMB' 000
Cash and cash equivalents	11,786,686	6,085,591	9,932,838	5,754,344	4,712,823
Current ratio (%)	83.5	85.7	81.8	99.6	71.3
Trade receivables turnover (days)	2.26	2.66	4.00	4.04	3.85

Chairman's Statement

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Mr. Chen Jinghe is a professor grade senior engineer who enjoys special allowance from the State Council. He is the founder and core leader of the Company, and is presently the chairman of the Company and the head of the State Key Laboratory of Comprehensive Utilisation of Low-grade Refractory Gold Ores; he has been concurrently serving as the vice-presidents of China Mining Association, China Nonferrous Metals Industry Association, China Gold Association and China Occupational Safety & Health Association, as well as a board member of the World Gold Council.

Mr. Chen is a well-known expert specialising in exploration and development of metallic mineral resources both at home and abroad. He has attained remarkable achievements in the aspects of geological prospecting, comprehensive utilisation of low-grade refractory resources, large-scale engineering development and other aspects associated with key technological innovation and engineering management. He was the discoverer and explorer of the Fujian Zijinshan Gold and Copper Mine and a number of other world-class mega-size deposits. He overcame the key technological and engineering challenges relating to low-grade refractory resources, and has led the development of the largest gold mine and the first ever pressurised pre-oxidation plant for gold mine in China, as well as the world's first processing and metallurgical system with a thousand-tonne capacity that combines copper bioleaching with flotation processing. He pioneered the mining engineering management model of "integrating five ore treatment processes into one", which follows ore treatment process and realises coordinated research on five procedures of geological prospecting, mining, processing, metallurgy and environmental protection as well as full process control, enabling maximisation of economic and social benefits. The model has been extensively promoted and applied in both the PRC and overseas and has helped attain enormous social and economic benefits.

To every investor and friend who care about and have been following on Zijin Mining:

First of all, I wish to express my gratitude to you on behalf of Zijin Mining for your advice, support and care.

In 2020, undeterred by the impact of the coronavirus pandemic together with global economic recession, the new management team of Zijin Mining managed to thoroughly implement the general work directive of "deepening reform, achieving leaping growth and sustainable development", leading the entire staff to fight against adversities under considerable pressures. In view of the outbreak of the coronavirus pandemic, core management personnel gave up on their Chinese New Year holiday, heading straight to the frontline to strategise and prepare for the fight against the virus as well as monitoring the production, operation and project development; in the critical times when infections were continuously reported in overseas countries, the warriors of Zijin,

Chairman's Statement *(continued)*

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boarding the multiple chartered flights arranged by the Company, fought their ways to the project sites; not to mention many of our employees who have stood firm at their posts at the frontline to keep production and construction running for more than one year. Under an extremely difficult circumstance, the Company has realised the commitment of “participating in the first battle, everyone’s performance matters in the first battle, sure-win in the first battle, winning the first battle beyond expectation”, as a result it rapidly boosted its global industrial competitiveness, achieved a faster-than-expected growth in terms of major economic indicators and attained fruitful results in project development and acquisition of crucial projects. The Company’s exceptional performance in these extraordinary times also earned substantial recognition from the capital market and investors. The total market capitalisation of the Company doubled from RMB114.8 billion as at the end of 2019 to RMB224.9 billion as at the end of 2020. And just as the new year of 2021 begins, both the Company’s value and share price have further increased, allowing most investors of the Company to harvest lucrative returns.

Fruitful results had been attained in the Company’s “project development year”, fostering a solid foundation for continuing the leaping growth endeavour. For example, Longnan Zijin’s 10,000 tonnes/day transformation and expansion project had fully commenced production; the revamping work of Guizhou Zijin, Shanxi Zijin, Norton in Australia and a number of other volume-driven gold projects had also fully commenced; construction works at the Kakula Copper Mine project in the DR Congo are well ahead of the original schedule; value of the stocks of Ivanhoe held by the Company appreciated by approximately RMB2 billion during the reporting period; the pace of development of the Upper Zone of the Čukaru Peki Copper and Gold Mine in Serbia is encouraging; the revamp of Serbia Zijin Copper in Serbia is now at full steam; and Julong Copper in Tibet, “reborn” from ashes of the past, had fully resumed the construction work at its plant.

The Company’s distinctive innovative technology and engineering management further solidified comparative advantages in the industry. The mining engineering management model of “integrating five ore treatment processes into one” pioneered by the Company has brought profound impact to the industry, the scientific and technological achievements attained therefrom are groundbreaking. The Company convened the Sixth Science and Technology Symposium, which was hosted at the highest standards, while also organised the first Summit for Technological Innovation and Sustainable Development in the China Mining Industry.

Despite enormous constraints in transportation and logistics in 2020 due to the pandemic, project acquisitions by the Company were huge success, which substantially boosted the Company’s gold and copper resources reserves. For the two newly acquired projects, the Buriticá Gold Mine in Colombia and the Aurora Gold Mine in Guyana, the Company completed the acquisition transactions and ensured they became ready for production and generated economic benefits all within the same year; the successful acquisition of Julong Copper in Tibet marked the Company’s leading position in the domestic copper mining industry. At present, the resources reserves possessed by the Company include over 2,300 tonnes of gold, over 62 million tonnes of copper, over 10 million tonnes of zinc (lead) and 2,900 tonnes of silver, providing firm support to the Company in achieving sustainable development.

In contrast to the acceleration of the Company’s internationalisation progress, to date a largely domestic model is still being applied to operation and management. In response, the Company has established a Reform Office, which is responsible for implementing deep reforms and making important decisions for building a globalised operation and management system more extensively. The Reform Office has formulated plans regarding the work focuses in the first stage of reform in line with the general requirements of “streamlining, compliance and efficiency” and a “three-stage” approach. The Company has also sought to converge with international standards and established a top-down environmental, social and governance (ESG) mechanism and structure, with a view of making major improvements in the development of ESG system within the next two years. Owing to the active steps taken by the Company in fulfillment of its social responsibilities, the Company’s co-development belief has earned wide recognition. It was once again awarded the title of “National Civilised Enterprise” in the sixth of the contest.

The changes that the world is now facing are unprecedented in a century and have resulted in profound adjustments in global economic and political landscape. With more extensive rollout of vaccination, the prospect of humanity defeating the pandemic and living by it in the long term is foreseeable. It is expected that, in the post-pandemic era, the global economy will experience a recovery, and the continuance of extremely loose monetary policies worldwide shall lend support to and sustain the prices of gold, copper and other related base metals at high levels. China is now relentlessly pursuing a new development pattern of making the domestic circulation as the lead and promoting the complementing effect in the domestic and international dual circulations. The market is vast and resilient enough for further development. The fundamental role of mineral resources as the “staple” of industries has been further accentuated, and decarbonisation-driven new material and new energy industries are rapidly taking off. Having said that, instabilities and uncertainties have been increasingly observed in global trends. In addition to that, escalations of anti-globalisation, unilateralism and trade protectionism remain a concern. Social and economic developments are still faced with multiple obstacles and challenges and new financial or economic crisis may even be induced. We are in a moment where opportunities and challenges co-exist.

Chairman's Statement *(continued)*

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The Company has formulated its Five-Year (2+3) Plan and Development Goals for 2030, having sounded the trumpet for pursuing the grand objective of becoming an extra-large scale international mining group with high technology and efficiency by 2030. It is not just an order to summon our army of staff but also a call to venture forward. The plans and goals are very ambitious, implying difficulties and challenges in equal measure, and that remarkable fortitude, huge efforts as well as perseverance are essential for such goals to be attained. 2021 will be the first year that the Company advances deeper reform and implements stage-one of the plan for establishing a globalised operation and management system. In addition, it will be a crucial year for the Company to achieve leaping growth and sustainable development.

- **Continue to infuse reform deeply into the organisation, achieve substantial results in the first stage of the plan for establishing preliminary globalised operation and management system.** The Company shall follow the standards for establishing a first-class international mining company and the “three-step” schedule for deepening reform to fully attain the reform goals in the first phase. Reform will be carried out with all-out efforts and courage, dismantling traditional boundaries to fully unleash the potential of the enterprise.
- **Accelerate conversion of resource advantage to maintain leaping growth of the enterprise.** The Company shall seize on the opportunities brought by economic recovery and favourable market expectations for gold and base metal prices in the post-pandemic era to effectively and resolutely implement a series of steps, including to ensure major constructions commence and reach the designated capacity and targets in time or ahead of schedule, and to raise the output of key mineral products to the maximum in a way that contributes to the leaping growth targets in operating results for both the current and the next year.
- **Further boost the volume of key mineral resources owned by the Company to ensure demand for resources can be met in the pursuit of general strategic goals.** The Company shall take a global view in resources allocation and seek opportunities for important investments and acquisitions, the targets of which include undervalued projects which are affected by pre-existing problems but have a high potential and mid to large-size projects with existing production; in addition, more efforts shall be dedicated to surveying to strive for breakthroughs in geological prospecting, in order to raise the Company's possession of mineral resources.
- **Leverage on the capital market in support of the Company's development.** On the basis of raising the quality of the listed company, the Company shall continue to connect with the capital markets both at home and abroad and build up a diversified capital platform, in order to integrate the Company's business segments with the capital market organically; expansion of onshore and offshore financing channels shall be explored and the enterprise's market value shall be restored and enhanced. Furthermore, the Company shall enhance capital operation and management, give high regard to risk control and prevention, and further optimise its financial management and financing capital management.
- **Insist on technology- and innovation-driven development and build a technological research, information and digital platform which is befitting to the enterprise.** The Company shall fully leverage on the comparative advantages it has developed from years of practice in self-initiated exploration and exploitation of low-grade refractory mineral resources, concentrate on overcoming the difficulties in underground mining (primarily, the use of caving method) and engineering techniques for large-scale and low-cost development of a number of sizeable porphyry deposits, and address the key technological and applicational issues which have hindered the further development of both enterprises and the industry. The Company shall step up investments in technology and foster a global competitiveness driven by technology. It shall also promote informatisation in system development, revolutionise mining techniques and equipment as well as development models, expedite the integration of production, operation and management system with informatisation and digitalisation, and promote quality and efficiency reforms in the enterprise's development.
- **Emphasise training and introduction of talents and address the bottleneck of a lack of global talents.** The training and introduction of global talents shall be enhanced and conducted with a global mindset in order to largely address the key issue of shortage in global talents in the coming 3-5 years. Market standards shall be adhered to in the modification of talent appraisal system to create a highly competitive mechanism that rewards top-performers and screens out non-performers. The organisation and general staff shall be energised, and a globalised human resources safeguarding system focusing on value creators shall be developed. Moreover, the building of technician teams shall be emphasised, employees' personal goals and wishes for a good life shall be taken care of, in order to allow value creators to have greater sense of gain, belonging and satisfaction.

Chairman's Statement *(continued)*

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- **Establish an environmental, social and governance (ESG) system by international standards and emphatically promote the excellent culture of the enterprise.** The Company shall drive for the building of its ESG system, and attach greater importance to continually raising the key performance indicators in relation to environmental protection and ecological conservation, occupational health and safety, protection of human rights, anti-corruption and supervision, responsible supply chain, social responsibility and contribution, etc. In addition, the excellent corporate culture of Zijin shall be inherited and promoted in a more extensive manner, the mutual development belief of “mining for a better society” shall be upheld, and a decent co-dependent, co-existing ecosystem of business shall be fostered.

We are now in a new chapter for achieving the first phase of leaping growth, our foot upon a solid foundation. As distant as our goals may seem, and as formidable as the challenges ahead may appear, our faith, collaboration and courage for innovation and responsibilities shall lift us to a new level of excellence that leaves us with no regret to our times, our society and history! We aspire to create more values for the investors and the society, allow the society and stakeholders to benefit from Zijin Mining's existence, and become a positive force for the advancement and development of our society.

Zijin Mining Group Co., Ltd.*

Chairman



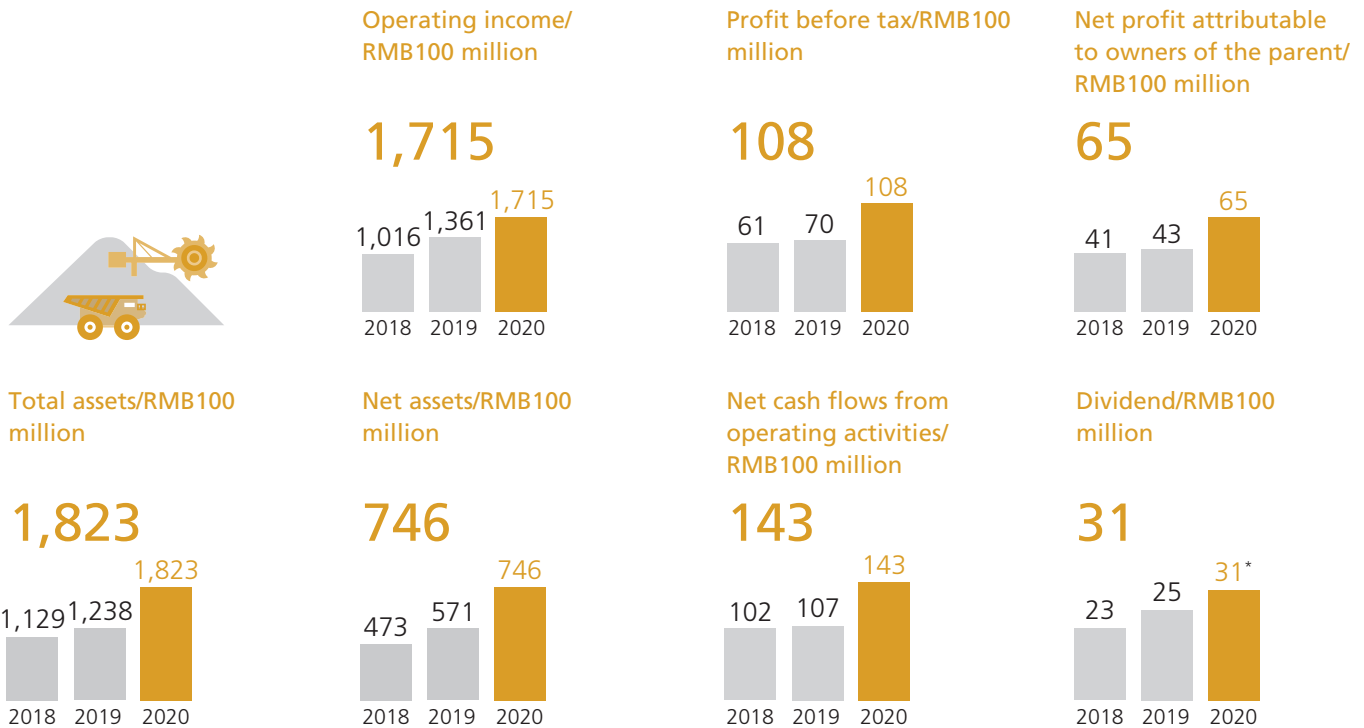
The copper hydrometallic plant of COMMUS in the DR Congo



Business Highlights

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

2020 RESULTS HIGHLIGHTS



In 2020, the Company's A Share price increased from RMB4.75/share to RMB9.29/share, and the Company's H Share price increased from HKD4/share to HKD8.78/share. The total market capitalisation at the end of 2020

doubled to RMB**224.9** billion, placing the Company at the 12th among the top 50 mining companies in the world.

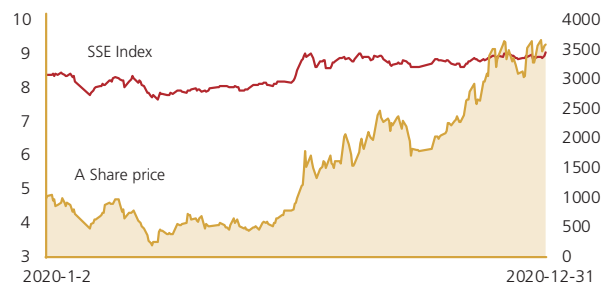


In 2020, the Company's basic earnings per share was RMB**0.25**/share, representing a 38.89% increase compared with the same period last year (same period in 2019: RMB0.18/share).

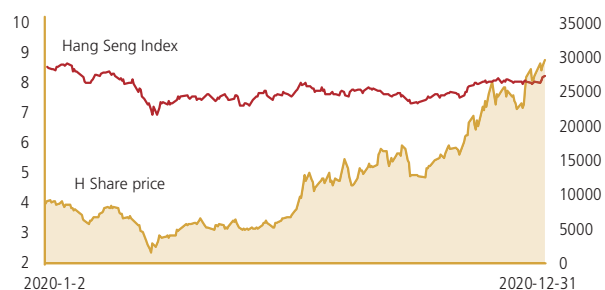


The Company issued RMB**6** billion of A Share convertible corporate bonds.

Price trend of the Company's A Shares (RMB) in 2020



Price trend of the Company's H Shares (HKD) in 2020



*Note: The profit distribution proposal for the year ended 31 December 2020 is subject to the approval at the shareholders' general meeting. The actual amount of cash dividend to be distributed will be determined according to the number of shares on the record date.

Business Highlights *(continued)*

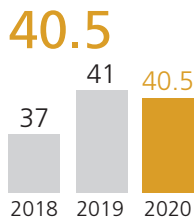
(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

2020 RESULTS HIGHLIGHTS



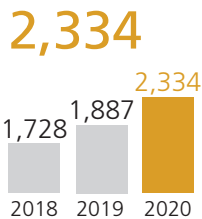
One of the largest producers of mine-produced gold in the PRC

Mine-produced gold/tonne



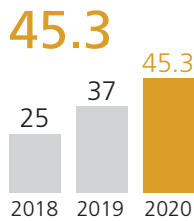
Gold business is the most important contributor to the Company's operating income and profit. In 2020, the gross profit margin of mine-produced gold was 51%.

Gold resources reserve volume/tonne



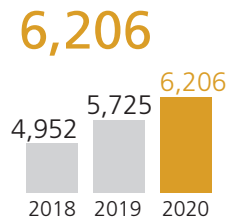
The largest producer of mine-produced copper in the PRC

Mine-produced copper/10 thousand tonnes



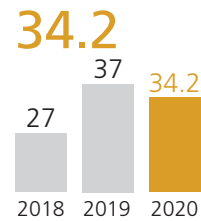
The Company's copper business has high growth potential with early signs showing momentum for exploding growth. In 2020, the gross profit margin of mine-produced copper was 46%.

Copper resources reserve volume/10 thousand tonnes



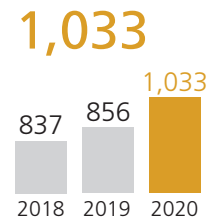
The largest producer of mine-produced zinc in the PRC

Mine-produced zinc/10 thousand tonnes



The profitability from development of low-grade resources is a clear edge of the Company's zinc business. In 2020, the gross profit margin of mine-produced zinc was 32%.

Zinc resources reserve volume/10 thousand tonnes



Business Highlights *(continued)*

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ZIJIN IN THE WORLD

Zijin Mining is a sizeable multinational mining group dedicated to exploration and development of gold, copper and other mineral resources globally, and covers refining, processing, trading and other businesses to an optimal extent. It has a relatively complete industrial chain.

The Company owns significant mining investment projects in 12 overseas countries and 14 provinces (regions) in the PRC. It is one of the Chinese companies owning the largest metal resources volume, controlling the largest reserve volumes of copper and gold resources overseas and having the largest output of mine-produced products with the highest efficiency.



The Company is one of the first batch of 234 large-cap A Share companies included in the MSCI index



The Company is included in FTSE China A50 Index



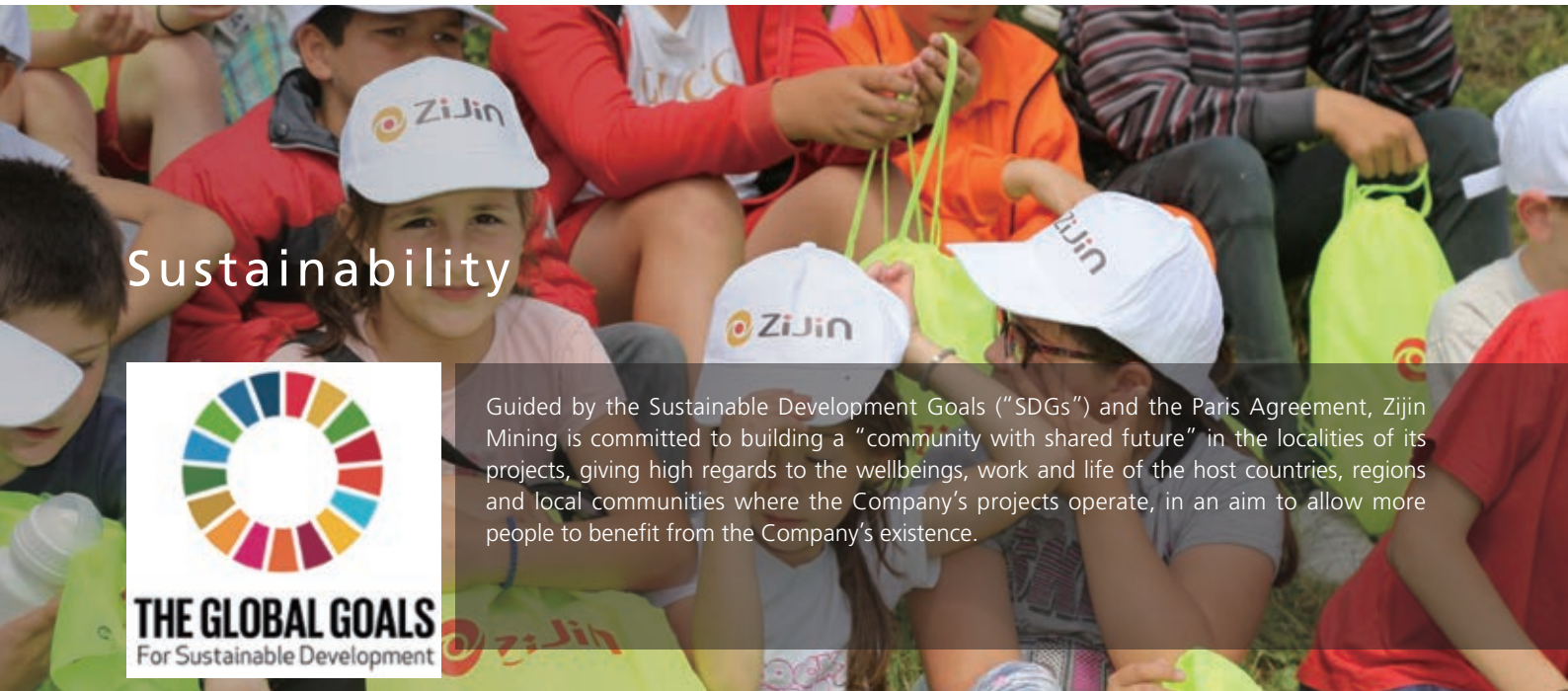
The Company ranked 3rd among the gold corporations and 7th in the non-ferrous metal industry in Forbes Global 2000 in 2020



The Company ranked 1st in terms of profit among non-ferrous metal mining enterprises (groups) in the Top 500 Enterprises of China in 2020

Business Highlights *(continued)*

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)



Sustainability

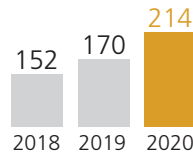


Guided by the Sustainable Development Goals (“SDGs”) and the Paris Agreement, Zijin Mining is committed to building a “community with shared future” in the localities of its projects, giving high regards to the wellbeings, work and life of the host countries, regions and local communities where the Company’s projects operate, in an aim to allow more people to benefit from the Company’s existence.



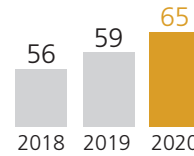
Total social contribution/
RMB100 million

214



Total amount of tax paid/
RMB100 million

65

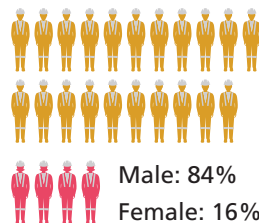


A member of the World Gold Council

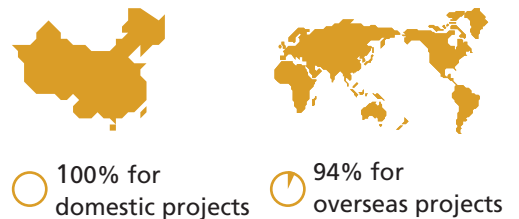
The Company complies with the Responsible Gold Mining Principles by giving respect to the environment and the human rights and wellbeing of the employees, contractors and members of the communities associated with our operations when conducting mining activities.

 **Employees**
37,000 persons in total

Employee gender ratio



Workers' localisation ratio



Business Highlights *(continued)*

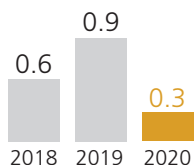
(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

Safety

Firmly uphold the safety belief of **“life comes first”** and regard **“zero work fatality, zero occupational disease”** as work target

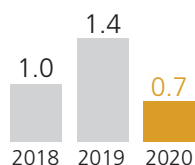
Loss time injury frequency rate per a million hours worked

0.3



Recordable incident injury frequency rate per a million hours worked

0.7




COVID-19 CONTROL AND PREVENTION


Since the outbreak of the coronavirus pandemic (COVID-19) in 2020, the Company has been acting swiftly by implementing measures for control and prevention in all respects, enhancing protection for occupational health and arranging for vaccination for the staff, in a bid to ensure employees are in good health. As a result, no infection took place within the domestic projects throughout the year. In addition, the Company has been taking part actively in community virus prevention and control as well as enhancement of public healthcare and medical service, including but not limited to making donations of approximately RMB30 million to virus-fighting projects, and sponsoring the establishment of a “Fire Eye” virus-testing laboratory in Serbia.


Environment


Uphold the environmental protection belief of **“green mountains and clear water are as good as mountains of gold and silver”**

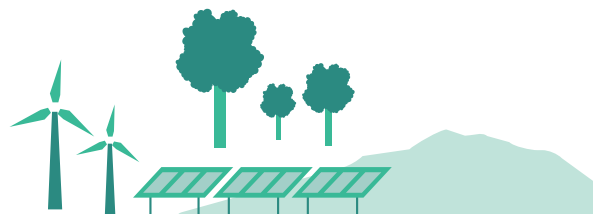
 **13** national green mines

 **4** national green plants

 **1** national mining park

 **19** subsidiaries obtained ISO 14001 environmental certification

 Recycling rate of water resources reached **93%**



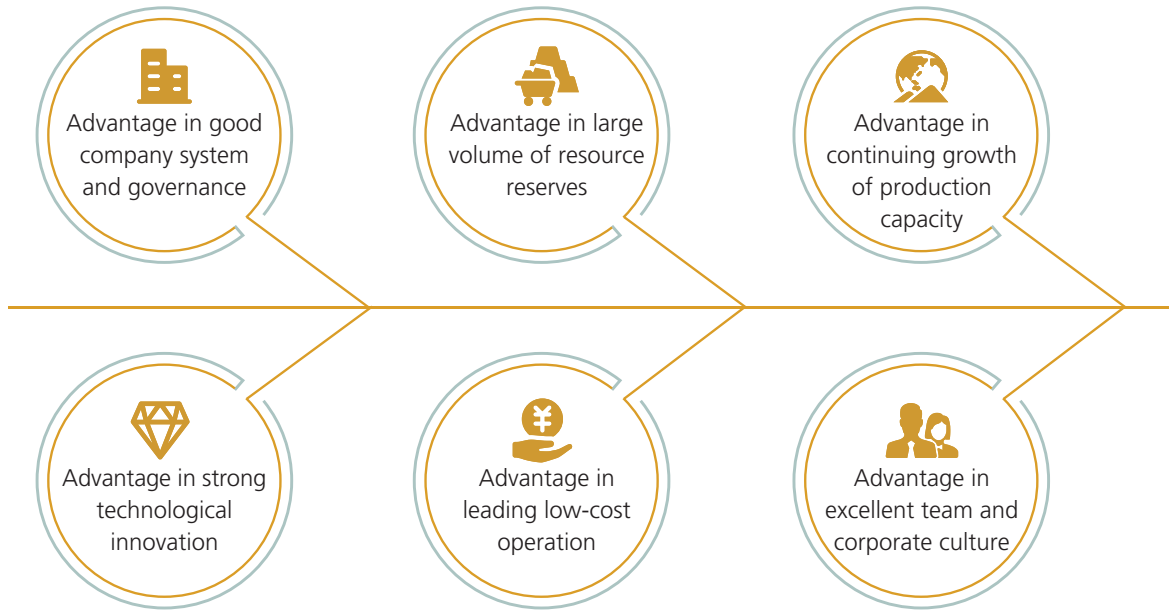
Business Highlights *(continued)*

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CORE COMPETITIVENESS

Innovation is the Company's core competitiveness

The Company has developed a unique, innovative development concept: innovation is the fine combination of general scientific theory and objective reality. Innovation is the process of persistent self-denial.



The “integrating five ore treatment processes into one” mining engineering management model pioneered by the Company contributing core competitiveness to global mining engineering



Using system engineering and economic mining ideas as guides for innovation and engineering management, breakthroughs have been obtained by abandoning the traditional mindset of studying techniques by segment. The mining engineering management model of “integrating five ore treatment processes into one” pioneered by the Company follows ore treatment process and realises coordinated research on five procedures of geological prospecting, mining, processing, metallurgy and environmental protection as well as full process control, enabling maximisation of economic and social benefits.

Business Highlights *(continued)*

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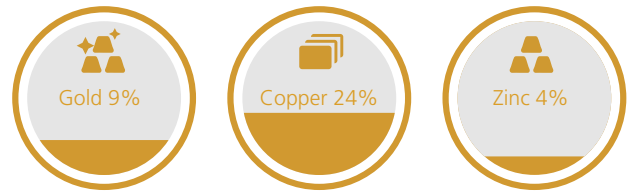


Geological exploration

Abundant amount of gold, copper and zinc resources obtained through self-initiated exploration

The accumulative self-initiated exploration adds 27.88 million tonnes of copper, 1,207 tonnes of gold and 8.11 million tonnes of zinc (lead). In which, the amount of newly discovered copper mineral resources at the Kakula Copper Mine in the DR Congo is more than 18 million tonnes, making the Kamoakakula Copper Mine the largest newly discovered copper mine of the highest value in the world in recent 20 years.

Cumulative reserve volumes of resources obtained through exploration to the known volumes in China



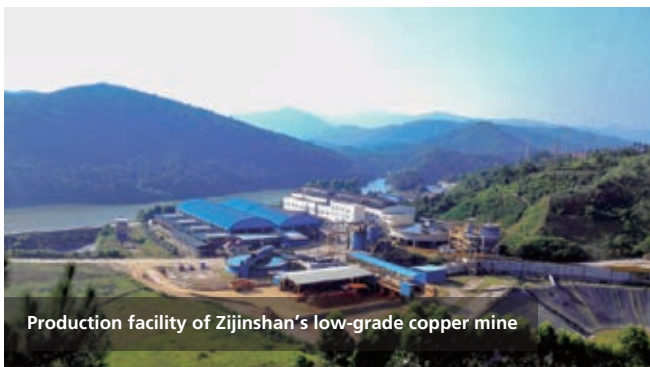
THE COMPANY'S 5 PROJECTS INCLUDED IN THE 10 OUTSTANDING MINERAL EXPLORATION PROJECTS IN CHINA

Verification of gold mine resource reserve volume of Shanxi Zijin Mining Co., Ltd. in Fanshi County, Shanxi Province	Additional 55 tonnes of gold
Detailed verification of the copper (molybdenum) mine at the Luoboling mining section, Nanshanping mining area, Shanghang County, Fujian Province	Additional 1.05 million tonnes of copper and 80 thousand tonnes of molybdenum
Significant exploration breakthrough at the deep part of the Shuiyindong Gold Mine area, Zhenfeng County, Guizhou Province	Additional 157 tonnes of gold
Exploration at the Liba Gold Mine, Li County, Gansu Province	Additional 101 tonnes of gold
Verification of resource reserve volume at the Wulagen Lead and Zinc Mine, Wuqia County, Xinjiang	Additional 4.63 million tonnes of zinc and 800 thousand tonnes of lead



Comprehensive utilisation of low-grade, refractory mineral resources

The key technological and engineering difficulties relating to low-grade, refractory mineral resources have been solved. The largest gold mine in China and the first 10 million tonnes copper biometallurgical and floatation processing system in the world have been built at Zijinshan in Fujian respectively. The first high-pressure, pre-oxidisation plant of gold mine in China has been completed at the Shuiyindong Gold Mine of Guizhou Zijin. The first copper-containing refractory gold ore ammonium cyanide treatment production line has been completed in Zeravshan, Tajikistan.



Environmental protection technologies

The Company insists on promoting environmental protection with technologies. It studies on deep extraction, precipitation, membrane mass transfer and segregation and other technologies, develops the technology of ecological rehabilitation of mine by transforming highly-acidic soil with neutralised slag, leading to successful transformation of the ecology and environment of large-scale mines and opening up a new eco-friendly way for highly-efficient resource development. A number of the Company's mines have received the titles of national mining park, national industrial tourism demonstration site and national green mine.



Business Highlights *(continued)*

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FIVE-YEAR (2+3) PLAN AND DEVELOPMENT GOALS FOR 2030

In the next 10 years, a “three-step” approach will be adopted to fully develop the Company into an extra-large scale international mining group with high technology and efficiency by 2030.



Phase I (2021-2022)

- Production volume of major mineral products and key economic indicators shall achieve a leaping growth, and economic strength and size of the enterprise shall increase significantly
- The production volumes of gold mines, such as Longnan Zijin, Shanxi Zijin and the Buriticá Gold Mine in Colombia, Norton in Australia and the Aurora Gold Mine in Guyana, shall be significantly raised through technological upgrade and ramp-up of production capacity
- A number of world-class copper (gold) deposits shall be put into operation, including the Kamo-a-Kakula Copper Mine in the DR Congo, the Upper Zone of the Čukaru Peki Copper and Gold Mine in Serbia and the Qulong Copper Mine in Tibet
- The Company shall strive to start the construction of numerous underground porphyry copper mine projects utilising large-scale, high-efficiency and low-cost natural caving method
- Merger and acquisition of new projects and geological prospecting shall make progress, a globalised operation management system shall be preliminarily established, and initial progress shall be made in organisation process and information platform development

Phase II (2023-2025)

- On the foundation of the high growth attained in Phase I, the Company shall continue to fully develop the existing mineral resources
- The Company shall enhance geological prospecting, keep track of merger and acquisition opportunities for middle and large-size gold and copper mining companies in current production, and significantly enhance resources reserve volume and production volume of major mineral products
- The major economic indicators and efficiency shall move up to new levels, and the Company shall be basically on par with other top-tier global metal mining companies
- The Company shall have completed the building of globalised operation management system and addressed the shortage of internationalised talents in general

Phase III (2026-2030)

- By 2030, the Company shall have fully become an extra-large scale international mining group with high technology and efficiency and have entered into a new phase
- Major economic indicators of the Company shall be close to or basically on par with top-tier global mining companies. The Company shall strive to occupy the first 3-5 places in the world in terms of a comprehensive set of indicators, including controlled resources reserve volume, production volume of major products, sales income, size of assets, profit, etc.
- The Company shall have developed an advanced global operation management system and enhanced its global competitiveness and comparative competitive advantages

PLANNED PRODUCTION VOLUME INDICATORS OF MAJOR MINERAL PRODUCTS

	2020	2021	2022	2025
Mine-produced gold (tonne)	40.5	53-56	67-72	80-90
Mine-produced copper (million tonnes)	0.453	0.54-0.58	0.80-0.85	1.00-1.10
Mine-produced zinc (lead) (million tonnes)	0.378	0.45-0.48	0.47-0.50	-
Iron ore (million tonnes)	3.87	3.50-3.80	2.90-3.30	-
Mine-produced silver (tonne)	299	240-300	270-310	-


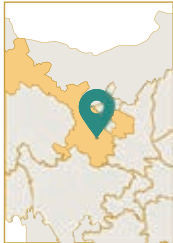





Note: 1. In 2022-2025, except for mine-produced gold and mine-produced copper, the production volumes of other mineral products will basically remain unchanged. 2. In light of the complexity and volatility of market environment, the forward-looking statements in the plan should not constitute any actual commitment to investors. It is possible that the Company may make corresponding adjustments. Investors should pay attention to investment risks.

Business Highlights *(continued)*

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INCREMENTS


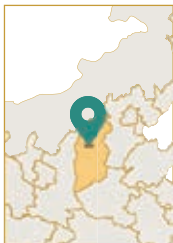





Longnan Zijin in Gansu Province

	Geographical location	Luoba Town, Li County, Gansu Province	
	Shareholding proportion	84.22%	
	Project status	In production	
	Ore deposit type	Para-Carlin	
	Retained reserve volume of resources	161 tonnes of gold @2.05 grammes/tonne	
	Mining and processing method	Underground mining + gravity concentration processing + flotation processing	

The Liba Gold Mine of Longnan Zijin obtained the mining licence in 2020. The 10,000 t/d mining and processing system launched loaded commissioning in late 2020. The annual gold production after reaching designated production capacity will be 4 to 5 tonnes.



Shanxi Zijin


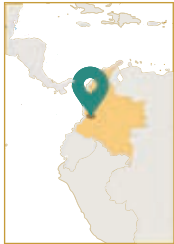





	Geographical location	Shahe Town, Fanshi County, Shanxi Province	
	Shareholding proportion	100%	
	Project status	In production + expansion underway	
	Ore deposit type	Porphyry	
	Retained reserve volume of resources	60 tonnes of gold @2.28 grammes/tonne	
	Mining and processing method	Underground mining + gravity concentration processing + flotation processing	

The Yilian-Yixingzhai Gold Mine of Shanxi Zijin is a mine in current production with a mining and processing capacity of 200 thousand tonnes/year. Verification of the reserve volume of resources at the newly explored Hewan Porphyry Gold Mine was completed in June 2020. There was an additional 54.72 tonnes of gold metal @2.12 grammes/tonne with associated silver, copper, lead and zinc. After reserve increment, the retained gold metal volume of Shanxi Zijin is approximately 60 tonnes. The new 6,000 tonnes/day mine intellectualised mining and processing upgrade and expansion construction is expected to be completed in 2022, with an additional annual production of 3 to 4 tonnes of gold after reaching designated production capacity.

Business Highlights *(continued)*

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The Buriticá Gold Mine in Colombia

	Geographical location	Municipality of Buriticá, Colombia	
	Shareholding proportion	69.28%	
	Project status	In production + expansion underway	
	Ore deposit type	Medium-sulphidation epithermal	
	Retained reserve volume of resources	296 tonnes of gold @8.53 grammes/tonne, 1,015 tonnes of silver @29.29 grammes/tonne	
	Mining and processing method	Underground mining + gravity concentration processing + flotation processing	

The Buriticá Gold Mine in Colombia is a world-class, large-scale super high-grade gold mine. Its average grade is 8.53 grammes/tonne. The project construction was completed and the project commenced production in October 2020. Gold production volume in 2020 was 2.2 tonnes. The mine will become a new growth driver of the Company's gold segment.

The project's technological upgrade and expansion will be completed in 2021. After reaching designated production capacity, the production capacity will increase from 3,000 tonnes/day to 4,000 tonnes/day and the annual gold production volume will increase to 9.1 tonnes.

The Aurora Gold Mine in Guyana

	Geographical location	Cuyuni-Mazaruni Region, Guyana	
	Shareholding proportion	100%	
	Project status	In production	
	Ore deposit type	Ductile shear and porphyry	
	Retained reserve volume of resources	178 tonnes of gold @2.8 grammes/tonne	
	Mining and processing method	Open-pit mining + gravity concentration processing	

In 2020, the Aurora Gold Mine in Guyana achieved completion of transaction, production resumption and generation of positive cash flows within the same year. Technological upgrade and process optimisation are being carried out, which is expected to raise annual gold production volume to over 4 tonnes after reaching designated production capacity.



The Buriticá Gold Mine in Colombia

Business Highlights *(continued)*

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The Upper Zone of the Čukaru Peki Copper and Gold Mine in Serbia

	Geographical location	Bor City, Serbia	
	Shareholding proportion	100%	
	Project status	Under construction	
	Ore deposit type	Porphyry	
	Retained reserve volume of resources	1.28 million tonnes of copper @3% and 81 tonnes of gold @1.91 grammes/tonne	
	Mining and processing method	Underground mining + flotation processing	

The Čukaru Peki Copper and Gold Mine in Serbia is a super-large scale copper and gold mine, which is divided into the Upper Zone and the Lower Zone. Among which, there are super-high grade ore deposit at the top of the Upper Zone. It is planned that construction completion and production commencement will take place in late June 2021. It is expected that 91.4 thousand tonnes of copper and 2.5 tonnes of gold will be produced per annum after production commences. In which, the expected peak annual output is 135 thousand tonnes of copper and 6.1 tonnes of gold.

The inferred resource volumes at the Lower Zone are 14.30 million tonnes of copper metal grading 0.86% in average and 299 tonnes of gold metal grading 0.18 gramme/tonne in average.

Serbia Zijin Copper

	Geographical location	Bor City, Serbia	
	Shareholding proportion	63%	
	Project status	In production + technological upgrade and expansion underway	
	Ore deposit type	Porphyry	
	Retained reserve volume of resources	10.12 million tonnes of copper @0.40% and 360 tonnes of gold @0.14 gramme/tonne	
	Mining and processing method	Open-pit mining + underground mining + gravity concentration processing + flotation processing	








Serbia Zijin Copper has 4 copper mines (JM, VK, NC and MS) and 1 smelter plant. The mines are located at the Eurasian metallogenic belt with favourable metallogenic prospect and good exploration potential. The project was originally a loss-making enterprise. After the Company acquired the project in 2018, it swiftly turned losses into profits. Currently, Serbia Zijin Copper is speeding up the technological upgrade and expansion of its 4 mines and smelter plant. After construction completion, it is expected that 120 thousand tonnes of mine-produced copper and 180 thousand tonnes of refined copper will be produced annually.



Business Highlights *(continued)*

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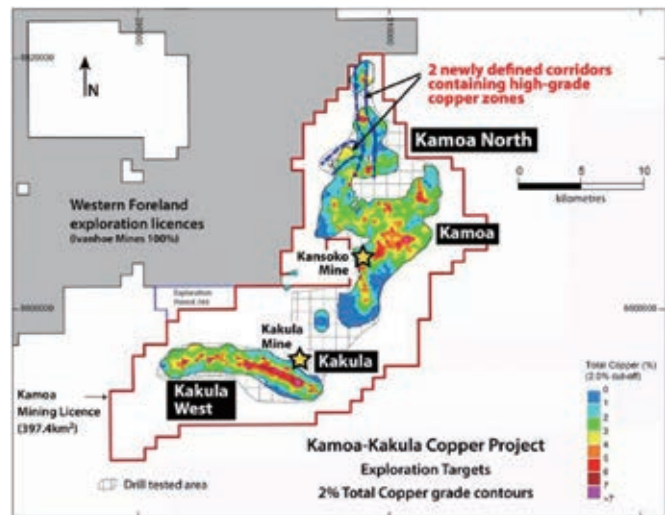
The Kamao Copper Mine in the DR Congo

	Geographical location	Lualaba Province, the DR Congo	
	Shareholding proportion	45.04% (including the portion indirectly held through the Company's shareholding interest in Ivanhoe)	
	Project status	Under production	
	Ore deposit type	Sedimento-metamorphic and transformation	
	Retained reserve volume of resources	43.69 million tonnes of copper @2.53%	
	Mining and processing method	Underground mining + flotation processing	

The Kamao-Kakula Copper Mine in the DR Congo is the largest copper mine in Africa as well as the fourth largest high-grade undeveloped copper mine in the world. Currently, exploration is undergoing at the Kamao North Bonanza Zone and Kamao Far North area. The potential of reserve increment is large.

The designed production capacity of phase one of the project will be raised to 7.60 million tonnes of ore per annum, with an expected annual output of approximately 400 thousand tonnes of copper. Among which, the series 1 processing facilities with an annual handling capacity of 3.80 million tonnes of ore is expected to be completed at the end of the second quarter of 2021. As at the end of February 2021, the surface stockpile contained 2.16 million tonnes of high (medium)-grade ore, grading 4.44% in average. It is expected that the pre-production surface stockpiles will hold 3 million tonnes of high (medium)-grade ore, containing more than 125 thousand tonnes of copper metal.








The Kamao-Kakula Copper proactively implements "Sustainable Livelihoods Programme" and comprehensively uses clean energy. According to the independent audit carried out by Hatch Ltd. of Canada, the Kamao Copper Mine will become one of the mines with the lowest greenhouse gas emission per each unit of copper produced in the world.



Business Highlights *(continued)*

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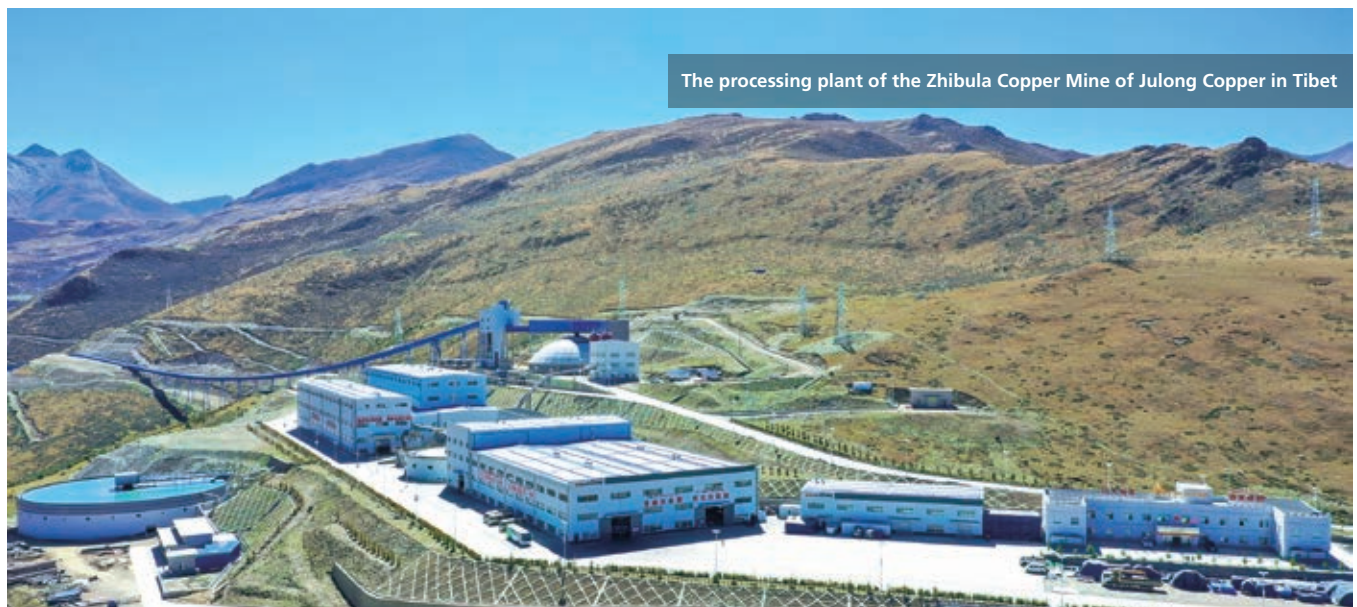
Julong Copper in Tibet

	Geographical location	Maizhokunggar County, Lhasa City, Tibet Autonomous Region	
	Shareholding proportion	50.10%	
	Project status	In production + under construction	
	Ore deposit type	Porphyry	
	Retained reserve volume of resources	10.72 million tonnes of copper @0.40%	
	Mining and processing method	Open-pit mining + flotation processing	

Julong Copper in Tibet holds three mining rights for the Qulong Copper and Polymetallic Mine, the Rongmucuola Copper Mine and the Zhibula Copper and Polymetallic Mine respectively. Among which, the Qulong Copper Mine is the largest explored porphyry copper mine in China. The mining areas of Julong Copper contain a large volume of low-grade copper mineral resources. The prospective reserve volume of copper resource may exceed 20 million tonnes.

According to the development plan, the Qulong Copper Mine area will commence large-scale open-pit mining, with two phases of construction. Phase one will complete construction and commence production in late 2021. After reaching designated production capacity, annual copper production volume will be approximately 160 thousand tonnes. Phase two will be constructed based on the planned capacity of 300 thousand tonnes/day. After construction completion, the annual copper production volume will be 260 thousand tonnes.

At present, phase one of the project is in smooth progress of construction. 67% of the appearance work of Qulong project's infrastructure has been completed. Stripping of mining infrastructure has been resumed in late October 2020.



The processing plant of the Zhibula Copper Mine of Julong Copper in Tibet

Brief Biography of Directors, Supervisors and Senior Management

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)



Mr. Chen Jinghe

Executive Director, chairman of the Board, chief officers of the Strategic and Sustainable Development (ESG) Committee and Execution and Investment Committee of the Board, committee member of the Nomination and Remuneration Committee of the Board.

Aged 64

Mr. Chen graduated from the Fuzhou University with a bachelor's degree in geology and obtained an EMBA degree from the Xiamen University. He is a professor grade senior engineer who enjoys special allowance from the State Council.

He is the founder and core leader of Zijin Mining who pioneered the "integrating five ore treatment processes into one" mining engineering management model. He is a well-known expert both at home and aboard in the fields of metallic mineral resources exploration and development.



Mr. Lan Fusheng

Executive Director, vice-chairman of the Board, deputy officer of the Strategic and Sustainable Development (ESG) Committee of the Board, committee member of the Execution and Investment Committee of the Board.

Aged 57

Mr. Lan graduated from the Fuzhou University with a bachelor's degree in geology and obtained an MBA degree from the La Trobe University in Australia. He is an engineer.

He joined the Company in 1994. He has extensive work experience in corporate management, geology and merger and acquisition of domestic and overseas resources.



Mr. Zou Laichang

Executive Director, president, committee members of the Strategic and Sustainable Development (ESG) Committee and Audit and Internal Control Committee of the Board, deputy officer of the Execution and Investment Committee of the Board.

Aged 53

Mr. Zou graduated from the Fujian Agriculture College with a bachelor's degree of engineering in chemistry for forestry and obtained an MBA degree from the Xiamen University. He is a senior engineer.

He joined the Company in 1996. He has extensive practical experience in corporate management, mineral processing, metallurgy and mining project management.



Mr. Lin Hongfu

Executive Director, standing vice-president, committee member of the Execution and Investment Committee of the Board.

Aged 47

Mr. Lin obtained an EMBA degree from the Tsinghua University. He is a senior engineer.

He joined the Company in 1997. He has extensive practical experience in mining and metallurgical project management, large-scale project construction and development of finance, capital operation and management systems.

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

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)



Ms. Lin Hongying

Executive Director, vice-president, committee members of the Execution and Investment Committee and Audit and Internal Control Committee of the Board.

Aged 53

Ms. Lin obtained a bachelor's degree. She is a senior certified public accountant.

She joined the Company in 1993. She has extensive knowledge and professional work experience in finance and accounting management, market trading operations and financial capital operation.



Mr. Xie Xionghui

Executive Director, vice-president, committee members of the Strategic and Sustainable Development (ESG) Committee and Execution and Investment Committee of the Board.

Aged 47

Mr. Xie graduated from the Huainan Industrial Institute majoring in geology and mineral resources exploration. He is a lawyer, a registered safety engineer with the qualifications of registered consulting engineer (investment) and grade-one constructor.

He joined the Company in 2001. He has extensive professional knowledge and work experience in law, geology and mine safety. He is dedicated to the development and study of corporate sustainability (ESG).



Mr. Li Jian

Non-executive Director, committee members of the Strategic and Sustainable Development (ESG) Committee, Audit and Internal Control Committee and Nomination and Remuneration Committee of the Board.

Aged 45

Mr. Li obtained a bachelor's degree in finance.

He joined the Company in 2013. He has extensive knowledge and work experience in investment and finance.



Mr. Zhu Guang

Independent non-executive Director, committee members of the Strategic and Sustainable Development (ESG) Committee and Audit and Internal Control Committee of the Board, chief officer of the Nomination and Remuneration Committee of the Board.

Aged 64

Mr. Zhu obtained a master's degree in international economy from the University of International Business and Economics. He was also granted a doctoral degree in economics from the Central University of Finance and Economics. He is a visiting professor of the Central South University and the Central University of Finance and Economics.

He joined the Company in 2016. He has extensive practical experience in domestic and overseas mining resources investment.

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

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)



Mr. Mao Jingwen

Independent non-executive Director, committee members of the Strategic and Sustainable Development (ESG) Committee and Nomination and Remuneration Committee of the Board.

Aged 65

Mr. Mao obtained a doctoral degree from the Graduate School of the Chinese Academy of Geological Sciences. He is an academician of the Chinese Academy of Engineering. He currently serves as a researcher in the Institute of Mineral Resources under the Chinese Academy of Geological Sciences, director in the key laboratory of metallogeny and mineral assessment of the Ministry of Land and Resources and director in the Commission on Mineral Deposits of the Geological Society of China.

He joined the Company in December 2019. He is dedicated to the study on mineral deposit model and metallogeny as well as mineral prospecting for a long time, and has made significant contributions to the breakthroughs in prospecting for concealed orebody in the PRC.



Mr. Li Changqing

Independent non-executive Director, chief officer of the Audit and Internal Control Committee of the Board.

Aged 53

Mr. Li obtained a bachelor's degree of engineering in accounting of industrial enterprise from the School of Management Engineering of the Hefei University of Technology, a master's degree in economics (MBA) and a doctoral degree in management (accounting) from the Xiamen University. He is a certified public accountant in China. He currently serves as a professor in the School of Management, doctoral advisor and director of EMBA Centre of the Xiamen University and a supervisor in post-doctor workstation of the Shanghai Stock Exchange.

He joined the Company in December 2019. He is dedicated to the study on accounting and corporate wealth management for a long time.



Mr. He Fulong

Independent non-executive Director, committee member of the Strategic and Sustainable Development (ESG) Committee of the Board, deputy officers of the Audit and Internal Control Committee and Nomination and Remuneration Committee of the Board.

Aged 66

Mr. He obtained a master's degree in business administration and is a senior economist entitled to special allowance from the State Council, the chairman of Xiamen City Chen Jiageng Education Development Foundation, an adjunct professor of the School of Management, the School of Economics and the Wang Yanan Institute for Studies in Economics as well as a master advisor of international economics and business programme of the Xiamen University.

He joined the Company in December 2019. He has experience of serving in multiple large state-owned enterprises and extensive work experience in financial management.



Mr. Suen Man Tak

Independent non-executive Director, committee members of the Audit and Internal Control Committee and Nomination and Remuneration Committee of the Board.

Aged 63

Mr. Suen is a citizen of Hong Kong. He is a practicing barrister-at-law of the Hong Kong High Court. He is also the Honourary Chairman of the Institute of Compliance Officers, member of the Advisory Committee of Hong Kong Insurance Professionals Federation, Honourable President of Hong Kong International Blockchain and Financial Association, member of the Hong Kong Institute of Certified Public Accountants and Hong Kong Securities and Investment Institute.

He joined the Company in December 2019. He has extensive practical experience and professional knowledge in the law enforcement and the relevant legal work of securities, futures, financial market, anti-money laundering activities, listing rules, code of conduct, etc.

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

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)



Mr. Bo Shao Chuan

Independent non-executive Director, committee members of the Strategic and Sustainable Development (ESG) Committee and Audit and Internal Control Committee of the Board.

Aged 56

Mr. Bo is a Canadian citizen, obtained a master's degree and is a senior engineer. He is a member of the Shenzhen Court of International Arbitration (SCIA) Minerals and Energy Experts Committee and a member of the Mining Arbitration Expert Committee of the Beihai Arbitration Commission/Beihai Court of International Arbitration.

He joined the Company in December 2020. He has more than 30 years of work experience in the mining, oil and gas industries. He has extensive practical experience in corporate development, international merger and acquisition, investment, financing, joint investment and fund management. He is the author of Ins and Outs of International Mining.



Mr. Lin Shuiqing

Chairman of the Supervisory Committee.

Aged 57

Mr. Lin graduated from the Central Communist Party School, with a part-time postgraduate educational background.

He joined the Company in 2009. He has extensive practical experience in corporate risk control, community and public relations management, education and charity management.



Mr. Fan Wensheng

Vice-chairman of the Supervisory Committee.

Aged 53

Mr. Fan graduated from the Central Communist Party School.

He joined the Company in 2013. He has extensive practical experience in working at the base level, economic management, corporate supervision and corporate culture development.



Mr. Xu Qiang

Supervisor.

Aged 69

Mr. Xu was tertiary educated. He is a senior accountant, certified public accountant and registered valuer.

He joined the Company in 2000. He has professional knowledge and extensive work experience in accounting, audit, financial management and asset valuation.

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

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)



Mr. Liu Wenhong

Chairman of the labour union and Supervisor representing workers and staff.

Aged 51

Mr. Liu obtained an EMBA degree from the Xiamen University. He is an intermediate-level engineer.

He joined the Company in 1989. He has extensive practical experience in corporate management, social responsibility development and protection of employees' rights and interests.



Mr. Cao Sanxing

Supervisor representing workers and staff, director of Supervision and Audit Office of the Company.

Aged 45

Mr. Cao graduated from the Hainan University majoring in international finance.

He joined the Company in 2001. He is dedicated to corporate supervision, anti-corruption, internal audit and corporate management for a long time and has extensive practical experience.



Mr. Shen Shaoyang

Vice-president.

Aged 52

Mr. Shen graduated from the Xiamen University with a bachelor's degree in international trade. He obtained an MBA from the National University of Singapore and a Master of Management & Professional Accounting (MMPA) from the University of Toronto. He is a chartered professional accountant (CPA) in Canada.

He joined the Company in 2014. He has extensive experience in mine operation and management as well as international investment, merger and acquisition.



Mr. Long Yi

Vice-president.

Aged 45

Mr. Long graduated from the Northeastern University with a bachelor's degree in mining engineering. He is a senior engineer.

He joined the Company in 1999. He has extensive practical experience in frontline operation management of multiple domestic and overseas mines and large-scale mining project development.

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

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)



Mr. Que Chaoyang

Vice-president.

Aged 51

Mr. Que obtained a bachelor's degree in mineral resources management and a part-time doctoral degree in mineralogy, petrology and mineral deposit from the China University of Geosciences (Beijing). He is a senior engineer.

He joined the Company in 2004. He has extensive practical experience in frontline operation management of multiple domestic and overseas mines and cross-cultural management.



Mr. Wu Honghui

Financial controller.

Aged 45

Mr. Wu is a certified public accountant, certified tax agent and senior accountant.

He joined the Company in 2007. He has extensive professional knowledge and practical management experience in finance and investment, capital operation and finance.



Mr. Jiang Kaixi

Chief scientist and chief engineer.

Aged 58

Mr. Jiang graduated from the RWTH Aachen University of Germany majoring in metallurgical engineering. He obtained a doctoral degree and is a professor grade senior engineer and enjoys special allowance from the State Council.

He joined the Company in 2019. He is dedicated to, and has extensive professional knowledge and practical experience in the study of metallurgical technology of metallic mineral resources.



Mr. Zheng Youcheng

Secretary to the Board.

Aged 53

Mr. Zheng graduated from the Fuzhou University with a bachelor's degree in geology and mineral prospecting, and obtained a master's degree in public administration from the Xiamen University. He is a post-graduate.

He joined the Company in 2005. He has extensive knowledge and practical experience in corporate operation, journalism and communication and capital operation.

Mr. Fan Cheung Man, aged 60, 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.

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

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

POSITION HELD BY DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

(1) Position held in shareholder's company

Name	Name of shareholder's company	Position	Date of appointment	Date of end term
Li Jian	Minxi Xinghang State-owned Assets Investment Co., Ltd.	Chairman and general manager	September 2017	

(2) Position held in other companies

Name	Name of company	Position	Date of appointment	Date of end term
Chen Jinghe	Ivanhoe Mines Ltd.	Non-independent director	June 2019	
Lin Hongfu	Fujian Evergreen New Energy Technology Co., Ltd.	Director	December 2018	
Li Jian	Fujian Shanghang Xingcheng Financing and Guarantee Company Limited	Chairman	July 2014	
Li Jian	Fujian Shanghang Rural Commercial Bank Company Limited	Director	June 2015	
Li Jian	Qinghang Dingfeng Development and Construction Company Limited	Chairman	August 2020	
Li Jian	Beijing EQ Technology Company Limited	Director	September 2020	
Zhu Guang	HOPU Jinghua (Beijing) Investment Consultancy Co., Ltd.	Vice-chairman		
Zhu Guang	Zhejiang Huayou Cobalt Co., Ltd.	Independent director	April 2020	April 2023
Mao Jingwen	Shenghe Resources Holding Co., Ltd.	Independent director	April 2019	April 2022
Mao Jingwen	Hunan Gold Group Co., Ltd.	External director		
Mao Jingwen	CITIC Metal Group Ltd.	Independent director		
Li Changqing	Shenzhen Noposion International Investment Co., Ltd.	Independent director	July 2018	July 2021
Li Changqing	Bank of Hangzhou Co., Ltd.	Independent director	November 2020	February 2023
He Fulong	Xiamen CCRE Group Co., Ltd.	External director	December 2020	December 2023
Suen Man Tak	Sino-Ocean Group Holding Limited	Independent non-executive director	December 2015	
Suen Man Tak	China Jinmao Holdings Group Limited	Independent non-executive director	November 2020	
Bo Shao Chuan	Sinomine Resource Group Co., Ltd.	Independent director	May 2020	May 2023
Bo Shao Chuan	Oryx Bio-Tech Ltd.	Director and president	October 2018	
Xu Qiang	Newland Digital Technology Co., Ltd.	Independent director	May 2015	March 2021
Shen Shaoyang	Barrick (Niugini) Limited	Director	August 2015	
Shen Shaoyang	Gold Eagle Mining Investment Limited	Director	January 2020	

Management Discussion and Analysis

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

The management of the Group hereby reports the discussion and analysis on 2020 operating results.

OVERVIEW OF THE COMPANY'S OPERATION

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

The Company is engaged in mine development and exploration globally and covers the industrial chain to an optimal extent. The Company upholds innovations in system, technology, management and engineering and has established a model with Zijin characteristics in the aspects of resources exploration, design, construction, production, operation, safety, environmental protection, etc. The strategic value, social value, investment value and brand value of the Company are highly acknowledged within the industry.

1. Business model

Mine development

Mine operation and management

The Company strengthens the status of mining as its core and fundamental business, regards enhancement of operational capacity in the businesses of gold, copper and other major mineral resources as its priority, in the meantime having regard to zinc, silver, iron and other high-growth minerals, as well as the potentials of new materials and new energy minerals. Allocating its resources globally, the Company has over 30 fast-growing major projects across 12 overseas countries and 14 provinces (regions) in the PRC, comprising mining projects with current operation and mega-size, high-potential and high-volume mining projects under construction that are all designed, constructed, operated and managed by the Company. A high-efficiency, low-cost and high-value mine development model known as "Zijin model" created therefrom has contributed to the maximisation of economic and social benefits.

Autonomous design and construction of mines

The mining engineering management model of "integrating five ore treatment processes into one" pioneered by the Company follows ore treatment process and realises coordinated research on five procedures of geological prospecting, mining, processing, metallurgy and environmental protection as well as full process control, enabling maximisation of economic and social benefits. The Company is equipped with a strong and autonomous mining engineering capacity and has established institutes for systems technology, engineering research, design and application. It now possesses a supporting system in which industry, academia and research integrate deeply with informatisation.

Self-initiated prospecting, exploration and acquisition of resources

The Company insists on giving equal weight to self-initiated prospecting, exploration and resources acquisition, and takes a global view in its mineral resource allocation strategy. Leveraging on an industry-leading prospecting and exploration technology and capacity, the Company continues to draw plans for prospecting breakthroughs in crucial metallogenic belts, boosting its global competitiveness with the total volume of premium mineral resources it owns; in the meantime, the Company leverages on superior capabilities in professional analysis and decision-making to acquire large-scale and super large-scale mineral resources at appropriate times, in order to increase the total volume of mineral resources and enable the enterprise to meet the needs for sustainable development.

Management Discussion and Analysis *(continued)*

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Extension of industry chain

Optimal extension into refining business

In reliance on the main businesses of development of gold, copper, zinc and other types of mines, the Company moderately covers refining, processing and trading to an optimal extent, generating synergies between the upstream and downstream in industrial chains, in order to expand the industrial scale, enhance industrial security and obtain value-added income. The Company has complementarily developed 4 environmental-friendly, large-scale refining projects. The Company ranks top in China in terms of various technological and economic indicators and has a strong profitability.

Mining-related finance, capital and trading

The Company propels the coordinated development of mining and finance and capital industries. A number of global mining and financial services and capital investment and financing platforms have been established. The financial capital management, operation and value-added chain in mining industry are systematically laid out. The Company plays an active role in exploring trading and logistics businesses relating to mine development, focuses on the building of a responsible global supply chain, and has set up a batch of product sales and logistics management platforms at the localities where its key operations are based.

2. Position in the industry

The Company is one of the sizable mining companies generating the best efficacy, controlling the largest volume of metal resources reserve, possessing the largest production volumes and having the most competitive performance in the Chinese mining industry. The Company's efficiency indicators ranked 1st among non-ferrous (gold) mining enterprises in the Top 500 Enterprises of China released by China Enterprise Confederation in 2020. It also ranked 3rd among global listed gold corporations and 7th among global non-ferrous metal corporations in Forbes' Global 2000.

– One of the largest mine-produced gold producers in China

Gold business is a crucial contributor to the Company's income and profit. The Company's core gold mining projects in the PRC which are currently in production include the Zijinshan Gold and Copper Mine in Fujian, the Shuguang Gold and Copper Mine in Jilin, the Shuyindong Gold Mine in Guizhou, the Shanggong and Luyangou Gold Mines in Henan, the Yilian/Yixingzhai Gold Mines in Shanxi, the Sonid Left Banner Gold Mine in Inner Mongolia, the Liba Gold Mine in Gansu, etc. Its overseas gold mining projects include the Jilau-Taror Gold Mines in Tajikistan, the Paddington Operations in Australia, the Taldybulak Levoberezhny Gold Mine in Kyrgyzstan, the Buriticá Gold Mine in Colombia, the Aurora Gold Mine in Guyana, etc. The Company is currently speeding up the construction of the Čukaru Peki Copper and Gold Mine in Serbia, as well as pushing for the upgrade in the output and production capacity in a large number of volume-driven projects in current production. Having all relevant parties' interests in mind, the Company is striving for renewal of the mining lease of the Porgera Gold Mine in Papua New Guinea and resumption of production.

According to China Mineral Resources 2020, the national gold reserve volume was 14,126.1 tonnes. In 2020, the gold resource reserve volume of the Company was approximately 2,334 tonnes, representing approximately 16.52% of the total volume in China. In accordance with the statistics disclosed by China Gold Association, the national mine-produced gold production volume was 301.69 tonnes, while the Company's mine-produced gold production volume was 40.51 tonnes, representing approximately 13.43% of the total volume in China.

Management Discussion and Analysis *(continued)*

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

– The largest mine-produced copper producer in China

The Company's copper business has a high potential for growth with early signs of momentum for exploding growth. The Company's core copper mines in the PRC which are currently in production include the Zijinshan Gold and Copper Mine in Fujian, the Duobaoshan Copper Mine in Heilongjiang, the Ashele Copper Mine in Xinjiang, and the Shuguang Gold and Copper Mine in Jilin. Its overseas copper mines include the Kolwezi Copper and Cobalt Mine in the DR Congo, the Bor Copper Mine in Serbia, the Bisha Zinc and Copper Mine in Eritrea, etc. The Company is currently accelerating the conversion of resource advantage to economic benefit advantage, with a number of world-class mega-size high-grade copper mines, namely the Kamoa Copper Mine in the DR Congo and the Čukaru Peki Copper and Gold Mine in Serbia, expected to complete construction and commence production in June 2021, and with the largest porphyry copper mine in China, namely the Qulong Copper Mine, expected to complete construction and commence production at the end of 2021. The Company also has a number of projects which are currently in the research and development stage, such as the Rio Blanco Copper and Molybdenum Mine in Peru.

According to China Mineral Resources 2020, the national copper reserve volume was 118.0729 million tonnes. In 2020, the copper resource reserve volume of the Company was approximately 62.06 million tonnes, representing approximately 52.56% of the total volume in China. In accordance with the statistics disclosed by the China Nonferrous Metals Industry Association, the national mine-produced copper production volume was 1.6733 million tonnes, while the Company's mine-produced copper production volume was 453.4 thousand tonnes, representing approximately 27.10% of the total volume in China.

– The largest mine-produced zinc producer in China

Profitability from the development of low-grade resources is a clear edge of the Company's zinc business. The Company's core zinc mines in the PRC which are currently in production include the Wulagen Zinc Mine in Xinjiang and the Miaogou-Sanguikou Zinc Mine in Inner Mongolia. Its overseas zinc mines include the Tuva Zinc and Polymetallic Mine, the Bisha Zinc and Copper Mine in Eritrea and so on.

According to China Mineral Resources 2020, the national zinc reserve volume was 202.3517 million tonnes. In 2020, the zinc resource reserve volume of the Company was approximately 10.33 million tonnes, representing approximately 5.10% of the total volume in China. In accordance with the statistics disclosed by the China Nonferrous Metals Industry Association, in 2020, the national mine-produced zinc production volume was 2.7686 million tonnes, while the Company's mine-produced zinc production volume was 342.1 thousand tonnes, representing approximately 12.36% of the total volume in China.

– A leading mine-produced silver producer in China

The Company's silver business has emerged as an associated new volume driver in recent years. The Company's major overseas projects include the Bisha Zinc and Copper Mine in Eritrea and the Buriticá Gold Mine in Colombia; domestically, the mines include the Yilian/Yixingzhai Gold Mines in Shanxi, the Shangong Gold Mine of Luoyang Kunyu, the Yueyang Silver Mine in Wuping, Fujian, etc. In 2020, the silver resource reserve volume and associated silver resource reserve volume of the Company was approximately 2,924 tonnes and 6,584 tonnes respectively, and the production volume of mine-produced silver was 298.72 tonnes.

II. Explanations on significant changes in the major assets of the Company during the reporting period

The consolidated total assets of the Company as at 31 December 2020 was RMB182.313 billion, representing an increase of 47.23% compared with the end of last year. In which, overseas assets amounted to RMB82.504 billion, representing 45.25% of the consolidated total assets.

During the reporting period, the Company completed the acquisitions of the equity interests of two important projects, namely Julong Copper in Tibet and the Aurora Gold Mine in Guyana. Please refer to the section headed "Key equity investments" in "Discussion and analysis on operating performance" for details.

Management Discussion and Analysis *(continued)*

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

III. Analysis on the core competitiveness during the reporting period

The Company originated from the development of the Zijinshan Gold Mine in 1993, and after over 20 years of development, the distinctive innovative development concept of the Company has been formed. Innovation is the fine combination of general scientific theory and objective reality. Innovation is the process of persistent self-denial. Innovation has become the core competitiveness of the Company.

1. Advantage in good corporate system and governance

The Company is one of the first Chinese mining companies that underwent mixed-ownership reform and completed the most successful corporate governance system reform. The Company operates under a separation of ownership and management, with high efficiency in decision-making and flexible operation mechanism. With clarity in strategic goal and orientation, the Company operates in a consistent and firm manner. The Company also continually implements reforms and keeps enhancing the operation and management system to raise their adaptability to the Company's business. The Company's Party Committee, Board of Directors, Supervisory Committee and senior management are well-organised, with clear duties and responsibilities, integration and coordination. The Company's management team has a reasonable composition, in which the majority of the management personnel are industry experts having strong senses of responsibility and mission and are dedicated, professional and loyal.

2. Advantage in vast resources base

The Company owns 2,334 tonnes of gold, 62.06 million tonnes of copper and 11.86 million tonnes of zinc (lead) resources, in which the copper resource volume represents over half of the total volume in China, providing a strong resources base for the leaping development of the Company. The Company possesses a batch of world-class, high-quality mineral resources. For example, the Kamoia Copper Mine in the DR Congo, having a copper resource volume of 43.69 million tonnes, is the world's fourth largest high-grade copper mine; the Qulong Copper Mine in Tibet is the largest porphyry copper deposit that has ever been discovered in China, with a prospective resource reserve of over 20 million tonnes; the Čukaru Peki Copper (Gold) Mine in Serbia has a copper resource volume of about 16 million tonnes; and the Buriticá Gold Mine in Colombia has a gold resource volume of about 296 tonnes grading 8.53 grammes/tonne, the grade of which is much higher than the average grade of primary gold ores in the world.

3. Advantage in persistent increase in production capacity

The Company expects to see a continuing increase in its gold production capacity, is poised to achieve exploding growth in copper production capacity, possesses a leading advantage in the domestic market of mine-produced zinc and mine-produced silver segments, while also maintains similar pace of growth in iron ore and other mineral segments. The construction of a number of mega-size gold and copper projects will be completed at greater speed. Phase one of the Kakula Copper Mine in the DR Congo, the Upper Zone of the Čukaru Peki Copper and Gold Mine in Serbia and phase one of the Qulong Copper Mine in Tibet are likely to complete construction and commence production in 2021; the Buriticá Gold Mine in Colombia will soon become a core gold project of the Company; and a number of projects which are currently undergoing technological upgrade, including Serbia Zijin Copper, Norton in Australia, Guyana Goldfields, the Tongshan Copper Mine in Heilongjiang, Longnan Zijin, Shanxi Zijin, Guizhou Zijin and Luoyang Kunyu, will soon begin to deliver new production capacity. The Company's product portfolio of gold, copper and zinc, etc. offers effective protection against fluctuations of metal prices in different cycles and enhances the Company's risk-proof capability and profitability.

Management Discussion and Analysis *(continued)*

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

4. Strong advantage in technological innovation

The Company possesses abundant practical experience and industry-leading technology in geological prospecting, hydrometallurgy, comprehensive recovery and utilisation of low-grade refractory resources, large-scale engineering development and so on. The engineering management model of “integrating five ore treatment processes into one” pioneered by the Company has created a new path to efficient eco-development of resources, fostering the Company’s global competitiveness in mining engineering. The Company founded the only State Key Laboratory of Comprehensive Utilisation of Low-grade Refractory Gold Ores in the domestic gold industry, and established institutes for system technology, engineering research, design and application, including a batch of design and construction entities with grade-A qualifications. These created a supporting system in which industry, academia and research integrate deeply with informatisation. The Company is one of the few multinational mining corporations in the world being equipped with autonomous system technology and engineering management capabilities.

5. Leading advantage in low-cost operation

The Company generally obtained mineral resources at a relatively low cost. On one hand, the Company stepped up self-initiated exploration and prospecting, as a result of which around 50% of the total resources volume of the Company are products of self-initiated exploration; on the other hand, the Company closely adhered to the national strategy and carried out counter-cyclical acquisitions to acquire a batch of world-class mineral resources at relatively low costs. The self-developed technology as well as research, construction and development capacity in mining engineering which have been developed using the Company’s own platform have optimised the development plans of a host of crucial construction projects, substantially reduced investment costs, shortened construction cycles and realised favourable overall efficacy. The Company has formulated a development strategy of “one policy for one entity” to effectively push for comprehensive utilisation of low-grade, refractory resources, which further increases its competitiveness in production and operational costs. Furthermore, the Company has relatively low financing costs and sufficient lines of credit.

6. Advantages in excellent teams and corporate culture

The Company has a team of management personnel and technical professionals who are not just battle-tested, visionary and ambitious, but are also dedicated, loyal and responsible. From their years of practice, the Zijin spirit of “found the business by overcoming hardships with exploratory and innovative spirits” has been developed, providing a powerful driver for and support to Zijin Mining’s leaping development. The Company upholds the value of “create wealth in harmony, balance development of the corporation, the employees and the society”, adheres to the Company’s original aspiration and mission of “mining for a better society”, firmly believes in co-development, and regards the aforesaid as the guiding spirits and standards of action for the enterprise.

DISCUSSION AND ANALYSIS ON OPERATING PERFORMANCE

I. Discussion and analysis on operating performance

(1) Condition of the industry

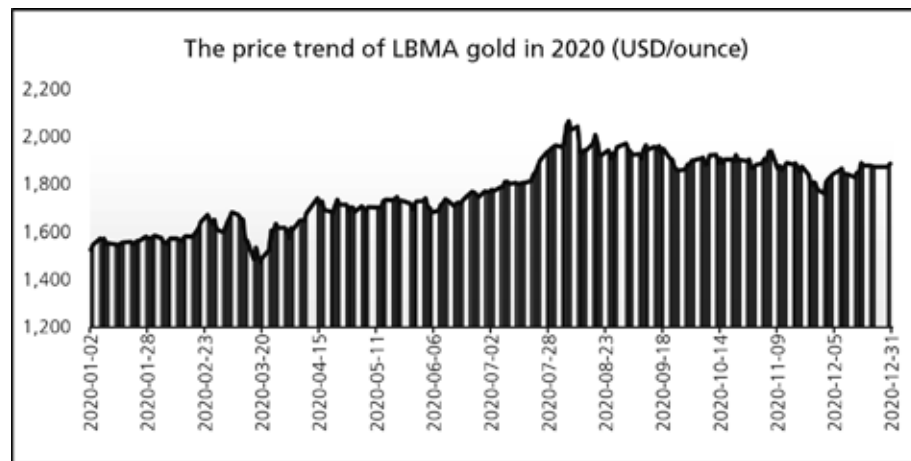
During the reporting period, the outbreak of coronavirus pandemic disrupted the economies in different parts of the world, causing profound adjustments in global economic and political landscapes. International trade took a major hit, financial markets also experienced drastic swings. With anti-globalisation, suppression and anti-suppression gaining traction and rising popularity of unilateralism and protectionism, along with the ongoing tension between China and the United States in trades, geopolitical risks have been mounting and more uncertainties are weighing on the world’s prospect. In the post-pandemic era, most countries continue with the use of accommodative monetary policy and progressive fiscal policies to stimulate economic growth, thus giving signs of improvement in macro indicators and driving up market sentiments. Global real demand is on a clear recovery track and the Chinese economy is the first to bounce back. These have provided firm support to the rise in metal prices. However, it also means that opportunities and challenges exist side by side in global mining industry.

Management Discussion and Analysis *(continued)*

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During the reporting period, major central banks around the world adopted extremely loose monetary policies in the wake of the pandemic's impact. The US dollar index remained weak. Gold price, despite more drastic volatilities, stood at high price ranges. Copper, zinc and other non-ferrous metals, boosted by abundant liquidity and fundamentals, experienced strong rebounds in prices. The rise in metal prices not only benefited mining companies' operating results, but also raised their overall profile in the capital market.

1. Gold



During the reporting period, the highest international gold price touched USD2,075.14/ounce, setting a new record in history, while the lowest price hit USD1,451.13/ounce, and it closed at USD1,887.60/ounce at the end of the year. The average price in the year was USD1,769.64/ounce, representing an increase of 26.77% compared with the same period last year. The highest price of Au9999 gold in Shanghai Gold Exchange touched RMB449/gramme, while the lowest price hit RMB278/gramme. The closing price at the end of 2020 was RMB390/gramme. The average price for the year was RMB388.13/gramme, representing an increase of 25.73% compared with the same period last year. Impacted by fluctuation of exchange rates, there were discrepancies in the magnitudes of movement in domestic gold price and international gold price, yet both of them reached historical highs in the third quarter of 2020.

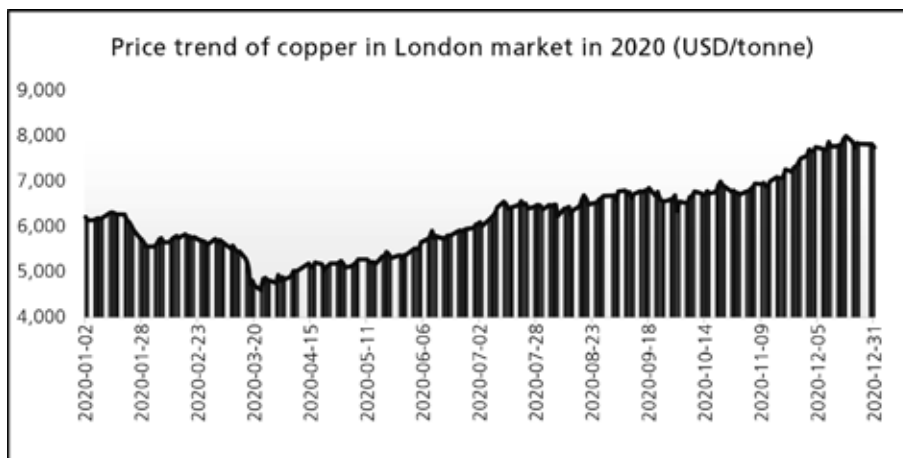
According to the statistics of the World Gold Council, in 2020, the global mine-produced gold production volume was 3,400.8 tonnes, representing a decrease of 3.87% compared with the same period last year. The global demand of gold was 3,759.6 tonnes, representing a decline of 14.29% compared with the same period last year.

According to the statistics of the China Gold Association, in 2020, the national raw gold production was 365.34 tonnes, representing a decrease of 14.88 tonnes or 3.91% compared with the same period last year. In which, 301.69 tonnes were mine-produced gold and 63.65 tonnes were non-ferrous gold by-products, representing a decrease of 4.03% and 3.36% respectively compared with the same period last year.

Management Discussion and Analysis *(continued)*

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2. Copper

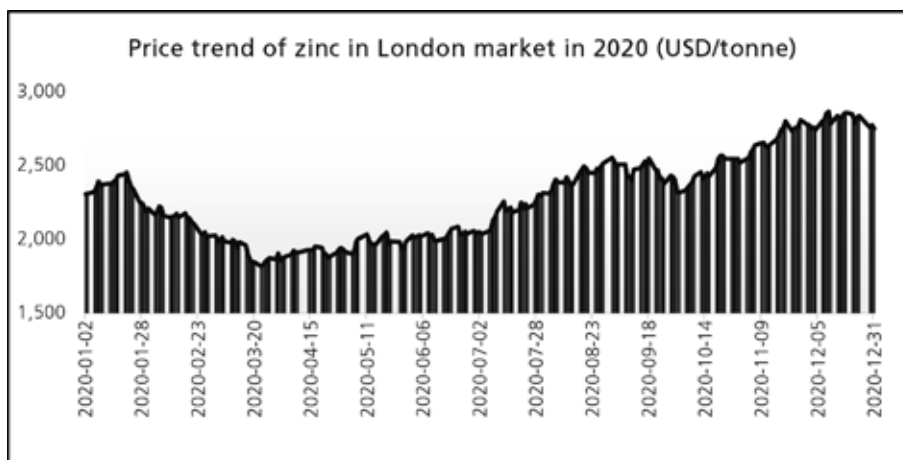


During the reporting period, the highest copper price in the London market reached USD8,028/tonne, while the lowest price hit USD4,371/tonne, and it closed at USD7,753.5/tonne at the end of the year. The average price for the year was USD6,199/tonne, representing an increase of 3.23% compared with the same period last year. In January to December 2020, the average spot copper price in the PRC was RMB48,752/tonne, representing an increase of 2.1% compared with the same period last year.

According to the statistics of China Nonferrous Metals Industry Association for 2020, the national production volume of mine-produced copper was 1.6733 million tonnes, representing an increase of 2.80% compared with the same period last year; the national production volume of refined copper in 2020 was 10.0251 million tonnes, representing an increase of 2.46% compared with the same period last year.

According to the statistics of WoodMackenzie, the global production volume of mine-produced copper in 2020 was 20.664 million tonnes, representing a decrease of 1.2% compared with the same period last year; the global production volume of refined copper in 2020 was 23.948 million tonnes, representing an increase of 1.8% compared with the same period last year; global consumption volume of refined copper in 2020 was 23.355 million tonnes, representing a decrease of 1.3% compared with the same period last year.

3. Zinc



During the reporting period, the highest price of zinc in the London market reached USD2,900/tonne, while the lowest price hit USD1,763/tonne, and it closed at USD2,749/tonne at the end of the year. The average price for the year was USD2,279.91/tonne, representing a decrease of 10.52% compared with the same period last year. The average spot zinc price in the PRC was RMB18,496/tonne, representing a decrease of 9.7% compared with the same period last year.

Management Discussion and Analysis *(continued)*

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According to the statistics of China Nonferrous Metals Industry Association for 2020, the national production volume of mine-produced zinc was 2.7686 million tonnes, representing a decrease of 1.33% compared with the same period last year; the national production volume of refined zinc in 2020 was 6.4249 million tonnes, representing an increase of 3.02% compared with the same period last year.

According to the statistics of International Lead and Zinc Study Group (“ILZSG”) for 2020, the global production volume of mine-produced zinc was 12.136 million tonnes, representing a decrease of 5.86% compared with the same period last year; the global production volume of refined zinc was 13.641 million tonnes, representing an increase of 1.19% compared with the same period last year; the global consumption of refined zinc was 13.108 million tonnes, representing a decrease of 4.38% compared with the same period last year.

(2) Business overview

The reporting period was the first year of the term of the Company’s new management team and the first year of the Company’s three-year development plan for 2020-2022. Facing the difficult situation of the pandemic combined with global economic recession, the Company upheld “deepening reform, achieving leaping growth and sustainable development” as the main work focus, company size, major mineral resources volumes and product output increased significantly, while major economic indicators achieved rapid growth against the trend. The Group realised an operating income of RMB171.501 billion, representing an increase of 26.01% compared with the same period last year (2019: RMB136.098 billion); profit before tax was RMB10.846 billion, representing an increase of 55.51% compared with the same period last year (2019: RMB6.974 billion); net profit attributable to owners of the parent was RMB6.509 billion, representing an increase of 51.93% compared with the same period last year (2019: RMB4.284 billion). As at the end of December 2020, the Group’s total assets was RMB182.313 billion, representing an increase of 47.23% compared with the beginning of the year (beginning of the year: RMB123.831 billion); net assets attributable to owners of the parent was RMB56.539 billion, representing an increase of 10.46% compared with the beginning of the year (beginning of the year: RMB51.186 billion). The Company has fulfilled its oath of “participating in the first battle, everyone’s performance matters in the first battle, sure-win in the first battle, winning the first battle beyond expectation” through actions.

The Company successfully issued RMB6 billion of A Share convertible corporate bonds, providing strong support to the Company’s globalised development. The Company’s position as the leading enterprise in the Chinese non-ferrous metal and gold industries was widely recognised, and its company value significantly restored and improved in the capital market, its influence also increased significantly. The Company’s A Share price and H Share price surged to RMB9.29 per share and HKD8.78 per share respectively, both of which had doubled compared with the beginning of the year. As at the date of issuance of this report, the Company’s total market capitalisation had once exceeded RMB300 billion.

Gold mine business

During the reporting period, the Group produced 315,084kg (10,130,192 ounces) of gold, representing an increase of 4.58% compared with the same period last year (2019: 301,292kg).

Among which, 40,509kg (1,302,379 ounces) was mine-produced gold, representing a decrease of 0.79% compared with the same period last year (2019: 40,831kg). 274,576kg (8,827,813 ounces) of refined, processed and trading gold was produced, representing an increase of 5.42% compared with the same period last year (2019: 260,461kg).

Sales income from the gold business represented approximately 61.32% (after elimination) of the total operating income during the reporting period. Gross profit of the gold business represented approximately 34.40% of the gross profit of the Group. (1 troy ounce = 31.1035g)

Management Discussion and Analysis *(continued)*

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Au Major enterprises or mines	Name	Interest held by the Group	Mine-produced gold (kg)
	Zeravshan in Tajikistan	70%	6,289
	Norton in Australia	100%	5,773
	Alтынken in Kyrgyzstan	60%	4,198
	Hunchun Zijin in Jilin	100%	2,744
	Porgera Gold Mine in Papua New Guinea	47.5%	2,675 (on equity basis)
	Guizhou Zijin	56%	2,201
	Buriticá Gold Mine in Colombia	69.28%	2,201
	Zijinshan Gold and Copper Mine in Fujian	100%	2,076
	Luoyang Kunyu	70%	2,030
	Heilongjiang Duobaoshan	100%	1,936
	Serbia Zijin Copper	63%	1,550
	Shanxi Zijin	100%	1,455
	Neimenggu Golden China	100%	1,155
Total of other mines			4,226
Total			40,509

Copper mine business

During the reporting period, the Group produced 1,029,090 tonnes of copper, representing an increase of 18.12% compared with the same period last year (2019: 871,254 tonnes).

Among which, 453,447 tonnes of mine-produced copper were produced, representing an increase of 22.60% compared with the same period last year (2019: 369,857 tonnes). 575,643 tonnes of copper were produced from refineries, representing an increase of 14.81% compared with the same period last year (2019: 501,397 tonnes).

Sales income from the copper business represented approximately 19.35% (after elimination) of the total operating income during the reporting period. Gross profit of the copper business represented approximately 39.01% of the gross profit of the Group.

Cu Major enterprises or mines	Name	Interest held by the Group	Mine-produced copper (tonne)	Note
	Kolwezi Copper Mine in the DR Congo	72%	114,265	Including: 57,400 tonnes of electrodeposited copper
	Heilongjiang Duobaoshan	100%	100,506	
	Zijinshan Gold and Copper Mine in Fujian	100%	81,103	Including: 19,859 tonnes of electrodeposited copper
	Serbia Zijin Copper	63%	52,207	Including: 46,937 tonnes of electrolytic copper
	Xinjiang Ashele	51%	45,003	
	Bisha in Eritrea	55%	21,725	
	Hunchun Zijin in Jilin	100%	14,405	
Total of other mines			24,233	
Total			453,447	

Management Discussion and Analysis *(continued)*

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Zinc (lead) mine business

During the reporting period, the Group produced 560,964 tonnes of zinc, representing a decrease of 6.91% compared with the same period last year (2019: 602,574 tonnes).

Among which, the Group produced 342,131 tonnes of mine-produced zinc in concentrate form, representing a decrease of 8.54% compared with the same period last year (2019: 374,068 tonnes). 218,834 tonnes of zinc bullion were produced from refineries, representing a decrease of 4.23% compared with the same period last year (2019: 228,506 tonnes).

During the reporting period, the Group produced lead in concentrate form of 36,072 tonnes, representing an increase of 5.30% compared with the same period last year (2019: 34,258 tonnes).

Sales income from lead and zinc business represented approximately 3.53% (after elimination) of total operating income during the reporting period. Gross profit of the lead and zinc business represented approximately 6.81% of the gross profit of the Group.

Zn/Pb Major enterprises or mines	Name	Interest held by the Group	Mine- produced zinc (tonne)	Mine- produced lead (tonne)	Total of Mine- produced zinc + mine- produced lead (tonne)
	Bisha in Eritrea	55%	121,930	–	121,930
	Zijin Zinc	100%	110,121	16,408	126,529
	Urad Rear Banner Zijin	95%	47,662	9,635	57,297
	Longxing in Russia	70%	49,081	3,138	52,219
	Xinjiang Ashele	51%	12,110	–	12,110
Total of other mines			1,227	6,891	8,118
Total			342,131	36,072	378,203

Silver, iron mine and other businesses

During the reporting period, the Group produced 801,503kg of silver, representing an increase of 38.61% compared with the same period last year (2019: 578,228kg). Among which, 502,787kg of silver was produced from refineries as by-product, representing an increase of 59.59% compared with the same period last year (2019: 315,050kg); 298,715kg of mine-produced silver was produced, representing an increase of 13.50% compared with the same period last year (2019: 263,178kg).

During the reporting period, the Group produced 3.87 million tonnes of iron ore, representing an increase of 9.63% compared with the same period last year (2019: 3.53 million tonnes).

During the reporting period, the Group produced 1,423.22 tonnes of mine-produced cobalt metal, representing an increase of 101.00% compared with the same period last year (2019: 708.06 tonnes).

Sales income from silver, iron mine and other products represented approximately 15.80% (after elimination) of total operating income during the reporting period, the gross profit of which represented approximately 19.78% of the gross profit of the Group.

Management Discussion and Analysis *(continued)*

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Ag Major enterprises or mines	Name	Interest held by the Group	Mine-produced silver (kg)
	Bisha in Eritrea	55%	65,284
	Heilongjiang Duobaoshan	100%	34,307
	Shanxi Zijin	100%	33,429
	Luoyang Kunyu	70%	32,620
	Xinjiang Ashele	51%	29,804
	Zijinshan Gold and Copper Mine in Fujian	100%	29,168
Total of other mines			74,103
Total			298,715

Fe Major enterprises or mines	Name	Interest held by the Group	Iron ore (million tonnes)
	Xinjiang Jinbao	56%	3.06
	Makeng Mining	41.5%	0.81 (on equity basis)
Total			3.87

Rapidly converted resource advantage into economic and social benefits

The Company obtained great achievements in key project constructions. Gold production capacity increased significantly. The Buriticá Gold Mine in Colombia completed construction and commenced production, the Aurora Gold Mine in Guyana resumed production, Longnan Zijin's 10,000 tonnes/day technological upgrade and expansion project was put into trial run. Technological update projects for a batch of gold incremental projects including Guizhou Zijin, Shanxi Zijin and Norton in Australia fully commenced. The Company's copper production capacity sees an early momentum of exploding growth. The construction progress of the Kakula Copper Mine in the DR Congo was beyond expectation. The construction of the Upper Zone of the Čukaru Peki Copper and Gold Mine in Serbia was encouraging, revealing the high-grade ore body for the first time. Serbia Zijin Copper's NC Mine generated good benefits after technological upgrade, and the construction of the MS Mine, VK Mine and JM Underground Mine fully accelerated. Julong Copper in Tibet was reborn from the ashes with all construction projects resumed. Other business sectors developed vigorously, CARRILU limestone project in the DR Congo and Xinjiang Zijin Non-ferrous zinc refining project completed construction and commenced production. Phase three of Zijin Zinc's processing plant technological upgrade reached designated production capacity and indicators.

Resource strategy consolidated the base for sustainable development

The Company insists that mineral resources are of the utmost importance, therefore it has significantly raised the amount of world-class mineral resources it owns. The Company successfully acquired the Buriticá Gold Mine and the Aurora Gold Mine in Guyana, completing the acquisition transaction, production commencement and profit generation within the same year. The successful acquisition of the Qulong Copper Mine, the largest porphyry copper mine in China, solidifies the Company's absolute leading position in the Chinese copper mining industry. The significant project acquisitions provide solid resource security for the Company's leaping growth. The additional reserve volume of resources obtained on equity basis: 385.53 tonnes of gold, 5.3684 million tonnes of copper and 867.44 tonnes of silver.

The Company, Beijing Institute of Geology for Mineral Resources Co., Ltd. and other parties jointly invested in and incorporated Sino-Zijin Resources Ltd., further strengthening the technological innovation ability and the core competitiveness of the geological prospecting team. The Company's local and overseas geological prospecting results are appealing. During the reporting period, the Company raised the reserve volume of resources (inferred or above) by 65.41 tonnes of gold, 566.5 thousand tonnes of copper, 42.6 thousand tonnes of lead and zinc and 21.49 tonnes of silver (on equity basis, certain items are not verified).

Management Discussion and Analysis *(continued)*

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As at the end of the reporting period, the Company owned 291 exploration rights covering a total area of 3,282.36 square kilometres and 236 mining rights covering a total area of 1,063.79 square kilometres. The reserve volumes of gold and copper resources continued to grow rapidly through resource merger, acquisition and self-initiated exploration.

Summary table of retained resources reserve of key mines as at the end of 2020

Mineral	Unit	Resources reserve (inferred resource volume or above)		
		At the end of 2020	At the end of 2019	Growth rate (%)
Gold	t (metal)	1,958.70	1,510.28	29.69
Gold associated with other metals	t (metal)	374.93	376.59	-0.44
Subtotal of gold	t (metal)	2,333.64	1,886.87	23.68
Copper	Mt (metal)	62.0558	57.2542	8.39
Silver	t (metal)	2,923.55	1,860.64	57.13
Molybdenum	Mt (metal)	0.6490	0.6771	-4.15
Zinc	Mt (metal)	10.3270	8.5583	20.67
Lead	Mt (metal)	1.5353	1.1789	30.23
Tungsten	WO ₃ thousand tonnes	67.7	70.2	-3.61
Tin	Mt (metal)	0.1397	0.1397	0.00
Iron	Billion tonnes (ore)	0.180	0.199	-9.87
Coal	Mt	69	69	0.00
Platinum	t (metal)	527.84	527.84	0.00
Palladium	t (metal)	378.14	378.14	0.00

Note: Certain items contain low-grade resources.

Further speeding up internationalised development

The Company insists on a globalised operation strategy. Its international operation capacity has been significantly enhanced. The overseas operations show a fast growing trend. The overseas mineral resources volume is much larger than the domestic volume. Overseas production volume of mineral products, mining assets and profit have been higher than or close to half of the total volume of the Company, and it is expected that they will fully surpass those from the domestic operations within two years. During the reporting period, overseas gold, copper and zinc production volumes accounted for 58%, 44% and 50% of the Company's total volumes respectively, while the resource volumes accounted for 72%, 75% and 26% of the Company's total volumes respectively.

Comparative advantage in self-initiated innovation enhancing continuously

The Company insists on treating innovation as its core competitiveness. The "integrating five ore treatment processes into one" mining engineering management model initiated by the Company and the technological comparative advantage within the industry are solidified continuously. The Company convened the Sixth Science and Technology Symposium, which was hosted at the highest standards, while also organised the first Summit for Technological Innovation and Sustainable Development in the China Mining Industry. The Company's new batch of scientific and technological achievements have been highly recognised by the industry. In 2020, 74 scientific and technological research and development projects were carried out, including 2 national and 3 provincial scientific and technological research and development projects respectively. The Company's informatisation development has reached a new stage. There were enhancements in finance and taxation, logistics, human resources and digitalisation and intellectualisation of mines. The self-initiated research and development capability was enhanced.

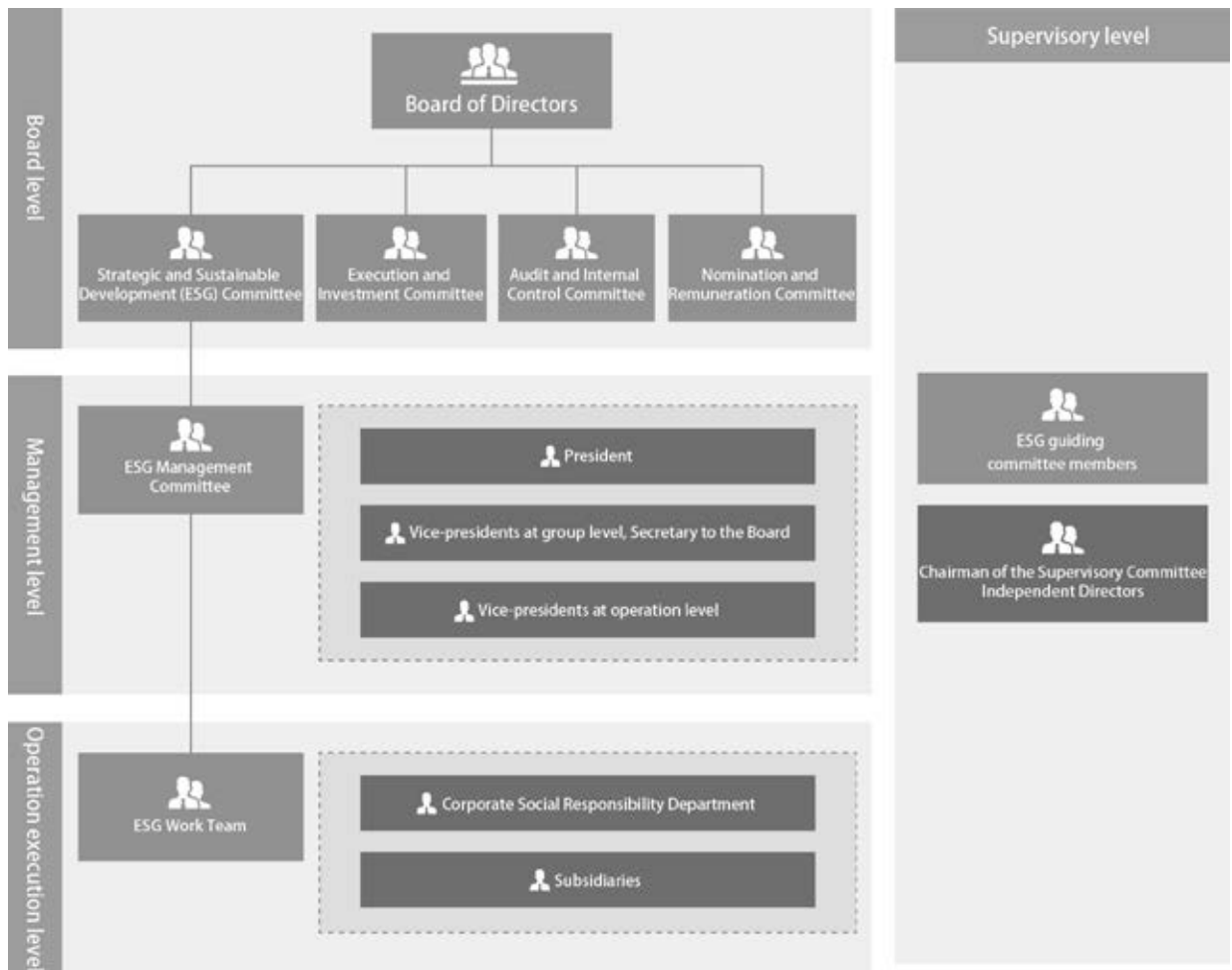
Management Discussion and Analysis *(continued)*

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Speeding up development of environmental, social and governance (ESG) system

The Company insists on following international standards and practices. It has developed a top-down ESG system from the Board to the lower levels, continued to raise the key performance of environmental protection and ecological conservation, occupational health and safety, business ethics, labour rights, human rights management, responsible supply chain, anti-corruption, community development, etc. The Company's performance in safety, environmental protection and eco-development was further enhanced. The Company improved in the area of occupational health, further strengthened carbon emission control, water use efficiency and wildlife conservation. There were 4 additional national green mines. The Company proactively fought against the effects brought by the COVID-19 pandemic. The local anti-pandemic prevention and control were stable during 2020. Meanwhile, the Company proactively participated in the prevention and control of the pandemic, donated approximately RMB30 million specifically for fighting the pandemic, and made donation for the establishment of a "Fire Eye" virus-testing laboratory in Serbia. The Company actively discharged its social responsibility and gained broad recognition for its co-development concept. It has become a member of the World Gold Council, and was once again awarded the title of "National Civilised Unit" in the sixth of the contest.

Organisational chart of the Company's environmental, social and governance (ESG) system



Management Discussion and Analysis *(continued)*

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Comprehensive development of globalised operation system

The Company further enhanced the highly-effective synergy of the Board, the Supervisory Committee and the management, continued to deepen reform, promoted the development of a “streamlined, compliant and efficient” globalised operation management system, effectively promoted its corporate governance, management efficiency and overall vitality. Under difficult situations, the Company has further nurtured a globalised team of “Zijin persons” who have lofty aspirations, broad vision and are willing to innovate, shoulder responsibilities and devote themselves. They are the precious assets for the Company’s perennial prosperity.

II. Status of main businesses during the reporting period

During the reporting period, the Group recorded operating income of RMB171.501 billion, representing an increase of 26.01% compared with the same period last year (2019: RMB136.098 billion).

(I) Analysis on main businesses

1. Operating results

The table below sets out the sales by product during January to December 2019 and 2020:

Item Product name	2020 (January – December)			2019 (January – December)			Increase/ Decrease in unit price
	Unit price (tax excluded)	Sales volume	Amount (RMB million)	Unit price (tax excluded)	Sales volume	Amount (RMB million)	
Mine-produced gold (Note 1)	364.98 RMB/g	38,213 kg	13,661.41	296.8 RMB/g	39,199 kg	11,634.47	22.97%
Including: Gold bullion	379.23 RMB/g	25,421 kg	9,344.05	308.72 RMB/g	27,380 kg	8,452.85	22.84%
Gold concentrate	337.51 RMB/g	12,792 kg	4,317.36	269.19 RMB/g	11,819 kg	3,181.62	25.38%
Mine-produced copper	37,316 RMB/t	449,943 t	16,790.26	35,420 RMB/t	371,074 t	13,143.30	5.35%
Including: Copper concentrate	35,691 RMB/t	325,758 t	11,626.70	33,665 RMB/t	278,288 t	9,368.45	6.02%
Electrodeposited copper	40,984 RMB/t	77,248 t	3,165.93	39,925 RMB/t	48,955 t	1,954.51	2.65%
Electrolytic copper	42,560 RMB/t	46,937 t	1,997.63	41,531 RMB/t	43,831 t	1,820.34	2.48%
Mine-produced zinc	9,621 RMB/t	347,604 t	3,344.24	10,447 RMB/t	372,233 t	3,888.80	-7.91%
Mine-produced silver (Note 1)	3.17 RMB/g	286,943 kg	905.19	2.48 RMB/g	265,196 kg	658.47	27.82%
Iron ore (excluding non-subidiaries of the Company)	624 RMB/t	3,048 Mt	1,901.76	619 RMB/t	2,9963 Mt	1,855.77	0.81%
Refined and processed gold	387.37 RMB/g	274,317 kg	106,263.45	310.33 RMB/g	260,446 kg	80,823.63	24.83%
Refined copper	42,984 RMB/t	576,367 t	24,774.42	41,700 RMB/t	501,167 t	20,898.46	3.08%
Refined zinc	16,295 RMB/t	218,133 t	3,554.41	17,665 RMB/t	228,622 t	4,038.71	-7.76%
Trading income			26,246.85			20,588.01	
Others (Note 2)			27,200.52			17,927.97	
Less: Internal elimination			-53,141.17			-39,359.61	
Total			171,501.34			136,097.98	

Notes: 1. The abovementioned production and sales volumes included those of the Buritica Gold Mine during its infrastructure and trial production period.

2. During the reporting period, other sales income mainly included: RMB2.056 billion from refined and processed silver, RMB642 million from copper pipe, RMB1.036 billion from copperplate, RMB348 million from lead concentrate, RMB295 million from molybdenum concentrate, RMB194 million from cobalt concentrate, RMB3.184 billion from gold products etc., and RMB19.446 billion from other products, intermediate services and other services.

Management Discussion and Analysis *(continued)*

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During the reporting period, except for the year-on-year drop in the price of mine-produced zinc, the prices of the Group's other mineral products increased compared with the same period last year. The production and sales volumes of all mineral products and refined products increased compared with the same period last year except for mine-produced gold, mine-produced zinc and refined zinc.

During the reporting period, due to the year-on-year increase in the sales volume of mineral products, the gross profit increased by RMB773 million, accounted for 17.96% of the increase in the gross profit of mine-produced products; due to the year-on-year increase in the sales price of mine-produced products, the gross profit increased by RMB3.076 billion, accounted for 71.48% of the increase in gross profit of the mine-produced products; while increasing production, the Company tightly controlled the costs. Due to the decrease in the costs of mine-produced products, there was an increase of RMB454 million in gross profit, accounted for 10.56% of the increase in gross profit of mine-produced products.

2. Analysis on costs and gross profit margin

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

The table below sets out the details of the unit cost of sales and gross profit margin by product during January to December 2019 and 2020 (Note 1).

Item	Unit cost of sales				Gross profit margin (%)	
	2020	2019	Unit	Compared with the same period last year (%)	2020	2019
Product name	2020	2019	Unit	Compared with the same period last year (%)	2020	2019
Mine-produced gold	177.38	172.69	RMB/g	2.72	51.40	41.82
Including: Gold bullion	181.86	178.23	RMB/g	2.04	52.05	42.27
Gold concentrate	168.77	159.86	RMB/g	5.57	50.00	40.61
Mine-produced copper	20,095	20,749	RMB/t	-3.15	46.15	41.42
Including: Copper concentrate	19,077	18,333	RMB/t	4.06	46.55	45.54
Electrodeposited copper	19,194	25,293	RMB/t	-24.11	53.17	36.65
Electrolytic copper	28,642	31,014	RMB/t	-7.65	32.70	25.32
Mine-produced zinc	6,570	6,478	RMB/t	1.41	31.71	37.99
Mine-produced silver	1.45	1.42	RMB/g	1.96	54.19	42.71
Iron ore (excluding non-subsidiaries of the Company)	174.91	192	RMB/t	-8.92	71.97	68.99
Refined and processed gold	385.05	308.61	RMB/g	24.77	0.60	0.55
Refined copper	41,360	40,356	RMB/t	2.49	3.78	3.22
Refined zinc	14,655	16,052	RMB/t	-8.70	10.06	9.13
Overall gross profit margin (Note 2)					11.91	11.40
Overall gross profit margin (excluding refining and processing enterprises)					47.71	42.63

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

Note 2: The Group's overall gross profit margin was 11.91%, representing an increase of 0.51 percentage point compared with the same period last year. The overall gross profit margin of mine-produced products (excluding refined and processed products) was 47.71%, representing an increase of 5.08 percentage points compared with the same period last year, which was mainly owing to the increase in the prices of mine-produced gold and mine-produced copper.

Management Discussion and Analysis *(continued)*

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

Unit: RMB

Items	Amount for the current period	Amount for the same period last year	Change (%)
Operating income	171,501,338,490	136,097,978,018	26.01
Operating costs	151,070,863,441	120,582,627,749	25.28
Taxes and surcharges	2,499,195,383	1,874,141,394	33.35
Selling expenses	427,684,618	574,433,782	-25.55
Administrative expenses	3,845,610,597	3,689,326,869	4.24
Research and development expenses	582,514,953	476,341,941	22.29
Financial expenses	1,784,243,603	1,466,849,459	21.64
Investment (losses)/income	-522,067,721	34,406,224	Not applicable
Share of profits of associates and joint ventures	209,744,927	96,011,495	118.46
Gains/(Losses) on changes in fair value	342,356,736	-59,752,112	Not applicable
Credit impairment gains/(losses)	130,622,540	-65,619,609	Not applicable
Impairment losses on assets	-357,114,009	-368,381,596	Not applicable
Gains/(Losses) on disposal of non-current assets	12,407,033	-23,675,053	Not applicable
Non-operating income	138,757,205	50,080,938	177.07
Non-operating expenses	532,472,561	317,876,334	67.51
Net profit attributable to non-controlling interests	1,949,485,040	776,947,319	150.92
Changes in fair value of other equity instrument investments	2,183,173,385	1,146,766,336	90.38
Hedging costs – forward elements	5,617,436	-65,505,914	Not applicable
Exchange differences arising from translation of financial statements denominated in foreign currencies	-872,186,733	123,196,019	Not applicable
Net cash flows from operating activities	14,268,403,423	10,665,557,013	33.78
Net cash flows used in investing activities	-29,174,439,163	-14,102,830,060	Not applicable
Net cash flows from/(used in) financing activities	20,928,195,130	-325,810,301	Not applicable

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

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

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

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

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

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

(7) Investment (losses)/income: Please refer to the analysis in "Expenses";

(8) Share of profits of associates and joint ventures: Mainly due to the increase in profitability of certain associates and joint ventures;

(9) Gains/(Losses) on changes in fair value: Please refer to the analysis in "Expenses";

Management Discussion and Analysis *(continued)*

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

- (10) Impairment losses on assets: Please refer to the analysis in “Expenses”;
- (11) Credit impairment gains/(losses): Please refer to the analysis in “Expenses”;
- (12) Gains/(Losses) on disposal of non-current assets: Mainly due to the gains on disposal of fixed assets during the reporting period, while there were losses on disposal of fixed assets during the same period last year;
- (13) Non-operating income: Mainly due to the increase in income from waiver of debts;
- (14) Non-operating expenses: Mainly due to the increase in obsolescence losses on fixed assets;
- (15) Net profit attributable to non-controlling interests: Mainly due to the increase in profitability of non-wholly owned subsidiaries compared with the same period last year;
- (16) Changes in fair value of other equity instrument investments: Mainly due to the unrealised gains on the stocks at fair value through other comprehensive income during the reporting period;
- (17) Hedging costs – forward elements: Due to the implementation of fair value hedge accounting, forward elements were initially identified and recognised in other comprehensive income, and was subsequently transferred from other comprehensive income to profit or loss for the period in which hedging relationship affects the profit or loss;
- (18) Exchange differences arising from translation of financial statements denominated in foreign currencies: Due to the fluctuation of exchange rate of Renminbi to foreign currencies;
- (19) Net cash flows from operating activities: Please refer to the analysis in “Cash Flows”;
- (20) Net cash flows used in investing activities: Please refer to the analysis in “Cash Flows”;
- (21) Net cash flows from/(used in) financing activities: Please refer to the analysis in “Cash Flows”.

Management Discussion and Analysis *(continued)*

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4. Analysis on sales and costs

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

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

Unit: RMB million

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 (percentage point)
	Operating income	Operating costs	Gross profit margin (%)			
Mine-produced gold	13,661.41	6,639.66	51.4	17.42	-1.92	Increased by 9.58 percentage points
Mine-produced copper concentrate	11,626.70	6,214.54	46.55	24.10	21.81	Increased by 1.01 percentage points
Mine-produced electrodeposited copper	3,165.93	1,482.73	53.17	61.98	19.75	Increased by 16.52 percentage points
Mine-produced electrolytic copper	1,997.63	1,344.35	32.7	9.74	-1.10	Increased by 7.38 percentage points
Mine-produced zinc	3,344.24	2,283.67	31.71	-14.00	-5.30	Decreased by 6.28 percentage points
Mine-produced silver	905.19	414.69	54.19	37.47	9.94	Increased by 11.47 percentage points
Iron ore	1,901.76	533.13	71.97	2.48	-7.35	Increased by 2.97 percentage points
Refined, processed and trading gold	106,263.45	105,626.02	0.60	31.48	31.41	Increased by 0.05 percentage point
Refined copper	24,774.42	23,838.82	3.78	18.55	17.87	Increased by 0.55 percentage point
Refined zinc	3,554.41	3,196.73	10.06	-11.99	-12.89	Increased by 0.93 percentage point
Others	53,447.37	50,803.93	4.95	38.77	40.42	Decreased by 1.12 percentage points
Less: Internal elimination	-53,141.17	-51,307.41				
Total	171,501.34	151,070.86	11.91	26.01	25.28	Increased by 0.51 percentage point

Management Discussion and Analysis *(continued)*

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

Unit: RMB million

By region	Status of main businesses by region					Changes in gross profit margin compared with last year (percentage point)
	Operating income	Operating costs	Gross profit margin (%)	Changes in operating income compared with last year (%)	Changes in operating costs compared with last year (%)	
Mainland China	190,352.67	176,563.87	7.24	31.73	3.14	Increased by 0.24 percentage point
Outside Mainland China	34,289.84	25,814.40	24.72	10.77	8.00	Increased by 1.93 percentage points
Less: Internal elimination	-53,141.17	-51,307.41				
Total	171,501.34	151,070.86	11.91	26.01	25.28	Increased by 0.51 percentage point

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

Approximately 84% of the Company's operating income was generated from customers in Mainland China, among which 53.29% 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. In the case of any discrepancies, the Chinese version shall prevail.)

(2) Table of analysis on production and sales volumes

Major product	Unit	Production volume	Sales volume	Inventory volume	Changes in production volume compared with last year (%)	Changes in sales volume compared with last year (%)	Changes in inventory volume compared with last year (%)
Mine-produced gold	kg	40,509	38,213	6,274	-0.79	-2.52	57.72
Mine-produced copper concentrate	t	329,251	325,758	9,966	18.72	17.06	53.96
Mine-produced electrodeposited copper	t	77,259	77,248	39	57.73	57.80	39.29
Mine-produced electrolytic copper	t	46,937	46,937	0	7.78	7.09	/
Mine-produced zinc	t	342,131	347,604	7,600	-8.54	-6.62	-41.86
Mine-produced silver	kg	298,715	286,943	24,628	13.50	8.20	91.57
Iron ore (excluding non-subsidiaries of the Company)	Mt	3.058	3.048	0.0125	10.10	1.73	420.83
Refined, processed and trading gold	kg	274,576	274,317	301.71	5.42	5.33	598.25
Refined copper	t	575,643	576,367	851	14.81	15.01	-45.97
Refined zinc	t	218,834	218,133	1,135	-4.23	-4.59	161.52

Explanations on production and sales volumes:

1. The different magnitude of increase in production and sales volumes of mine-produced copper, mine-produced silver and iron ore year-on-year was mainly attributable to the additional output and efficiency from projects newly acquired by the Company and production commencement of existing projects that had completed technological upgrade during the reporting period.
2. The abovementioned production and sales volumes included those of the Buritica Gold Mine during its infrastructure and trial production period.

Management Discussion and Analysis *(continued)*

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

(3) Table of cost analysis

Unit: RMB million

Product	Cost structure	Status of product				Changes in amount for the current period compared with the same period last year (%)
		Amount for the current period	Proportion to total costs during the current period (%)	Amount for the same period last year	Proportion to total costs during the same period last year (%)	
Mine-produced gold	Raw materials	2,588.07	38.98	2,428.94	35.88	6.55
	Salary	1,030.62	15.52	954.86	14.11	7.93
	Depreciation	1,485.10	22.37	1,199.36	17.72	23.82
	Energy consumption	618.21	9.31	900.88	13.31	-31.38
	Others	917.65	13.82	1,285.35	18.98	-28.61
Mine-produced silver	Raw materials	174.52	42.08	164.03	43.49	6.40
	Salary	46.83	11.29	48.25	12.79	-2.94
	Depreciation	100.74	24.29	83.26	22.07	20.99
	Energy consumption	44.68	10.77	41.84	11.09	6.79
	Others	47.93	11.57	39.82	10.56	20.37
Mine-produced copper	Raw materials	3,834.03	42.40	3,277.44	42.57	16.98
	Salary	1,122.49	12.41	1,090.05	14.16	2.98
	Depreciation	1,710.18	18.91	1,401.57	18.20	22.02
	Energy consumption	1,279.94	14.16	1,095.42	14.23	16.84
	Others	1,094.98	12.12	835.03	10.84	31.13
Mine-produced zinc	Raw materials	897.94	39.32	930.54	38.59	-3.50
	Salary	181.68	7.96	189.80	7.87	-4.28
	Depreciation	640.35	28.04	665.09	27.58	-3.72
	Energy consumption	288.95	12.65	316.49	13.12	-8.70
	Others	274.74	12.03	309.51	12.84	-11.23
Iron ore	Raw materials	258.05	48.40	284.89	49.51	-9.42
	Salary	58.23	10.92	53.34	9.27	9.17
	Depreciation	58.46	10.97	53.47	9.29	9.33
	Energy consumption	48.64	9.12	43.44	7.55	11.97
	Others	109.74	20.59	140.26	24.38	-21.76
Refined copper	Raw materials	22,619.60	94.89	19,234.75	95.10	17.60
	Salary	219.13	0.92	192.01	0.95	14.12
	Depreciation	375.71	1.58	303.00	1.50	24.00
	Energy consumption	384.73	1.61	299.61	1.48	28.41
	Others	239.66	1.00	195.78	0.97	22.41
Refined zinc	Raw materials	2,537.92	79.39	3,055.30	83.25	-16.93
	Salary	155.71	4.87	131.43	3.58	18.47
	Depreciation	110.31	3.45	104.35	2.84	5.71
	Energy consumption	344.12	10.76	347.46	9.47	-0.96
	Others	48.68	1.53	31.32	0.86	55.43

Management Discussion and Analysis *(continued)*

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Other explanations on the analysis of costs:

- 1) In the cost structure, raw materials included the costs of purchasing raw and auxiliary materials and outsourcing, and energy consumption mainly included coal, electricity and petroleum.
 - 2) The Group's mining enterprises mostly adopted outsourcing of works. Such outsourcing cost was included in raw materials.
- (4) Information of major customers and suppliers

The sales income from the top five customers amounted to RMB105.641 billion, representing 61.60% of the total sales income of the year, in which the sales income from connected persons among the top five customers was RMB0, representing 0% of the total sales income of the year. The sales income from the largest customer represented 53.29% of the total sales income of the year.

The procurement amount from the top five suppliers amounted to RMB37.799 billion, representing 25.02% of the total procurement amount of the year, which is less than 30% of the total procurement amount of the year; in which the procurement amount from connected persons among the top five suppliers was RMB0, representing 0% of the total procurement amount of the year. The procurement amount of the largest supplier represented 16.46% of the total procurement amount of the year.

Other information: The Group's major customers included Shanghai Gold Exchange, Fujian Shanghang Taiyang Copper Company Limited, China Merchants Commodities Co., Ltd., etc.; the Group's major suppliers included Shanghai Gold Exchange, Shanghai Zengfu Metal Material Co., Ltd., etc.

5. Expenses

Selling expenses

During the reporting period, the Group's selling expenses amounted to RMB427.68 million, representing a decrease of 25.55% compared with the same period last year (2019: RMB574.43 million). It was mainly due to the transportation expenses relating to sales for the reporting period were accounted for as operating costs.

Administrative expenses (research and development expenses included)

During the reporting period, the Group's administrative expenses amounted to RMB4.42813 billion, representing an increase of 6.30% compared with the same period last year (2019: RMB4.16567 billion). It was mainly due to inclusion of newly acquired enterprises in the scope of consolidation and increase in research and development expenses.

Financial expenses

During the reporting period, the Group's financial expenses was RMB1.78424 billion, representing an increase of 21.64% compared with the same period last year (2019: RMB1.46685 billion). It was mainly due to increase in borrowings and fluctuation of foreign exchange rate. The Group hedged such risk by using foreign currency derivative financial instruments.

Impairment losses on assets/Credit impairment losses

During the reporting period, the Group's impairment losses on assets/credit impairment losses was RMB226.49 million, representing a decrease of 47.81% compared with the same period last year (2019: RMB434.00 million). The details of the provision for impairment on assets in 2020 are as follows: net reversal of credit impairment losses of RMB130.62 million, impairment provision for prepayments of RMB1.14 million, provision for decline in value of inventories of RMB70.17 million, impairment provision for fixed assets of RMB268.73 million, impairment provision for intangible assets of RMB10.32 million, impairment provision for long-term equity investments of RMB5.22 million and impairment provision for other non-current assets of RMB1.53 million.

Management Discussion and Analysis *(continued)*

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Investment income

During the reporting period, the investment income of the Group was -RMB522.07 million, representing a decrease of RMB556.48 million compared with the same period last year (2019: RMB34.41 million). It was mainly due to the losses on changes in fair value of hedging instruments. For the purpose of hedging against the fluctuation of price risk of inventories of refining enterprises, the Group conducted hedging by using futures. When there is a loss in futures side as a result of increase in price, the spots side realises more gross profits, the loss and gain therefore offset each other.

Gains/(Losses) on changes in fair value

During the reporting period, the Group's unrealised profit from stocks, funds, foreign currency forward contracts, etc. was RMB342.36 million (2019: unrealised losses of RMB59.75 million). Among which, unrealised profit from foreign currency forward contracts was RMB290.48 million.

6. Research and development expenditure

Table of research and development expenditure

Unit: RMB

Expensed research and development expenditure of the reporting period	582,514,953
Capitalised research and development expenditure of the reporting period	63,135,867
Total research and development expenditure	645,650,820
Percentage of total research and development expenditure to operating income (%)	0.38
Number of research and development staff and technical staff of the Company	6,157
Number of research and development staff and technical staff to total number of staff of the Company (%)	16.70
Percentage of capitalised research and development expenditure (%)	9.78

7. Cash flows

As at 31 December 2020, the Group's cash and cash equivalents amounted to RMB11.787 billion, representing an increase of RMB5.701 billion or 93.68% compared with the same period last year.

During the reporting period, the net cash inflows generated from the Group's operating activities amounted to RMB14.268 billion, representing an increase in inflows of RMB3.603 billion compared with the same period last year, in which, the cash inflows generated from operating activities was RMB178.911 billion, representing an increase of RMB34.744 billion compared with the same period last year; cash outflows used in operating activities was RMB164.643 billion, representing an increase of RMB31.141 billion compared with the same period last year. The increase in net cash flows from operating activities was mainly attributable to escalation of gold and copper prices, increase in sales volume of copper and increase in gross profit due to cost reduction of certain mine-produced products.

During the reporting period, net cash outflows used in the Group's investing activities amounted to RMB29.174 billion, representing an increase of outflows of RMB15.072 billion compared with the same period last year. The main investment expenditures in 2020 included: (1) RMB13.886 billion of cash payment for purchase and construction of fixed assets, intangible assets and other long-term assets; and (2) RMB12.135 billion of cash payment for acquisition of subsidiaries and other business units.

During the reporting period, net cash inflows generated from the Group's financing activities amounted to RMB20.928 billion, while the net cash outflows during the same period last year was RMB326 million. It was mainly due to significant increase in financing scale compared with the same period last year.

Management Discussion and Analysis *(continued)*

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As at 31 December 2020, the Group's total borrowings amounted to RMB73.003 billion (31 December 2019: RMB45.071 billion). Among which, the amount repayable within one year was approximately RMB27.136 billion, the amount repayable within one to two years was approximately RMB11.143 billion, the amount repayable within two to five years was approximately RMB31.102 billion, and the amount repayable in more than five years was approximately RMB3.622 billion. The interest rates of all the abovementioned borrowings ranged from 0.2% to 5.282% per annum.

The Group's daily capital requirements and capital expenditures for maintenance can be financed from its internal cash flows. The Group also has loan facilities with no use restriction of approximately RMB169.862 billion provided by banks.

As at 31 December 2020, the Group's monetary assets denominated in foreign currencies were equivalent to RMB13.436 billion in total, representing an increase of RMB4.661 billion compared with the previous year. The total amount of monetary liabilities denominated in foreign currencies was equivalent to RMB28.665 billion, representing an increase of RMB7.015 billion compared with the same period last year. Please refer to Note V.66 Foreign currency monetary items for details.

Gearing ratio

Gearing ratio is defined as the ratio of consolidated total liabilities to consolidated total equity. As at 31 December 2020, the Group's consolidated total liabilities was RMB107,716,808,927 (RMB66,751,349,155 as at 31 December 2019), and the Group's consolidated total equity was RMB74,596,441,476 (RMB57,079,598,064 as at 31 December 2019). As at 31 December 2020, the Group's gearing ratio was 1.444 (1.169 as at 31 December 2019).

Key quarterly financial data for the year 2020

Unit: RMB

	First quarter (Jan-Mar)	Second quarter (Apr-Jun)	Third quarter (Jul-Sep)	Fourth quarter (Oct-Dec)
Operating income	36,161,856,238	46,980,405,876	47,291,248,740	41,067,827,636
Profit before tax	1,809,870,169	2,284,647,345	3,301,472,128	3,450,037,532
Net profit	1,326,417,022	1,764,577,155	2,705,957,095	2,661,087,681
Net profit attributable to owners of the listed company	1,040,010,519	1,381,375,956	2,150,963,374	1,936,204,064
Net profit attributable to owners of the listed company after non-recurring profit or loss	650,433,758	1,769,400,372	2,246,048,895	1,656,083,403
Net cash flows from operating activities	2,326,033,155	4,149,044,013	3,429,867,808	4,363,458,447

Management Discussion and Analysis *(continued)*

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Non-recurring profit or loss items and their amounts

Unit: RMB

Non-recurring profit or loss items	Amount in 2020	Amount in 2019
Losses on disposal of non-current assets	-195,078,118	-116,181,910
Government grants recognised in the statement of profit or loss for the current period, except for government grants which are closely related to the Company's normal business operations, and in line with the country's policies, calculated according to certain standards or continuously granted in fixed amount	345,880,945	290,839,484
Capital utilisation fee received from non-financial enterprises recognised in profit or loss for the current period	501,149,355	417,164,084
Gains or losses on changes in fair value arising from held for trading financial assets, derivative financial assets, held for trading financial liabilities and derivative financial liabilities, and investment income or losses on disposal of held for trading financial assets, derivative financial assets, held for trading financial liabilities, derivative financial liabilities and other debt investments except for the effective hedging business relating to the Company's normal business operations	-569,805,362	-178,823,455
Reversal of impairment provision for receivables and contract assets individually subject to impairment test	-	15,153,129
Non-operating income and expenses other than the aforesaid items	-193,367,982	-175,288,539
Other profit or loss items which meet the definition of non-recurring profit or loss	139,533,892	-4,964,011
Impact on the non-controlling interests	-26,925,027	56,608,714
Impact on income tax	185,199,782	-17,307,368
Total	186,587,485	287,200,128

Items measured at fair value

Unit: RMB

Item	Balance at the beginning of the reporting period	Balance at the end of the reporting period	Changes during the reporting period	Impact on the profit for the current period
Held for trading financial assets (excluding derivative financial assets)	628,896,108	1,583,593,986	954,697,878	160,719,971
Derivative financial assets	59,055,417	346,548,180	287,492,763	19,319,245
Held for trading financial liabilities (excluding derivative financial liabilities)	-32,262,397	-196,350,000	-164,087,603	250,946,151
Derivative financial liabilities	-293,876,657	-451,158,441	-157,281,784	-821,534,354
Total	361,812,471	1,282,633,725	920,821,254	-390,548,987

Management Discussion and Analysis *(continued)*

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

(III) Analysis on assets and liabilities

Status on assets and liabilities

Unit: RMB

Item	Amount at the end of 2020	Proportion to total assets as at the end of 2020 (%)	Amount at the end of 2019	Proportion to total assets as at the end of 2019 (%)	Percentage change in the amount at the end of 2020 compared with the amount at the end of 2019 (%)	Explanation on the change
Cash and cash equivalents	11,955,339,296	6.56	6,225,144,800	5.03	92.05	Mainly due to the increase in issuance of convertible corporate bonds during the reporting period
Held for trading financial assets	1,930,142,166	1.06	687,951,525	0.56	180.56	Mainly due to reclassification of the current portion of other non-current financial assets
Other receivables	1,195,047,565	0.66	899,847,411	0.73	32.81	Mainly due to the increase in VAT refund receivables
Current portion of non-current assets	40,255,087	0.02	956,692,852	0.77	-95.79	Mainly due to reclassification of part of receivables to long-term receivables after renewal
Other current assets	1,941,901,571	1.07	1,352,336,396	1.09	43.60	Mainly due to the increase in input VAT
Other equity instrument investments	6,482,326,358	3.56	4,410,441,677	3.56	46.98	Mainly due to unrealised gains on the stocks at fair value through other comprehensive income held by the Group
Other non-current financial assets	37,500,000	0.02	951,779,422	0.77	-96.06	Mainly due to reclassification of the current portion of other non-current financial assets
Construction in progress	15,236,029,582	8.36	5,876,829,425	4.75	159.26	Mainly due to inclusion of newly acquired enterprises in the scope of consolidation and the increase in investment in infrastructure and technological upgrade projects of certain subsidiaries
Right-of-use assets	238,255,309	0.13	354,772,381	0.29	-32.84	Mainly due to the increase in depreciation
Intangible assets	46,760,243,982	25.65	24,162,508,461	19.51	93.52	Mainly due to inclusion of newly acquired enterprises in the scope of consolidation

Management Discussion and Analysis *(continued)*

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

Unit: RMB

Item	Amount at the end of 2020	Proportion to total assets as at the end of 2020 (%)	Amount at the end of 2019	Proportion to total assets as at the end of 2019 (%)	Percentage change in the amount at the end of 2020 compared with the amount at the end of 2019 (%)	Explanation on the change
Deferred tax assets	1,182,983,944	0.65	836,666,816	0.68	41.39	Mainly due to inclusion of newly acquired enterprises in the scope of consolidation
Other non-current assets	15,472,243,012	8.49	11,444,009,515	9.24	35.20	Mainly due to inclusion of newly acquired enterprises in the scope of consolidation and increase in loans to joint ventures
Short-term borrowings	20,719,121,154	11.36	14,440,917,886	11.66	43.48	Mainly due to the increase in financing scale
Held for trading financial liabilities	647,508,441	0.36	326,139,054	0.26	98.54	Mainly due to the changes in fair value of hedging instruments
Bills payable	955,561,056	0.52	420,860,145	0.34	127.05	Mainly due to the increase in procurements of goods to be settled by bills
Employee benefits payable	1,317,467,162	0.72	852,297,934	0.69	54.58	Mainly due to increase in the provision of year-end bonus
Taxes payable	1,880,291,712	1.03	985,193,397	0.8	90.86	Mainly due to increase in profit of certain subsidiaries which resulted in more corporate income tax
Other payables	7,371,403,664	4.04	5,326,849,819	4.30	38.38	Mainly due to inclusion of newly acquired enterprises in the scope of consolidation
Current portion of non-current liabilities	7,975,748,215	4.37	5,768,840,060	4.66	38.26	Mainly due to reclassification of current portion of bonds payable
Other current liabilities	172,904,917	0.09	500,000,000	0.4	-65.42	Mainly due to repayment of ultra short-term financing bonds
Long-term borrowings	29,082,887,198	15.95	13,826,221,524	11.17	110.35	Mainly due to inclusion of newly acquired enterprises in the scope of consolidation and increase in financing scale
Bonds payable	16,109,678,619	8.84	11,966,468,687	9.66	34.62	Mainly due to the issuance of convertible corporate bonds during the reporting period

Management Discussion and Analysis *(continued)*

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

Unit: RMB

Item	Amount at the end of 2020	Proportion to total assets as at the end of 2020 (%)	Amount at the end of 2019	Proportion to total assets as at the end of 2019 (%)	Percentage change in the amount at the end of 2020 compared with the amount at the end of 2019 (%)	Explanation on the change
Lease liabilities	172,704,600	0.09	282,347,122	0.23	-38.83	Mainly due to increase in lease payments
Long-term payables	1,946,237,992	1.07	1,201,391,669	0.97	62	Mainly due to inclusion of newly acquired enterprises in the scope of consolidation
Provisions	4,136,622,582	2.27	2,927,712,283	2.36	41.29	Mainly due to inclusion of newly acquired enterprises in the scope of consolidation
Deferred tax liabilities	6,543,876,371	3.59	2,687,831,677	2.17	143.46	Mainly due to inclusion of newly acquired enterprises in the scope of consolidation
Other non-current liabilities	2,232,388,555	1.22	-	-	Not applicable	Mainly due to inclusion of newly acquired enterprises in the scope of consolidation
Other comprehensive income	812,570,699	0.45	-473,929,209	-0.38	Not applicable	Mainly due to unrealised gains on the stocks at fair value through other comprehensive income held by the Group

Restrictions in relation to key assets as at the end of the reporting period

- 1) In 2017, Julong Copper in Tibet used the mining rights of the Qulong Copper and Polymetallic Mine and the Zhibula Copper and Polymetallic Mine, certain machinery and equipment and other movable properties as securities for a secured syndicated loan from a bank syndicate (formed by four financial institutions including the Bank of China Tibet Autonomous Region Branch, Bank of Tibet Co., Ltd., China Minsheng Bank Corp., Ltd. Lhasa Branch and Hengfeng Bank Co., Ltd. Beijing Branch). In 2020, the Company completed the acquisition of 50.10% equity interest in Julong Copper in Tibet. As at 31 December 2020, the outstanding balance of the abovementioned secured loan was approximately RMB4.339 billion, and the total carrying amount of the assets provided as securities was approximately RMB14.790 billion (including fixed assets of approximately RMB1.348 billion and intangible assets of approximately RMB13.442 billion).
- 2) Gold Mountains (H.K.) International Mining Company Limited ("Gold Mountains (H.K.)"), a wholly-owned subsidiary of the Group, used the equity interest in Zijin (America) Gold Mining Company Limited ("Zijin America") as security to obtain a syndicated loan amounted to USD568 million (equivalent to approximately RMB3.706 billion) from China CITIC Bank Fuzhou Branch, China Minsheng Bank Fuzhou Branch, Bank of China Hungarian Branch and China Merchant Bank Hong Kong Branch. As at 31 December 2020, the outstanding balance of the abovementioned secured loan was equivalent to approximately RMB3.706 billion. The major asset of Zijin America is the Buriticá Gold Mine in Colombia.

Management Discussion and Analysis *(continued)*

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(IV) Analysis on the operating information of the industry

1. Material changes in industrial policies during the reporting period

On 31 December 2019, the Ministry of Natural Resources of the PRC (the “Ministry of Natural Resources”) issued the “Opinions on Several Matters relating to Promoting the Reform of Mineral Resources Administration (Tentative)” (the “Opinions”), which has been officially implemented on 1 May 2020, with an effective period of three years. In respect of the reform in mineral resources administration, the Opinions proposed to comprehensively push ahead competitive transfer of mining rights, strictly control transfer under assignment agreement, actively promote transfer of “free mine”, implement the same level of management on registration of transfer of exploration rights and mining rights of the same mineral type, and promote reform on classification of mineral resources reserves, etc. According to the Opinions, the Ministry of Natural Resources is responsible for the transfer registration of 14 types of minerals including molybdenum and tungsten, and the provincial natural resources administrative departments are responsible for transfer registration of gold and copper.

On 1 May 2020, the national standard of “Classification for mineral resources and mineral reserves” (GB/T17766-2020) came into effect. The new classification standard adjusted the three-axis classification system of the original classification standard and simplified the divisions of economic significance of reserves. In order to thoroughly implement the standard and ensure orderly data conversion between the new and old classification standards of mineral resources, on 28 July 2020, the General Office of the Ministry of Natural Resources issued the “Notice of the General Office of the Ministry of Natural Resources on Orderly Data Conversion between the Old and New Classification Standards of Mineral Resources Reserves”, which requires: after a mining right holder confirms on the adjustment from data conversion of mineral resources, if there is a significant change between the cumulatively identified mineral resources and the data published upon conversion (the amount of change exceeding 30% or reaching a medium scale or above), a verification report on the reserve volume of the mineral resources which meets the relevant standards and specifications shall be prepared, and the review and filing application shall be completed by the end of February 2021.

On 19 May 2020, the General Office of the Ministry of Natural Resources issued the “Notice on Several Matters Concerning the Administration of Mineral Resources Reserve Review and Filing” (Natural Resources Office [2020] No. 26), which clarified the concept of mineral resource reserve review and filing, specified the circumstances under which a mineral resource reserve report shall be prepared and review and filing shall be applied, the procedures for applying for mineral resource reserve review and filing, the filing authority and filing deadline, and the handling of untrue or fraudulent application materials, the establishment of expert database for mineral resource reserve review and filing, the informatisation of review and filing and other matters for attention.

2. Material changes in tax policies during the reporting period

The “Resource Tax Law of the People’s Republic of China” (Order No. 33 of the President of the People’s Republic of China) has come into force since 1 September 2020. After the resource tax reform, the tax rate of gold (processed ore) in most of the provinces has increased, and the resource tax rates of copper (processed ore) and lead-zinc ore (processed ore) are basically the same as those under the original provisional regulations. In addition, most provinces have begun to levy resource tax on intergrowth and associated ores. Among which, the resource tax rate on copper (processed ore) in Fujian Province was reduced from 7% to 6%, but since the resource tax on associated ores began to be levied, there was an insignificant decrease in the overall resource tax burden as a result; the resource tax rate on copper (processed ore) in the Xinjiang Uygur Autonomous Region remains unchanged, but as resource tax on intergrowth and associated ores starts to be levied, the resource tax burden has increased. Heilongjiang Province, Jilin Province, Shanxi Province and Inner Mongolia Autonomous Region all have varying degrees of increase in the overall resource tax due to the increase in the resource tax on associated ores.

Management Discussion and Analysis *(continued)*

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3. Resource tax and environmental protection tax

In 2020, environmental protection tax payable by domestic and overseas subsidiaries of the Company amounted to RMB19.45 million, and RMB21.27 million was paid; resource tax payable amounted to RMB1.8805 billion, and RMB1.74199 billion was paid.

4. Resource tax rate and tax incentives

According to the "Resource Tax Law of the People's Republic of China", the tax rate applicable to gold and silver metal in domestic mines is 2%-6%; the tax rate applicable to copper, lead and zinc metal is 2%-10%; and the tax rate applicable to iron ore is 1%-9%. In general, the tax rates applicable to the Company and its subsidiaries in the PRC under the new resource tax law are basically the same as those under the original provisional regulations. Zijin Zinc and Hunchun Zijin met the conditions stipulated in relevant tax concession policies and were entitled to resource tax concession of a 50% reduction on resource tax in 2020. West Copper, Wuping Zijin and Yuanyang Huaxi met the conditions stipulated in relevant tax concession policies and were entitled to resource tax concession of a 30% reduction on resource tax in 2020.

Xinjiang Ashele, Zijin Zinc, Xinjiang Jinbao, Hunchun Zijin, Urad Rear Banner Zijin, and West Copper were entitled to a tax concession of Western Development at a reduced corporate income tax rate of 15% in 2020.

The Company, Malipo Tungsten Group, Wuping Zijin, Zijin Mining & Metallurgy Technology, Zijin Jiabo, Zijin Testing and Chemicals Co. were entitled to a tax concession of High and New Technology Enterprises at a reduced corporate income tax rate of 15% in 2020.

Resource tax rates for major overseas gold mines: 5% for Altynten (Kyrgyzstan), 2.5% for Norton (Australia); resource tax rates for major overseas copper mines: 3.5% for COMMUS (the DR Congo) and 5% for Serbia Zijin Copper (Serbia).

Among the overseas companies, Serbia Zijin Copper met the conditions for tax concession of corporate income tax for fixed asset investment, and was entitled to enjoy partial corporate income tax exemption under the local preferential policies in 2020; Longxing in Russia was entitled to the preferential policies for local regional investment projects at a reduced corporate income tax rate of 10% in 2020.

Management Discussion and Analysis *(continued)*

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Analysis on operating information of non-ferrous metal industry

Basic information of self-owned mines

Name of mine (company)	Major type	Total retained resources volume (including reserves volume)		Reserve volume		Remaining years of mining life for the resources	Effective period of permit/mining right	Standard for calculation of resources reserve volume	Risk warning
		Metal volume	Grade	Metal volume	Grade				
Porgera Gold Mine	Gold	330,625	4.02	154,072	4.77	Open-pit mining: 9 Underground mining: 11	Mining right (17 August 2019)	For cutoff grade, the reserve volume is based on gold price of USD1,200/ounce, resource volume is based on gold price of USD1,500/ounce, calculated by software	Mining permit expired and is currently under negotiation
Paddington Operations	Gold	343,218	1.16	32,475	1.30	5	168 mining rights and 10 exploration permits (all within effective period)	Cutoff grade of open-pit mine: 0.5-0.8g/t, cutoff grade of underground mine: 1.5-3.0g/t, calculated by software	Proportion of reserve volume is comparatively low
Taldybulak Levoberezhny Gold Mine	Gold	62,687	5.53	30,675	4.62	13	Mining right (5 January 2026)	Cutoff grade of 0.5g/t, industrial grade of 2g/t, calculated by software	
Jilau, Taror Gold Mines	Gold	96,133	2.10	62,526	2.51	4 (Jilau), 18 (Taror)	2 mining rights (27 January 2021), 2 mining rights (25 February 2023)	Cutoff grade and industrial grade of Jilau: 0.5g/t and 0.8g/t respectively; cutoff grade and industrial grade of Taror: 1.2g/t and 2.51g/t respectively, calculated by software	Including low-grade gold of 12.1 tonnes; 2 mining rights expired and are in the renewal process but major production activities are not affected
Buriticá Gold Mine	Gold	295,800	8.53	118,000	6.98	15	Mining right (19 March 2043)	Cutoff grade of 3g/t, calculated by Datamine software	
Aurora Gold Mine	Gold	177,819	2.80	69,703	2.70	Open-pit mining: 8 Underground mining: 18	Mining right (18 November 2031)	Cutoff grade based on gold price of USD1,500/ounce, calculated by Leapfrog and Datamine software	

Management Discussion and Analysis (continued)

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Name of mine (company)	Major type	Total retained resources volume (including reserves volume)		Reserve volume		Remaining years of mining life for the resources	Effective period of permit/mining right	Standard for calculation of resources reserve volume	Risk warning
		Metal volume	Grade	Metal volume	Grade				
Shuang Gold Mine	Gold	24,118	0.44	16,764	0.47	5	Mining right (August 2025) Mining right (May 2023)	Cutoff grade of gold equivalent of 0.45g/t, industrial grade of gold equivalent of 0.6g/t, calculated by software	
		98,318	0.18	68,474	0.19				
Zijinshan Gold and Copper Mine	Gold	7,853	0.33	651	0.30	21	Mining right (13 June 2043)	Cutoff grade and industrial grade of gold of 0.2g/t and 0.5 g/t respectively, cutoff grade of copper at open-pit mine of 0.15%, cutoff grade and industrial grade of copper at underground mine of 0.2% and 0.5% respectively, calculated by software	Reserve volume of gold ore is comparatively low
		1,721,100	0.42	673,935	0.38				
Ashele Copper Mine	Copper	563,627	2.82	464,624	2.97	8	Mining right (2 February 2031)	Cutoff grade of 0.3%, industrial grade of 0.5%, calculated by horizontal parallel cross-section method	
Duobaoshan Copper Mine	Copper	2,435,691	0.40	743,739	0.53	20	Mining right (10 April 2026)	Cutoff grade of 0.2%, industrial grade of 0.4%, calculated by vertical parallel cross-section method	Including low-grade copper of 592 thousand tonnes
Qulong Copper Mine	Copper	10,715,356	0.40	4,209,933	0.39	Qulong: 47 Zhibula: open-pit mining: 9; underground mining: 16	Mining right (29 September 2037) Exploration right (29 September 2037) Mining right (6 January 2041)	Qulong: cutoff grade and industrial grade of 0.2% and 0.4% respectively, calculated by 3DMine software; Zhibula: cutoff grade and industrial grade of 0.3% and 0.5% respectively, calculated by parallel cross-section method	Including low-grade copper of 5,599 million tonnes

Management Discussion and Analysis *(continued)*

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Name of mine (company)	Major type	Total retained resources volume (including reserves volume)		Reserve volume		Remaining years of mining life for the resources	Effective period of permit/mining right	Standard for calculation of resources reserve volume	Risk warning
		Metal volume	Grade	Metal volume	Grade				
Kolwezi Copper Mine	Copper	1,077,522	4.17	274,567	4.30	10	2 mining rights (4 March 2024)	Cutoff grade of 0.5%, industrial grade of 1.0%, calculated by software	
Serbia Zijin Copper	Copper	10,119,002	0.40	4,567,664	0.38	Southern pit of MS: 19 Northern pit of MS: 21 VK: 19 NC: 21 JM: 19	3 mining rights (effective permanently with no fixed period)	Cutoff grade of 0.15%, calculated by Gemcom software	
Kamao Copper Mine	Copper	43,690,000	2.53	11,340,000	4.63	37	Mining right (19 August 2042)	Cutoff grade of 1%, calculated by software	
Upper Zone of the Čukaru Peki Copper and Gold Mine	Copper	1,280,000	3.00	890,000	3.28	11	Exploration right (19 April 2022)	Cutoff grade by NSR, resources volume: USD35/tonne based on ore volume; and reserves volume: USD35/tonne based on ore volume	
	Gold	81,491	1.91	55,986	2.07				
Lower Zone of the Čukaru Peki Copper and Gold Mine	Copper	14,300,000	0.86	0	-		Exploration right (19 April 2022)	Cutoff grade by NSR, resources volume of USD25/tonne based on ore volume	All are inferred resources volume
	Gold	298,593	0.18	0	-				
Bisha Copper and Zinc Mine	Zinc	3,035,295	4.81	693,019	5.30	7	Mining right (25 May 2028) Mining right (4 July 2022) Exploration right (24 July 2021) Exploration right (24 July 2026)	NSR is value of ore per tonne after deduction of refining costs, mining areas with different resources volume based on USD98.4/tonne, USD60.8/tonne, USD39.7/tonne, USD43.45/tonne, USD105/tonne, USD38.5/tonne, mining areas with different reserves volume based on USD105.9/tonne, USD70.13/tonne	
Copper		638,216	1.01	118,803	0.91				

Management Discussion and Analysis *(continued)*

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Name of mine (company)	Major type	Total retained resources volume (including reserves volume)		Reserve volume		Remaining years of mining life for the resources	Effective period of permit/mining right	Standard for calculation of resources reserve volume	Risk warning
		Metal volume	Grade	Metal volume	Grade				
Tuva Zinc and Polymetallic Mine	Zinc	830,000	9.97	648,928	10.26	12	Mining right (1 January 2025)	Industrial grade of DZn>5% (DZN=Zn+Pb+0.6Cu), calculated by traditional cross section method	
Miaogou-Sanguikou Lead and Zinc Mine	Zinc	2,069,264	2.34	1,205,992	2.30	Sanguikou: 21 Miaogou: 42	Mining right (6 June 2042) Mining right (10 October 2033) Exploration right (7 December 2021)	Cutoff grade of 0.5%, industrial grade of 1.6%, calculated by geological ore block method and vertical cross-section method	
Wulagen Lead and Zinc Mine	Zinc	5,531,852	1.73	2,365,700	1.86	23	Mining right (3 July 2022) Mining right (27 February 2023) Exploration right (20 March 2021) Exploration right (26 November 2021) Exploration right (3 December 2020) Exploration right (8 October 2020)	Cutoff grade of open-pit mine: Zn+Pb>=0.6%, underground sulphide ore: cutoff grade of 1%, industrial grade of 2%, calculated by software	Certain exploration rights expired and application for renewal is underway, application for mining permit for the whole area is underway, including 1.347 million tonnes of low-grade zinc

Explanations:

- Unit of gold metal volume: kg; unit of copper and zinc metal volume: tonne; unit of grade of gold: g/t; unit of grade of copper and zinc: %.
- Data of the resources reserve volume of the Porgera Gold Mine, Paddington Operations, Burticá Gold Mine, Aurora Gold Mine, Kamoa Copper Mine, Upper Zone of the Čukaru Peki Copper and Gold Mine, Lower Zone of the Čukaru Peki Copper and Gold Mine and Bisha Copper and Zinc Mine is extracted from JORC report or NI 43-101 report.
- Former Soviet Union standards are used for the Taldybulak Levoberezhny Gold Mine, Jilau and Taror Gold Mines, Serbia Zijin Copper and Tuva Zinc and Polymetallic Mine; Grade B + Grade C1 are reported as reserves volume.
- Classification and conversion work is being conducted for the Shuguang Gold Mine, Zijinshan Gold and Copper Mine, Ashele Copper Mine, Duobaoshan Copper Mine, Qulong Copper Mine, Miaogou-Sanguikou Lead and Zinc Mine and Wulagen Lead and Zinc Mine based on Classification for mineral resources and mineral reserves (GB/T17766-2020), the new national standard for classification of mineral resources reserve volume.

Management Discussion and Analysis *(continued)*

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(V) Analysis on investment status

Overall analysis on external equity investments

The Company insists that mineral resources are of the utmost importance, focuses on gold, copper and other strategic resources and makes decisive decisions when market prices are comparatively low. It grasped the market opportunities and completed the acquisitions of 50.1% and 100% equity interest in Julong Copper and Guyana Goldfields respectively, further fostering its reserve volumes of gold and copper resources.

Key equity investments

- 1) On 11 June 2020, the Company entered into an arrangement agreement with Guyana Goldfields Inc. The Company, through a wholly-owned subsidiary established in Canada by Gold Mountains (H.K.) International Mining Company Limited, the Company's overseas wholly-owned subsidiary, proposed to acquire all the issued and outstanding common shares of Guyana Goldfields (the "Target Shares") for a cash consideration of CAD\$1.85 per Target Share. The total consideration for the acquisition was approximately CAD\$323 million. Upon completion of the acquisition, the Company would own 100% equity interest in Guyana Goldfields.

The transaction was completed on 25 August 2020 (Toronto time). Upon completion of the acquisition, the Company owns 100% equity interest in Guyana Goldfields. Guyana Goldfields was delisted from the Toronto Stock Exchange.

The Aurora Gold Mine of Guyana Goldfields is an operating mine. The mineralisation of the major mineral deposits is concentrated and continuous. The mining conditions are favourable and the processing and refining techniques are simple. The mine can swiftly raise the Company's gold production volume, and quick investment return is expected.

- 2) On 6 June 2020, Tibet Zijin, a wholly-owned subsidiary of the Company, entered into the Equity Transfer Agreement in relation to Tibet Julong Copper Co., Ltd. with Tibet Zangge Venture Capital Group Co., Ltd., Zangge Holding Limited by Share Ltd, Tibet Zhongsheng Mining Co., Ltd., Shenzhen Chenfang Asset Management Company Limited and Tibet Huibaihong Industrial Co., Ltd., and proposed to acquire 50.1% equity interest in Julong Copper with RMB3.88275 billion in cash. If the phase two project of additional mining and processing at 150 thousand tonnes/day of the Qulong Copper and Polymetallic Mine (including the Rongmucuola Copper and Polymetallic Mine) fulfills the conditions as stipulated in the agreement, the acquirer shall make certain compensation to the current sellers of the equity interest in Julong Copper.

As at 9 July 2020, Tibet Zijin completed the acquisition of 50.1% equity interest in Julong Copper. The relevant change in industrial and commercial registration was completed.

Julong Copper mainly engages in exploration and development of copper mines. It owns the Qulong Copper and Polymetallic Mine, the Rongmucuola Copper and Polymetallic Mine and the Zhibula Copper and Polymetallic Mine.

- 3) In order to actively respond to the state's strategic plan for accelerating the development of Hainan Free Trade Port, and rapidly advance the Company's internationalisation progress, on 3 November 2020, the Company established Zijin International Holding Co., Ltd. ("Zijin International Holding") in Sanya City, Hainan Province. The registered capital of Zijin International Holding is RMB2,000,000,000 and the Company holds 100% of its equity interest. The business scope of Zijin International Holding includes import and export agency service, refining of precious metals and non-ferrous metals of common uses as well as sales of metal products, etc. As at 31 December 2020, the paid-in capital of Zijin International Holding was RMB300,000,000.

Management Discussion and Analysis *(continued)*

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Key non-equity investments

Project name	Amount	Progress	Investment during the reporting period (RMB billion)	Actual accumulated investment (RMB billion)	Project return status
Zijin Zinc technological upgrade phase three	RMB714 million	Processing project was completed in July 2020 and had commenced production and reached designated production capacity. It is expected that tailings storage expansion will be completed in 2021.	0.127	0.615	After reaching the designated production capacity, Zijin Zinc's annual production of zinc metal and lead metal will be approximately 129.5 thousand tonnes and 21.8 thousand tonnes respectively
Xinjiang Zijin Non-ferrous zinc refining	RMB1.497 billion	The first batch of qualified zinc bullion was produced on 19 December 2020.	0.66	1.529	After completion of the project, the designated annual production capacity can reach 100 thousand tonnes of zinc bullion
Serbia Zijin Copper technological upgrade (mine + smelter plant)	USD1.294 billion (USD350 million capital increment included)	Designs of construction drawings of the MS Mine technological upgrade and expansion project were completed, civil engineering work at the southern pit system and installation of steel structure at the main milling and flotation processing plant were basically completed. Technological upgrade of the NC Mine was completed on 18 May 2020 and production commenced. The preliminary design and construction drawings for key construction of the VK Mine technological upgrade and expansion project were completed, and project construction is being carried out according to the schedule. Construction of the ramp of the JM Mine technological upgrade project began. Designs of construction drawings of smelter plant technological upgrade project were basically completed, and the construction has been fully commenced.	3.511	4.478	After completion of technological upgrade and expansion of the project, 120 thousand tonnes of mine-produced copper metal is expected to be produced annually and the smelter plant is expected to possess an annual refining capacity of 180 thousand tonnes of copper metal (with rooms to increase to 200 thousand tonnes)

Management Discussion and Analysis *(continued)*

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Project name	Amount	Progress	Investment during the reporting period (RMB billion)	Actual accumulated investment (RMB billion)	Project return status
Binduli low-grade ore project of Norton	AUD462 million	The Binduli North project completed major equipment procurement and ordering, and application for the relevant permits and licences is in progress. Detailed project design is speeded up. Preliminary study of the Binduli South project has been completed.	0.193	0.193	After completion of all the construction work and upon reaching designated production capacity, a maximum of 7 tonnes of gold can be produced in peak years
Additional 1,000 tonnes/day mining, processing and metallurgy technological upgrade project of Buriticá, Continental Gold	USD107 million	Feasibility study, drawings for the major construction work of technological upgrade of processing plant and procurement and ordering of major equipment and steel structures were completed. Application for approval on environmental impact assessment and other permits and licences, arrangement for contractors' staff and equipment to arrive at the site are in progress, and civil work construction has commenced.	0.008	0.008	After completion of technological upgrade and expansion, annual production of gold will be raised from 7.8 tonnes to 9.1 tonnes
Shanxi Zijin mine intellectualised mining and processing upgrade and expansion project	RMB1.442 billion	Verification of reserve volume of resources, feasibility study, filing of safety design for exploration work were completed. For shaft and drift development, shaft construction has been completed, and ramps, drifts at the middle section and ore chute crushing system are under construction. For land surface facilities, processing plant, tailings storage, filling station, electricity system and other facilities are under construction.	0.190	0.190	After construction is completed and designated production capacity is reached, approximately extra 3 to 4 tonnes of gold metal can be produced annually
Julong Copper	RMB14.6 billion	67% of the appearance work of the infrastructure of the Qulong project has been completed. The main plant was basically sealed, milling machine was pending installation, steel structures of the main conveyor belt gradually arrived for installation; stripping of Qulong's mining infrastructure resumed on 30 October 2020.	2.355	9.624	After construction of phase one of Qulong is completed and designated production capacity is reached, 160 thousand tonnes of copper can be produced annually

Note: The exchange rate is based on USD1: RMB7.1 (guiding foreign exchange rate for compilation of the Company's 2020 mining and excavation plan).

Management Discussion and Analysis *(continued)*

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Financial assets measured at fair value

	Abbreviation of stock	Initial investment cost (RMB)	Number of shares held (share)	Book value at the end of the reporting period (RMB)	Changes in owners' equity during the reporting period (RMB)
IVN	Ivanhoe Mines	2,178,116,952	165,412,636	5,805,880,357	2,050,069,530
GAU	Galiano Gold (formerly known as Asanko Gold)	84,459,862	15,300,000	111,910,517	11,377,537

Analysis on major subsidiaries and associates

Unit: RMB million

Company name	Mine	Gold segment				
		Interest held by the Group	Total assets	Net assets	Operating income	Net profit
Joint Venture Zeravshan Limited Liability Company	Jilau, Taror Gold Mines	70%	2,472.70	-157.40	1,621.37	370.49
Norton Gold Fields Pty Limited	Paddington Operations	100%	3,036.03	1,874.24	2,075.27	532.08
Altynken Limited Liability Company	Taldybulak Levoberezhny Gold Mine	60%	1,928.83	889.26	1,691.99	614.62
Hunchun Zijin Mining Co., Ltd.	Shuguang Gold Mine	100%	1,525.50	1,167.70	1,453.75	544.41
Barrick (Niugini) Limited (Note 1)	Porgera Gold Mine	50%	2,658.18	1,495.11	980.06	-102.10

Management Discussion and Analysis *(continued)*

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Unit: RMB million

Company name	Mine	Copper segment				
		Interest held by the Group	Total assets	Net assets	Operating income	Net profit
La Compagnie Minière de Musonoie Global Société Par Actions Simplifiée	Kolwezi Copper Mine	72%	4,279.51	1,816.28	4,615.92	1,038.25
Heilongjiang Duobaoshan Copper Industry Inc.	Duobaoshan Copper Mine	100%	8,025.10	4,314.12	4,527.23	1,062.54
Zijin Mining Group Company Limited* (Note 2)	Zijinshan Copper Mine	100%	–	–	–	–
Serbia Zijin Copper Doo Bor	MS/VK/NC/JM	63%	8,517.58	4,084.85	4,773.72	604.24
Xinjiang Ashele Copper Co., Ltd.	Ashele Copper Mine	51%	2,915.55	1,964.81	1,995.16	792.66

Company name	Mine	Zinc segment				
		Interest held by the Group	Total assets	Net assets	Operating income	Net profit
Bisha Mining Share Company	Bisha Copper and Zinc Mine	55%	3,780.43	3,154.53	2,423.15	352.51
Xinjiang Zijin Zinc Co., Ltd.	Wulagen Lead and Zinc Mine	100%	3,925.22	2,078.83	1,307.49	426.63
Urad Rear Banner Zijin Mining Co., Ltd.	Miaogou-Sanguikou Lead and Zinc Mine	95%	2,053.30	1,388.98	575.66	-51.10
Longxing Limited Liability Company in Russia	Tuva Zinc and Polymetallic Mine	70%	3,203.21	1,263.89	767.85	-136.03

Company name	Main product	Refining segment				
		Interest held by the Group	Total assets	Net assets	Operating income	Net profit
Zijin Copper Co., Ltd.	Refined copper	100%	9,627.20	3,349.40	18,686.21	217.78
Bayannur Zijin Non-ferrous Metals Co., Ltd.	Zinc bullion	87.20%	2,774.55	1,346.99	3,750.44	253.32
Jilin Zijin Copper Co., Ltd.	Refined copper	100%	3,720.31	1,000.56	8,315.70	-84.96
Heilongjiang Zijin Copper Co., Ltd.	Refined copper	100%	4,334.26	1,091.78	6,883.17	66.65

Management Discussion and Analysis *(continued)*

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

Unit: RMB million

Company name	Main product	Other segments		Net assets	Operating income	Net profit
		Interest held by the Group	Total assets			
Xinjiang Jinbao Mining Co., Ltd.	Iron ore	56%	2,249.57	1,348.81	1,898.12	935.22
Fujian Makeng Mining Co., Ltd.	Iron ore	41.50%	4,669.72	1,460.24	1,603.12	287.73

Notes:

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

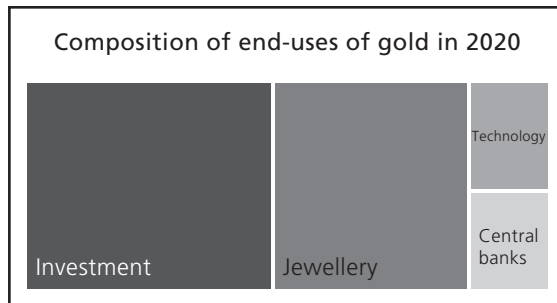
III. Discussion and analysis on the Company’s future development

(I) Landscape and development trend in the industry

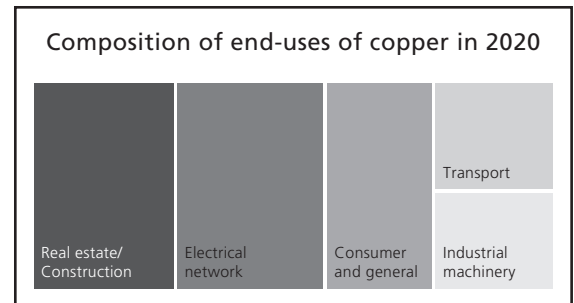
Mineral raw materials as basic raw materials continue to play crucial roles in both the energy and industry sectors. China, the largest consumer of mineral resources in the world, continues to have robust demand for mineral materials. In addition, the steady progression of industrialisation in India, Southeast Asia and other emerging economies, as well as the taking-off of deconbonisation-oriented new materials and new energy industries create growth in demand for mineral raw materials.

Major markets as a favourable driver

The Company’s main products include gold, copper, zinc and so on, among which, gold products are mainly consumed in international reserve, finance and trade, jewellery and ornaments, and in a wide range of industrial and scientific uses including electronic technology, communication technology, aerospace technology, chemical technology, medical technology and so on; copper products are mainly consumed by power supply and power grid industry, real estate and infrastructure construction industry, as well as air-conditioning, vehicles and other consumables industries, which are important and fundamental materials for supporting social and economic development, production activities and the needs in life of ordinary citizens.



Source of data: World Gold Council



Source of data: Wood Mackenzie

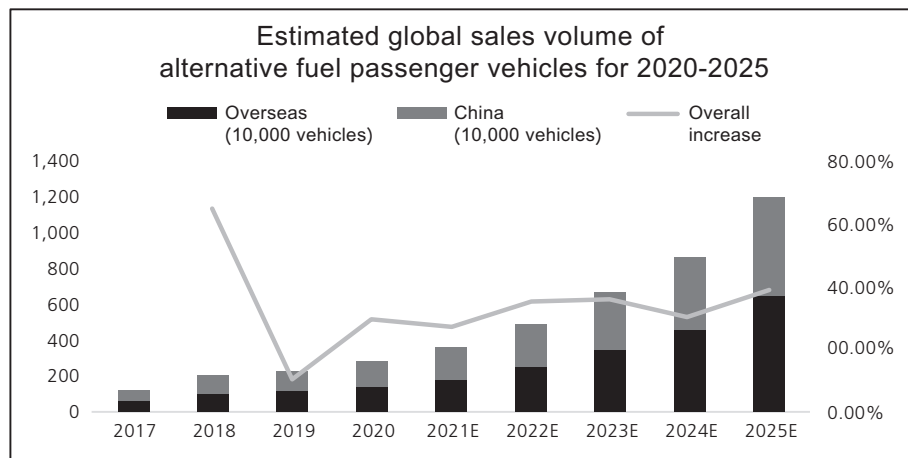
Management Discussion and Analysis *(continued)*

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

Emerging industries as a favourable driver

China is striving to be “carbon neutral” by 2060 and the strategy is being implemented at full speed. It is a momentous decision of the state for integrating with the global industry chain in the new era and developing a community of shared future for mankind. “Carbon neutral” and clean energy revolution will have a profound impact on future development. The demand for copper in areas including photovoltaics, wind power, energy storage, alternative fuel vehicles and power grid auxiliary services are likely to increase substantially. The demand for copper metal will provide new rooms for growth. In the meantime, supply in the upstream of copper production may be constrained by more stringent environmental protection requirements. The unmet gap in the global supply of copper concentrate may further widen, thus powering the growth in copper price.

Copper is indispensable for energy revolution, electrification and intellectualisation



Source of data: EVTank, China YiWei Institute of Economics

Management Discussion and Analysis *(continued)*

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

Projections for the trends of key metal products:

Instability of international situation and unpredictable factors are expected to persist as COVID-19 pandemic continues to spread across the world. Nevertheless, with heightened expectations for global economic recovery and faster pace of vaccination in major economies, the world's economy is expected to be on track for recovery in the second half of 2021. China has been expedient and effective in virus control. As a result, the Chinese economy has rebounded ahead of other countries, and significant progress has been achieved. In 2021, the first year of its Fourteenth Five-Year Plan, China will continue to coordinate pandemic control and prevention together with social and economic development, push ahead emphatically for reforms in critical areas, adhere to the strategy of expanding internal consumption, and promote quality development in the real economy with innovation. Furthermore, the new development pattern of making the domestic circulation as the lead and promoting the complementing effect in the domestic and international dual circulations will be accelerated. Mineral resources, being a vital foundation for energy and industrial development, shall benefit from further growth in market demand.

1. Gold: Global economies are still slow in recovery. As investment-driven growth falters and major economies implement accommodative monetary policies, market's concern for inflation or even stagflation is on the rise. Furthermore, there are still uncertainties in the progress of pandemic prevention and control, speed of vaccination as well as its effectiveness. The timing and impact of Brexit and other geopolitical events are also uncertain. These factors will contribute to a greater market demand for risk avoidance, income diversification and liquidity control and therefore, provide support to gold price at higher ranges.

2. Copper: In the short term, it is expected that gradual production resumption in existing mines and commencement of new projects will gradually boost the supply of copper concentrate and ease its tight supply from the second half of 2021. It is also expected that the global consumption of total copper will record apparent growth as overseas markets gradually recover and replenish their stock. Combined with a low current stock level, copper price shall have a relatively strong support. From a long-term perspective, a combination of factors including the phasing out of older mines, insufficient new projects and more restrictive environmental regulations will constrain copper's long-term supply. The rise of alternative fuel vehicles and power generation using renewable energy sources shall contribute to a rather substantial rise in copper demand in the medium and long term. According to a research report from Essence Securities, copper demand from alternative fuel vehicles, power generation using renewable energy sources, energy storage, etc., is expected to reach 4.5 million tonnes in 2030, roughly tripling the demand in 2020. It is expected that the median copper price will rise in the medium to long term.

3. Zinc: Since the outbreak of the pandemic, supply from overseas mines has been drastically disrupted, which quickly dried up the abundance in zinc concentrate supply within a short period of time. In the short term, it is expected that tightness in the global supply of zinc concentrate is unlikely to improve substantially until after the third quarter of 2021, when gradual increase in supply is expected. National consumption of zinc bullion in China in 2021 shall remain flat or slightly decline on a year-on-year basis, global consumption of zinc bullion may record year-on-year growth as overseas demand gradually recover and stock replenishment resumes along the industry chain.

Management Discussion and Analysis *(continued)*

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

(II) Development strategies of the Company

The next 10 years (2021-2030) is a critical phase for the Company to achieve its general strategic goal for development. The Company shall fully and thoroughly implement the Outline of Five-Year (2+3) Plan and Development Goals for 2030, coordinate the domestic and overseas markets comprehensively, continue to thoroughly implement the general work directive of “reform, growth, development”, fully establish an advanced, globalised operation and management system; accelerate the conversion of resource advantage to economic and social benefits, ensure rapid growth in the Company’s operating results; in terms of resources, capital, costs, talents, technology, engineering, culture, etc., the Company shall strive to enhance substantially its global core competitiveness and sustainability, work towards the goal of becoming a leader in the global metal mining industry, and make even greater contributions to the development of the mining industry in China and the world.

1. Strategic focus: globalisation, project upsizing and asset securitisation, focusing on mining with priority to gold and copper, attaching the utmost importance to resources and revamping production capacity, deepening reform and developing advanced systems, driving for innovation and following the lead of technology, upholding market orientation and value creation, ensuring production safety and harmony in ecology, promoting cultural integration and mutual development, maintaining compliant operation and guarding against risks.

2. Key measures: establish a compliant and efficient organisation and structure and fully enhance corporate governance; deepen reform and fully develop a streamlined, compliant and efficient global operation and management system; prioritise resources and push ahead vigorously for merger, acquisition and consolidation of strategic assets as well as geological prospecting; achieve leaping growth and push forward the conversion of resource advantage to economic and social benefits; step up self-development capacity and attain a leading position globally in mining technology and engineering; reinforce self-development capability and build a global digital supporting platform, strengthen integration between industry and finance and complete the building of an advanced capital value system; converge with international standards to develop a comprehensive environmental, social and governance (ESG) system; focus on value creators and build a talent team with global exposure and high calibre; extensively promote the excellent culture of Zijin and fully enhance the Company’s soft power in global competition.

3. Details of planned indicators: please refer to “Business Highlights” in this report.

(III) Business plan

1. The planned production volumes of the Company’s key mineral products for 2021

According to the Company’s preliminary plan, in 2021, the Company expects to produce 53-56 tonnes of mine-produced gold, 540,000-580,000 tonnes of mine-produced copper, 450,000-480,000 tonnes of mine-produced zinc (lead), 240-300 tonnes of mine-produced silver and 3.5 million – 3.8 million tonnes of iron ore; investment expenditure for project construction (including technological upgrade) is expected to be RMB18.3 billion. The relevant capital expenditure will be financed by way of the Company’s internal funding, bank loans, issuance of bonds and notes, and other feasible means of financing.

In light of the complexity and volatility in market environment, the plan stated herein is for indicative purpose only, which is uncertain and does not constitute any commitment on production volumes and investment expenditure. The Company may adjust the plan based on changes in actual circumstances. Investors are advised to pay attention to the relevant risks.

Management Discussion and Analysis *(continued)*

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

2. Key business strategies for 2021

In 2021, the Company shall further implement the general roadmap of “deepening reform, achieving leaping growth and sustainable development”, and push forward the development of a globalised operation and management system, accelerate the construction and commencement of major projects, achieve leaping growth in the production volume and efficacies of major products, raise the Company’s sustainability in all respects, and speed up the pace of turning itself into a first-class metal mining enterprise in the world.

Deepen reform

– Build a globalised operation and management system from a global perspective

The Company shall model on international standards to develop its systems and structures, and comprehensively enhance the building of authorisation mechanism following the principle of “streamlining, compliance and efficiency”. It shall reshape its matrix management structure by emphasising the role of the headquarters in strategic planning, capital management, investment and other functions, enhance the automation and service capacity of public service platforms; sub-groups made up of specialised segments shall be developed in the business department, and due respect shall be given to the independent legal person status of subsidiary enterprises by allowing subsidiaries’ board of directors, supervisory committee and management to take up major role in governance.

– Attach importance to research and development capacity upgrade and develop a globalised information and digital platform

The Company shall upgrade its in-house IT team, build a globalised online information platform, speed up digitalisation of all the operation and management activities, integrate informatisation and digitalisation deeply into production, operation and management systems, and promote reforms in the enterprise as well as quality and efficiency reform in production and operation. To lend support to the endeavour of deepening reform, the Company shall develop management and supervision processes which are visible, transparent and platformised.

– Enhance governance structure and foster the culture and soft power vital for global competition

The Company shall strengthen the highly-effective synergy of the Board, the Supervisory Committee and the management, and impose severe penalty on corruptive behaviours. It shall fully inherit and extensively promote the “Zijin culture”, continue to encourage innovation, and arouse the passion and incentive of employees. Furthermore, it shall speed up cross-cultural development and respect differences in policies, social conditions and customs across different countries and communities; it shall also promote convergence with the host countries’ policies, regulations and standards to achieve harmonious development, and care for employees’ and collaborators’ wishes for a better life.

Management Discussion and Analysis *(continued)*

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

Achieve leaping growth

– Complete the construction of key projects, secure leaping growth by ensuring projects commence and reach designated capacity as planned

The Company shall seize on favourable market expectations in the post-pandemic era by taking resolute and effective actions, accelerating the development of a number of globally influential projects to ensure that production commences, and production capacity is reached and targets are met on time or ahead of schedule. In addition, the existing capacity shall be raised to the maximum level to boost the output of key mineral products, in order to contribute to the endeavour of meeting the phase-one targets for production and operation in the Company's Five-Year (2+3) Plan. In particular, the Company shall strive to ensure production and efficiency increment are conducted smoothly in a number of new projects, including the Kakula Copper Mine in the DR Congo, the Upper Zone of the high-grade Čukaru Peki Copper and Gold Mine in Serbia, Serbia Zijin Copper, the Julong Copper Mine in Tibet, the Buriticá Gold Mine, the Aurora Gold Mine in Guyana, Norton in Australia, the Liba Gold Mine of Longnan Zijin, Shanxi Zijin, Guizhou Zijin and Luoyang Kunyu, while also continue to strive for renewal of mining lease and resumption of production at the Porgera Gold Mine in Papua New Guinea.

– Insist on innovation-driven development and build up autonomous, high-tech and efficient global competitiveness

The Company shall raise its competitiveness with self-initiated technology and innovation, leverage on its technological comparative advantage in the industry, continue to promote and apply the mining engineering management model of "integrating five ore treatment processes into one", craft a competitive advantage marked by efficiency and low-cost, and develop operation and management abilities which are commensurate with the asset size. Caving mining method shall be regarded as the most important mining engineering technique where efforts shall be concentrated for achieving breakthroughs. There are ongoing researches to study the application of the technique at the JM Porphyry Copper Mine and the Lower Zone of the Čukaru Peki Porphyry Copper Mine in Serbia, the Luoboling Porphyry Copper and Molybdenum Mine of Zijinshan in Fujian and the Tongshan Porphyry Copper Mine in Heilongjiang.

– Leverage on the capital market and ensure systems in support of investment and financing strategies function efficiently and are in good condition

On the basis of raising the quality of the listed company, the Company shall connect with the capital markets both at home and abroad and build up a diversified capital platform, in order to integrate the Company's business segments organically with the capital market. Expansion of onshore and offshore financing channels shall be explored and the enterprise's market value shall be restored and enhanced on a continuing basis. Furthermore, the Company shall enhance capital operation and management, give high regard to risk control and prevention, and further optimise financial and financial capital management.

Management Discussion and Analysis *(continued)*

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

Sustainable development

– Insist on giving priority to resources and increase the resources reserve volume of strategic minerals

The Company shall take a global view in its resource allocation strategy, boost its efforts in geological prospecting, draw plans for and strive to realise prospecting breakthroughs in crucial metallogenic belts of the host countries at which the Company's key projects are based, and raise the volume of minerals which the Company owns.

– Converge with international standards and raise the Company's environmental, social and governance (ESG) performance

A global mindset shall be applied in the continuous efforts of improving the Company's key ESG indicators and modifying its ESG system development. The Company shall align with global climate policies, actively respond to the state's relevant requirements in peak carbon emissions and carbon neutrality strategies and targets, and ensure the Company's pace of internationalisation development meets the expected schedule for peak carbon emissions, while developing and operating new mines with eco-development beliefs. Care for lives, environmental protection and biodiversity conservation shall be treated as the red-line and bottom-line binding the enterprise's production and operation. Fundamental safety shall be enhanced on ongoing basis, a global brand of eco-friendliness shall be developed. In addition, the beliefs of "mining for a better society" and mutual development shall be upheld, and a decent co-dependent, co-existing and co-development ecosystem of the industry shall be fostered in order to ensure the nations at which the Company's projects operate, and the communities, employees, investors and other stakeholders will benefit from the Company's existence.

– Adhere to value-oriented principle and enhance the globalised human resources system

The recruitment, training and introduction of global talents shall be stepped up and conducted from a global mindset to largely address the key issue of shortage in global talents within 3-5 years. Market standards shall be adhered to in the ongoing modification of talent appraisal system to create a highly competitive mechanism that rewards top-performers and screens out non-performers. The spirit of the organisation and general staff shall be aroused, and a global human resources safeguarding system focusing on value creators shall be developed. Moreover, the building of technician teams shall be emphasised, employees' individual goals and wishes for a good life shall be taken care of, in order to allow value creators to have greater sense of gain, belonging and satisfaction.

Management Discussion and Analysis *(continued)*

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

(IV) Possible risks

1. Risk management system of the Company

The Company adheres to a combination of risk management and corporate development, enhances risk governance system and risk management mechanism to meet global development standards, establishes a top-down risk management and control system from the Board and its specialised committees, Supervisory Committee and management to the subsidiaries, and possesses risk intelligence collection, risk identification, risk assessment, risk handling and risk review methods that are in line with the Company's own characteristics, and sets up special risk management and control institutions in key areas such as accounting, finance, market, information disclosure and environmental, social and governance (ESG), playing an important role in protecting the rights and interests of shareholders and investors, improving capital utilisation rate, supporting management decision-making, and creating management value.

Key areas of risk management and control	
Risk identification category	Risk assessment focus
Strategy	Macro environment, geopolitics, strategy formulation, strategy execution
Resources	Geological exploration, merger and acquisition of resources, deterioration of resources, licences and permits
Production and operation	Production capacity and production volume, major project construction, cost control, operating performance
Financial management	Liquidity, asset quality, profitability, tax burden
Supply chain	Prices of major metal products, sales and supplier management, procurement costs, contractual terms
Employees	Talent introduction and training, localisation, diversity, non-discrimination, labour relations, performance management
Health & safety	Production safety, occupational health, physical and mental health, emergency plan
Environment, climate change and community	Human rights, community development, climate change, greenhouse gas emission and energy, land use, use of water resources, biodiversity
Technological innovation	Core technology, independent engineering capabilities, informatisation and automation, technology and information security
Policy and culture	Organisational structure, management efficiency, system establishment, cross-cultural management
Stakeholder management	Stakeholder relations, business ethics, compliance, risk management and insurance, competition, law and regulation
Emerging risks	Others

Management Discussion and Analysis *(continued)*

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

2. Possible risks in 2021

Uncertainties continue to grow in the world. With the widespread use of COVID-19 vaccines, the prospect of humanity defeating the pandemic would be foreseeable. However, the various uncertainties around global economic recovery and likelihood of inflation or stagflation in asset prices may breed financial and economic risks to a certain extent.

Risk identification	Risk assessments	Countermeasures
Metal prices	Gold, copper and other metal products, which are the Company's main businesses, are the major sources of the Company's profit. There is a relatively strong correlation between the stability of mineral product prices and the Company's operating results. If the prices of relevant mineral products fluctuate significantly, the Company's production and operation may be under greater pressure.	Optimise asset quality, enhance possession of mineral resources and the development and utilisation efficiency, give full play to the low-cost advantages of operation and self-initiated technological advantages, seize the significant market opportunity, substantially increase the production capacity and efficiency of major metal products, including gold and copper. Enhance market tracking research, implement specific stress testing beforehand, improve risk identification and forecast, optimise product portfolio, use financial derivatives rationally, and respond to and prevent price fluctuation risks.
Safety and environmental protection	The Company has well-established safety and environmental protection, occupational health and ecological environment management systems and has a good foundation. However, as a mining enterprise, certain safety and environmental incidents may still occur in the production process. Besides, certain safety and environmental protection risks exist if acute natural disasters such as rainstorms due to climate change, mudslides, earthquakes, etc. occur.	Adhere to the concept of high-quality, eco-friendly and sustainable development, follow international standards and norms, and vigorously implement the development of an international brand for safety, environmental protection and ecology. Make every effort to improve the level of intrinsic safety, formulate measures to address climate change challenges, effectively reduce carbon emissions, raise water use efficiency, strengthen biodiversity conservation and develop environmental protection business in order.

Management Discussion and Analysis *(continued)*

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

Risk identification	Risk assessments	Countermeasures
Cross-cultural management and stakeholders	<p>The Company has a variety of overseas investment projects, and the level of political, economic, social and cultural development varies greatly from country to country. Some underdeveloped countries or regions may have certain geopolitical risks, policy and law adjustment risks, and community risks.</p>	<p>Adhere to the concept of “mutual development”, establish closely connected multicultural groups, and build a business ecosystem of co-dependence, co-existence and co-development, so that the countries where the projects are located, communities, employees, investors and other stakeholders can benefit from the existence of the Company.</p> <p>Promote cross-cultural exchanges and mutual learning, maintain close communication with governments and communities, strengthen policy research of overseas project locations, strengthen the mechanism and ability of alarm and precaution against safety risks, establish a sound legal risk prevention and resolution mechanism, and form a set of emergency response strategies and management systems for politics, public security, environmental protection, community, public opinion, etc.</p>
Financial market	<p>The Company carries out investment and operation activities globally and holds a certain amount of marketable securities and assets denominated in foreign currencies. If relevant interest rates, exchange rates, stock prices, etc. fluctuate significantly, the Company's production and operation may be under certain pressure.</p>	<p>Improve and perfect the financial management system, set up an institutional, dedicated steering team for financial business to carry out follow-up management, continue to take full advantage of domestic and foreign financial investment platforms, strengthen relevant identification, prediction and response capabilities, and improve the pertinence, foresightedness and depth of management and control.</p> <p>Optimise asset and liability structure, use functional currency-denominated settlement mechanism properly, and use relevant capital and financial instruments appropriately and in a timely manner to hedge against relevant risks.</p>

Management Discussion and Analysis *(continued)*

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

Risk identification	Risk assessments	Countermeasures
Application of international rules and standards	The Company actively participates in the global mining market competition, and carries out production and operation in accordance with international rules and standards. If there are major changes in the relevant rules and standards, the Company's production and operations may be under certain pressure.	<p>Make use of global thinking and global vision to fully implement the overall plan for deepening reform, build a highly adaptive global operation and management system, and conduct detailed research on international laws and regulations, ethics and compliance obligations, and political environment.</p> <p>Actively carry out research on important technical standards, and effectively reconcile core indicators such as resources reserve volume with the NI 43-101 standard or JORC standard or other widely-accepted international standards.</p>

(V) Others

1. The special mining lease of the Porgera Gold Mine, which is a joint operation between the Company and Barrick Gold Corporation ("Barrick") in Papua New Guinea, expired in August 2019. On 24 April 2020, the Papua New Guinean Government announced in a press release that it decided not to approve the extension application of the special mining lease of the Porgera Gold Mine. Production of the Porgera Gold Mine suspended since April 2020. At present, the two parties are carrying out negotiations over the extension of the special mining lease. The suspension of production of the Porgera Gold Mine affects the Company's gold production volume to a certain degree. The Company will fulfill its information disclosure obligation in time according to the subsequent development of the negotiations. For details, please refer to the Company's announcements disclosed on HKEXnews website (<http://www.hkexnews.hk>) dated 26 April 2020 and 10 July 2020.
2. During the reporting period, international credit rating companies including S&P Global Ratings, Fitch Ratings Inc. and Moody's Investors Service issued updated credit rating reports on the Company respectively. The credit ratings of the Company and its guaranteed senior unsecured notes were lowered as a result of the Company's acquisitions and capital expenditure for construction, which increases its debts and cash payments, and thereby elevated its leverage and reduced its liquidity. The Company considers that the elevated leverage that resulted in the adjustment to the credit ratings is temporary, and will not cause any substantial impact on the Company's production and operation. The Company will push forward constructions of key projects such as the Kamoakakula Copper Mine, the Čukaru Peki Copper Mine and the Qulong Copper Mine proactively, accelerate the conversion of advantage in resources to advantage in efficiency. As the production capacities of gold and copper continue to unleash, the strong operating cash flows and repayment capacity will substantially lower the Company's leverage. For details, please refer to the announcements disclosed on HKEXnews website (<http://www.hkexnews.hk>) dated 14 July 2020, 20 July 2020 and 13 August 2020 respectively.

Report of the Directors

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

The Directors of the Company hereby submit the Report of the Directors and the audited financial statements of the Group for the year ended 31 December 2020.

PRINCIPAL BUSINESS

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

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

OPERATING RESULTS

The operating results of the Group for the year ended 31 December 2020 are set out in the financial statements on pages 167 to 392.

SIGNIFICANT MATTERS

Profit distribution plan or plan for conversion of capital reserve into share capital in respect of the ordinary shares of the Company

Formulation, execution or adjustment of cash dividend distribution policy

According to the “Notice in relation to Further Implementing Cash Dividend Distribution of Listed Companies” (Zheng Jian Fa [2012] No. 37) and “Regulatory Guidelines of Listed Companies No. 3 – Cash Dividends of Listed Companies” (Zheng Jian Fa [2013] No. 43) issued by the CSRC and the requirements of other laws, regulations and regulatory documents and the articles of association of the Company, in order to improve the decision making on the Company’s profit distribution and supervisory mechanism, while taking into consideration of the Company’s production, operation and sustainable development and maintaining a reasonable return to investors of the Company, the Profit Distribution and Return Plan for Years 2020-2022 was considered and approved at the Company’s second extraordinary general meeting in 2020.

The new profit distribution and return plan stipulates that unless there is a special circumstance, the Company’s cumulative profit distribution by way of cash for the last three years shall not be less than 90% of the average annual distributable profits realised for the last 3 years. In principle, the Company’s annual distribution of cash dividends shall not be less than 30% of the realised distributable profits for the year (excluding the undistributed profits of last year).

As audited by Ernst & Young Hua Ming LLP, the Group’s net profit attributable to owners of the parent for the year ended 31 December 2020 prepared in accordance with CAS was RMB6,508,553,913. The Board proposed the profit distribution plan for the year ended 31 December 2020 as follows: the Company proposes to pay a final cash dividend of RMB1.2 per 10 shares (tax included) to its shareholders on the record date (as the date specified in the profit distribution implementation announcement for the year ended 31 December 2020) who are qualified for participating in profit distribution. The actual amount of cash dividend to be distributed will be determined according to the number of shares on the record date. There will be no conversion of capital reserve into share capital for the year ended 31 December 2020. The profit distribution proposal for the year ended 31 December 2020 is subject to the approval at the shareholders’ general meeting.

If, within the period from the date of this report to the record date for implementing distribution of entitlement, the Company’s total share capital changes as a result of conversion of the convertible corporate bonds into shares or repurchase and cancellation of the A Shares granted under the restricted A Share incentive scheme, it is proposed that the amount of cash dividend per share shall remain unchanged and that the total amount of distribution shall be adjusted accordingly. The Company will also make separate announcements regarding the details of adjustment.

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

Report of the Directors *(continued)*

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

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

Unit: RMB

Year of profit distribution	Bonus shares for every 10 shares (share)	Dividend for every 10 shares (RMB) (tax included)	Capital conversion for every 10 shares (share)	Amount of cash dividend (tax included)	Net profit attributable to ordinary shareholders of listed company on consolidated financial statements for the dividend distribution year	Percentage of dividends to net profit attributable to ordinary shareholders of the listed company in the consolidated financial statements (%)
2020	0	1.2	0	3,056,788,866	6,508,553,913	46.97
2019	0	1.0	0	2,537,725,995	4,283,957,365	59.24
2018	0	1.0	0	2,303,121,889	4,093,773,630	56.26

The abovementioned amount of cash dividend for the year 2020 is based on the total number of the Company's shares as at the date of this report, being 25,473,240,546. It is expected that the amount of cash dividend will be RMB3,056,788,866 (tax included).

Performance of undertakings

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

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

Report of the Directors *(continued)*

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

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

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

Summary of the event

The Company started to implement the restricted A Share incentive scheme from November 2020. The source of the shares is the Company's A Shares issued specifically by the Company to the participants. It was proposed that a maximum of 100,000,000 restricted A Shares may be issued to the participants, accounting for approximately 0.39% of the Company's total share capital as at the announcement date of the Restricted A Share Incentive Scheme (Draft). The participants included the Directors, senior and middle-level management, senior technical personnel, outstanding youth talents, highly educated talents and other employees whom the Company considers to have a direct impact on the Company's operating results and future development. The grant price was RMB4.95 per A Share.

After completion of all required approvals and authorisation procedures, the Company issued the restricted A Shares to the participants under the first grant on 13 January 2021. The Company completed the registration of shares under the first grant at China Securities Depository and Clearing Company Limited Shanghai Branch on 28 January 2021. The total number of A Shares granted under the first grant was 95,980,600 and the number of participants who were granted the restricted A Shares under the first grant was 686.

Index for details

For details, please refer to the Company's announcements disclosed on HKEXnews website (<http://www.hkexnews.hk>) dated 17 November 2020, 20 November 2020, 11 December 2020, 22 December 2020, 29 December 2020, 11 January 2021, 13 January 2021 and 1 February 2021.

The lock-up period of the A Shares held by phase 1 of the employee stock ownership scheme of Zijin Mining (the "Employee Stock Ownership Scheme") has expired, and those A Shares were listed and became tradable on 8 June 2020 (the listing and trading date was extended by one day from 7 June 2020, which was not a trading day). Besides, for the purposes of meeting the requirements of shareholding reduction provisions on non-public issuance of shares and protecting the interests of holders of the Employee Stock Ownership Scheme, and given the confidence in the continuous growth of the Company's operating results in the future, at the second meeting of holders of the Employee Stock Ownership Scheme and the ninth extraordinary meeting in 2020 of the seventh term of the Board, it was considered and approved that the duration of the Employee Stock Ownership Scheme will be extended from 48 months to 72 months, i.e., to be extended to 6 June 2023.

For details, please refer to the Company's announcements disclosed on HKEXnews website (<http://www.hkexnews.hk>) dated 8 June 2017 and 28 May 2020.

Report of the Directors *(continued)*

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

Material connected transactions

Connected transactions related to daily business operation

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

Summary of event	Index for details
<p>The Company's subsidiary, Xinjiang Habahe Ashele Copper Co., Ltd., entered into a copper concentrates supply contract with Xinjiang Wuxin Copper Co., Ltd., a subsidiary of Ashele Copper's substantial shareholder, Xinjiang Nonferrous Metal Industry (Group) Co., Ltd., on 31 January 2020. One of Ashele Copper's ordinary businesses is selling copper concentrates and the contract was entered into under normal commercial terms and in line with the principles of fairness and reasonableness. During the reporting period, the total amount of the transaction was RMB913 million (tax excluded).</p>	<p>For details, please refer to the Company's announcement disclosed on HKEXnews website (http://www.hkexnews.hk) dated 2 February 2020.</p>

The contract of the abovementioned transaction has a term effective from 1 January 2020 to 31 December 2020, with an annual cap of RMB1.3 billion.

Pursuant to Chapter 14A of the Listing Rules, on 3 November 2020, subscription of A Share convertible corporate bonds by Minxi Xinghang and certain Directors and Supervisors and/or certain Directors under the Employee Stock Ownership Scheme in the Company's public issuance of A Share convertible corporate bonds constitutes a connected transaction of the Company. For details, please refer to the Company's announcements dated 12 June 2020 and 29 October 2020 and circular dated 4 July 2020 disclosed on HKEXnews website (<http://www.hkexnews.hk>).

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

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

Accordingly, it is confirmed by the Directors that:

- (a) The connected parties in the above connected transactions have undertaken to the Company and the Hong Kong Stock Exchange to provide adequate access for auditor's inspection of the relevant books and records, to review the above connected transactions and prepare the relevant reports.
- (b) The Company has undertaken to the Hong Kong Stock Exchange that if it is aware or has reasons to believe that the independent non-executive Directors and/or auditor are unable to confirm that the relevant transactions comply with the Listing Rules and the restrictions under the waiver conditions, the Company must immediately notify the Hong Kong 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 Hong Kong Stock Exchange.

Report of the Directors *(continued)*

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

- (c) Independent non-executive Directors of the Company have reviewed and confirmed that all the connected transactions of the Company or its subsidiaries involved in the year 2020 were:
1. entered into in the ordinary and usual course of business of the Company or its subsidiaries;
 2. entered into on normal commercial terms; or where no comparisons are available, then under terms which are fair and reasonable to the shareholders of the Company; and
 3. entered into according to the terms of the agreement governing such transactions; or where no such agreement is available, under terms not inferior to those available from or to independent third parties.
- (d) The Group's auditor has reviewed the transactions (details of which are set out in Note X to the financial statements), and confirmed to the Board that:
1. the transactions have been approved by the Board;
 2. terms of the agreement of the relevant transactions are attached to the connected transactions; and
 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 reporting period.

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

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

Report of the Directors *(continued)*

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

DETAILS OF CONVERTIBLE CORPORATE BONDS

Details of issuance of convertible bonds

Pursuant to the approval of the CSRC (Zhengjian Xuke [2020] No. 2613), on 3 November 2020, the Company publicly issued 60,000,000 A Share convertible corporate bonds with a nominal value of RMB100 each. The total issuance amount was RMB6 billion. The existing A Shareholders registered in the register of members on the record date after stock market closed were entitled to subscribe for the A Share convertible corporate bonds in priority. The remaining balance after the existing A Shareholders subscribed in priority (including the portion given up by the existing A Shareholders) were offered to public investors through the online trading system of the Shanghai Stock Exchange, and the remaining balance was underwritten by the sponsor (the lead underwriter). The conversion price of the abovementioned A Share convertible corporate bonds was RMB7.01 per A Share and the conversion period will be from 10 May 2021 to 2 November 2025.

Pursuant to the approval of Shanghai Stock Exchange Self-discipline Supervision Decision [2020] No. 379, the Company's A Share convertible corporate bonds amounted to RMB6 billion have been listed on the Shanghai Stock Exchange since 27 November 2020 with the bond abbreviation of "Zijin Convertible Bonds" and the bond code of "113041".

CHANGES IN ORDINARY SHARE CAPITAL

Table on changes in ordinary share capital

Unit: Share

	Before the changes		Changes (+ or -)					After the changes	
	Number of shares	Proportion (%)	Issuance of new shares	Bonus shares	Conversion of capital reserve into share capital	Others	Subtotal	Number of shares	Proportion (%)
I. Shares subject to trading moratorium	418,553,054	1.65	0	0	0	-418,553,054	-418,553,054	0	0
1. Shares held by state-owned legal persons	289,389,067	1.14	0	0	0	-289,389,067	-289,389,067	0	0
2. Shares held by other domestic shareholders	129,163,987	0.51	0	0	0	-129,163,987	-129,163,987	0	0
Including: Shares held by domestic non-state owned legal persons	129,163,987	0.51	0	0	0	-129,163,987	-129,163,987	0	0
Shares held by domestic natural persons	0	0	0	0	0	0	0	0	0
II. Shares not subject to trading moratorium	24,958,706,892	98.35	0	0	0	+418,553,054	+418,553,054	25,377,259,946	100
1. Renminbi-denominated ordinary shares	19,221,766,892	75.74	0	0	0	+418,553,054	+418,553,054	19,640,319,946	77.39
2. Overseas-listed foreign invested shares	5,736,940,000	22.61	0	0	0	0	0	5,736,940,000	22.61
III. Total number of ordinary shares	25,377,259,946	100	0	0	0	0	0	25,377,259,946	100

Report of the Directors *(continued)*

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

CHANGES OF SHARES SUBJECT TO TRADING MORATORIUM

Unit: Share

Name of shareholder	Number of shares subject to trading moratorium as at the beginning of the year	Number of shares unlocked during the year	Increase in number of shares subject to trading moratorium during the year	Number of shares subject to trading moratorium as at the end of the year	Reason of trading moratorium	Date of unlocking
Minxi Xinghang State-owned Assets Investment Co., Ltd.	289,389,067	289,389,067	0	0	Subscription of the Company's A Shares under non-public issuance with a lockup period of 36 months	8 June 2020
Phase 1 of employee stock ownership scheme of Zijin Mining Group Co., Ltd.*	129,163,987	129,163,987	0	0	Subscription of the Company's A Shares under non-public issuance with a lockup period of 36 months	8 June 2020
Total	418,553,054	418,553,054	0	0	/	/

ISSUANCE AND LISTING OF SECURITIES DURING THE REPORTING PERIOD

Issuance of securities during the reporting period

Unit: RMB

Type of shares and their derivatives	Date of issuance	Issue price (or interest rate)	Quantity issued	Date of listing	Quantity approved to be listed for trading	Expiration date
Convertible corporate bonds, convertible bonds with attached warrants, corporate bonds						
A Share convertible corporate bonds	3 November 2020	RMB100 each	60,000,000	27 November 2020	60,000,000	2 November 2025

The target subscribers of the A Share convertible corporate bonds were natural persons, legal persons, securities investment funds and other investors in compliance with legal requirements who had maintained securities accounts in the China Securities Depository and Clearing Corporation Limited Shanghai Branch (excluding those prohibited by the PRC laws and regulations). As at the date of announcement of the proposed public issuance of A Share convertible corporate bonds (i.e., 12 June 2020), the closing prices of the Company's A Share and H Share were RMB3.97 per share and HKD3.36 per share respectively.

Report of the Directors *(continued)*

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BASIC INFORMATION OF USE OF PROCEEDS RAISED

(I) Actual amount of proceeds raised and the time of depositing into accounts

Public issuance of A Share convertible corporate bonds in 2020

Pursuant to the approval under the Reply in relation to Approval of Public Issuance of A Share Convertible Corporate Bonds of Zijin Mining Group Co., Ltd.* of the CSRC (Zhengjian Xuke [2020] No. 2613), the Company publicly issued 60,000,000 A Share convertible corporate bonds with a face value of RMB100 each to the public at par value. The total amount of proceeds raised was RMB6,000,000,000.00. After deduction of underwriter and sponsor fee of RMB27,000,000.00, the actual subscription amount received from subscription of the convertible corporate bonds was RMB5,973,000,000.00; after deduction of solicitor fee, accountant fee, registration fee, credit rating fee, information disclosure fee and other issuance expenses of RMB4,486,970.48 and their deductible value-added tax of RMB1,772,037.73 in total, the actual net proceeds raised was RMB5,970,285,067.25. Ernst & Young Hua Ming LLP verified the deposit of the proceeds raised and issued Verification Report of Proceeds Raised in Public Issuance of Convertible Corporate Bonds of Zijin Mining Group Co., Ltd.* (Ernst & Young Hua Ming (2020) Yanzi No. 60468092_H01) on 9 November 2020.

(II) Use of proceeds raised

RMB1.8427718 billion of the proceeds raised in the public issuance of A Share convertible corporate bonds in 2020 had been applied in projects to be invested by proceeds raised.

Report of the Directors *(continued)*

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

Table of the use of proceeds raised in the public issuance of A Share convertible corporate bonds in 2020

Unit: RMB billion

Committed investment project	Whether changes (including partial changes) have been made to the project	Total amount of proceeds committed for investment	Adjusted total investment amount	Amount of investment committed as at the end of the reporting period (1)	Amount of proceeds invested in the current year (Note 1)	Accumulated amount of proceeds invested as at the end of the reporting period (2)	Difference between accumulated amount of proceeds invested and amount of committed investment as at the end of the reporting period (3) = (2)-(1)	Percentage of proceeds invested as at the end of the reporting period (%) (4) = (2)/(1)	Date when the project will be ready for intended use	Realised efficacy in 2020	Whether the expected efficacy is attained	Whether there is a substantial change in the feasibility of the project	Total amount of proceeds used in the current year	
													5.9702851	1.8427718
I. The Kamao-Kakula Copper Mine project of Kamao Holding Limited in the DR Congo	No	3.1102851	3.1102851	3.1102851	1.3525545	1.3525545	(1.7577306)	43.49	End of second quarter of 2021	N/A	N/A (Note 1)	No	1.8427718	1.8427718
II. Mining and processing project in the Upper Zone of the Timok Copper and Gold Mine of Rakita Exploration d.o.o. Bor in Serbia	No	2.18	2.18	2.18	0.4668701	0.4668701	(1.7131299)	21.42	End of second quarter of 2021	N/A	N/A (Note 2)	No		
III. Mining project in the Tongshan Mine of Heilongjiang Tongshan Mining Co., Ltd.	No	0.68	0.68	0.68	0.0233472	0.0233472	(0.6566528)	3.43	End of first quarter of 2024	N/A	N/A (Note 3)	No		
Total		5.9702851	5.9702851	5.9702851	1.8427718	1.8427718	(4.1275133)	30.87						

Note 1: The Kamao-Kakula Copper Mine project of Kamao Holding Limited in the DR Congo is currently under construction and no efficacy can be realised yet. The project is expected to be ready for intended use by the end of the second quarter of 2021.

Note 2: The mining and processing project in the Upper Zone of the Timok Copper and Gold Mine of Rakita Exploration d.o.o. Bor in Serbia is currently under construction and no efficacy can be realised yet. The project is expected to be ready for intended use by the end of the second quarter of 2021.

Note 3: The mining project in the Tongshan Mine of Heilongjiang Tongshan Mining Co., Ltd. is currently under construction and no efficacy can be realised yet. The project is expected to be ready for intended use by the end of the first quarter of 2024.

Table of changes in investment projects using the proceeds raised

There were no change in the investment projects in which the proceeds raised from public issuance of A Share convertible corporate bonds in the year 2020 were applied.

Report of the Directors *(continued)*

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

STAFF OF THE COMPANY AND ITS MAJOR SUBSIDIARIES

(1) Staff

Number of current staff of the Company	2,372
Number of current staff of the major subsidiaries	34,488
Total number of current staff	36,860
Staff of domestic enterprises	19,255
Staff of overseas enterprises	17,605
Including: Chinese staff of overseas enterprises	769
Number of retired staff at the Company and major subsidiaries' expense	477

Profession structure

Classification by specialisation	Number of specialised staff
Production	8,216
Sales	193
Technical	6,157
Finance	561
Administration	4,897
Total	20,024

Education level

Classification by education level	Number of staff
Doctoral degree	40
Master's degree	656
Bachelor's degree	3,898
Other tertiary education	4,182
Secondary school or below	11,248
Total	20,024

Notes:

1. The sub-categories of profession structure and education level cover the staff of domestic enterprises and Chinese staff of overseas enterprises;
2. Administration staff refers to operational staff, administrative staff and supporting staff of functional departments other than technical staff.

In order to support a faster pace of implementation of the Company's internationalisation strategy, the Company has continually developed and optimised a global talent introduction and training mechanism in order to enhance the global competitiveness of Zijin's talents.

The Company has comprehensively strengthened the recruitment for globalised and professional talents, introduced elites from professional fields and leading experts from relevant disciplines through various channels; upgraded campus recruitment to the "Elite 300" programme, created a distinctive "Outstanding Graduates" brand, and emphatically recruited overseas students from the United States, Canada, Australia, Russia, etc. at scale for a succession of 4 years. During the reporting period, 25% of the fresh graduates recruited by the Company have overseas background; the headquarters implemented the "Double 50s" target, according to which 50% of workforce shall be made up of globalised talents and 50% shall be talents outside of Fujian Province, with a view to move the Group's talent mechanism towards internationalisation transformation.

Report of the Directors *(continued)*

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The Company upholds the talent development belief of “learning to fight in the battles” and implements the “headquarters – frontline” assignment approach for twice or more for each talent. Furthermore, by a collaboration between overseas and domestic operations for developing a talent team with practical experience and global exposure, the schemes for senior reserve talents, outstanding youth talents and talents of different professions have been implemented in an organised way to send off such talents to domestic and overseas operations on a continuing basis.

Emphasising a focus on the value creators, the Company has strengthened the level-based and grade-based appraisal, narrowed down appraisal outcomes in their application, and continued to energise the organisation. The Company also has implemented an employee enhancement mechanism in an innovative way that fits with the enterprise’s development, providing substantial motivation to employees’ work and entrepreneurial spirit.

(2) Remuneration policy

According to the Company’s strategy and actual development, the Company established an overall remuneration structure based on basic salary and supplemented by performance bonuses, allowances and benefits. The Company’s remuneration management adopts the strategy of “high pay for elites”, which is to continuously improve the quality of the staff as well as provide basic salary that is competitive in the market, and to implement performance bonus assessment management system based on improvement in efficiency and management, and to fully stimulate the potential of staff at all levels. In addition to the payment of social insurance and housing fund for employees in accordance with the law, the Company provides employees with benefits such as supplemental medical insurance, paid annual leaves, festival allowances, etc.

Adhering to the core value of “creating wealth in harmony, balancing development of the corporation, the employees and the society”, the Company gives as much attention to human capital increment and development of organisation as to the growth in its operating results and allows employees to share the enterprise’s development outcomes. During the reporting period, the Company implemented the restricted A Share incentive scheme for key talents, for the purpose of establishing an incentive and talent retention mechanism which is effective in the long run; the Company also implemented the enterprise annuity system as well as a “Salary Doubling” scheme, allowing frontline employees to enjoy an average pay rise of over 20% in the year.

(3) Training programmes

The Company regards employees’ value as a vital part of the enterprise’s value and embeds it deeply into the Company’s target management and day-to-day operation. The Company continues to pay attention to and provide relevant training for employees’ career development, enhances employees’ employability both within and outside the organisation, and gradually covers collaborators in its uniform training mechanism. Also, the Company not only respects employees and offers them equal career development opportunities, career platform and promotion opportunities, but also provides multiple parallel career advancement tracks which fit with the characteristics of career development. Taking advantage of its globalised development pattern, the Company encourages internal exchanges among employees as well as provides unique opportunities for employees to enrich their global, cross-cultural exposure and experience, which is often a rare aspect in their career.

During the reporting period, the Company further implemented the general training approach of “supporting realisation of strategies, assisting business growth, strengthening organisation, delineating training targets, raising competence of staff, building talent pool”, and thereby organised multi-layered, multi-angled and targeted training of various types. In particular, in respect of middle and senior management, training programmes mainly took the forms of excursions, field trips and seminars; in respect of building of talent pool, the approach of “combining training with actual practice and repeated empowerment” was adopted in the training for senior reserve talents and outstanding youth talents; in respect of globalised talents, a comprehensive training model comprising “general education + foreign language training + on-the-job training” was applied; in respect of new employees, the training mainly included rotation to the head office for the general recruits and intensive training at the head office for outstanding graduates, aiming for continually promoting Zijin’s vision, mission, culture and spirit.

Report of the Directors *(continued)*

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During the reporting period, alongside the organisation of “Zijin Lectures” activities, the Company further enhanced the summarising and distilling work of professional knowledge and enhanced the competence of internal trainers. Preparation for internal training and teaching materials were actively organised, and a unique knowledge management system covering geological exploration, safety, finance, law, construction, investment, office skills and other professions had been established.

(4) Outsourcing status

	Measured by quantity in outsourced mining production
Total working hours of outsourcing services	
Total outsourcing payment	RMB4,192,429,557

Others

1. Core technical team or key technical staff of the Company

The Company’s mining, metallurgical, environmental protection, scientific and technological systems are complete. Leveraging on the mining engineering management model of “integrating five ore treatment processes into one”, a global competitiveness in mining engineering has been rapidly developed. The Company has built the only State Key Laboratory of Comprehensive Utilisation of Low-grade Refractory Gold Ores in the domestic gold industry, established Xiamen General Institute of Geology and Mineral Exploration, Zijin Mining and Metallurgy Research Institute, Xiamen Zijin Mining and Metallurgy Technology Co., Ltd., Fujian Zijin Mining and Metallurgy Testing Technology Co., Ltd., Zijin (Xiamen) Engineering Design Company Limited and other institutes for system technology, engineering research, design and application. The Company’s management team is mainly comprised of experts in specific industries, and it has introduced and trained a group of leading experts in the disciplines of geology, mining, processing, metallurgy, environmental protection, mining engineering design, analysis, testing, application and implementation, as well as built up team force. The Company now possesses a supporting system in which industry, academia and research integrate deeply with informatisation, and is one of the few multinational mining corporations in the world being equipped with autonomous system technology and engineering management capabilities.

During the reporting period, the Company, Beijing Institute of Geology for Mineral Resources Co., Ltd. and other parties jointly invested in and incorporated Sino-Zijin Resources Ltd., further strengthening the Company’s technological innovation ability and equipping it with the manpower and materials necessary for extensively enhancing its resource exploration capacity and sustainability in the world. During the reporting period, the core technical team of the Company is generally stable. There is no change in personnel which may substantially affect the Company’s core competitiveness.

2. Scientific research projects and scientific and technological achievements of the Company

During the reporting period, the Company conducted one new provincial-level scientific research project, namely “Research on and Application of the Industrialisation of Highly-effective and Eco-friendly Flotation Chemicals for Copper and Lead”, and one new municipal-level scientific research project, namely “Development and Demonstration of the Key Technology for Restoring the Ecological Environment of the Abandoned Site at Large-scale, Low-grade Copper Sulphide Mine”; in addition, 44 scientific research projects were newly launched in the Group, including “Development and Research on the Pyrometallurgical Technique for Gold and Copper”, “Research on Extraction and High-value Use of Complicated Rare and Precious Metal Resources”, etc.

Report of the Directors *(continued)*

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During the year, the Company applied for a total of 32 patents, of which 20 were invention patents and 6 invention patents were authorised in total. 7 projects were submitted to the China Nonferrous Metals Industry Association for results evaluation, and among which, 2 of the projects, namely "Research on and Application of Comprehensive Recovery of Complicated and Refractory Copper and Cobalt Resources" and "Research on and Application of the Key Technology for Synchronised Processing of Complicated Carbon-containing Lead and Zinc Ore" received high commendation of reaching internationally advanced level. 7 scientific technology awards at provincial level or above were obtained. In the year, the Group convened the Sixth Science and Technology Symposium, at which 61 prizes in commendation of the achievements of various scientific and technological projects and the outstanding contributions made by technicians were granted. 7 transformations of scientific and technological achievements in aggregate were conducted during the year, which contributed more than RMB200 million to the production benefits. The technological innovation capability of the Company is steadily improving, significantly promoting the sustainable development of the Company.

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

As at 31 December 2020, the interests and short positions of the Directors, Supervisors and chief executive of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which (a) were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which the Directors, Supervisors and chief executive of the Company are taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to section 352 of the SFO to be entered into the register referred to therein; or (c) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code"), to be notified to the Company and the Hong Kong Stock Exchange are as follows:

Shareholdings of the Directors, Supervisors and chief executive of the Company as at 31 December 2020 are as follows:

Director	Class of shares	Number of shares held	Nature of interest	Long/Short position	Approximate percentage of shareholding in the same class of securities	Approximate percentage of shareholding in the registered capital
Chen Jinghe	Domestic shares	62,000,000	Personal	Long position	0.32%	0.24%
	H Shares	20,000,000	Personal	Long position	0.35%	0.08%
	Total	82,000,000	Personal	Long position		0.32%
Lan Fusheng	Domestic shares	7,730,510	Personal	Long position	0.04%	0.03%
Zou Laichang	Domestic shares	1,623,050	Personal	Long position	0.01%	0.01%
Lin Hongfu	Domestic shares	978,938	Personal	Long position	0.01%	0.01%
Lin Hongying	Domestic shares	227,000	Personal	Long position	0.01%	0.01%
Xie Xionghui	Domestic shares	149,000	Personal	Long position	0.01%	0.01%

Supervisor	Class of shares	Number of shares held	Nature of interest	Long/short position	Approximate percentage of shareholding in the same class of securities	Approximate percentage of shareholding in the registered capital
Lin Shuiqing	Domestic shares	300,000	Personal	Long position	0.01%	0.01%
Liu Wenhong	Domestic shares	26,450	Personal	Long position	0.01%	0.01%
	H Shares	10,000	Personal	Long position	0.01%	0.01%
	Total	36,450	Personal	Long position		0.01%
Cao Sanxing	Domestic shares	124,000	Personal	Long position	0.01%	0.01%

Report of the Directors *(continued)*

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

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

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

SHARE CAPITAL AND SHAREHOLDERS

Details of the Company's issued ordinary shares (with par value of RMB0.1 each) as at 31 December 2020 are set out in Note V.40 to the financial statements.

SHAREHOLDINGS OF TOP TEN SHAREHOLDERS

As at 31 December 2020, the Company has a total of 467,278 shareholders, of which 731 are H Shareholders and 466,547 are holders of domestic shares. By approximate percentage of shareholding in the share capital, the shareholdings of the Company's top ten shareholders are as follows:

	Name of shareholders	Class of shares	Number of shares held	Approximate percentage of shareholding in the share capital
1.	Minxi Xinghang State-owned Assets Investment Co., Ltd. (Note 1)	Domestic shares	6,083,517,704	23.97%
2.	HKSCC Nominees Limited (Note 2)	H Shares	5,717,733,160	22.53%
3.	China Securities Finance Corporation Limited	Domestic shares	691,190,823	2.72%
4.	Hong Kong Securities Clearing Company Limited (Note 3)	Domestic shares	462,613,501	1.82%
5.	Perseverance Asset Management L.L.P. – Gaoyi Xiaofeng No. 2 Zhixin Fund	Domestic shares	418,136,337	1.65%
6.	Industrial Bank Company Limited – Xingquan Trend Investment Mixed Securities Investment Fund	Domestic shares	338,137,243	1.33%
7.	Industrial Bank Company Limited – Xingquan New Vision Flexible-configuration Regular Open-end Mixed Securities Investment Seed Fund	Domestic shares	252,589,077	1.00%
8.	National Social Security Fund 103	Domestic shares	208,500,968	0.82%
9.	Central Huijin Asset Management Ltd.	Domestic shares	191,694,700	0.76%
10.	CITIC Trust Co., Ltd. – CITIC Trust Ruijin Phase 43 Gaoyi Xiaofeng Investment Pooled Fund Trust Scheme	Domestic shares	185,500,000	0.73%

Notes:

- 208,484,145 domestic shares of the Company held by Minxi Xinghang State-owned Assets Investment Co., Ltd. have to be transferred to National Council for Social Security Fund, the PRC, that part of the stock is frozen.
- HKSCC Nominees Limited held 5,717,733,160 H Shares in the Company as a nominee, representing an aggregate of approximately 22.53% of the Company's issued shares. HKSCC Nominees Limited is a member of the Central Clearing and Settlement System, which carries out securities registration and custodian business for customers.
- Hong Kong Securities Clearing Company Limited held 462,613,501 domestic shares in the Company as a nominee, representing an aggregate of approximately 1.82% of the Company's issued shares. Hong Kong Securities Clearing Company Limited is a member of the Central Clearing and Settlement System, which carries out securities registration and custodian business for customers.

Report of the Directors *(continued)*

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SUBSTANTIAL SHAREHOLDERS

So far as the Directors, Supervisors and chief executive of the Company are aware, as at 31 December 2020, the interests and long/short positions of shareholders (except the Directors, Supervisors and chief executive of the Company) in the shares or underlying shares of the Company which will be required, pursuant to Section 336 of the SFO, to be entered into the register referred to therein, or required to be notified to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO are as follows:

Name of shareholders	Class of shares	Number of shares held	Approximate percentage in the total number of issued shares	Approximate percentage of shareholding in the total number of issued domestic shares	Approximate percentage of shareholding in the total number of issued H Shares	Long/Short positions
Minxi Xinghang State-owned Assets Investment Co., Ltd.	Domestic shares	6,083,517,704 (Note 1)	23.97%	30.97%	–	Long
State Street Bank & Trust Company	H Shares	403,269,470 (Note 2)	1.59%	–	7.03%	Lending pool
BlackRock, Inc.	H Shares	340,782,101 (Note 3)	1.34%	–	5.94%	Long
BlackRock, Inc.	H Shares	2,136,000 (Note 3)	0.01%	–	0.04%	Short
Van Eck Associates Corporation	H Shares	345,478,361 (Note 4)	1.36%	–	6.02%	Long
VanEck Vectors ETF – VanEck Vectors Gold Miners ETF	H Shares	343,158,000 (Note 5)	1.35%	–	5.98%	Long

Notes:

- In addition to the 6,083,517,704 domestic shares held, according to the notification from Minxi Xinghang State-owned Assets Investment Co., Ltd. received by the Company on 9 December 2020, Minxi Xinghang State-owned Assets Investment Co., Ltd. held an aggregate of 12,554,730 A Share convertible corporate bonds of the Company, equivalent to an interest of 179,097,432 A Shares (long position) based on the conversion price of RMB7.01 per A Share.
- State Street Bank & Trust Company held 403,269,470 H Shares (lending pool) of the Company (representing approximately 7.03% of the total issued H Shares of the Company).

According to the disclosure of interest notice filed by State Street Bank & Trust Company on 26 October 2020, the following interests were held by State Street Bank & Trust Company in the following capacity:

Capacity	Number of shares
Approved lending agent	Long position 403,269,470

Further information in relation to interests of corporations controlled by State Street Bank & Trust Company:

Name of controlled corporation	Address and place of incorporation	Name of controlling person	% control	Direct interest (Y/N)	Number of shares
State Street Bank & Trust Company	1 Lincoln Street, Boston, Massachusetts, 02111 USA	State Street Corporation	100.00	Y Long position	403,269,470

Report of the Directors *(continued)*

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- (3) BlackRock, Inc. held 340,782,101 H Shares (long position) of the Company (representing approximately 5.94% of the total issued H Shares of the Company) and 2,136,000 H Shares (short position) of the Company (representing approximately 0.04% of the total issued H Shares of the Company).

According to the disclosure of interest notice filed by BlackRock, Inc. on 31 December 2020, the following interests were held by BlackRock, Inc. in the following capacity:

Capacity	Number of shares
Interest of corporation controlled by BlackRock, Inc.	Long position
	Short position
	340,782,101 2,136,000

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

Name of controlled corporation	Address and place of incorporation	Name of controlling person	% control	Direct interest (Y/N)	Number of shares
Trident Merger, LLC	1209 Orange Street, Wilmington DE 19801, United States (Delaware, USA)	BlackRock, Inc.	100.00	N Long position Short position	2,334,250 58,000
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 Short position	2,334,250 58,000
BlackRock Holdco 2, Inc.	1209 Orange Street, Wilmington DE 19801, United States (Delaware, USA)	BlackRock, Inc.	100.00	N Long position Short position	338,447,851 2,078,000
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	333,570,851 2,078,000
BlackRock Financial Management, Inc.	1209 Orange Street, Wilmington, New Castle County, Delaware 19801, United States (Delaware, USA)	BlackRock Holdco 2, Inc.	100.00	Y Long position	4,877,000
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	185,395,337 1,558,000
BlackRock Holdco 6, LLC	1209 Orange Street, Wilmington DE 19801, United States (Delaware, USA)	BlackRock Holdco 4, LLC	90.00	N Long position Short position	185,395,337 1,558,000
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	185,395,337 1,558,000
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	66,538,337 1,558,000
BlackRock Fund Advisors	400 Howard Street San Francisco, CA 94105, United States (California, USA)	BlackRock Delaware Holdings Inc.	100.00	Y Long position	118,857,000
BlackRock Capital Holdings, Inc.	1209 Orange Street, Wilmington, New Castle County, Delaware 19801, United States (Delaware, USA)	BlackRock Financial Management, Inc.	100.00	N Short position	356,000
BlackRock Advisors, LLC	1209 Orange Street, Wilmington, New Castle County, Delaware 19801, United States (Delaware, USA)	BlackRock Capital Holdings, Inc.	100.00	Y Short position	356,000

Report of the Directors *(continued)*

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

Name of controlled corporation	Address and place of incorporation	Name of controlling person	% control	Direct interest (Y/N)	Number of shares
BlackRock International Holdings, Inc.	1209 Orange Street, Wilmington, New Castle County, Delaware 19801, United States (Delaware, USA)	BlackRock Financial Management, Inc.	100.00	N Long position Short position	148,175,514 164,000
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	148,175,514 164,000
BlackRock Lux Finco S.à r.l.	1st Floor, 35a Avenue J.F. Kennedy, L-1855 Luxembourg	BlackRock HK Holdco Limited	100.00	N Long position	2,895,190
BlackRock Japan Holdings GK	Marunouchi Trust Tower Main, 1-8-3 Marunouchi, Chiyoda-ku, Tokyo 100-8217 (Japan)	BlackRock Lux Finco S.à r.l.	100.00	N Long position	2,895,190
BlackRock Japan Co., Ltd.	Marunouchi Trust Tower Main, 1-8-3 Marunouchi, Chiyoda-ku, Tokyo 100-8217 (Japan)	BlackRock Japan Holdings GK	100.00	Y Long position	2,895,190
BlackRock Holdco 3, LLC	1209 Orange Street, Wilmington DE 19801, United States (Delaware, USA)	BR Jersey International Holdings L.P.	100.00	N Long position Short position	138,990,170 160,000
BlackRock Canada Holdings LP	161 Bay Street, Suite 2500, Toronto, Ontario M5J 2S1, Canada (Ontario, Canada)	BlackRock Holdco 3, LLC	99.90	N Long position	616,000
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	616,000
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	616,000
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 Short position	2,278,000 4,000
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 Short position	2,278,000 4,000
BlackRock (Singapore) Holdco Pte. Ltd.	20 Anson Road #18-01 079912 Singapore (Singapore)	BR Jersey International Holdings L.P.	100.00	N Long position	6,907,344
BlackRock HK Holdco Limited	13th Floor, One Pacific Place, 88 Queensway, Hong Kong (Hong Kong)	BlackRock (Singapore) Holdco Pte. Ltd.	100.00	N Long position	6,907,344
BlackRock Asset Management North Asia Limited	15/F, 16/F, 17/F Champion Tower & 17/F ICBC Tower, 3 Garden Road, Central, Hong Kong	BlackRock HK Holdco Limited	100.00	Y Long position	4,012,154
BlackRock Cayman 1 LP	c/o Walkers Corporate Limited, Cayman Corporate Centre, 27 Hospital Road, George Town, Grand Cayman KY1-9008	BlackRock Holdco 3, LLC	100.00	N Long position Short position	138,374,170 160,000
BlackRock Cayman West Bay Finco Limited	c/o Walkers Corporate Limited, Cayman Corporate Centre, 27 Hospital Road, George Town, Grand Cayman KY1-9008	BlackRock Cayman 1 LP	100.00	N Long position Short position	138,374,170 160,000
BlackRock Cayman West Bay IV Limited	c/o Walkers Corporate Limited, Cayman Corporate Centre, 27 Hospital Road, George Town, Grand Cayman KY1-9008	BlackRock Cayman West Bay Finco Limited	100.00	N Long position Short position	138,374,170 160,000

Report of the Directors *(continued)*

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

Name of controlled corporation	Address and place of incorporation	Name of controlling person	% control	Direct interest (Y/N)	Number of shares
BlackRock Group Limited	12 Throgmorton Avenue. London, EC2N 2DL, United Kingdom (England & Wales, United Kingdom)	BlackRock Cayman West Bay IV Limited	90.00	N Long position Short position	138,374,170 160,000
BlackRock Finance Europe Limited	12 Throgmorton Avenue. London, EC2N 2DL, United Kingdom (England & Wales, United Kingdom)	BlackRock Group Limited	100.00	N Long position	60,809,499
BlackRock (Netherlands) B.V.	Rembrandt Tower, 17th floor, Amstelplein, Amsterdam Netherlands (Amsterdam, Netherlands)	BlackRock Finance Europe Limited	100.00	Y Long position	468,000
BlackRock Advisors (UK) Limited	12 Throgmorton Avenue. London, EC2N 2DL, United Kingdom (England & Wales, United Kingdom)	BlackRock Finance Europe Limited	100.00	Y Long position	106,000
BlackRock International Limited	Exchange Place One, 1 Semple Street, Edinburgh, EH3 8BL, United Kingdom (Scotland, United Kingdom)	BlackRock Group Limited	100.00	N Long position	478,330
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	124,000
BlackRock Group Limited-Luxembourg Branch	35 A, avenue J.F. Kennedy L-1855 Luxembourg	BlackRock Group Limited	100.00	N Long position Short position	76,962,341 160,000
BlackRock Luxembourg Holdco S.à r.l.	35 A, avenue J.F. Kennedy L-1855 Luxembourg	BlackRock Group Limited – Luxembourg Branch	100.00	N Long position Short position	76,962,341 160,000
BlackRock Investment Management Ireland Holdings Limited	1st Floor, 2 Ballsbridge Park, Ballsbridge, Dublin 4, D04 YW83, Ireland	BlackRock Luxembourg Holdco S.à r.l.	100.00	N Long position	76,534,341
BlackRock Asset Management Ireland Limited	1st Floor, 2 Ballsbridge Park, Ballsbridge, Dublin 4, D04 YW83, Ireland	BlackRock Investment Management Ireland Holdings Limited	100.00	Y Long position	76,534,341
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	398,000 160,000
BlackRock Investment Management (UK) Limited	12 Throgmorton Avenue. London, EC2N 2DL, United Kingdom (England & Wales, United Kingdom)	BlackRock Finance Europe Limited	100.00	N Long position	25,891,151
BlackRock Investment Management (UK) Limited	12 Throgmorton Avenue. London, EC2N 2DL, United Kingdom (England & Wales, United Kingdom)	BlackRock Finance Europe Limited	100.00	Y Long position	34,344,348
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	25,891,151
BlackRock Life Limited	12 Throgmorton Avenue. London, EC2N 2DL, United Kingdom (England & Wales, United Kingdom)	BlackRock International Limited	100.00	Y Long position	478,330

Report of the Directors *(continued)*

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Name of controlled corporation	Address and place of incorporation	Name of controlling person	% control	Direct interest (Y/N)	Number of shares
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	30,000
BlackRock Asset Management (Schweiz) AG	Bahnhofstrasse 39 8001 Zurich, Switzerland (Switzerland)	BlackRock UK Holdco Limited	100.00	Y Long position	30,000

Further information in respect of derivative interests:

		Number of shares
Unlisted derivatives – Cash settled	Long position	2,156,000
	Short position	604,000

- (4) VanEck Vectors ETF – VanEck Vectors Gold Miners ETF is managed by Van Eck Associates Corporation. Van Eck Associates Corporation is deemed to be interested in 345,478,361 H Shares (long position) of the Company (representing approximately 6.02% of the total issued H Shares of the Company).
- (5) VanEck Vectors ETF – VanEck Vectors Gold Miners ETF held 343,158,000 H Shares (long position) of the Company (representing approximately 5.98% of the total issued H Shares of the Company).

Save as disclosed above and so far as the Directors are aware, as at 31 December 2020, no other person (other than the Directors, Supervisors or chief executive of the Company) had an interest or short position in the Company's shares, underlying shares or debentures (as the case may be) which would fall to be disclosed to the Company and the Hong Kong 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 relevant requirements of minimum public shareholding.

Report of the Directors *(continued)**(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*

INFORMATION OF CORPORATE BONDS

Basic information of corporate bonds

Unit: RMB billion

Name of bond	Abbreviation	Code	Date of issuance	Date of maturity	Outstanding balance	Interest rate (%)	Payment of principal and interest	Listing place
2016 Corporate Bonds (the First Tranche) (Type One) of Zijin Mining Group Co., Ltd.*	16 Zijin 01	136304	18 March 2016	18 March 2021	0.30253	2.99	Interest to be paid annually, principal to be repaid in full at maturity.	Shanghai Stock Exchange
2016 Corporate Bonds (the First Tranche) (Type Two) of Zijin Mining Group Co., Ltd.*	16 Zijin 02	136305	18 March 2016	18 March 2021	2	3.37	Interest to be paid annually, principal to be repaid in full at maturity.	Shanghai Stock Exchange
2016 Corporate Bonds (the Second Tranche) (Type One) of Zijin Mining Group Co., Ltd.*	16 Zijin 03	136549	15 July 2016	15 July 2021	0.044001	3.05	Interest to be paid annually, principal to be repaid in full at maturity.	Shanghai Stock Exchange
2016 Corporate Bonds (the Second Tranche) (Type Two) of Zijin Mining Group Co., Ltd.*	16 Zijin 04	136550	15 July 2016	15 July 2021	1.2	3.45	Interest to be paid annually, principal to be repaid in full at maturity.	Shanghai Stock Exchange
2018 Renewable Corporate Bonds (the First Tranche) of Zijin Mining Group Co., Ltd.* (publicly issued)	18 Zijin Y1	136951	16 October 2018	The base period is 3 years. At the end of the base period and the end of each renewal period, the Company has a right to exercise the renewal option to renew the bonds for one more period (i.e., 3 years). The renewable corporate bonds will mature when the Company does not exercise the renewal option and redeems the bonds in full amount.	4.5	5.17	When the Company does not exercise the option to defer interest payment, the interest shall be paid annually.	Shanghai Stock Exchange

Report of the Directors *(continued)*

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Settlement of interests and principals of the corporate bonds

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

Use of proceeds raised from corporate bonds

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

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

As at 31 December 2020, the Company has issued medium-term notes of RMB10 billion and guaranteed senior notes with an aggregate face value of USD350 million. All the interest payments were settled on schedule.

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

Unit: RMB

Major indicators	2020	2019	Changes of the reporting period as compared with the same reporting period last year (%)	Reasons for the changes
Earnings before interest, taxes, depreciation, and amortisation ("EBITDA")	20,272,314,802	14,755,108,356	37.39	Enhancement in profitability
Current ratio	83.47%	85.71%	Decreased by 2.24 percentage points	Adjustment of debt structure (Note)
Quick ratio	45.07%	41.09%	Increased by 3.98 percentage points	Adjustment of debt structure
Debt-to-asset ratio (%)	59.08	53.91	Increased by 5.17 percentage points	Increase of debts due to newly acquired projects
EBITDA to total debts	0.19	0.22	-14.86	
Interest coverage ratio	5.53	4.35	27.24	
Cash interest coverage ratio	8.25	7.11	15.98	
EBITDA to interest coverage ratio	8.78	7.20	21.90	
Loan repayment rate (%)	100	100	–	
Interest repayment ratio (%)	100	100	–	

Note: In March 2021, Julong Copper (as the borrower) entered into a syndicated loan agreement with a syndicate comprising the Bank of China Tibet Autonomous Region Branch (both as the lead manager and agent bank) and 6 other banks, pursuant to which the principal amount of the loan shall not be more than RMB10.3 billion and shall be used in the mining and processing project of the Qulong Copper and Polymetallic Mine. The term of the loan is 12 years in total from the first drawdown date of the loan and the interest rate is the quoted rate in the loan market for loans of 5 years or longer term minus 200 basis points. As at the date of this report, the loan has been gradually advanced and will be helpful for optimising liquidity indicators.

Report of the Directors *(continued)*

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

Name	Position	Change	Reason for the change
Bo Shao Chuan	Independent Director	Election	Elected to the position of independent Director in by-election

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

The Board confirmed that neither the Company nor any of its subsidiaries purchased, sold, redeemed or wrote off any of the Company's listed securities for the year ended 31 December 2020.

INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has complied with rules 3.10(1) and 3.10(2) of the Listing Rules, which provide that the Company should appoint a sufficient number of independent non-executive Directors and that at least one of them must have appropriate professional qualifications or accounting or related financial management expertise. The Company has appointed six independent non-executive Directors and one of them possesses accounting and related financial management expertise. Brief biography of the independent non-executive Directors have been provided in this 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 2020 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 2020 was in compliance with the applicable accounting standards and relevant laws and regulations and has made sufficient disclosure.

APPOINTMENT AND DISMISSAL OF AUDITOR

Unit: RMB million

	Currently appointed
Auditor in Mainland China	Ernst & Young Hua Ming LLP
Remuneration for the auditor in Mainland China this year	11.80
Appointment term of the auditor in Mainland China	Renew once a year

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

SHARE OPTION SCHEME

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

MAJOR SUPPLIERS AND CUSTOMERS

During the reporting period, approximately 84% of the Company's operating income was originated from customers in Mainland China, in which 53.29% was from the Shanghai Gold Exchange. Therefore, the Company was unable to sort customers in Mainland China by region.

Report of the Directors *(continued)*

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Details of the Company's top five suppliers and top five customers are set out in "Management Discussion and Analysis" in this report. All transactions between the Company and the relevant 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 during the reporting period.

PRE-EMPTIVE RIGHTS

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

BUSINESS REVIEW

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

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

Key relationships with employees, customers and suppliers

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

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

The Group maintains a good relationship with its suppliers. The Group persists in perfecting its procurement process and mechanism. The Group reinforces its management over suppliers, and insists on the business principles of integrity and trustworthiness to enhance communications with suppliers by all available means, with the goal of seeking mutual benefit and prosperity for all.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The environmental, social and governance report 2020 of the Company will be issued within three months after the publication of this annual report.

SERVICE CONTRACTS OF THE DIRECTORS AND SUPERVISORS

Each of the Directors and Supervisors has entered into a service contract with the Company respectively. All these contracts have become effective from the date of appointment and will terminate on 29 December 2022. Pursuant to article 111 of the articles of association of the Company, the term of office for the Directors is 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 office for the Supervisors is also three years, and subject to re-election and re-appointment. Remuneration of the Directors and Supervisors of the Company may be amended at shareholders' general meetings.

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

Report of the Directors *(continued)*

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

DIRECTORS AND SUPERVISORS AND THEIR TERMS

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

	Terms
Executive Directors:	
Chen Jinghe	From 30 December 2019 to 29 December 2022
Lan Fusheng	From 30 December 2019 to 29 December 2022
Zou Laichang	From 30 December 2019 to 29 December 2022
Lin Hongfu	From 30 December 2019 to 29 December 2022
Lin Hongying	From 30 December 2019 to 29 December 2022
Xie Xionghui	From 30 December 2019 to 29 December 2022
Non-executive Director:	
Li Jian	From 30 December 2019 to 29 December 2022
Independent non-executive Directors:	
Zhu Guang	From 30 December 2019 to 29 December 2022
Mao Jingwen	From 30 December 2019 to 29 December 2022
Li Changqing	From 30 December 2019 to 29 December 2022
He Fulong	From 30 December 2019 to 29 December 2022
Suen Man Tak	From 30 December 2019 to 29 December 2022
Bo Shao Chuan	From 29 December 2020 to 29 December 2022
Supervisors:	
Lin Shuiqing	From 30 December 2019 to 29 December 2022
Fan Wensheng	From 30 December 2019 to 29 December 2022
Xu Qiang	From 30 December 2019 to 29 December 2022
Liu Wenhong	From 30 December 2019 to 29 December 2022
Cao Sanxing	From 30 December 2019 to 29 December 2022

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

BRIEF BIOGRAPHY OF THE DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

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

MANAGEMENT CONTRACTS

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

PERMITTED INDEMNITY PROVISION

At no time during the reporting period and up to the date of this report, there was or is any permitted indemnity provision being in force for the benefit of any Directors of the Company or its associated company (whether made by the Company or otherwise).

Report of the Directors *(continued)*

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

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

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

COMPETING BUSINESS

None of the Directors has an interest 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

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

EQUITY-LINKED AGREEMENTS

The Company has not entered into any equity-linked agreement during the reporting period.

DEBENTURES

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

ACQUISITIONS, DISPOSALS AND MERGERS

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

AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF THE COMPANY

During the reporting period, certain articles in the articles of association of the Company were amended. For details, please refer to the Company's announcements dated 12 November 2019 and 2 December 2019, circular dated 30 November 2019 and the notices dated 20 December 2019.

RETAINED EARNINGS

Details of the Company's retained earnings as at 31 December 2020 are set out in Note V.46 to the financial statements.

ASSETS PLEDGED OR CHARGED OF THE GROUP

Details of the Group's pledged or charged assets as at 31 December 2020 are set out in Note V.65 to the financial statements.

CURRENCY AND INTEREST HEDGING POLICY

Details of the Group's currency and interest hedging policy for the year ended 31 December 2020 are set out in Note VIII.3 to the financial statements. During the reporting period, the Group used foreign currency forward contracts to manage currency risk. Details of the transactions are set out in Notes V.24, V.67 and VIII.3 to the financial statements.

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

Report of the Directors *(continued)*

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

FIXED ASSETS

Details of movements of the fixed assets of the Group for the year ended 31 December 2020 are set out in Note V.15 to the financial statements.

DISTRIBUTABLE RESERVES

Pursuant to the relevant laws and regulations, the Company's distributable reserves as at 31 December 2020 amounted to RMB29,883,861,294 (31 December 2019: RMB31,087,322,029).

BANK AND OTHER BORROWINGS

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

CONTINGENT LIABILITIES

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

DONATIONS

During the reporting period, the Group made charitable and other donations amounted to approximately RMB166 million (2019: RMB178 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.61 to the financial statements.

TAX RELIEF AND EXEMPTION INFORMATION FOR DIVIDENDS TO SHAREHOLDERS

A Shareholders

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

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

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

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

Report of the Directors *(continued)*

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

H Shareholders

Pursuant to the provisions of Notice of the State Taxation Administration on Issues Concerning Individual Income Tax Collection and Management after the Repeal of Guo Shui Fa [1993] No. 045 (Guo Shui Fa [2011] No. 348), the dividend received by overseas resident individual shareholders from the shares issued by overseas non-foreign invested enterprises in Hong Kong is subject to the payment of individual income tax according to the items of "interest, dividend and bonus income", which shall be withheld by the withholding agents according to relevant laws. The overseas resident individual shareholders who hold the shares issued by overseas non-foreign invested enterprises in Hong Kong are entitled to the relevant preferential tax treatment pursuant to the provisions in the tax agreements signed between their country of domicile and China or the tax arrangements between Mainland China and Hong Kong or Macau. The tax rate for dividends under the relevant tax agreements and tax arrangements is generally 10%, and for the purpose of simplifying tax administration, domestic non-foreign invested enterprises issuing shares in Hong Kong may, when distributing dividends, generally withhold individual income tax at the rate of 10%, and are not obligated to file an application. If the tax rate for dividends is not equal to 10%, the following provisions shall apply: (1) for citizens from countries which have entered into tax agreements/arrangements stipulating a tax rate of lower than 10%, the withholding agents will file applications on their behalf to seek entitlement of the relevant agreed preferential treatments, and upon approval by the tax authorities, the excess tax amounts withheld will be refunded; (2) for citizens from countries which have entered into tax agreements/arrangements stipulating a tax rate of higher than 10% but lower than 20%, the withholding agents will withhold the individual income tax at the agreed-upon effective tax rate when distributing dividends, and are not obligated to file an application; (3) for citizens from countries without tax agreements or who 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 Taxation Administration on Issues concerning Withholding the Enterprise Income Tax on Dividends Paid by Chinese Resident Enterprises to H Share Holders which are Overseas Non-resident Enterprises (Guo Shui Han [2008] No. 897), a PRC resident enterprise, when distributing dividends for 2008 and for the years afterwards to H shareholders who are overseas non-resident enterprises, shall withhold the enterprise income tax at a flat rate of 10%.

PUBLIC FLOAT

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

IMPORTANT EVENTS AFTER THE REPORTING PERIOD

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

By order of the Board of Directors

Chen Jinghe

Chairman

Shanghang, Fujian, the PRC

19 March 2021

Report of the Independent Directors

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

Zijin Mining Group Co., Ltd.* Report of the Independent Directors for 2020

The independent directors (the “Independent Directors”) of the seventh term of the Board of Zijin Mining Group Co., Ltd.* (the “Company”) exerted their professional expertise. They strictly complied with the “Company Law of the PRC”, “Securities Law of the PRC”, “Code of Corporate Governance for Listed Companies”, “Guidance regarding the Establishment of Independent Director System in Listed Companies”, “Guidelines regarding Duty Performance of Independent Directors of Listed Companies” and other relevant laws, regulations and policies, conscientiously discharged the duties stipulated in the articles of association of the Company and Rules to the Independent Directors of the Company, and worked with prudence, conscientiousness, integrity and diligence. Pursuant to the relevant regulations, the Independent Directors objectively and impartially expressed independent opinions on the Company’s significant events, including connected transactions, use of proceeds raised, external investments, etc., practically protected the interests of the Company’s shareholders as a whole, especially the interests of minority shareholders. Details of the discharge of duties as Independent Directors in 2020 are as follows:

I. BASIC INFORMATION OF INDEPENDENT DIRECTORS

The seventh term of the Board of the Company consists of 13 Directors, including 6 Independent Directors, accounting for about half of the Board. The members are Mr. Zhu Guang, Mr. Mao Jingwen, Mr. Li Changqing, Mr. He Fulong, Mr. Suen Man Tak and Mr. Bo Shao Chuan. Among them, Mr. Bo Shao Chuan is a Director newly elected in 2020 and has served in the Company since 29 December 2020. The Independent Directors of the Company have extensive professional knowledge and work experience in mining, finance, accounting, law, management and other related fields.

In order to further improve corporate governance structure and give full play to our professional expertise, the Independent Directors hold corresponding positions in specialised committees under the Board. Details are as follows:

	Zhu Guang	Mao Jingwen	Li Changqing	He Fulong	Suen Man Tak	Bo Shao Chuan
Strategic and Sustainable Development (ESG) Committee	Member	Member	–	Member	–	Member
Audit and Internal Control Committee	Member	–	Chief officer	Deputy officer	Member	Member
Nomination and Remuneration Committee	Chief officer	Member	–	Deputy officer	Member	–

Report of the Independent Directors *(continued)*

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

II. ATTENDANCE AND VOTING AT MEETINGS

The Company convened 4 shareholders' general meetings, 31 Board meetings, 1 Strategic Committee meeting, 7 Audit and Internal Control Committee meetings and 3 Nomination and Remuneration Committee meetings in 2020. Independent Directors' attendance is as follows:

Type/number of meetings Number of meetings attended	31 Board meetings	1 Strategic Committee meeting	7 Audit and Internal Control Committee meetings	3 Nomination and Remuneration Committee meetings	4 shareholders' general meetings
Zhu Guang	31	1	7	3	4
Mao Jingwen	31	1	–	3	4
Li Changqing	31	–	7	–	4
He Fulong	31	1	6	3	4
Suen Man Tak	31	–	7	3	4
Bo Shao Chuan	1	0	–	–	1

All Independent Directors of the Company endeavoured to attend the shareholders' general meetings, Board meetings and meetings of the Board's specialised committees in person. The Independent Directors who were unable to attend the Board meetings due to other work appointment had been able to delegate other Independent Directors to attend the meetings and exercise their voting rights in a timely and effective manner. Before the Board meetings and the meetings of the Board's specialised committees were held, Independent Directors studied the matters to be considered at the meetings in accordance with the provisions of the relevant regulations. They studied and considered every proposal conscientiously during the meetings, actively participated in the discussions and expressed their opinions, exercised their voting rights in a rigorous manner, fully served the role as Independent Directors, played an encouraging role for the Board to make scientific decisions and practically protected the interests of the Company and the minority shareholders as a whole.

III. INDEPENDENT DIRECTORS' PARTICIPATION IN THE SPECIALISED COMMITTEES OF THE BOARD

(1) Strategic and Sustainable Development (ESG) Committee of the Board

In 2020, in order to further strengthen the Company's strategy and sustainability, enhance the corporate governance structure and improve the Company's environmental, social and governance (ESG) performance, the Company's Strategic Committee of the Board was renamed "Strategic and Sustainable Development (ESG) Committee". Based on the global economic and mining industry situation and the research and analysis on the Company's new development stage, the committee requested the compilation of the "Outline of Five-Year (2+3) Plan and Development Goals for 2030", and proposed that the Company should significantly improve its global core competitiveness and sustainability in the next ten years, strive to realise the overall strategic goal of becoming an "extra-large scale international mining group with high technology and efficiency" by 2030; in order to comprehensively converge with international standards and international rules, the committee studied and proposed the top-down environmental, social and governance (ESG) structure from the Board to the lower levels, as well as commented on the amendments to the committee's articles of operation, drafted 8 relevant policy statements including the "Ecological and Environmental Protection Policy Statement of the Company" and "Human Resources Management Policy Statement of the Company", formulated the relevant proposals and submitted them to the Company's Board for consideration.

Report of the Independent Directors *(continued)*

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

(2) Audit and Internal Control Committee of the Board

The Audit and Internal Control Committee of the Board strictly followed the "Implementation Policy for the Audit and Internal Control Committee of the Board of Directors" to deploy the work with diligence and prudence. In 2020, the committee earnestly completed the review on the periodic reports of the Company including annual report, interim report and quarterly reports, gave full play to the audit function of Ernst & Young, the independent audit institution, and issued written review opinion and improvement opinion to management in order to provide support for the discharge of the Company's Board and management functions.

Especially during the audit of 2019 annual report, the Audit and Internal Control Committee of the Board held three meetings with the external auditor during the normal annual audit process. The first meeting was held before the external auditor started the field work. The Audit and Internal Control Committee communicated with the external auditor to confirm the working plan for the annual audit, including the timetable, work arrangement, accounting policies, key audit matters, etc. The Audit and Internal Control Committee required the external auditor to comply with the principles of independency, objectivity, fairness and prudence of accounting to ensure the truthfulness of financial information. The second meeting was held during the audit process. The Audit and Internal Control Committee listened to the external auditor's report on issues found during the audit process, with mutual communication and exchange to ensure the quality of the audit work. The third meeting was held when the first draft of the audit report was prepared, and the Audit and Internal Control Committee reviewed the draft and provided advice for amendment, supplement and improvement. Since then, the Audit and Internal Control Committee thoroughly reviewed the annual financial statements and notes prepared by the Company after listening to the report of the Company's management on the production, operation, investing and financing activities and other significant events during the year. The Audit and Internal Control Committee considered that the contents and format of the financial statements prepared by the Company were in accordance with the relevant provisions of the CSRC and the stock exchanges where the Company's shares are listed in, and agreed to submit the financial statements and other relevant materials prepared by the Company to the Board for consideration.

(3) Nomination and Remuneration Committee of the Board

In 2020, the Nomination and Remuneration Committee of the Board organised and implemented the performance assessment work on the executive Directors, chairman of the Supervisory Committee and senior management for the year 2019 according to the requirements of the Board, issued independent opinions on the remuneration matters and considered that the remunerations paid to the executive Directors, chairman of the Supervisory Committee and senior management for the year 2019 were assessed and realised in strict compliance with the remuneration proposal considered and approved at the Company's shareholders' general meeting and the Board meeting, as well as the Company's relevant policies.

In addition to the abovementioned matters, based on the review on the Company's restricted A Share incentive scheme for 2020, the Nomination and Remuneration Committee of the Board further enquired and reviewed the consideration procedures of the incentive scheme, qualifications of the participants, assessment system and setting of indicators, etc. and issued written independent opinions. Based on the review of the resume of Mr. Bo Shao Chuan, the candidate for Independent Director of the seventh term of the Board, the Nomination and Remuneration Committee of the Board made further inquiries to the concerned personnel on relevant issues, carefully reviewed the qualification and nomination procedures of the aforementioned candidate and issued written independent opinions. It also reviewed and issued written independent opinions on the remuneration and assessment proposal of the Directors and Supervisors of the seventh term.

Report of the Independent Directors *(continued)*

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

IV. INDEPENDENT OPINIONS ON CONNECTED TRANSACTIONS, PROVISION OF GUARANTEES, ETC.

(1) Status of connected transactions

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

In 2020, the Independent Directors issued independent opinions on the following connected transactions:

1. On 31 January 2020, the extraordinary meeting of the seventh term of the Board considered and approved the “Proposal in relation to the Continuing Connected Transactions of Sales of Copper Concentrates from Ashele Copper to Wuxin Copper”. The Independent Directors considered that during the Board’s consideration of the abovementioned connected transaction, the voting procedures were legitimate and effective; the abovementioned connected transaction was conducted under normal commercial terms, the prices of which were determined in accordance with market principles when compared with the supply contracts of major customers and others, and the terms of the transaction were fair and reasonable, reflecting the principles of fairness and equity, did not prejudice the interests of the Company and shareholders and was beneficial to both parties to the transactions and the shareholders of the Company as a whole.
2. On 10 August 2020, the extraordinary meeting of the seventh term of the Board considered and approved the “Proposal in relation to extension of the existing shareholder’s loan to Gold Eagle Mining”. The Independent Directors considered that during the Board’s consideration of the abovementioned proposal, the voting procedures were legitimate and effective; the Company’s overseas wholly-owned subsidiary, Jin Jian Global, provided the shareholder’s loan to Gold Eagle Mining in proportion to the shareholding proportion, the abovementioned connected transaction was conducted under normal commercial terms and it was consistent with the agreements entered into between Gold Eagle Mining and other shareholders, did not prejudice the interests of the Company and its shareholders and was beneficial to both parties to the transactions and the Company’s shareholders as a whole.
3. On 29 December 2020, the extraordinary meeting of the seventh term of the Board considered and approved the “Proposal in relation to Change of Lender of a Connected Transaction”. The Independent Directors considered that during the Board’s consideration of the abovementioned change, the voting procedures were legitimate and effective; the abovementioned change was the change of the creditor of a connected transaction. After the change, the creditor was still a wholly-owned subsidiary of the Company, and the other contents of the connected transaction remained unchanged, which would not affect the substance of the connected transaction, and would not prejudice the interests of the Company and the interests of its minority shareholders.

(2) Funds occupation by connected parties and provision of guarantees

According to the stipulations of the “Notice in relation to Regulating External Guarantee by the Listed Companies”, “Notice of Several Issues in relation to Funds between Listed Companies and Connected Parties and External Guarantee by the Listed Companies” and the articles of association of the Company, studies and verifications were carried out conscientiously on the funds occupied by connected parties in 2019 and the accumulated funds and provision of guarantees made by the Company during the period. The Company’s substantial shareholder and its connected parties did not occupy any funds of the Company during the reporting period. It was also considered that related procedures had been performed on the guarantees, and the risks were strictly controlled. Verifications were also carried out conscientiously on the guarantee arrangement in 2020 and it was considered that the consideration and authorisation in the form of estimated guarantee amount conducted by the Company complied with relevant regulations, the Company’s actual business operations and the overall development strategy and would not prejudice the interests of the Company and shareholders.

Report of the Independent Directors *(continued)*

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

(3) Other independent opinions

Based on Independent Directors' position of independent judgement, independent opinions were issued on the Company's plan on public issuance of A Share convertible corporate bonds and the related proposals, profit distribution plan for the year 2019, specific report on the deposit and actual use of proceeds in 2019, provision for impairment on assets for the year 2019, the duration extension of the phase 1 of employee stock ownership scheme, acquisition of 50.1% equity interest in Julong Copper of Tibet, Profit Distribution and Return Plan for the Next Three Years (Year 2020-2022) and the Report on Use of Proceeds Previously Raised.

The "2019 Internal Control Evaluation Report" of the Company was reviewed and independent opinion was issued. The Company appointed Ernst & Young Hua Ming LLP to perform audit on the effectiveness of the internal control relating to the Company's financial report and a standard auditor's report with unqualified opinion was issued.

V. OTHER WORK OF INDEPENDENT DIRECTORS

(1) Understanding the Company and its subsidiaries through various channels

The Company's Independent Directors paid close attention to the Company's operations in compliance with laws and regulations, production safety, environmental protection, etc. In 2020, due to the impact of the COVID-19, the Independent Directors reduced the frequency of involvement in the frontline of project construction and operation compared with previous years, but they still managed to overcome difficulties to provide on-site guidance for Shanxi Zijin and other units of the Company, and at the same time kept track of and understood the production and operation of the Company and its subsidiaries through multiple channels, objectively and fairly reviewed the Company's investment decision-making and operation management with an independent, prudent, scientific attitude and keen risk awareness, and put forward constructive opinions and suggestions to provide support to the Company's steady development.

(2) Carrying out continuous tracking and supervision on corporate governance and significant events of the Company

The Independent Directors of the Company continued to strengthen its comprehensive communication with the Company's management, especially the Secretary to the Board and other relevant staff through various channels such as online and offline communication, reading periodic and non-periodic reports on the work of the Board. They focused on progress of the Company's connected transactions, external guarantees, use of proceeds raised, protection of public shareholders, mergers, acquisitions and reorganisations, production and operation, financial management, internal control, remuneration of senior management, profit distribution, information disclosure, public issuance of A Share convertible corporate bonds and other significant investing and financing activities or significant matters, and execution and implementation of the resolutions of the shareholders' general meetings and Board meetings; monitored the impacts on the Company from the changes in external market environment and the relevant reports published by the media, and provided suggestions to the Company correspondingly in a timely manner.

VI. FURTHER IMPROVE THE QUALITY OF SCIENTIFIC DECISION-MAKING

In 2020, the Company's newly elected Independent Director obtained the independent director qualification as required by the Shanghai Stock Exchange. The Independent Directors continued to update and cultivate professional knowledge and skills to discharge their duties at the same time. The Independent Directors proactively participated in the subsequent trainings organised by the Shanghai Stock Exchange as required, earnestly studied the laws, regulations and policies relating to listed companies, strengthened the studies on the "Company Law of the PRC", "Securities Law of the PRC", "Code of Corporate Governance for Listed Companies", "Enterprise Internal Control", etc., deepened the knowledge and understanding on the ways to improve corporate governance structure of listed companies and enhance regulated operation. At the same time, the quality on scientific decision-making and the self-awareness of protecting the interests of the investors were enhanced.

Report of the Independent Directors *(continued)*

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

VII. EVALUATION ON THE WORK OF THE BOARD AND MANAGEMENT

In 2020, the Company's Board and management discharged their duties in accordance with the responsibilities conferred by the articles of association of the Company and requirements of the laws. All Directors endeavored to attend the shareholders' general meetings, Board meetings and meetings of the Board's specialised committees in person, and made scientific decisions upon in-depth understanding of the situation, focusing on and earnestly safeguarding the interests of the Company and all shareholders. The Company's management diligently implemented the Company's strategic deployment and production, construction, investment and other work plans drawn up by the Board to ensure that the Company continued to have an efficient operation and a healthy development.

VIII. OUTLOOK FOR THE WORK IN 2021

The Company's Independent Directors will continue to strictly follow the requirements imposed by the laws and regulations in relation to the Independent Directors, continue to strengthen communication and collaboration with the Board, the Supervisory Committee and the management of the Company, prudently, professionally, diligently, and conscientiously discharge the duties of Independent Directors, and practically protect the lawful interests of the Company and all the investors, especially those of the minority shareholders.

	Zijin Mining Group Co., Ltd.*		
Independent Directors:	Zhu Guang	Mao Jingwen	Li Changqing
	He Fulong	Suen Man Tak	Bo Shao Chuan

19 March 2021

Report of the Supervisory Committee

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

Zijin Mining Group Co., Ltd.* Report of the Supervisory Committee for 2020

In 2020, under the proper leadership of the Company's Party Committee and the active support and cooperation of the Board and the Company's management, the Supervisory Committee of the Company continuously optimised corporate governance, innovated the mechanism on supervision and management, independently and effectively discharged various supervisory duties in compliance with laws and fully protected the legitimate interests of the Company and the shareholders in strict compliance with the provisions stipulated in relevant laws and regulations including the Company Law of the PRC (the "Company Law"), the articles of association of the Company and Meeting Procedures of the Supervisory Committee. The Supervisory Committee completed various tasks satisfactorily.

I. MAJOR WORK OF THE SUPERVISORY COMMITTEE

(1) Conscientiously organised and participated in various kinds of meetings

1. The Supervisory Committee's meetings were organised in a compliant and orderly manner. During the reporting period, the Supervisory Committee convened 4 regular meetings and 5 extraordinary meetings in total. It had considered 28 proposals regarding significant matters including the Company's periodic financial reports, Restricted A Share Incentive Scheme for 2020 (Draft) and public issuance of A Share convertible corporate bonds. 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., and the members of the Supervisory Committee could fully express their views and opinions. The relevant information of the meetings were disclosed in a timely manner in accordance with the requirements of the CSRC, the Shanghai Stock Exchange and the Hong Kong Stock Exchange. For details of convention of the Supervisory Committee meetings, please refer to the summary table on the Supervisory Committee meetings for the year 2020 set out in the appendix.
2. The Supervisory Committee convened and held the provincial work exchange conference of supervisory committees of listed companies and the related field study activities successfully, which were unanimously acknowledged by the Fujian Listed Company Association and other supervisory committees of the same industry.
3. The Supervisory Committee actively participated in the Company's relevant meetings. In 2020, the Company's Supervisors attended the meetings of the Audit and Internal Control Committee of the Board for six times, participated in the review of the Company's interim, annual and quarterly financial statements and provided suggestions on management. At the same time, through attending the Board meetings, Execution and Investment Committee meetings and work meetings of the Executive Office, etc., the Supervisors studied the Company's operation and management status through listening to or reviewing relevant information of the Company and its subsidiaries including the financial reports, reports on production and operation, reports on internal supervision and inspection, etc., and accordingly expressed their opinion on important decision-makings and major personnel changes during discussion. Through such measures, the Supervisors could fully understand the process of formulating important decisions, stay informed about the Company's production, operation and management status, and discharge their supervision and inspection functions proactively based upon their sufficient knowledge about the Company's affairs.

Report of the Supervisory Committee *(continued)*

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

(2) Conscientiously discharged the responsibilities of supervision

1. The Company's Supervisors proactively fulfilled the responsibilities of supervision. Pursuant to the stipulations of the relevant laws and regulations including the Company Law and the articles of association of the Company, the Supervisors supervised on major issues including the Company's operation in compliance with laws, financial position, acquisitions, connected transactions, public issuance of A Share convertible corporate bonds, restricted A Share incentive scheme for 2020 and other significant matters, and issued independent opinions according to the results of supervision. In this regard, it could be ensured that the Company operated in compliance with laws and regulations and carried out information disclosure in a timely, accurate and complete manner.
2. The Supervisory Committee consistently improved the work performance assessment system. Based on the experience gained from constant conclusion of work performance assessment in the past, the Supervisory Committee further strengthened the supervision and assessment on the discharge of duties of the Company's Directors, senior management and the directors, supervisors and senior management of the subsidiaries. The Supervisory Committee put emphasis on the consideration process regarding significant issues, and supervised if all proposals were in line with the interests of the shareholders and the Company and the execution progress of the resolutions. It also participated in the annual Board assessment on the Company's Directors and senior management in discharging their duties, and the discharge of duties of the subsidiaries' directors, supervisors and senior management.
3. The Supervisors carried out in-depth study and research. Through visiting and researching on the subsidiaries of the Company, the Supervisors stayed informed and kept track of the important operating and management activities of the enterprises. Concerned about the sustainability and potential risks of the enterprise, the Supervisors summarised the difficulties faced by subsidiaries during their development and provided reasonable suggestions and risk warnings to the decision-makers and management of the Company, based on the findings of their study and research in a timely manner. It played a role in promoting the sustainable and healthy development of the enterprise.

(3) Strengthened leadership on supervisory work

1. The overall coordination, planning and leadership of the work of supervision system were continuously strengthened. Reform of the Company's supervision system was proactively carried out, consensus was reached for the reform, the direction and preliminary reform plan for the supervision system were determined, and various tasks for reforming the supervision system were pushed ahead in an intensive and orderly manner.
2. The "five-in-one" supervisory mechanism comprising Supervisory Committee, disciplinary inspection committee, supervision, audit and internal control was consistently enhanced. The Supervision Committee insisted on problem-based supervision and stressed on the key focuses of supervision. It targeted on intensifying the supervision and inspection on key businesses and procedures such as infrastructure construction and material procurement, promoted regulated management and effective prevention of substantial risks. There were significant achievements in the supervisory work.

In 2020, the Supervisory Committee organised and completed inspections at 4 subsidiaries as well as carried out 46 internal control audit and inspection projects, monitored and guided 41 subsidiaries to carry out 191 internal control tests, and provided rectification suggestions according to the risks and management problems discovered, in order to promote and improve the level of compliant management. It accepted, referred or inspected the handling of 50 complaint reports in total, verified 10 management problems and regulation and discipline violation cases, and carried out 12 specific investigations. Besides, the Supervisory Committee strengthened its guidance and assessment on subsidiaries' internal control evaluation work, earnestly completed routine supervisory work on tendering and bidding, business negotiation, contract approval, project acceptance inspection, etc.

Report of the Supervisory Committee *(continued)*

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

3. The Supervisory Committee unwaveringly promoted strict corporate governance over enterprises. It insisted on precise disciplinary actions and supervision, looked into responsibility and gave full play to the deterring effect of its inspection function, upheld “zero tolerance” to promote anti-corruption work, insisted that every case should be investigated and every corruptive practice should be fought against, and developed a long-term mechanism that promotes the thought of not daring to corrupt, not able to corrupt and not wanting to corrupt. It continuously carried out the “Zijin with Integrity” integrity-brand building activity, strengthened integrity and warning education, fortified the defense against corruption and created a virtuous and honest development environment.

The Company’s discipline inspection unit continuously strengthened the supervision on political quality of party members and management cadres and their work performance, prioritise supervision on employment and management problems of overseas enterprises, worked with the county’s disciplinary committee and supervisory committee to carry out key initial verification on the law and discipline breaking cases of the cadres of a subsidiary, combined discipline with benevolence, launched the “Zijin Integrity Account” to confiscate illegally obtained benefits in order to strengthen deterrence.

(4) Strengthen the development of supervision system and taskforce

The Company’s Supervisory Committee attached great importance to self-development of supervision system and taskforce, and adopted an array of measures to raise the overall competence and work performance of supervisory staff.

1. Benchmarked against Huawei and other advanced units, arranged Supervisory Committee members to study the relevant laws and regulations, knowledge in finance and corporate internal control and participated in various kinds of trainings with specific topics relating to supervisory work proactively to continuously raise their competence.
2. Strengthened internal management and accounted for responsibilities of dereliction of duty and failure in supervisory work, and raised the sense of responsibility of supervisory staff. Through organising intensive training and external training for core members of the supervision system and carrying out joint investigation, cross audit and joint internal control tests within the Group’s internal supervisory system, the skills of the supervisory staff were enhanced in on-site training.
3. Insisted on the principle of selecting and nurturing supervisory talents across different fields. The reserve supervisory talents were chosen from those who stand firm on principles and have strong sense of responsibility, strong learning capability and good potential.
4. Strengthened the training of internationalised supervisory talents. The Supervisory Committee arranged trainings of specific topics comprising language, culture, laws and regulations of the localities of the overseas projects, benchmarked against and learned from the models within the industry, explored the possibility of including foreign staff to carry out supervision at the overseas projects, etc. to nurture an internationalised supervisory talent team with strong capability who shares a common belief with Zijin and is loyal to Zijin. The supervisory work shall adapt to and vary with the locality in order to meet the needs of the corporation’s internationalised development and protect the legitimate interests of the corporation in practice.

Report of the Supervisory Committee *(continued)*

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

II. INDEPENDENT OPINIONS OF THE SUPERVISORY COMMITTEE ON RELEVANT MATTERS OF THE COMPANY

1. **Operation of the Company in compliance with laws and regulations.** During the reporting period, the Company operated in compliance with the provisions stipulated in the relevant laws and regulations including the Company Law and the articles of association of the Company. 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 basically sound and complete. The Company's Directors and senior management discharged their duties diligently. There were no violations of the Company Law and other relevant laws and regulations as well as internal management regulations including the articles of association of the Company, or any other actions which could prejudice the interests of the Company and the shareholders.
2. **Inspection on the financial reports of the Company.** During the reporting period, the Company's financial system was sound and complete, and the financial operating status was satisfactory. The Company strictly followed the accounting standards for business enterprises, accounting standards and requirements of other relevant financial regulations to operate. The Company's periodic financial reports reflected the financial position and operating results of the Company in a truthful, fair and complete manner. The information stated in the reports did not contain any false record, misleading statement or material omission. The Company's 2020 annual financial report was audited by Ernst & Young Hua Ming LLP, and an auditor's report with a standard unqualified opinion was issued.
3. **Acquisitions of assets by the Company.** During the reporting period, the Company followed the market principle for acquisitions of assets. The decision-making procedures complied with laws and regulations. The Supervisory Committee carried out on-going supervisions on the relevant activities and no insider dealing or behaviour which could prejudice the interests of the shareholders of the Company and lead to a loss of the Company's assets was found.
4. **Connected transactions of the Company.** During the reporting period, the Company strictly followed the relevant regulatory rules and terms of agreements to execute connected transactions. The decisions for the connected transactions were made carefully, the procedures of which were lawful and regulated, the transaction processes were equal and just, the outcomes of the transactions were fair, and no insider dealing or circumstance which would prejudice the interests of the shareholders and the Company was found.
5. **Deposit and actual use of proceeds raised in 2019.** The Supervisory Committee considered that the Company's deposit and use of proceeds raised in 2019 complied with stipulations of the relevant laws, regulations and regulatory documents including the Company Law of the PRC, the Securities Law of the PRC, the Rules Governing the Listing of Stocks on Shanghai Stock Exchange, Administrative Measures on Proceeds Raised of Company Listed on Shanghai Stock Exchange and the Company's Proceeds Management Policy.
6. **Matters in relation to the Company's public issuance of A Share convertible corporate bonds for 2020.** The Supervisory Committee considered that the Company met the stipulations and requirements of relevant laws, regulations and regulatory documents regarding public issuance of A Share convertible corporate bonds of listed company and was eligible for publicly issuing A Share convertible corporate bonds. The type of securities, size of the issuance, par value and issue price, term, coupon rate, timing and method of repayment of principal and interest payment, conversion period, determination and adjustment of the conversion price, terms of redemption, terms of sale back, method of issuance and target subscribers, use of proceeds, management and deposit for proceeds raised and other matters relating to the A Share convertible corporate bonds met the requirements of the relevant laws, regulations and regulatory documents including the Company Law, the Securities Law and the Administrative Measure.

Report of the Supervisory Committee *(continued)*

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

7. **Implementation of the Company's restricted A Share incentive scheme for 2020.** The Supervisory Committee considered that the Company's restricted A Share incentive scheme for 2020 complied with the stipulations and requirements of the relevant laws, regulations and regulatory documents and was suitable under the Company's actual situation. It was beneficial for optimising the Company's corporate governance structure and enhancing the Company's middle to long term restricted incentive mechanism, effectively aligning the interests of the core staff with the long-term development of the Company and its shareholders, fully motivating the initiative and creativity of core staff and maximising the value of the Company and its shareholders. There was no prejudice to the interests of the Company and all shareholders. The staff included in the list of participants of the Company's current restricted A Share incentive scheme possessed the work qualification as stipulated in the laws, regulations and regulatory documents including the Company Law and the articles of association of the Company, and there was no impropriety. The qualification of subject of the participants was legitimate and effective.
8. **Review on internal control evaluation report.** The Supervisory Committee earnestly reviewed the "2020 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 internal control establishment, the Company's internal control system was further enhanced. 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 the Company's various business activities proceeded in an orderly and effective manner, and safeguard the interests of the Company and the shareholders. The report was able to objectively, accurately and completely reflect the actual situation of the Company's internal control, and no false record, misleading statement or material omission was found. The "2020 Internal Control Evaluation Report of the Company" was approved by the Supervisory Committee.

III. THE KEY ROADMAP FOR THE WORK IN 2021

The year 2021 is the first year of the Fourteenth Five-Year Plan for the Company. Firmly adhering to the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, and focusing on "deepening reform, achieving leaping growth and sustainable development" as the main work focus, the Supervisory Committee will further strengthen and improve its work, fully enhance the building of a "five-in-one" coordinative mechanism comprising Supervisory Committee, disciplinary inspection committee, supervision, audit and internal control, continue to foster the building of supervisory team, establish a sound and complete supervisory system, innovate supervisory work mechanism, proactively and conscientiously discharge its supervision duties, in order to raise the effectiveness and independence of supervision, protect the interests of the Company and its shareholders, and strive to provide a strong safeguard for realising Zijin Mining's global mining dream.

1. **Vigorously push ahead reform in supervisory system.** The Supervisory Committee will continue to strengthen its leading role in the supervisory system and further enhance the comparative independence, effectiveness and responsibility of supervision. **First**, it will firmly stand by its initial aspiration and mission in supervisory work, continue to raise supervisory personnel's sense of service and subordination to the general goal of enterprise development, and make use of the effectiveness of supervision in enhancing execution of company policies, removing systemic obstacles and modifying policies and systems to emphatically improve corporate governance efficiency; **second**, in accordance with the strategies laid out by the Company in preparation for the "Fourteenth Five-Year Plan", it will follow the "three-step" approach for comprehensively deepening reform to push ahead reform in the Company's supervisory system with all efforts, modify the Company's governance mechanism, play greater roles in the building of systems and internal risk control mechanisms, enhance spot checks on sensitive and risky business processes, and strive to realise delegation and empowerment; **third**, it will continue to strengthen inspection on and guidance for subsidiary enterprises' supervisory work, advance reforms of the supervisory mechanism in key areas, fortify the weak parts of systems in a targeted manner, and continue to raise the governance quality of subsidiary enterprises; **fourth**, it will take full advantage of the effectiveness of information technology in supervisory work to develop business process visualisation functions that are commensurate with the reforms in supervisory system, establish data sharing platforms between audit, internal evaluation and other business modules, and fully enhance the informatisation and intellectualisation levels of supervisory work.

Report of the Supervisory Committee *(continued)*

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

2. **Emphasise the building of a stronger supervision system.** **First**, the Supervisory Committee will actively adapt to the Company's needs for internationalisation development to learn from top-tier mining companies and risk management institutions in the world, in order to extend the coverage and enhance the adaptability of supervisory work to global operations. At the same time, it will collaborate with the relevant departments to conduct various inspections in time to ensure policies and processes catering for internationalisation development are optimal, suitable and effective; **second**, upon enforcing full authorisation and delegation, employee integrity will be incorporated into the Group's major management policies, and basic principles such as integrity and safety will be covered in employees' code of conduct; **third**, in order to encourage greater sense of responsibility and innovation among employees, the fault tolerance and penalty exemption mechanism will be further modified; **fourth**, the whistleblowing mechanism will be further improved to offer full protection to whistleblowers' lawful interests.

3. **Fully raise the effectiveness of supervision.** **First**, the Supervisory Committee will strengthen its own development. In accordance with the duties conferred by the Company Law, the articles of association of the Company and the requirements of regulatory authorities, the Supervisory Committee will monitor the Company's decision-making and operational procedures, perfect the supervisory system and policy formulation, continue to enhance execution competence and quality, discharge duties diligently in compliance with law, and continue to improve the ability in identifying and solving problems. The Supervisory Committee will play an active role in safeguarding the interests of the Company and its shareholders and positively contribute to the sound and sustainable development of the Company. **Second**, the Supervisors' competence in discharge of duties will be enhanced. The Supervisory Committee will organise Supervisors to review every periodic financial report of the Company carefully, keep track of and analyse the Company's operating status, strengthen supervision and inspection on important matters including the operation in compliance with laws and regulations, high-risk businesses, connected transactions, material reforms, overseas investments and acquisitions, etc. The Supervisory Committee will conduct better study and research beforehand to ensure the decision-making procedures of the Company are legitimate and compliant so as to avoid any prejudice to the interests of the Company's shareholders and loss of the Company's assets. **Third**, reasonable arrangement will be made for the Company's Supervisors to conduct in-depth study, investigation and research on the subsidiaries, follow up the operating and management activities of the enterprises, and obtain a thorough understanding on the operational and management conditions of the enterprises by listening to or reviewing relevant information including the reports on production and operation, reports on internal supervision and inspection, etc., of the subsidiaries. The Supervisory Committee will make timely and reasonable suggestions and risk warnings to the executives and the management of the Company based on the problems found or matters warranting attention to help avoid operational risks.

4. **Implement precise and effective supervision.** **First**, integrity, self-discipline and preventive education of management cadres and authorised personnel will be relentlessly intensified. The principle of "combining discipline with benevolence" will be upheld, attention will be given to the targeted clusters and the "key figures at the top" will become the primary focuses, in order to formulate a list of responsibilities and powers for the personnel who are at the helm of managing the subsidiaries and to delineate scope of duties and responsibilities. The cadres in the supervisory system shall be the role models in the regulation of use of power. **Second**, the Supervisory Committee will elevate supervision on the construction and operation of overseas projects, follow the principle of "one policy for one entity" to formulate effective supervisory plans. The ethics committees of overseas enterprises will play a more active role in the organisation of group-wide activities for promoting the theme of "An Honest and Upright Zijin Leads the Way", the crafting of a "Zijin with Integrity" brand, and the gradual development of an anti-corruption education mechanism that is highly adaptable to the Company's internationalisation development. **Third**, the Supervisory Committee will remain highly vigilant against corruption and carry out anti-corruption tasks with a "zero-tolerance" attitude. The deterrence effect of inspection will be continuously stressed on, maintenance of discipline and anti-corruption work will be conducted in a systematic way that addresses both the root causes and the ends. The Supervisory Committee vows to investigate on every case and fight against every corruptive practice, commits to sustaining rigor as the top mission in the long term, and strives to perform its duties relentlessly, single-mindedly and without lowering its guard. It will hold accountable any wrongdoer and enquire into any fault case, completely advance a "not daring to corrupt, not able to corrupt and not wanting to corrupt" atmosphere in systems and mechanisms, and promote healthy and sustainable development of the enterprise.

Appendix: Summary table on the Supervisory Committee meetings for the year 2020 of the Company

Zijin Mining Group Co., Ltd.*
Supervisory Committee
19 March 2021

Report of the Supervisory Committee *(continued)*

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

Appendix

Zijin Mining Group Co., Ltd.* Summary table on the Supervisory Committee meetings for the year 2020

Number	Session	Date	Venue	Matters discussed and resolutions passed
1	The second meeting of the seventh term of the Supervisory Committee	20 March 2020	Conference room, 19/F., the Company's headquarters in Shanghang	Resolutions passed: <ol style="list-style-type: none"> 1. Report of the Supervisory Committee of the Company for 2019 2. Proposal in relation to provision for impairment on assets for the year 2019 3. Proposal on recognition of certain assets-counting loss and obsolescence loss of the Company 4. The Company's 2019 annual report and its summary report 5. The Company's financial report for the year ended 31 December 2019 6. The Company's profit distribution plan for the year ended 31 December 2019 7. 2019 Internal Control Evaluation Report of the Company 8. 2019 Environmental, Social and Governance Report of the Company 9. Specific Report on the Deposit and Actual Use of Proceeds Raised in 2019
2	The third meeting of the seventh term of the Supervisory Committee	28 April 2020	Conference room, 19/F., the Company's headquarters in Shanghang	Resolution passed: First quarterly report 2020 of the Company

Report of the Supervisory Committee *(continued)*

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Number	Session	Date	Venue	Matters discussed and resolutions passed
3	The first extraordinary meeting in 2020 of the seventh term of the Supervisory Committee	12 June 2020	Conference room, 21/F., the Company's headquarters in Shanghang	<p>Resolutions passed:</p> <ol style="list-style-type: none"> 1. Proposal in relation to the satisfaction of the conditions for the public issuance of A Share Convertible Corporate Bonds of the Company 2. Proposal on the Public Issuance of A Share Convertible Corporate Bonds for the Year 2020 of the Company 3. Plan of the Public Issuance of A Share Convertible Corporate Bonds of the Company 4. Feasibility Report on the Use of Proceeds Raised in the Public Issuance of A Share Convertible Corporate Bonds of the Company 5. Proposal in relation to reports on the use of proceeds previously raised 6. Proposal in relation to formulation of Profit Distribution and Return Plan for the Next Three Years (Year 2020-2022) of the Company 7. Proposal in relation to formulation of Rules for A Share Convertible Corporate Bondholders' Meetings of the Company 8. Proposal in relation to the possible connected transactions of subscriptions of A Share Convertible Corporate Bonds under the public issuance by the substantial shareholder, directors and supervisors and/or the directors under the Employee Stock Ownership Scheme
4	The fourth meeting of the seventh term of the Supervisory Committee	21 August 2020	Conference room, 19/F., the Company's headquarters in Shanghang	<p>Resolutions passed:</p> <ol style="list-style-type: none"> 1. 2020 interim report of the Company 2. Proposal in relation to provision for impairment on assets

Report of the Supervisory Committee *(continued)*

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

Number	Session	Date	Venue	Matters discussed and resolutions passed
5	The fifth meeting of the seventh term of the Supervisory Committee	19 October 2020	Conference room, 19/F., the Company's headquarters in Shanghang	Resolution passed: Third quarterly report 2020 of the Company
6	The second extraordinary meeting in 2020 of the seventh term of the Supervisory Committee	10 November 2020	By telecommunication	Resolution passed: Proposal in relation to investment in projects to be funded by the proceeds raised with the proceeds raised from issuance of A Share convertible corporate bonds through share capital increment
7	The third extraordinary meeting in 2020 of the seventh term of the Supervisory Committee	12 November 2020	By telecommunication	Resolution passed: Proposal in relation to replacement of the Company's own financing used in project investment in advance with the proceeds raised
8	The fourth extraordinary meeting in 2020 of the seventh term of the Supervisory Committee	17 November 2020	Conference room, 19/F., the Company's headquarters in Shanghang	Resolutions passed: 1. Proposal in relation to the Restricted A Share Incentive Scheme for 2020 (Draft) and its summary of the Company 2. Proposal in relation to the Administrative Measures for Implementation of Appraisal for the Restricted A Share Incentive Scheme for 2020 of the Company 3. Proposal in relation to verification of the List of Participants of Restricted A Share Incentive Scheme for 2020 of the Company
9	The fifth extraordinary meeting in 2020 of the seventh term of the Supervisory Committee	11 December 2020	Conference room, 19/F., the Company's headquarters in Shanghang and conference room, 41/F., Xiamen Office	Resolutions passed: 1. Proposal in relation to the Restricted A Share Incentive Scheme for 2020 (Revised Draft) and its summary of the Company 2. Proposal in relation to shelf offering of corporate bonds by the Company

The Work in the Active Fulfillment of Social Responsibilities

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(I) KEY PERFORMANCE OF THE COMPANY'S ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) WORK

The Company adheres to the values of "creating wealth in harmony, balancing development of the corporation, the employees and the society" and a mutual development concept, and comprehensively incorporates the establishment of environmental, social and governance (ESG) system into all production and operation activities of the enterprise. During the reporting period, the Company established a top-down ESG governance system from the Board to the lower levels in accordance with international standards and guidelines, and issued eight statements, including the "Policy Statement on Protection of the Ecological Environment of the Company", "Policy Statement on Human Resources Management of the Company", "Policy Statement on Management of Health and Safety of the Company", "Policy Statement on Business Ethics Management of the Company", "Policy Statement on Supplier Management of the Company", "Policy Statement on Whistleblowing Management of the Company", "Policy Statement on Water Resources Management of the Company" and "Policy Statement on Security and Protection of Human Rights of the Company". These demonstrate the Company's fundamental policy in the course of pursuing sustainable development, and the comprehensiveness of the strategies it has laid out in climate change, water resources protection, biodiversity conservation, community and human rights protection, employees' health and safety, anti-corruption, supply chain management, etc., which have received particular concerns globally in recent years.

1. Prevention and control of the COVID-19 pandemic

During the reporting period, the COVID-19 pandemic spread globally. In response, the Company quickly established a pandemic prevention and control system, prioritised employees' life, safety and health, fully implemented prevention and control measures, coordinated with multiple parties to ensure vaccination priority of outbound personnel, and offered humanistic care to overseas employees and their families. Domestic pandemic prevention and control were stable and effective.

During the reporting period, the Company took a series of actions to support the pandemic prevention and control of the people in the countries, regions and communities where its domestic and overseas projects are located, and donated cash and materials amounted to approximately RMB30 million. Among which, the Company made donation for the establishment of a "Fire Eye" virus-testing laboratory, which raised the COVID-19 testing capacity of Serbia by more than 20 times.



Zijin Mining made donation for the establishment of a "Fire Eye" virus-testing laboratory in Serbia

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

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2. Occupational health and safety

With the goal of zero work fatality and zero new occupational disease, the Company firmly upheld the safety concept of “life comes first”, and set it as a health and safety performance goal for the next three years (2020 to 2022) for the Company to reduce the lost time injury frequency rate per million hours worked and the recordable injury frequency rate per million hours worked by 10% every year.

During the reporting period, the Company fully launched the development of a distinctive safety management strategy system, continued to establish and improve a long-term safety responsibility mechanism, and established a safety performance checklist at all levels; conducted in-depth special safety management, improved the safety accountability system, and the “unified” management of collaborators’ safety achieved remarkable results. The Company further consolidated the foundation of occupational health management, comprehensively strengthened overseas security system, and maintained the record of zero new occupational disease case throughout the year.

3. Protection of ecological environment and sustainable development

The Company adheres to the concept of “green mountains and clear water are as good as mountains of gold and silver”, strictly abides by relevant laws, regulations and policies of the countries and regions where the projects are located, and implements environmental protection and ecological management throughout the lifecycle from exploration, design, mining, processing, refining to mine closure. The Company continues to strengthen the biodiversity conservation of the ecosystem in the areas where the projects are located, strives to reduce the disturbance to the ecosystem as a result of mining development, and fully implements the sustainable development concept of a high degree of harmony and unity between mine development and the ecological environment. During the reporting period, the Company invested RMB1.092 billion in environmental and ecological protection funds, representing a year-on-year increase of 50.6%. The development of green mines and green plants accelerated, with 4 additional national green mines and 2 additional national green plants. The Company achieved the goal of zero environmental emergency incident with severity of general and above and zero ecological damage incident throughout the year 2020.



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

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4. Recycle of water resources

Water resources are important resources for mining and processing. Improving water use efficiency and protecting the quality and quantity of water used by local communities and other users in the basin are the goals of the Company's water resources management. During the reporting period, the Company's total water consumption for production was 693.5447 million tonnes, of which 49.8149 million tonnes were newly drawn water, accounted for only 7.18%. The water recycling rate reached 92.82%.

Indicator	Water use and recycling data	2020
Total water consumption (Mt)		693.5447
Consumption of newly drawn water (Mt)		49.8149
Total discharge (Mt)		41.9274
Water recycling rate (%)		92.82

5. Climate change

During the reporting period, the Company actively responded to China's "National Strategy for Climate Change Adaptation", strived to implement energy conservation and emission reduction through target management in accordance with the relevant provisions of the Paris Agreement, and actively explored progressive energy conservation and emission reduction approaches, methods and technologies, etc. The Company actively responded to the requirements of the national carbon peak and carbon neutral strategic goals, strengthened the control of greenhouse gases, and enhanced the carbon sink capacity of the entire system. The Company seized the opportunity of new energy development, established Zijin New Energy Company, and made positive progress in developing photovoltaic solar energy generation and environmental and ecological protection engineering projects. The next step of the Company is to seize on a phase of thriving development of its global business, actively promote the reduction of energy consumption per unit of output, strive to reduce energy consumption per unit of output by more than 3% by 2030, and benchmark against and incorporate the TCFD (Financial Stability Board's Task Force on Climate-related Financial Disclosures) framework; at the same time, the Company will formulate more effective carbon emission control measures as soon as possible in accordance with the policies of the countries and regions where the projects are located, the industrial characteristics and the actual development of the enterprise, ascertain the timing of carbon peak and build a green era together with every party concerned.

6. Community

While accelerating its own development, the Company actively promotes the social and economic development of the communities related to the Company's operations and fully respects local cultures and customs. Its concept of mutual development is widely recognised. The Company implements a global employment localisation policy, addressing the employment issues for over 100,000 persons in the communities. The Company continues to implement diversified assistance policies covering healthcare, hygiene, education, agriculture, infrastructure and residents' resettlement, and has carried out a number of community public welfare projects in Tajikistan, the DR Congo, Serbia and Colombia. During the reporting period, the Company donated over RMB166 million to the communities.


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

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7. Human rights

During the reporting period, the Company actively converged with international standards, including the “United Nations Guiding Principles on Business and Human Rights”, “Voluntary Principles on Safety and Human Rights”, “OECD Guidelines for Multinational Enterprises”, “International Bill of Human Rights” and “International Labour Organisation (ILO) Fundamental Convention”; adhered to market norms and value creation, respected equal employment and development rights of different cultures, ethnicity, genders and the disabled groups, did not discriminate against AIDS and LGBT personnel, implemented a diversified and inclusive policy, respected all employees’ labour rights as well as their rights of obtaining training and vocational development, and strived to provide competitive compensation and incentive policies. The Company respected the collective, traditional rights and culture of the aboriginal peoples and their connection with their lands; comprehensively strengthened cross-cultural management and effective community communication, and continued to promote harmony and mutual prosperity between the enterprise and the communities.

8. Social responsibility cases

	<p>Since its establishment, Zijin Zinc has paid more than RMB1.645 billion of taxes, created more than 1,300 jobs directly and more than 2,000 jobs indirectly in the tertiary industry, and invested more than RMB5 million in poverty alleviation, achieving a win-win for corporate development and poverty alleviation. It was awarded the title of “National Advanced Group for Poverty Alleviation” in 2020.</p>
	<p>In March 2021, Siniša Mali, the Minister of Finance of Serbia and the Serbian Government Coordinator of the “17+1” Cooperation between China and Central and Eastern European Countries, wrote a letter to Zijin Mining, Serbia Zijin Copper, Serbia Zijin Mining and the Foreign Affairs Office of Fujian Province to express gratitude to Zijin Mining and the Foreign Affairs Office of Fujian Province for their tremendous contributions to fortifying the steel friendship between China and Serbia in the battle against the COVID-19 pandemic in Serbia.</p>
	<p>Continental Gold in Colombia actively participates in supporting the “Buriticá Development Plan” led by the Inter-American Development Bank to improve the urban security environment, establish a regional supply chain, and help micro-enterprises obtain technical and financial support. It obtained the honourable titles of “Best Social Practice Enterprise” and “Best Mining Practice and Sustainable Development Enterprise” in the Department of Antioquia, Colombia.</p>

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

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Company name	Country (region)	Awards received
Zijin Mining Group Co., Ltd.*	China	Continued to be awarded the title of "National Civilised Unit" in the sixth of the contest
Zeravshan	Tajikistan	"Environmental Protection Excellence Award" and "Outstanding Socio-economic Contribution Award"
Altynken	Kyrgyzstan	Outstanding Enterprise in Work Safety and Environment in 2020 and Outstanding Advanced Enterprise of Kemin District in 2019
Longxing	Russia	Included in the list of 2019 Honour Book for All Russian Companies
Continental Gold	Colombia	Best Mining Practices and Sustainable Development Enterprises
Zijin Zinc	Xinjiang, China	National Advanced Group for Poverty Alleviation, Advanced Group of "National Unity and One Family"
Zijin Copper	Fujian Province, China	Annual Eco-development Leading Enterprise in China's Non-Ferrous Metal Industry
West Copper	Qinghai Province, China	Classic Model Enterprise of Eco-Development in 2020
Bayannur Zijin	Inner Mongolia, China	Awarded the sixth National Civilised Unit

(II) POVERTY ALLEVIATION WORK OF THE LISTED COMPANY

1. Precise poverty alleviation plan

Fundamental strategy

The Company adheres to the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, takes full advantages of the location in remote mountainous areas and the familiarity with the situation of the community of the Company's mining subsidiaries to continuously carry out rural revitalisation activities in poverty alleviated areas around the mining areas. It takes serious measures within the enterprise to implement the discharge of responsibilities, policy and work of normalised assistance for the people and areas vulnerable to returning to poverty, provides support to the country to realise the goals of consolidating and expanding the achievements of poverty alleviation and linking rural revitalisation effectively.

General objective

The Company follows the direction of continuing to promote rural revitalisation in poverty alleviated areas under China's "Fourteenth Five-Year Plan", and consolidates and expands the achievements of poverty alleviation obtained at the current stage.

Key work

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

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

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

Safeguarding measures

Under the leadership of the Party Committee and the Board of the Company, the Company's management formulated the annual plan for rural revitalisation in the poverty alleviated areas, and laid down organisational safeguard in respect of project selection, liaising with governmental organisations, implementation of supervision, information disclosure, etc. Rural revitalisation support fund for the poverty alleviated areas was included in the annual financial budget to ensure material support for the related work. The Company delegated its Corporate Social Responsibility Department to be responsible for rural revitalisation in the poverty alleviated areas and took Zijin Mining Charity Foundation as the implementation platform. Based on the thorough knowledge of the communities and their situations, the Company ensured that the capital and personnel were in place, and the assistance could be provided accurately and thoroughly.

2. Overview of precise poverty alleviation work for the year

During the reporting period, the Company actively responded to the state's strategy of precise poverty alleviation, gave full play to the location advantage and resources advantage of the Company and worked together with local governments, poverty alleviation institutions and charitable organisations to formulate and implement a targeted poverty alleviation strategy with Zijin characteristics. It insisted on the implementation of policies based on classification, people, places, causes and types of poverty. A number of projects characterised by industrial development for poverty alleviation, employment for poverty alleviation, poverty alleviation by ecological protection and poverty alleviation for public welfare were effectively implemented. The Company carried out diversified assistance activities in the old revolutionary areas, ethnic minority areas and remote impoverished areas in Fujian, Xinjiang, Jilin, Henan, Inner Mongolia, Shanxi, Heilongjiang, Yunnan, Jiangxi, Guizhou, Gansu and other provinces (autonomous regions), investing approximately RMB120 million in poverty alleviation in 2020. The poverty alleviation work effectively improved the infrastructure for living and production and educational facilities in the impoverished villages around the mining sites, practically enhancing the living standards of the impoverished population.

3. Results of precise poverty alleviation

Unit: RMB' 000

Indicator	Amount and progress
I. General	
Including: 1. Subsidy	117,900.3
2. Monetary amount of materials provided	507.6
3. Number of persons no longer registered under the category of population in poverty as a result of obtaining assistance from the Company (person)	722
II. Subsidy by category	
1. Industrial development for poverty alleviation	
Including: 1.1 Categories of industrial development projects for poverty alleviation	<input checked="" type="checkbox"/> Agriculture and forestry <input type="checkbox"/> Tourism <input type="checkbox"/> E-commerce <input checked="" type="checkbox"/> Assets return <input type="checkbox"/> Technology <input checked="" type="checkbox"/> Others
1.2 Number of projects	14
1.3 Amount of subsidy for industrial development projects	3,145
1.4 Number of persons no longer registered under the category of population in poverty as a result of obtaining assistance from the Company (person)	617

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

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Unit: RMB' 000

Indicator	Amount and progress
2. Employment transfer for poverty alleviation	
Including: 2.1 Amount of subsidy for vocational skill training	0
2.2 Number of person provided with vocational skill training (person/time)	0
2.3 Number of person no longer registered under the category of population in poverty as a result of obtaining assistance for employment from the Company (person)	55
3. Relocation for poverty alleviation	
Including: 3.1 Number of relocated person whom the Company helped for employment (person)	3,678
4. Education for poverty alleviation	
Including: 4.1 Amount of subsidy for impoverished students	1,597.5
4.2 Number of impoverished students supported (person)	262
4.3 Amount of subsidy for improving educational resources in impoverished areas	1,550
5. Poverty alleviation by improving healthcare	
Including: 5.1 Amount of subsidy for healthcare and hygiene resources in impoverished areas	994.3
6. Poverty alleviation by ecological protection	
Including: 6.1 Name of project	<input checked="" type="checkbox"/> Carry out ecological conservation and maintenance <input type="checkbox"/> Establish compensation methods for ecological conservation <input checked="" type="checkbox"/> Set up specialised position for handling ecological and public charity related affairs <input type="checkbox"/> Others
6.2 Amount of subsidy	20,150
7. Guaranteeing basic living standard for people in need	
Including: 7.1 Amount of subsidy for helping left-behind children, women and elderly	20
7.2 Number of left-behind children, women and elderly supported (person)	10
7.3 Amount of subsidy for helping impoverished disabled persons	49
7.4 Number of impoverished disabled persons supported (person)	30

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

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Unit: RMB' 000

Indicator	Amount and progress
8. Community poverty alleviation	
Including: 8.1 Amount of subsidy for East-West Partnerships for Poverty Alleviation	0
8.2 Amount of subsidy for poverty alleviation in targeted areas	131
8.3 Charity fund for poverty alleviation	7,507.2
9. Other projects	
Including: 9.1 Number of project	69
9.2 Amount of subsidy	83,263.9
9.3 Number of persons no longer registered under the category of population in poverty as a result of obtaining assistance from the Company (person)	50
9.4 Other explanations of the projects	Poverty alleviation by assisting the impoverished areas in the vicinity of the Company's operations in developing livelihood project and improving infrastructure by way of donations.
III. Awards received (details and level)	
Zijin Zinc Co., Ltd. received the award of National Advanced Group for Poverty Alleviation (national level)	

Note: The above data does not include COVID-19 related donations.

4. Phased progress in discharging the social responsibility of precise poverty alleviation

During the reporting period, the Company actively responded to the call of the state to provide effective support for the prevention and control of pandemic at the localities, and continued to address problems including inconvenient transportation, drinking water shortage, poor environment and living difficulties of the left-behind elderly in impoverished rural areas, such as Altay Region in Xinjiang Autonomous Region, Hunchun City in Jilin Province, Luoning County in Henan Province and Urad Rear Banner in Inner Mongolia Autonomous Region, by implementing an array of livelihood, infrastructure enhancement projects and senior citizen sponsorship projects. The communities where the projects are located successfully completed the poverty alleviation goals and tasks, and the Company was highly praised by the local governments and communities. Among which, Zijin Zinc in Kizilsu Kyrgyz Autonomous Prefecture, Xinjiang, through the "Hundred Enterprises Helping Hundred Villages" activities, actively paired up with impoverished villages to provide jobs, help impoverished elderly persons, improve rural public service facilities, donate to build kindergartens, etc., in order to assist the villagers to get rid of poverty. The Company was awarded "National Advanced Group for Poverty Alleviation" at the National Poverty Alleviation Summary and Commendation Conference.

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

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5. Future plan of precise poverty alleviation work

2021 is the first year of the “Fourteenth Five-Year Plan”, and it is also a year for China to consolidate and expand the achievements in poverty alleviation. The Company shall continue to implement the “Central Committee of the Communist Party of China’s proposal for Formulating the Fourteenth Five-Year Plan for National Economic and Social Development and the Long-Range Objectives Through the Year 2035” considered and approved in the Fifth Plenary Session of the Nineteenth Central Committee of the Communist Party of China, prioritise the consolidation and expansion of the achievements of poverty alleviation to help the communities where the Company’s subsidiaries are located maintain the victory in poverty alleviation. The Company will promote the poverty alleviation policy measures and work system of the communities where the Company’s subsidiaries are located to gradually make a smooth transition to rural revitalisation, and ensure an effective convergence with rural revitalisation. The Company will continue to cooperate with local governmental poverty alleviation organisations and Zijin Mining Charity Foundation, and combine its own industrial characteristics to penetrate into the Minxi Old Revolutionary Base of Fujian Province, Altay Region in Xinjiang Autonomous Region, Hunchun City in Jilin Province, Fanshi County in Shanxi Province, Heihe City in Heilongjiang Province, Luoning County in Henan Province, Golog Prefecture in Qinghai Province and Urad Rear Banner in Inner Mongolia. At the same time, precise poverty alleviation activities such as relief projects for the elderly and orphans, ecological conservation, teaching and learning assistance and other precise poverty alleviation activities shall continue to be carried out in Shanghang County where the Company’s headquarters is located. The Company shall also step up publicity, guide all sectors of the society to dedicate to poverty alleviation, earnestly discharge social responsibilities, promote economic development in impoverished areas and provide support to the country’s battle against poverty.

Principal safeguarding measures

- **Strengthen organisation and leadership.** A team comprising the responsible personnel of the Corporate Social Responsibility Department, Zijin Mining Charity Foundation and Party branches of the locality at which the Company’s operations are located, is tasked with the on-site implementation of poverty alleviation work. The team is also responsible for coordinating the collaboration among various departments for carrying out the poverty alleviation projects.
- **Strengthen project implementation and management to ensure the actual needs of the assisted groups are met.** In the course of carrying out the projects, the Company shall ensure the groups with genuine need of assistance could be accurately identified, actively carry out study and investigations, pay visits to the impoverished households, and obtain a better understanding of their actual needs. Key focus of the Company’s work shall be improving the infrastructure of the impoverished areas. The bottlenecks constraining the development of such areas, namely a lack of road, and deficient supply of water, electricity and accommodation, are identified as the crucial areas of poverty alleviation. Efforts shall be made to improve the infrastructure of the impoverished areas to achieve the goal of precise poverty alleviation. Adhering to the principles of openness, equality and fairness, the Company shall also strengthen the direct management and supervision of projects, enhance on-site inspection, strictly forbid malpractices, and implement effective supervision and evaluation of projects.
- **Strictly regulate allocation and payment of funds.** The allocation and payment of funds for assistance projects shall strictly comply with the provisions in project cooperation agreements or project proposals, and follow approval authority and process. Relevant application procedures shall only be proceeded when no improperities are identified.
- **Joint forces for poverty alleviation.** The Company engages in poverty alleviation projects by way of cooperation with its subsidiaries, local governments of the impoverished areas, and local social organisations. The Company’s charity foundation plays an important role in connecting caring enterprises and citizens’ assistance with the impoverished households.

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

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- **Improve archive management.** The collection, updating, improvement, archiving and statistical analysis of the raw data and basic information obtained in the implementation process of the projects, as well as retention of the data from evaluation and supervision of poverty alleviation work, shall be carried out properly.
- **Strengthen learning and improve effectiveness.** The Company shall take the initiatives to consult with the Ministry of Civil Affairs, the State Poverty Alleviation Office and other relevant authorities, and actively learn from advanced poverty alleviation institutions and groups, in order to optimise its poverty alleviation measures and achieve practical work results.

(III) SOCIAL RESPONSIBILITY WORK

Please refer to the Environmental, Social and Governance (ESG) Report 2020 of Zijin Mining Group Co., Ltd.* disclosed on the website of Shanghai Stock Exchange, www.sse.com.cn.

(IV) ENVIRONMENTAL INFORMATION

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

During the reporting period, a total of 23 branch companies (subsidiaries) of the Company were listed as key pollutant discharge units by the ecological environment administrative departments. The Company and its branch companies (subsidiaries) have always adhered to the tenet of “never pursue economic development at the expense of the environment, environmental safety is the inviolable bottom line of the enterprise”, strictly abided by the national environmental protection related laws, regulations and policies, and thoroughly implemented the sustainable development strategy, and the concept of eco-friendliness and sustainable development runs through the whole process of mineral resource planning, prospecting, development, utilisation and protection. The Company strengthened ecological environmental protection and restoration, strictly controlled ecological environmental risks, and continued to promote eco-friendly, circular and low-carbon development.

(1) Information of pollutant discharge

In 2020, domestic key pollutant discharging units of the Company strictly complied with the national and regional pollutant discharging standards and requirements. The wastewater, exhaust gas and noise at plant boundary received standardised management.

For details, please refer to Appendix 1: Key pollutant discharging units of the Company in 2020 in this report.

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

In 2020, all environmental protection facilities of the Company operated steadily in a normal condition at an operational rate of 100%. Wastewater and exhaust gas were discharged after treatment met the required standards, with wastewater recycling rate reaching over 90%. The solid waste was comprehensively utilised and safely disposed of, and hazardous waste was first used for internal comprehensive utilisation, and the rest was transferred to qualified units for safe and compliant disposal.

In 2020, the Company invested approximately RMB656 million in pollution prevention, environmental protection facilities and equipment optimisation and upgrade, mainly including the construction of environmental protection treatment system of the Zijinshan Gold and Copper Mine, installation of Guizhou Zijin’s water treatment system, renovation of water treatment system of Julong Copper in Tibet, construction of new environmental protection facilities in Xinjiang Zijin Non-ferrous, renovation of Zijin Copper’s environmental smoke collection system, and optimisation and upgrade of Serbia Zijin Copper’s wastewater and exhaust gas system.

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

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

The branch companies (subsidiaries) of the Company strictly carried out environmental impact assessment and acceptance check of construction projects pursuant to the regulations in relation to environmental impact assessment.

For details of environmental impact assessment of key pollutant discharging units of the Company and implementation of the “three simultaneous” regulation in 2020, please refer to Appendix 2: Implementation status of environmental impact assessment and “three simultaneous” regulation of key pollutant discharging units of the Company in 2020 in this report.

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

Pursuant to the relevant laws and regulations of the countries where their operations are located and based on the actual situation, the Group and its subsidiaries have formulated emergency plans for environmental incidents and various kinds of special emergency plans, which have been reported and filed to the local ecological and environmental administrative authorities. Through the implementation of the plans, rescues are organised in an orderly manner, minimising casualties and property losses to the largest extent, and reducing environmental damage and social impact. Assuming that production process and techniques, emergency organisation and command system or responsibilities, and the surrounding environment or environmental sensitive points remain unchanged, in principle, the plans shall be revised every three years and emergency drills and emergency plan training shall be organised at least once a year to improve the ability of employees in dealing with emergencies. During the reporting period, the entire Group organised 54 emergency drills, covering flood control in tailings storages, sodium cyanide leakage, hazardous waste leakage emergency drills, sulphur dioxide leakage, etc.

(5) Environmental self-monitoring programme

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

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

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(6) Other disclosable environmental information

Focusing on the “Law on the Prevention and Control of Solid Waste” which became effective on 1 September 2020, China successively revised and issued the “National Catalogue of Hazardous Wastes (2021 Edition)” (effective from 1 January 2021), “Announcement on Matters Related to Comprehensive Prohibition on Imported Solid Wastes” (No. 53 of 2020) (effective from 1 January 2021) and “General Industrial Solid Waste Storage and Landfill Pollution Control Standards” (effective from 1 July 2021), etc., the catalogue of hazardous waste was synchronously updated. The import of “foreign garbage” has been completely banned from 2021 as well. The technological requirements for pollution control during the entire process of storage and landfilling of general industrial solid waste have been strengthened, and tailings backfill is stated as a mean of utilisation of general industrial solid waste. In order to further discharge the responsibilities of an industrial solid waste producer, the Company will strengthen the management of the whole process of generation, collection, storage, transportation, utilisation, and disposal, and strengthen the vetting of the qualifications of third-party organisations for the transportation, utilisation and disposal of industrial solid waste (including hazardous waste) to ensure that industrial solid waste is traceable and searchable. Besides, the principle of “priority for internal use by enterprises, secondly for Group’s integrated utilisation, and then for outsourced disposal” will be followed to enhance comprehensive utilisation of industrial solid waste (including hazardous waste) and promote the industrial development of comprehensive utilisation of industrial solid waste.

2. Environmental protection information of companies which are non-key pollutant discharging units

(1) Information of pollutant discharge

During the reporting period, 7 entities of the Company which business in China involve discharge of pollutants were designated as non-key pollutant discharging units, all of which discharged pollutants according to the regulations. For details of information of pollutant discharge, please refer to Appendix 3: Information of non-key pollutant discharge units of the Company in 2020 in this report.

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

Non-key pollutant discharging units of the Company strictly followed the requirements of environmental impact assessment and the approvals for the construction projects, carried out the construction of pollution prevention facilities in order, actively carried out energy conservation and emission reduction work, and properly stored and disposed of the solid waste. In 2020, pollution prevention and controlling facilities of all enterprises operated normally, and discharge standards for major pollutants were met.

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

In 2020, Dujiagou Gold Mine tailings storage environmental improvement project of Longnan Zijin Mining Co., Ltd. passed the environmental protection self-acceptance on completion in April 2020, and the environmental protection self-acceptance on completion of first phase of the relocation and expansion project of Fujian Zijin Mineral Processing Chemicals Co., Ltd. was completed in September 2020. Fujian Jinshan High-abrasive Materials Co., Ltd.’s new rolling steel ball production line and casting line transformation project obtained the environmental assessment approval in October 2020 (Long Huan Shen [2020] No. 450).

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

Same as the content of the corresponding section under key pollutant discharging units.

(5) Environmental self-monitoring programme

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

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

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APPENDIX

Appendix 1: Key pollutant discharging units of the Company in 2020

Number	Name of entity	Type of pollutant	Major and special pollutant	Concentration of discharge	Annual total discharge (t)	Approved annual discharge limit (t/a)	Way of discharge	Number of discharge outlet	Distribution of discharge outlets	Whether discharge limit was exceeded	Regulatory basis for pollutant discharge
1	Zijinshan Gold and Copper Mine	Wastewater	COD	15.45mg/L	106.169	203	Organised discharge after meeting regulatory standards	6	Discharge outlets at Xinwuxia, Yutiankeng, Huyangkeng, Yakeng, Ermiaogou and Sanqingting	No	The standards in Schedule 2 of the Emission standard of pollutants for copper, nickel, cobalt industry (GB25467-2010) and Class 1 standards in Schedules 1 and 2 of the Integrated wastewater discharge standard (GB8978-1996)
			Total arsenic	<0.0081mg/L	0.0041	0.057					
			Total lead	<0.0002mg/L	0.0067	0.38933					
			Total cadmium	<0.0038mg/L	0.0026	0.04126					
			Total zinc	0.09mg/L	0.0373	3.66					
			Total copper	<0.07mg/L	0.0565	2.365					
		Total cyanide	<0.01mg/L	0.0036	0.108						
		Exhaust gas	Sulphur dioxide	48mg/m ³	0.87	-	Organised discharge after meeting regulatory standards; boiler dismantled	1	Boiler of hydrometallurgical plant of copper mine	No	Emission standard of air pollutants for boiler (GB13271-2014)
			Nitrogen oxides	95.75mg/m ³	1.48	-					
			Dust	6.55mg/m ³	0.07	-					
Particulates	4.56mg/m ³		19.8	-	Organised discharge after meeting regulatory standards	11	The discharge outlets of dust removers installed at the crushing and screening systems	No	Emission standard of pollutants for copper, nickel, cobalt industry (GB25467-2010)		
Noise	Noise at boundary met the standards of Category III of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)										
2	Wuping Zijin Mining Co., Ltd.	Wastewater	COD	10.17mg/L	2.5529	6.9	Organised discharge after meeting regulatory standards	1	Downstream of tailings storage	No	Class 1 standards in Schedules 1 and 4 of the Integrated wastewater discharge standard (GB8978-1996)
			Total arsenic	0.008mg/L	0.00122	-					
			Total lead	0.009mg/L	0.00268	0.042					
			Total cadmium	0.005mg/L	0.00139	-					
			Total zinc	0.147mg/L	0.037	0.115					
			Total copper	0.021mg/L	0.00539	0.05					
			Total silver	0.04mg/L	0.0106	-					
		Exhaust gas	Particulates	4.805mg/m ³	0.95	8	Organised discharge after meeting regulatory standards	4	Crushing and screening sections of processing plant	No	The standards in Schedule 2 of the Integrated emission standard of air pollutants (GB16297-1996)
Noise	Noise at boundary met the standards of Category II of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)										
3	Neimenggu Golden China Minerals Inc.	Wastewater	-	-	-	-	Not discharged and internally reused	0	N/A	No	-
		Exhaust gas	Sulphur dioxide	96-108mg/m ³	7.093	-	Organised discharge after meeting regulatory standards; general discharge outlet	1	The 40m-high chimney positioned downwind from the plant	No	Emission standard of air pollutants for boiler (GB13271-2014)
			Nitrogen oxides	125-140mg/m ³	14.331	-					
			Dust	25.3-36.5mg/m ³	8.851	-					
Noise	Noise at boundary met the standards of Category II of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)										

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

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Number	Name of entity	Type of pollutant	Major and special pollutant	Concentration of discharge	Annual total discharge (t)	Approved annual discharge limit (t/a)	Way of discharge	Number of discharge outlet	Distribution of discharge outlets	Whether discharge limit was exceeded	Regulatory basis for pollutant discharge
4	Urad Rear Banner Zijin Mining Co., Ltd.	Wastewater	-	-	-	-	Not discharged and internally reused	0	N/A	No	-
		Exhaust gas	Particulates	33.29mg/m ³	21.269	-	Organised discharge after meeting regulatory standards	6	The discharge outlets of dust removers installed at the crushing and screening systems	No	Emission standard of pollutants for lead and zinc industry (GB25466-2010)
		Noise	Noise at boundary met the standards of Category II of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)								
5	Shanxi Zijin Mining Co., Ltd.	Wastewater	-	-	-	-	Not discharged and internally reused	1	-	No	-
		Exhaust gas	Sulphur dioxide	140mg/m ³	2.419	-	Organised discharge after meeting regulatory standards; boiler dismantled	1	The chimney of boiler house	No	Emission standard of air pollutants for boiler (GB13271-2014)
			Nitrogen oxides	161mg/m ³	2.808	-					
			Particulates	24.3mg/m ³	0.432	-					
		Particulates	12.525mg/m ³	4.17	-	Organised discharge after meeting regulatory standards	1	The discharge outlet of dust remover installed at the crushing system	No	Integrated emission standard of air pollutants (GB16297-1996)	
Noise	Noise at boundary met the standards of Category II of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)										
6	Luoning Huatai Mining Development Co., Ltd.	Wastewater	-	-	-	-	-	0	N/A	No	-
		Exhaust gas	Particulates	8.51mg/m ³	3.08566	-	Organised discharge after meeting regulatory standards	5	The discharge outlets of dust remover installed at crushing section	No	The standards in Schedule 2 of the Integrated emission standard of air pollutants (GB16297-1996)
		Noise	Noise at boundary met the standards of Category II of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)								
7	Luoyang Kunyu Mining Co., Ltd.	Wastewater	-	-	-	-	Not discharged and internally reused	0	N/A	No	-
		Exhaust gas	Particulates	14.85mg/m ³	8.605	-	Organised discharge after meeting regulatory standards	4	Dust removers installed at the crushing and screening sections in production line	No	Class 2 standards in Schedule 2 of the Integrated emission standard of air pollutants (GB16297-1996)
		Noise	Noise at boundary met the standards of Category II of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)								
8	Xinjiang Habahe Ashele Copper Co., Ltd.	Wastewater	-	-	-	-	Not discharged and internally reused	0	-	No	-
		Exhaust gas	Sulphur dioxide	141.97mg/m ³	65.75	71.5	Organised discharge after meeting regulatory standards	1	The 60m-chimney in boiler house	No	Emission standard of air pollutants for boiler (GB13271-2014)
			Nitrogen oxides	118.53mg/m ³	64.41	106.78					
			Dust	7.23mg/m ³	4.27	22.76					
Noise	Noise at boundary met the standards of Category II of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)										

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

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Number	Name of entity	Type of pollutant	Major and special pollutant	Concentration of discharge	Annual total discharge (t)	Approved annual discharge limit (t/a)	Way of discharge	Number of discharge outlet	Distribution of discharge outlets	Whether discharge limit was exceeded	Regulatory basis for pollutant discharge
9	Xinjiang Zijin Zinc Co., Ltd.	Wastewater	-	-	-	-	Not discharged and internally reused	0	N/A	No	-
		Exhaust gas	Sulphur dioxide	186mg/m ³	21.748	87	Organised discharge after meeting regulatory standards	1	Discharged through 45m-chimney in the boiler house	No	Schedule 1 of Emission standard of air pollutants for boiler (GB13271-2014)
			Nitrogen oxides	33mg/m ³	3.977	48.9					
			Dust	7.7mg/m ³	4.169	-					
		Particulates	11.6mg/m ³	22.39	-	Organised discharge after meeting regulatory standards	3	The discharge outlets of wet dust removers installed at the crushing and transport systems	No	Emission standard of pollutants for lead and zinc industry (GB25466-2010)	
Noise	Noise at boundary met the standards of Category III of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)										
10	Heilongjiang Duobaoshan Copper Industry Inc.	Wastewater	-	-	-	-	Not discharged and internally reused	0	N/A	No	-
		Exhaust gas	Sulphur dioxide	115.5mg/m ³	45.504	198.41	Organised discharge after meeting regulatory standards	1	The 60m-chimney after desulphurisation and denitrification in the boiler house	No	Emission standard of air pollutants for boiler (GB13271-2014)
			Nitrogen oxides	138.4mg/m ³	54.231	248.02					
			Dust	12.3mg/m ³	4.752	41.33					
		Particulates	67.7mg/m ³	178.402	-	Organised discharge after meeting regulatory standards	18	The discharge outlets of dust removers installed at the crushing and screening systems	No	Emission standard of pollutants for copper, nickel, cobalt industry (GB25467-2010)	
Noise	Noise at boundary met the standards of Category II of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)										
11	West Copper Co., Ltd.	Wastewater	-	-	-	-	Not discharged and internally reused	0	N/A	No	-
		Exhaust gas	Sulphur dioxide	111.58mg/m ³	7.499	17.348046	Organised discharge after meeting regulatory standards; boiler removed	2	MCT-6 Venturi highly-efficient desulphurisation and dust removers for hot water boiler house, CS-III granite desulphurisation and dust removers for steam boiler room	No	Schedule 1 of Emission standard of air pollutants for boiler (GB13271-2014)
			Nitrogen oxides	252.17mg/m ³	17.121	21.685057					
			Dust	180.125mg/m ³	3.405	4.337					
		Particulates	39.33mg/m ³	3.687	-	Organised discharge after meeting regulatory standards	3	Wet dust remover at the crude crushing facilities at ore crushing section (SX16), wet dust remover at medium-to-fine crushing facilities (SX22), wet dust remover at the screening system (SX32)	No	Emission standard of pollutants for copper, nickel, cobalt industry (GB25467-2010)	
Noise	Noise at boundary met the standards of Category III of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)										

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

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Number	Name of entity	Type of pollutant	Major and special pollutant	Concentration of discharge	Annual total discharge (t)	Approved annual discharge limit (t/a)	Way of discharge	Number of discharge outlet	Distribution of discharge outlets	Whether discharge limit was exceeded	Regulatory basis for pollutant discharge
12	Guizhou Zijin Mining Co., Ltd.	Wastewater	COD	7.02mg/L	17.066	68	Organised discharge after meeting regulatory standards	2	Outlet of Shuiyindong Mine pit water treatment station; outlet of Bojitian Mine 1 gushing pit water treatment station	No	Class 1 standards of the Integrated wastewater discharge standard (GB8978-1996)
			Ammonia nitrogen	0.32mg/L	0.413	22					
			Total arsenic	0.01mg/L	0.0119	-					
			Total lead	0.02mg/L	0.0365	-					
			Total chromium	0.019mg/L	0.0378	-					
		Total cyanide	0.003mg/L	0.0083	-						
Exhaust gas	Sulphuric acid mist	15.91mg/m ³	1.037	1.5	Organised discharge after meeting regulatory standards	1	Outlet of tailing gas scrubber	No	The maximum emission concentration limit in Schedule 2 of the Integrated emission standard of air pollutants (GB16297-1996)		
Noise	Noise at boundary met the standards of Category II of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)										
13	Wenshan Malipo Zijin Tungsten Group Co., Ltd.	Wastewater	Ammonia nitrogen	0.28mg/L	0.326	6.63375	Organised discharge after meeting regulatory standards	1	Master discharge outlet of tailings storage	No	Class 1 standards of the Integrated wastewater discharge standard (GB8978-1996)
			Particulates	14.67mg/L	14.275	30.9575					
			Total lead	Below detectable limit	0	0.0144					
Noise	Noise at boundary met the standards of Category II of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)										
14	Yuanyang Huaxi Gold Co., Ltd.	Wastewater	COD	3.7mg/L	4.508	-	Organised discharge after meeting regulatory standards; general discharge outlets	4	Baishapo mining section gushing pit water discharge outlet; Jinhe gold mining section gushing pit water discharge outlet; Maomushu mining section gushing pit water discharge outlet; tailings storage discharge outlet	No	Class 1 standards of the Integrated wastewater discharge standard (GB8978-1996)
			Ammonia nitrogen	0.21mg/L	0.276	-					
			Total phosphorus	0.04mg/L	0.068	-					
			Total lead	0.09mg/L	0.103	-					
			Total zinc	0.05mg/L	0.078	-					
			Total copper	0.02mg/L	0.034	-					
Total chromium	0.04mg/L	0.056	-								
Noise	Noise at boundary met the standards of Category II of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)										
15	Hunchun Zijin Mining Co., Ltd.	Wastewater	-	-	-	-	Not discharged and internally reused	0	N/A	No	-
		Exhaust gas	Sulphur dioxide	21.5mg/m ³	3.338	23.0373	Organised discharge after meeting regulatory standards	1	Discharge outlet of boiler	No	Emission standard of air pollutants for boiler (GB13271-2014)
			Nitrogen oxides	155.5mg/m ³	25.895	28.7967					
			Dust	14.5mg/m ³	2.365	5.7593					
Particulates	14.8mg/m ³	61.588	-	Organised discharge after meeting regulatory standards	10	Discharge outlets at crude crushing facilities, medium-to-fine crushing facilities and vibration screening dust removers	No	Emission standard of pollutants for copper, nickel, cobalt industry (GB25467-2010)			
Noise	Noise at boundary met the standards of Category III of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)										

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

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Number	Name of entity	Type of pollutant	Major and special pollutant	Concentration of discharge	Annual total discharge (t)	Approved annual discharge limit (t/a)	Way of discharge	Number of discharge outlet	Distribution of discharge outlets	Whether discharge limit was exceeded	Regulatory basis for pollutant discharge
16	Tibet Julong Copper Co., Ltd.	Production not yet officially commenced									
17	Zijin Copper Co., Ltd.	Wastewater	COD	15mg/L	11.596	-	Organised discharge after meeting regulatory standards	1	Copper refining: discharge outlet for clear water	No	Emission standard of pollutants for copper, nickel, cobalt industry (GB25467-2010), the Integrated wastewater discharge standard (GB8978-1996)
			Ammonia nitrogen	0.522mg/L	0.339	-					
			Total arsenic	0.174mg/L	0.0801	-					
			Total lead	0.00117mg/L	0.012	-					
			Total cadmium	0.00023mg/L	0.000034	-					
			Total mercury	0.00007mg/L	0	-					
			Total copper	0.012mg/L	0.0237	-					
		Exhaust gas	Sulphur dioxide	46.035mg/m ³	205.973	606.18	Organised discharge after meeting regulatory standards	12	Discharge outlet for environmental smoke (main discharge outlet); discharge outlet for tailing gas from acid manufacturing (main discharge outlet), discharge outlet for exhaust gas from ore concentrate dehydration, discharge outlet for exhaust gas from electrolysis, discharge outlet for exhaust gas from purifying electrolyte solutions, discharge outlet for exhaust gas from waste acid treatment, discharge outlet for smoke from Kaldo furnace, discharge outlet for environmental smoke from Kaldo furnace, exhaust gas discharge outlet of conveyance system; discharge outlets for gold refining: discharge outlets for tailing gas from acid manufacturing, exhaust gas from silver smelting furnace and exhaust gas from dissolving gold and silver sludge with nitric acid	No	Emission standard of pollutants for copper, nickel, cobalt industry (GB25467-2010), Integrated emission standard of air pollutants (GB16297-1996)
			Nitrogen oxides	13.453mg/m ³	66.196	195.742					
			Particulates	18.88mg/m ³	75.349	369.6					
			Lead and its compounds	0.0125mg/m ³	0.127	3.234					
			Arsenic and its compounds	0.024mg/m ³	0.282	1.848					
			Mercury and its compounds	Below detectable limit	0	0.05544					
Noise	Noise at boundary met the standards of Category III of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)										

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

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

Number	Name of entity	Type of pollutant	Major and special pollutant	Concentration of discharge	Annual total discharge (t)	Approved annual discharge limit (t/a)	Way of discharge	Number of discharge outlet	Distribution of discharge outlets	Whether discharge limit was exceeded	Regulatory basis for pollutant discharge
18	Zijin Mining Group Gold Smelting Co., Ltd.	Wastewater	COD	29.02mg/L	0.211	1.18	Organised discharge after meeting regulatory standards	1	Discharge outlet at the western side of the plant HAO11800	No	The Integrated wastewater discharge standard (GB8978-1996)
			Ammonia nitrogen	5.74mg/L	0.0172	0.177					
			Total arsenic	Below detectable limit	0	0.0059					
			Total copper	0.02mg/L	0.000076	0.0236					
			Total cyanide	0.004mg/L	0.000055	0.0023					
		Exhaust gas	Nitrogen oxides	3.125mg/m ³	0.0777	0.96	Organised discharge after meeting regulatory standards	2	Exhaust gas discharge outlets of acid mist purification tower	No	Class 2 standards in Schedule 2 of the Integrated emission standard of air pollutants (GB16297-1996)
			Hydrogen chloride	4.465mg/m ³	0.0895	0.5247					
			Ammonia gas	3.22mg/m ³	0.0219	-					
		Noise	Noise at boundary met the standards of Category III of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)								
19	Jilin Zijin Copper Co., Ltd.	Wastewater	COD	18-98mg/L	20.922	32.84	Organised discharge after meeting regulatory standards	1	Master discharge outlet at the northwestern corner of the plant	No	Schedule 2 of the Emission standard of pollutants for copper, nickel, cobalt industry and the Standards and Requirements on Water Intake of Water Treatment Plants of Hunchun City
			Ammonia nitrogen	1.45-15.0mg/L	1.278	4.38					
			Total arsenic	<0.048mg/L	0.00201	0.15					
			Total lead	<0.10mg/L	0.0036	0.15					
			Total cadmium	Below detectable limit	0	0.03018					
			Total mercury	<0.0007mg/m ³	0.000031	0.015					
		Exhaust gas	Sulphur dioxide	0.02-225.326mg/m ³	295.307	570	Organised discharge after meeting regulatory standards	2	Exhaust gas discharge outlets of 60m- and 120m- chimneys respectively	No	Emission standard of pollutants for copper, nickel, cobalt industry (GB25467-2010) and Integrated emission standard of air pollutants (GB16297-1996)
			Nitrogen oxides	0.02-24.025mg/m ³	15.784	130.44					
			Particulates	0.496-31.704mg/m ³	41.562	160.01					
			Mercury and its compounds	0.0021-0.0044mg/m ³	0.0107	0.0297					
			Lead and its compounds	0.102-0.351mg/m ³	0.732	1.733					
			Arsenic and its compounds	0.087-0.204mg/m ³	0.479	0.99					
		Sulphuric acid mist	7.66mg/m ³	62.548	-						
Noise	Noise at boundary met the standards of Category III of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)										

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

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

Number	Name of entity	Type of pollutant	Major and special pollutant	Concentration of discharge	Annual total discharge (t)	Approved annual discharge limit (t/a)	Way of discharge	Number of discharge outlet	Distribution of discharge outlets	Whether discharge limit was exceeded	Regulatory basis for pollutant discharge
20	Heilongjiang Zijin Copper Co., Ltd.	Wastewater	COD	14mg/L	5.554	-	Organised discharge after meeting regulatory standards; general discharge outlet	1	Brine discharge outlet	No	Emission standard of pollutants for copper, nickel, cobalt industry (GB25467-2010)
			Total dissolved solids	200.25mg/L	43.435	-					
		Exhaust gas	Sulphur dioxide	7.65mg/m ³	9.764	513.79	Organised discharge after meeting regulatory standards	20	Chimney for environmental smoke and tailing gas from acid manufacturing (main discharge outlets), 3 exhaust pipes of transfer station, exhaust pipe for exhaust gas from liquid purification, 6 exhaust pipes of laboratory, 2 exhaust pipes of electrolysis plant, exhaust pipe of slag selection plant, 2 exhaust pipes in the grinding and floating selection plant, exhaust pipe in the joint conveyor of the smelter, exhaust pipe in crushing and screening facilities of the quality inspection room, and 2 exhaust pipes in the sulphurisation plant	No	Emission standard of pollutants for copper, nickel, cobalt industry (GB25467-2010), Integrated emission standard of air pollutants (GB16297-1996)
			Nitrogen oxides	25.82mg/m ³	38.898	92.16					
			Dust	7.57mg/m ³	4.521	57.6					
			Particulates	16.41mg/m ³	15.59	-					
			Sulphuric acid mist	4.32mg/m ³	1.366	-					
			Mercury and its compounds	Below detectable limit	0	0.00003					
			Lead and its compounds	0.03mg/m ³	0.04356	0.16					
		Arsenic and its compounds	Below detectable limit	0.00003	0.05						
Hydrogen sulphide	0.13mg/m ³	0.01194	-								
Noise	Noise at boundary met the standards of Category III of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)										
21	Bayannur Zijin Non-ferrous Metals Co., Ltd.	Wastewater	-	-	-	-	Not discharged and internally reused	0	N/A	No	-
		Exhaust gas	Sulphur dioxide	42mg/m ³	236.94	1,390.13	Organised discharge after meeting regulatory standards	4	Main discharge outlet of thermal power plant, tailing gas discharge outlet for two-slag reverse kiln, exhaust gas discharge outlet at acid manufacturing plant in phase one, exhaust gas discharge outlet at acid manufacturing plant in phase two	No	Emission standard of pollutants for lead and zinc industry (GB25466-2010) and Emission standard of air pollutants for thermal power plants (GB13223-2011)
			Nitrogen oxides	71mg/m ³	320.71	630.4					
			Particulates	13mg/m ³	82.38	338					
			Mercury and its compounds	0.0043mg/m ³	0.00402	0.077					
			Lead and its compounds	0.04mg/m ³	0.0671	0.6926					
		Sulphuric acid mist	13.885mg/m ³	8.61427	-						
Noise	Noise at boundary met the standards of Category II of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)										
22	Luoning Zijin Gold Refinery Co., Ltd.	Wastewater	-	-	-	-	Not discharged and internally reused	0	N/A	No	-
		Exhaust gas	Sulphur dioxide	5.5mg/m ³	17.62	29.73	Organised discharge after meeting regulatory standards	1	The 60m-chimney at the exit of boiling roasting furnace	No	Henan Province regional industrial furnace kiln air pollutant emission standards (DB411066-2020)
			Nitrogen oxides	107mg/m ³	31.68	32.79					
			Particulates	2.33mg/m ³	0.75	-					
Noise	Noise at boundary met the standards of Category II of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)										

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

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

Number	Name of entity	Type of pollutant	Major and special pollutant	Concentration of discharge	Annual total discharge (t)	Approved annual discharge limit (t/a)	Way of discharge	Number of discharge outlet	Distribution of discharge outlets	Whether discharge limit was exceeded	Regulatory basis for pollutant discharge
23	Kuitun Tongguan Metallurgical and Chemical Industry Co., Ltd.	Wastewater	COD	53.35mg/L	0.313	20	Organised discharge after meeting regulatory standards	1	Master discharge outlet at the northeast end of the plant	No	Integrated wastewater discharge standard (GB8978-1996)
			Ammonia nitrogen	8.33mg/L	0.0488	1.51					
			Total arsenic	0.06mg/L	0.00035	-					
			Total copper	0.04mg/L	0.00022	-					
		Exhaust gas	Sulphur dioxide	74.086mg/m ³	3.481	285.4	Organised discharge after meeting regulatory standards	1	Master discharge outlet for tailing gas	No	Special emission limit of the Emission standard of pollutants for sulphuric acid industry (GB26132-2010)
			Particulates	1.466mg/m ³	0.0687	-					
			Nitrogen oxides	4.126mg/m ³	0.194	-					
Noise	Noise at boundary met the standards of Category III of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)										

Note: According to the relevant regulations of the state's pollutant discharge permit, general discharge outlets only control the permitted concentration of discharge without verifying the total discharge volume. Environmental protection tax had been fully paid based on the discharge volume of pollutants.

Appendix 2: Implementation status of environmental impact assessment and "three simultaneous" regulation of key pollutant discharging units of the Company in 2020

Number	Name of entity	Name of construction project	Approval status of environmental impact assessment report (table)			Status of completion and environmental protection acceptance check
			Time of approval	Approval authority	Approval document number	
1	Zijin Copper Co., Ltd.	Transformation of comprehensive utilisation of refined copper resources and harmless treatment project	22 December 2020	Longyan City Ecology and Environment Bureau	Long Huan Shen [2020] No. 562	Under construction
2	Guizhou Zijin Mining Co., Ltd.	Shuiyindong Gold Mine "three in one" processing system expansion project	26 August 2020	Department of Ecology and Environment of Guizhou Province	Qian Huan Shen [2020] No. 91	Under construction
3	Xinjiang Zijin Zinc Co., Ltd.	Yangshugou construction sand mine development project in Kiziloy Township, Wuqia county, Xinjiang	19 September 2020	Wuqia County Ecology and Environment Bureau	Qia Huan Ping Han [2020] No. 22	Under construction
		Xiate construction sand mine no. 2 development project in Kiziloy Township, Wuqia County, Xinjiang	19 September 2020	Wuqia County Ecology and Environment Bureau	Qia Huan Ping Han [2020] No. 21	Under construction
		Mine area greening and rehabilitation project	27 September 2018	Wuqia County Environmental Protection Bureau	Qia Huan Ping Han [2018] No. 16	Self-acceptance check completed in May 2020
		Safe and environmentally-friendly bridge transportation project	13 June 2018	Kizilsu Kyrgyz Autonomous Prefecture Environmental Protection Bureau	Ke Huan Ping Han [2018] No. 45	Self-acceptance check completed in May 2020
4	Jilin Zijin Copper Co., Ltd.	Transformation project of environmental gas circulation system at smelting section and exhaust gas purification system at sulphurisation section	17 July 2019	Hunchun City Ecology and Environmental Protection Bureau	Hun Huan Jian (Biao) Zi [2019] No. 25	Self-acceptance check completed in July 2020
5	Heilongjiang Zijin Copper Co., Ltd.	Copper refining project	11 May 2017	Department of Ecology and Environment of Heilongjiang Province	Hei Huan Shen [2017] No. 24	Self-acceptance check completed in July 2020
6	Bayannur Zijin Non-ferrous Metals Co., Ltd.	Industrial wastewater intensive treatment and utilisation project	19 January 2018	Bayannur City Environmental Protection Bureau	Ba Huan Shen Biao [2018] No. 1	Self-acceptance check completed in February 2020

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

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Number	Name of entity	Name of construction project	Approval status of environmental impact assessment report (table)			Status of completion and environmental protection acceptance check
			Time of approval	Approval authority	Approval document number	
7	Urad Rear Banner Zijin Mining Co., Ltd.	Comprehensive recovery project for tailings pulp of the Miaogou Lead and Zinc Mine with an annual mining and processing capacity of 200 thousand tonnes	4 September 2019	Urad Rear Banner Environmental Protection Bureau	Wu Hou Huan Shen Biao [2019] No. 13	Self-acceptance check completed in September 2020
8	Wenshan Malipo Zijin Tungsten Group Co., Ltd.	Hidden dangers rectification project for the flood drainage system of Yanjiao tailings storage	9 July 2019	Malipo County Subbureau, Wenshan Prefecture Ecology and Environment Bureau	Ma Huan Shen [2019] No. 10	Self-acceptance check completed in April 2020
9	Luoyang Kunyu Mining Co., Ltd.	Construction project of Cilenggou tailings storage (replacement storage for Chenpogou)	5 January 2016	Department of Environmental Protection of Henan Province	Yu Huan Shen [2016] No. 19	Self-acceptance check completed in August 2020
		Shanggong Gold Mine processing plant reconstruction and expansion project	11 April 2019	Department of Ecology and Environment of Henan Province	Yu Huan Shen [2019] No. 14	Self-acceptance check completed in September 2020

Appendix 3: Information of non-key pollutant discharge units of the Company in 2020

Number	Name of entity	Type of pollutant	Major and special pollutant	Concentration of discharge	Annual total discharge (t)	Approved annual discharge limit (t/a)	Way of discharge	Number of discharge outlet	Distribution of discharge outlets	Whether discharge limit was exceeded	Regulatory basis for pollutant discharge
1	Xinjiang Jinbao Mining Co., Ltd.	Wastewater	-	-	-	-	Not discharged and internally reused	0	N/A	No	-
		Exhaust gas	Sulphur dioxide	174.21mg/m ³	10.765	38.08	Organised discharge after meeting regulatory standards	2	The 35m-chimney in boiler house	No	Emission standard of air pollutants for boiler (GB13271-2014)
			Nitrogen oxides	177.5mg/m ³	14.43	47.6					
			Dust	38.67mg/m ³	3.373	9.52					
Noise	Noise at boundary met the standards of Category III of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)										
2	Longnan Zijin Mining Co., Ltd.	Wastewater	-	-	-	-	Not discharged and internally reused	0	N/A	No	-
		Noise	Noise at boundary met the standards of Category II of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)								
3	Fujian Zijin Copper Co., Ltd.	Wastewater	COD	44.31mg/L	4.7760	-	Organised discharge after meeting regulatory standards; general discharge outlet	1	Wastewater treatment station	No	Class 3 standards in Schedule 4 of the Integrated wastewater discharge standard (GB8978-1996)
			Ammonia nitrogen	7.85mg/L	0.819	-					
			Total zinc	<0.009mg/L	0.00223	-					
			Total copper	0.54mg/L	0.0585	-					
			Total nickel	<0.007mg/L	0.000425	-					
		Exhaust gas	Nitrogen oxides	3mg/m ³	66.196	-	Organised discharge after meeting regulatory standards; general discharge outlet	2	The discharge outlet of the smelting furnace in the copper pipe plant, the bronze dust discharge outlet in the plate and strip plant	No	The maximum limit in Schedule 2 of the Integrated emission standard of air pollutants (GB16297-1996)
			Sulphur dioxide	62mg/m ³	0.0535	-					
Noise	Noise at boundary met the standards of Category III of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)										

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

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Number	Name of entity	Type of pollutant	Major and special pollutant	Concentration of discharge	Annual total discharge (t)	Approved annual discharge limit (t/a)	Way of discharge	Number of discharge outlet	Distribution of discharge outlets	Whether discharge limit was exceeded	Regulatory basis for pollutant discharge	
4	Fujian Zijin Mineral Processing Chemicals Co., Ltd.	Wastewater	COD	105.5mg/L	0.655	2.193	Organised discharge after meeting regulatory standards; general discharge outlet	1	Within the plant	No	Class 3 standards in Schedule 4 of the Integrated wastewater discharge standard (GB8978-1996)	
			Ammonia nitrogen	2.2mg/L	0.0205	0.292						
		Exhaust gas	Methylbenzene	3.93mg/m ³	0.1372	-	Organised discharge after meeting regulatory standards; general discharge outlet	1	Exhaust pipe no. 1	No		Emission standard of volatile organic compounds for industrial enterprises (DB35/1782-2018)
			Formaldehyde	1.1mg/m ³	0.0183	-						
			Methanol	8.5mg/m ³	0.0647	-						
			Hydrogen chloride	15.75mg/m ³	0.018	-						
Noise	Noise at boundary met the standards of Category III of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)											
5	Fujian Jinshan High-abrasive Material Co., Ltd.	Exhaust gas	Particulates	1.7-2.9mg/m ³	0.847	-	Organised discharge after meeting regulatory standards; general discharge outlet	4	Oil quenching exhaust gas outlet, sand cleaning exhaust gas outlet, sand treatment (sand mixing) exhaust gas outlet, melting and casting exhaust gas outlet	No	Class 2 standards in Schedule 2 of the Integrated emission standard of air pollutants (GB16297-1996) and Class 2 standards in Schedule 2 of the Emission standard of air pollutants for industrial kiln and furnace (GB9078-1996)	
		Noise	Noise at boundary met the standards of Category III of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)									
6	Fujian Zijin Precious Metals	Wastewater	COD	8.67mL	0.000013	-	Organised discharge after meeting regulatory standards; general discharge outlet	1	Master discharge outlet of wastewater	No	Emission standards of pollutants for inorganic chemical industry (GB31573-2015)	
			Ammonia nitrogen	0.1275mg/L	0.002092	-						
			Total cyanide	Below detectable limit	0.000016	-						
		Exhaust gas	Nitrogen oxides	11.32mg/m ³	0.2748	-	Organised discharge after meeting regulatory standards; general discharge outlet	1	Discharged via a 15m-chimney	No		
			Ammonia gas	6.862mg/m ³	0.30423	-						
			Hydrogen cyanide	0.2832mg/m ³	0.01148	-						Organised discharge after meeting regulatory standards; general discharge outlet
Noise	Noise at boundary met the standards of Category III of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)											

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

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Number	Name of entity	Type of pollutant	Major and special pollutant	Concentration of discharge	Annual total discharge (t)	Approved annual discharge limit (t/a)	Way of discharge	Number of discharge outlet	Distribution of discharge outlets	Whether discharge limit was exceeded	Regulatory basis for pollutant discharge
7	Luoyang Zijin Yinhui Gold Refinery Co., Ltd.	Wastewater	-	-	-	-	Not discharged and internally reused	0	N/A	No	No
		Exhaust gas	Nitrogen oxides	25.5mg/m ³	0.163	-	Organised discharge after meeting regulatory standards; general discharge outlet	1	The discharge outlet of purification section	No	Class 2 standards in Schedule 2 of the Integrated emission standard of air pollutants (GB16297-1996)
			Hydrogen chloride	1.71mg/m ³	0.0107	-					
			Particulates	2.48mg/m ³	0.0256	-					
Noise	Noise at boundary met the standards of Category II of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)										

Note: According to the relevant regulations of the state's pollutant discharge permit, general discharge outlets only control the permitted concentration of discharge without verifying the total discharge volume. Environmental protection tax had been fully paid based on the discharge volume of pollutants.

Corporate Governance Report

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall 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 set out in the Corporate Governance Code and Corporate Governance Report (the "CG Code") contained in Appendix 14 of the Listing Rules.

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

Save as disclosed above, for the year ended 31 December 2020, the Board confirmed that the Group has adopted and complied with the provisions of the CG Code and has followed most of its recommended best practices with no deviation.

SECURITIES TRANSACTIONS BY DIRECTORS AND SUPERVISORS

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules as the model code for the trading of securities by the Directors and Supervisors of the Company. The effective date was 23 December 2003. Having made specific enquiries with all Directors and Supervisors of the Company, the Company confirmed that all Directors and Supervisors have complied with the provisions of the Model Code for the year ended 31 December 2020.

BOARD COMPOSITION AND PRACTICE

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

As at the date of this report, the Board comprises thirteen Directors, including six executive Directors, one non-executive Director and six independent non-executive Directors. The executive Directors are Chen Jinghe, Lan Fusheng, Zou Laichang, Lin Hongfu, Lin Hongying and Xie Xionghui; the non-executive Director is Li Jian, and the independent non-executive Directors are Zhu Guang, Mao Jingwen, Li Changqing, He Fulong, Suen Man Tak and Bo Shao Chuan. The biographical details of each Director are set out in the section headed "Brief Biography of Directors, Supervisors and Senior Management". There is no finance, business, family or other material/relevant relationship(s) among the members of the Board.

Pursuant to the Listing Rules, every board of directors of a listed issuer must include at least three independent non-executive directors and at least one of them must have appropriate professional qualifications or accounting or related financial management expertise. Furthermore, the Company must appoint independent non-executive Directors representing at least one-third of the Board. There are six independent non-executive Directors, representing more than one-third of the Board. The professional composition of independent non-executive Directors 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 a barrister with expertise in Hong Kong laws.

As at 31 December 2020, all the non-executive Directors were appointed from their respective appointment date to 29 December 2022. 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 set out in Rule 3.13 of the Listing Rules and are considered as independent directors pursuant to the provisions of the guideline.

Corporate Governance Report *(continued)*

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Mr. Chen Jinghe is the chairman of the current Board and Mr. Zou Laichang 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, 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 based on their business expertise.

As the president of the Company, Mr. Zou delegates the daily operation management sufficiently. 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 accountable to the president for the business operations of the Group. The president of the Company is accountable to the Board for the overall operations of the Group.

BOARD DIVERSITY POLICY

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

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

EXPLANATIONS ON THE RELEVANT MATTERS OF CORPORATE GOVERNANCE

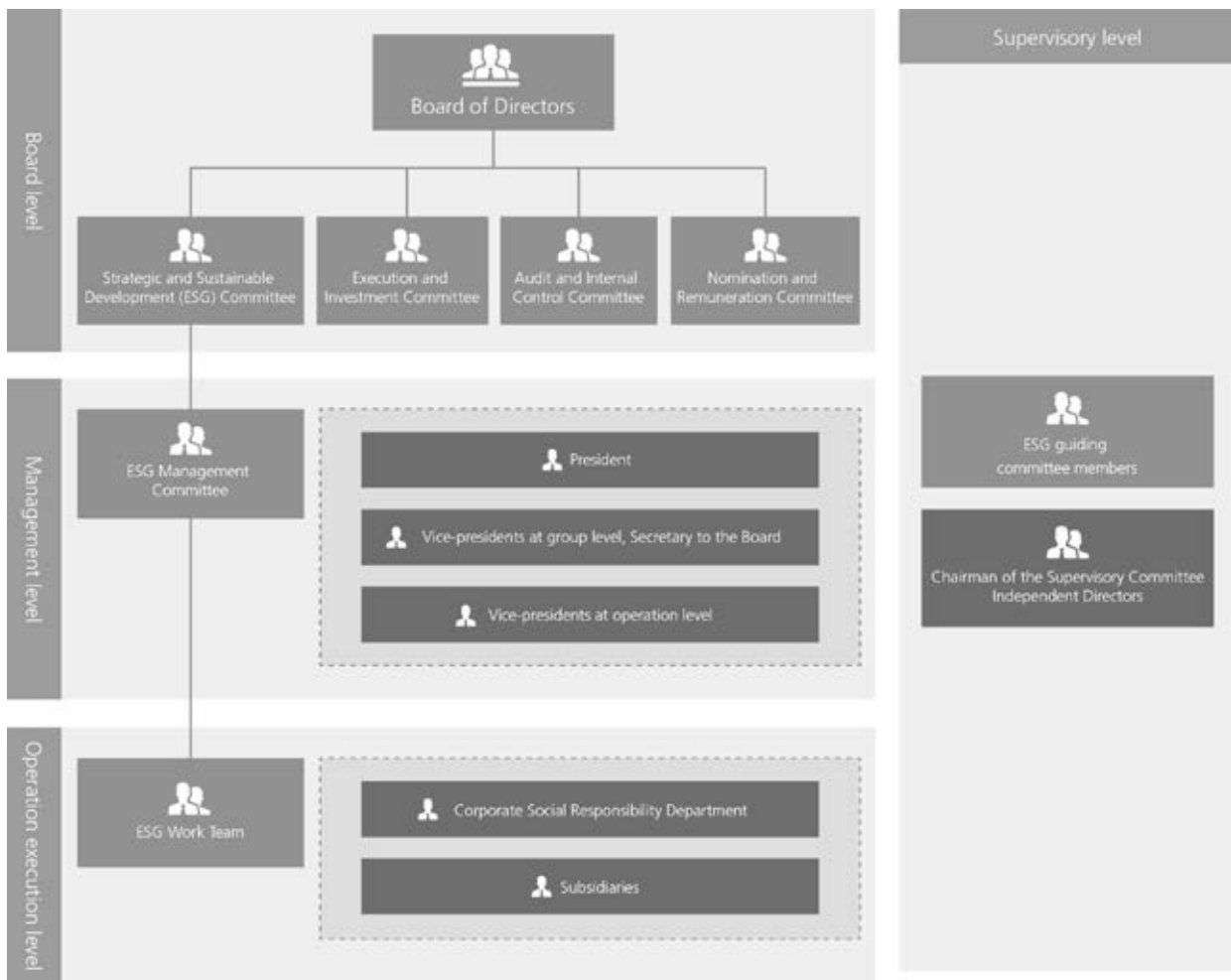
The Company is one of the first Chinese mining companies that underwent mixed-ownership reform and completed the most successful corporate governance system reform. The Company operates under a separation of ownership and management, with high efficiency in decision-making and flexibility in operation mechanism. The Company's Party Committee, Board of Directors, Supervisory Committee and senior management are well-organised, with clear duties and responsibilities, integration and coordination. With clarity in strategic goal and orientation, the Company operates in a consistent and firm manner. The majority of the Company's management personnel are industry experts with great foresight and broad vision and having strong senses of responsibility and mission. The composition of the management team is reasonable, the management personnel are dedicated, professional and loyal in discharge of their duties. Reform has been consistently carried out within the Company to keep enhancing the adaptability of the Company's operation and management mechanism as well as its governance system.

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. The Company's corporate governance structure has been further improved, compliance of the operation has been further strengthened and the corporate governance level has been enhanced significantly.

Corporate Governance Report *(continued)*

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Organisational chart of the Company's management



1. Shareholders and shareholders' general meeting

During the reporting period, the Company convened 1 annual general meeting, 3 extraordinary general meetings and class 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.

2. Relations with the substantial shareholder

The Company and the substantial 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, and the substantial shareholder does not intervene in the daily operation of the Company; the substantial shareholder of the Company strictly complies with the commitments made to the Company to avoid mutual competition within the same industry. During the reporting period, the substantial shareholder of the Company did not use its special status to encroach and prejudice the interests of the Company and other shareholders.

Corporate Governance Report *(continued)*

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3. Directors and the Board

During the reporting period, one additional independent non-executive Director was elected to the Board. At present, the Board consists of 13 members (including one female), in which there are 6 executive Directors, 6 independent non-executive Directors and 1 non-executive Director. The number of members and the composition of the Board comply with the provisions of the relevant laws and regulations. The composition of professions of the members of the Board is reasonable. The members of the Board possess the necessary knowledge, skills and competence to discharge their duties. The Directors attended the shareholders' general meetings and Board meetings in a timely manner, discharged their duties conscientiously, faithfully and diligently, and proactively participated in business trainings. They are familiar with the relevant laws and regulations, and have clear sense of the rights, obligations and responsibilities of a Director.

During the reporting period, in order to cater for the needs of the Company's strategy and sustainable development, enhance corporate governance structure and improve the Company's environmental, social and governance (ESG) performance, the Company renamed the Strategic Committee of the Board to "Strategic and Sustainable Development (ESG) Committee" and amended its corresponding responsibilities, as well as formulated a top-down ESG management structure led by the Board, facilitating an enhancement in the Company's sustainability. Currently, there are four specialised committees under the Board including the Strategic and Sustainable Development (ESG) Committee, Execution and Investment Committee, Audit and Internal Control Committee and Nomination and Remuneration Committee, playing important roles in enhancing the decision-making mechanism of the Board.

4. Supervisors and the Supervisory Committee

The Supervisory Committee 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 requirements of the relevant laws and regulations. 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 specifically responsible for supervising the legal compliance in the Company's day-to-day operation, regulated financial operations, etc. The Company has developed a "five-in-one" supervisory mechanism with Zijin characteristics to strengthen anti-corruption work and the building of a responsible supply chain. The overall result is significant.

5. Amendment and perfection of policies

The Company continuously improves its regulations and systems. As the Company has completed the public issuance of A Shares, during the reporting period, the shareholders' general meeting approved the amendments to the articles in relation to capital structure and registered capital in the articles of association of the Company. The Company also amended the Articles of Operation for Strategic and Sustainable Development (ESG) Committee of the Board to further enhance its sustainability and key ESG performance, and amended the Articles of Operation for Execution and Investment Committee of the Board for further raising the efficiency and quality of investment decisions.

To adapt to the needs of internationalisation in a new era, the Company constantly promotes and deepens reform. During the reporting period, the Company established the Reform Office to commence the development of a globalised operation and management system in all respects. A "three-step" reform plan lasting for 10 years has been devised to accelerate the transformation of the Company's management system from domestically-focused to one that fits the needs of a large-scale, multinational mining company.

Corporate Governance Report *(continued)*

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

6. 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 and the Board Office (Securities Department) are responsible for information disclosure and investor relations management of the Company.

In terms of ESG disclosure, the Company has issued social responsibility reports for 12 consecutive years. The Company is now working on raising its overseas ESG credit ratings. For the purpose of further improving ESG performance and fully enhancing sustainability, the Company issued the Policy Statement on Protection of the Ecological Environment, Policy Statement on Human Resources Management and 6 other statements on its own initiative in 2020, which detailed the comprehensive strategies that the Company has made in preparation for climate change, water resources conservation, biodiversity, community and human rights protection, employees’ health and safety, anti-corruption, supply chain management and other issues which have attracted increasing attention in recent years.

7. Registration and management of insiders

During the reporting period, the Company strictly followed the Management Policy of Inside Information and Insiders, and handled the registrations and filings of insiders properly based on the development of the relevant significant events and confidential matters. There was no unusual volatility of the Company’s stock price resulting from leakage of inside information. The Company’s principle of fair disclosure of information was upheld, and the legitimate interests of the Company’s shareholders were practically protected.

8. Stakeholders of the Company

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

DETAILS OF THE SHAREHOLDERS’ GENERAL MEETINGS

Session of meeting	Convening date	Index of the designated website publishing the resolutions	Date of publishing the resolutions
The first extraordinary general meeting and class meetings in 2020	4 February 2020	www.hkexnews.hk	4 February 2020
2019 annual general meeting	12 June 2020	www.hkexnews.hk	12 June 2020
The second extraordinary general meeting and class meetings in 2020	20 July 2020	www.hkexnews.hk	20 July 2020
The third extraordinary general meeting and class meeting in 2020	29 December 2020	www.hkexnews.hk	29 December 2020

Corporate Governance Report *(continued)*

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

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

The Board convened 31 plenary Board meetings and 4 shareholders' general meetings for the year ended 31 December 2020. The attendance of the Directors at the meetings was as follows:

Name of Director	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 meeting
			Attended in person	Attended via telecommunication	Attended by proxy	Number of meeting attended			
Chen Jinghe	No	31	14	17	0	0	No	4	
Lan Fusheng	No	31	14	17	0	0	No	4	
Zou Laichang	No	31	14	17	0	0	No	4	
Lin Hongfu	No	31	13	17	1	0	No	4	
Lin Hongying	No	31	13	17	1	0	No	4	
Xie Xionghui	No	31	14	17	0	0	No	4	
Li Jian	No	31	13	17	1	0	No	4	
Zhu Guang	Yes	31	14	17	0	0	No	4	
Li Changqing	Yes	31	11	17	3	0	No	4	
Mao Jingwen	Yes	31	10	17	4	0	No	4	
He Fulong	Yes	31	11	17	3	0	No	4	
Suen Man Tak	Yes	31	14	17	0	0	No	4	
Bo Shao Chuan	Yes	1	1	0	0	0	No	1	

Number of Board meetings held in 2020	31
In which, number of physical meetings	14
meetings via telecommunication	17
physical meetings combined with telecommunication	0

CORPORATE GOVERNANCE FUNCTIONS

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

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

Corporate Governance Report *(continued)*

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

CONTINUOUS PROFESSIONAL DEVELOPMENT

The Directors have been informed of the requirements under provision A.6.5 of the CG Code regarding continuous professional development. For the year ended 31 December 2020, 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 Hong Kong Stock Exchange.

NOMINATION AND REMUNERATION OF THE DIRECTORS

The Board established the Nomination and Remuneration Committee. It comprises independent non-executive Directors, Mr. Zhu Guang, Mr. Mao Jingwen, Mr. He Fulong and Mr. Suen Man Tak, non-executive Director, Mr. Li Jian, and the chairman of the Board, Mr. Chen Jinghe. The Chief Officer of the committee is Mr. Zhu Guang and the Deputy Officer is Mr. He Fulong. The Nomination and Remuneration Committee also comprises various working group members. The Policy for the Nomination and Remuneration Committee would be amended pursuant to the amendments to the CG Code. The Policy and the terms of reference of the Nomination and Remuneration Committee are published on the website of the Company.

The major responsibilities of the Nomination and Remuneration Committee during the year were:

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

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

PROCEDURE AND BASIS FOR DETERMINATION OF REMUNERATION

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

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, whether to adopt performance-based remuneration, etc.

Corporate Governance Report *(continued)*

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

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 2019 annual performance assessment of the Directors, Supervisors and senior management.

In the second half of 2020, the Nomination and Remuneration Committee has taken the lead for organising the 2020 annual performance assessment of the Directors, Supervisors and senior management of the Company.

During 2020, the Nomination and Remuneration Committee held a total of 3 meetings.

THE ATTENDANCE OF NOMINATION AND REMUNERATION COMMITTEE MEETINGS

Name of Director	Number of committee meetings	Attended	Absent
Zhu Guang <i>(Chief Officer)</i>	3	3	0
He Fulong <i>(Deputy Officer)</i>	3	3	0
Mao Jingwen	3	3	0
Suen Man Tak	3	3	0
Chen Jinghe <i>(Chairman)</i>	3	3	0
Li Jian	3	3	0

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

REMUNERATION OF THE DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Decision-making procedures for the remuneration of the Directors, Supervisors and senior management

The proposal in relation to remuneration and allowances of the Company's Directors, Supervisors and senior management was approved at the shareholders' general meeting and the Board's meeting. The Nomination and Remuneration Committee of the Board assesses the performance of the Company's executive Directors, chairman of the Supervisory Committee and senior management according to the remuneration proposal and assessment criteria and proposes the total amount of remuneration for every financial year. The remuneration of the senior management personnel will be considered and approved by the Company's Board, while the remuneration of the Company's executive Directors and chairman of the Supervisory Committee will be considered and approved at the annual general meeting.

Basis for determining the remuneration of the Directors, Supervisors and senior management

The remuneration and assessment proposal of the Directors, Supervisors and senior management of the seventh term was approved at the Company's second extraordinary general meeting in 2019 on 30 December 2019 and the first meeting of the seventh term of the Board, and the amendments to the abovementioned proposal was approved at the Company's third extraordinary general meeting in 2020 on 29 December 2020 and the twenty-seventh extraordinary meeting in 2020 of the seventh term of the Board.

ANNUAL REMUNERATION OF THE DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

In the year 2020, the details of the remuneration payable to members of senior management by band are as follow:

RMB1,000,001 – RMB2,000,000	5
RMB2,000,001 – RMB3,000,000	1

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

Corporate Governance Report *(continued)*

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

AUDITOR'S REMUNERATION

For the year ended 31 December 2020, the audit fee charged by the auditor of the Company was RMB11,800,000. RMB1,250,000 was also charged by the Company's auditor for providing professional services relating to the Company's public issuance of A Share convertible corporate bonds including capital verification and verification of replacement of the Company's own financing used in project investment with the proceeds raised. In addition, members of the auditor's network provided consultation services to the Company. Details of the charges are as follows: HKD320,000 for providing taxation services to the Group's subsidiaries incorporated in Hong Kong, RMB3,013,098 for providing tax consultation to the Group's overseas subsidiaries, and RMB700,000 for providing financial and tax due diligence to the Group.

AUDIT AND INTERNAL CONTROL COMMITTEE

The Audit and Internal Control Committee comprises independent non-executive Directors, Mr. Zhu Guang, Mr. Li Changqing, Mr. He Fulong, Mr. Suen Man Tak and Mr. Bo Shao Chuan, non-executive Director, Mr. Li Jian, and executive Directors, Mr. Zou Laichang and Ms. Lin Hongying. The Chief Officer of the committee is Mr. Li Changqing and the Deputy Officer is Mr. He Fulong.

THE ATTENDANCE OF AUDIT AND INTERNAL CONTROL COMMITTEE MEETINGS

Name of Director	Number of committee meetings ought to be attended	Attended	Absent
Li Changqing <i>(Chief Officer)</i>	7	7	0
He Fulong <i>(Deputy Officer)</i>	7	6	1
Zhu Guang	7	7	0
Suen Man Tak	7	7	0
Bo Shao Chuan <i>(Appointed as a committee member on 29 December 2020)</i>	0	0	0
Li Jian	7	7	0
Zou Laichang <i>(President)</i>	7	7	0
Lin Hongying	7	7	0

The Board considers that members of the Audit and Internal Control Committee have sufficient professional knowledge and experience in accounting and financial management to enable them to discharge their duties.

The terms of reference of the Audit and Internal Control Committee are published on the website of the Company.

The major responsibilities of the Audit and Internal Control Committee during the year were:

- 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 disclosures (including annual report, interim report, quarterly reports and any feasible financial review);
- To review the risk management and internal control systems, the effectiveness of the Company's internal audit function, and its other duties under the CG Code; and
- To audit and review the Company's financial reporting, risk management and internal control systems and to audit material connected transactions.

Corporate Governance Report *(continued)*

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

The Audit and Internal Control Committee has held meetings on a regular basis since its establishment and convened 7 meetings during the reporting period.

In the meetings held in March 2020, the committee reviewed the work report prepared by the Supervisory and Audit Office and reviewed the auditor's report and connected transactions of the Group for the year 2019, and also submitted its concluding opinion on relevant connected transactions and the audit to the Board.

In the meeting held in April 2020, the committee reviewed the first quarterly report of the Group for the year 2020 and submitted its concluding opinion on the audit to the Board.

In the meeting held in August 2020, the committee reviewed the interim report for the year 2020 and connected transactions of the Group, and reviewed the effectiveness of the Group's risk management and internal control systems and submitted its concluding opinion on the audit to the Board.

In the meeting held in October 2020, the committee reviewed the third quarterly report of the Group for the year 2020 and submitted its concluding opinion on the audit to the Board.

The Audit and Internal Control Committee has communicated with the auditor for the key focusing issues before they started the audit field work for the year 2020, during the audit process and after the first draft of auditor's report was issued respectively. The Audit and Internal Control Committee convened a meeting on 17 March 2021, at which it considered and approved the 2020 annual report of the Company and considered that: there is no material omission in the 2020 annual financial report issued by Ernst & Young Hua Ming LLP, it fairly presented the financial position of the Company as at 31 December 2020 and the production and operating results of 2020 in all material aspects, and the committee agreed to submit the aforementioned documents to the Board for consideration.

THE ATTENDANCE OF STRATEGIC AND SUSTAINABLE DEVELOPMENT (ESG) COMMITTEE/ STRATEGIC COMMITTEE

Name of Director	Number of committee meetings		
	Attended	Absent	
Chen Jinghe <i>(Chairman) (Chief Officer)</i>	1	1	0
Lan Fusheng <i>(Vice-chairman) (Deputy Officer)</i>	1	1	0
Zou Laichang <i>(President)</i>	1	1	0
Xie Xionghui <i>(Appointed as a committee member on 24 September 2020)</i>	0	0	0
Li Jian	1	1	0
Zhu Guang	1	1	0
Mao Jingwen	1	1	0
He Fulong	1	1	0
Bo Shao Chuan <i>(Appointed as a committee member on 29 December 2020)</i>	0	0	0

THE ATTENDANCE OF EXECUTION AND INVESTMENT COMMITTEE MEETINGS

Name of Director	Number of committee meetings		
	Attended	Absent	
Chen Jinghe <i>(Chairman) (Chief Officer)</i>	25	25	0
Zou Laichang <i>(President) (Deputy Officer)</i>	25	25	0
Lan Fusheng <i>(Vice-chairman)</i>	25	25	0
Lin Hongfu	25	25	0
Lin Hongying	25	25	0
Xie Xionghui	25	25	0

Corporate Governance Report *(continued)*

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

DIRECTORS' RESPONSIBILITIES IN RESPECT OF FINANCIAL REPORTS

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

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

COMPANY SECRETARY

Mr. Fan Cheung Man is the company secretary. Details of the biography of the company secretary are set out in the section headed "Brief Biography of Directors, Supervisors and Senior Management" of this report. The company secretary took no less than 15 hours of relevant professional training for the year ended 31 December 2020 as required by the Listing Rules.

SHAREHOLDING INTERESTS OF SENIOR MANAGEMENT

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

CHANGE IN CONSTITUTIONAL DOCUMENTS

At the shareholders' general meetings held on 4 February 2020, the shareholders approved the amendments to certain articles in the articles of association of the Company. An updated version of the articles of association of the Company is available on the websites of the Company and the Hong Kong Stock Exchange.

SHAREHOLDERS' RIGHTS

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

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

When the Company convenes an annual general meeting, it shall send out a notice 20 clear business days before such meeting is held; when the Company convenes an extraordinary general meeting, it shall send out a notice 10 clear business days or 15 days (whichever is longer) before such meeting is held; when the Company plans to hold a classified shareholders' meeting, a notice shall be issued with respect to the notice period of convening an extraordinary general meeting, to inform all shareholders recorded in the shareholders' register of the matters to be discussed and the date and place of the meeting.

In the shareholders' general meeting convened by the Company, shareholders solely or jointly holding more than 3% of the total shares carrying voting rights 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 Company, www.zjky.cn.

Corporate Governance Report *(continued)*

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

INQUIRY TO THE BOARD

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

OBJECTIONS RAISED BY INDEPENDENT DIRECTORS FOR MATTERS RELATED TO THE COMPANY

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

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

1. The Strategic and Sustainable Development (ESG) Committee

During the reporting period, the Company renamed the Strategic Committee of the Board to "Strategic and Sustainable Development (ESG) Committee" and amended its corresponding responsibilities, for the purposes of further strengthening the Company's strategies and sustainability, enhancing corporate governance structure and improving the Company's environmental, social and governance (ESG) performance. Based on its research and analysis on the global economic and mining industry conditions as well as the Company's new development stage, the Strategic and Sustainable Development (ESG) Committee formulated the Outline of Five-Year (2+3) Plan and Development Goals for 2030, which proposed raising substantially the Company's global core competitiveness and sustainability within the next 10 years, and pursuing the overall strategic goal of becoming an "extra-large scale international mining group with high technology and efficiency". To converge with international standards and practices, it also studied on and proposed a top-down environmental, social and governance (ESG) structure from the Board to the lower levels, and formulated the Policy Statement on Protection of the Ecological Environment, Policy Statement on Human Resources Management and 6 other statements, which were formulated into resolutions and submitted to the Board for consideration.

2. Execution and Investment Committee

The Execution and Investment Committee of the Board is a specialised committee of the Board and a standing execution and investment organisation authorised by the Board. It executes the power of the Board within the scope of the Board's authorisation and is responsible to the Board. During the reporting period, in accordance with the Board's requirements regarding adjustment to strategy, investment and significant matters management functions, the seventh term of the Execution and Investment Committee amended its articles of operation, strengthened its investment decision-making function within the scope of authorisation and carried out review or research and formulated decisions or guiding opinions regarding the Company's important regulations amendments (formulation), external investment, project construction or technological upgrade, disposals of assets, disposals of equity interests or mining rights, deregistration of subsidiaries and other important production and operation matters, reported the same to the Board according to the authority stated in the rules or formulated the matters into resolutions and submitted to the Board for consideration in a timely manner.

3. Audit and Internal Control Committee

During the reporting period, the seventh term of the Audit and Internal Control Committee of the Board 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 2019, first quarterly report 2020, interim report 2020 and third quarterly report 2020, issued written approval and fully discharged its duties according to the implementation policy. The seventh term of the Audit and Internal Control Committee communicated with the auditor before the commencement of the field-works of the annual audit, during the audit process, and after issuance of the first draft of auditor's report, acquired an understanding of the progress of annual audit work amid the COVID-19 pandemic, and exchanged their opinions on key issues with the auditor. The seventh term of the Audit and Internal Control Committee of the Board convened a meeting on 17 March 2021 and approved the Company's annual report 2020, and considered that there was no material omission in the 2020 financial report issued by Ernst & Young Hua Ming LLP, and that it presented the financial position of the Company as at 31 December 2020 and the production and operating results for the year 2020 fairly in all material aspects. The Audit and Internal Control Committee agreed to submit the above documents to the Company's Board for consideration.

Corporate Governance Report *(continued)*

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

4. Nomination and Remuneration Committee

During the reporting period, the seventh term of the Nomination and Remuneration Committee of the Board reviewed the remuneration of the Company's executive Directors, chairman of the Supervisory Committee and senior management based on the annual operating results for the year 2019, and submitted the proposal to the Board and shareholders' general meeting for approval. The seventh term of the Nomination and Remuneration Committee of the Board convened a meeting on 17 November 2020 and unanimously considered and approved the Company's restricted A Share incentive scheme for 2020, and agreed to submit the proposal to the Board for approval. It reviewed on the background of Mr. Bo Shao Chuan, the independent non-executive Director candidate in the by-election, and agreed to submit the proposal of nominating the independent non-executive Director candidate to the Board for consideration. It also agreed to amend the Remuneration and Assessment Proposal of Directors, Chairman of the Supervising Committee and Senior Management of the Seventh Term as it considered that the amendments could ensure the Company meets the requirements relating to sustainable development and ESG work better, and further arouse the initiative and sense of responsibility of the Directors and Supervisors.

RISKS IN THE COMPANY DISCOVERED BY THE SUPERVISORY COMMITTEE

During the reporting period, the Supervisory Committee had no disagreement on the supervised matters.

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

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

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

Pursuant to the Remuneration and Assessment Proposal of Senior Management of the Seventh Term as approved at the first meeting of the seventh term of the Board and the Proposal in relation to Amendment to the Remuneration and Assessment Proposal of Senior Management of the Seventh Term as approved at the twenty-seventh extraordinary meeting in 2020 of the seventh term of the Board, the Nomination and Remuneration Committee of the Board approved the total amount of the remuneration of senior management according to the status of completion of the production and operation of the Company of the year, and submitted the proposal to the Board for consideration.

INVESTOR RELATIONS

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

The Group held press conferences and/or briefings for investment analysts immediately following the announcements of its annual and interim results. The chairman of the Board and senior management such as the financial controller of the Group were present to analyse the performance of the Group during the relevant periods, expounded the business development of the Group and answered queries raised by investors. Along with the issuance of A Shares, the Group issued results announcements on 28 April 2020 for the first quarter of year 2020 and on 19 October 2020 for the third quarter of year 2020 respectively.

Results announcements of the Group have been published in a timely manner on the websites of the Company and the Hong Kong Stock Exchange.

The Group not only frequently participated in investor conferences, received analysts and investors for their visits, answered investors' phone 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.

Corporate Governance Report *(continued)*

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

During the year, the Company convened the first extraordinary general meeting and class meetings in 2020 on 4 February 2020, 2019 annual general meeting on 12 June 2020, the second extraordinary general meeting and class meetings in 2020 on 20 July 2020 and the third extraordinary general meeting and class meeting in 2020 on 29 December 2020. Details are set out in this report.

As at 31 December 2020, the registered capital of the Company is RMB2,537,725,994.6, comprising 5,736,940,000 floating H Shares listed on the Hong Kong Stock Exchange, representing approximately 22.61% of the total issued shares; and 19,640,319,946 floating A Shares listed on the Shanghai Stock Exchange, representing approximately 77.39% of the total issued shares. The total floating 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 risk management and internal control systems at least once annually, and the Company considers that the systems are effective and adequate.

INTERNAL CONTROL

It is the responsibility of the Board 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. The management is responsible for organising and leading the daily operation of the corporation's internal control. The Board, Supervisory Committee and the Directors, Supervisors and senior management guarantee that there is no false record, misleading statement or material omission in the 2020 internal control and evaluation report, and they will bear joint and several liabilities for the truthfulness, accuracy and completeness of the contents herein.

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

CONCLUSIONS ON THE INTERNAL CONTROL EVALUATION ON FINANCIAL REPORTING

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

Corporate Governance Report *(continued)*

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

WORK ON INTERNAL CONTROL EVALUATION

Scope of internal control evaluation

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

Major business units included in the scope of evaluation were:

47 subsidiaries including COMMUS, Zeravshan in Tajikistan, the Zijinshan Gold and Copper Mine, Ashele Copper, Duobaoshan Copper, Xinjiang Jinbao, Zijin Copper, Zijin Gold Smelting, Fujian Zijin Copper, Heilongjiang Zijin Copper, Xinjiang Zijin Non-ferrous, Zijin Construction, Zijin Engineering Technology, Zijin Logistics and Capital Company. During the year 2020, the headquarters and 14 major subsidiaries were covered by the internal control assessment conducted by the Supervisory and Audit Office of the Group; the Supervisory and Audit Office oversaw and guided 41 key subsidiaries to conduct self-assessment on internal control.

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

By business segments, the followings were included: overseas projects, mining segment, refining and processing segment, construction segment, logistics segment, financial segment, etc.; by process the followings were included: organisational structure, development strategy, human resources, social responsibility, safety and environmental protection, corporate culture and other company-level internal control functions, as well as capital activities (including investment, financing and working capital management), procurement business, engineering projects, business outsourcing, asset management, sales business, comprehensive budgeting, internal communication, research and development, guarantee business, financial reporting, contract management, tax management, calculation and aggregation of production costs, expenses, information system and other main operational processes. During the year, the Company also put emphasis on conducting daily internal control supervision, special internal control testing and evaluation or internal control research on project construction, procurement of materials, compliance with regulations of oversea operations, prevention and control of pandemic, inventory management, financing activities, hedging business and prevention and control of foreign exchange risk.

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

High-risk areas which were given special attention mainly include compliance with regulations of overseas operations, prevention and control of pandemic, accounting for project conclusion, supplier management, capital, hedging business and prevention and control of foreign exchange risk, trade financing and other businesses as well as safety and environmental protection.

Auditor's Report

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)



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Ernst & Young Hua Ming (2021) Shen Zi No. 60468092_H01
Zijin Mining Group Company Limited

To the shareholders of Zijin Mining Group Company Limited:

I. AUDIT OPINION

We have audited the financial statements of Zijin Mining Group Company Limited (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated and company statements of financial position as at 31 December 2020, and the consolidated and company statements of profit or loss, the consolidated and company statements of changes in equity and the consolidated and company statements of cash flows for the year then ended, and notes to the financial statements.

In our opinion, the financial statements give a true and fair view of, in all material respects, the consolidated and company's financial position as at 31 December 2020, and the consolidated and company's financial performance and cash flows for the year then ended in accordance with Accounting Standards for Business Enterprises.

II. BASIS FOR OPINION

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

III. KEY AUDIT MATTERS

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

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

Auditor's Report *(continued)*

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

Ernst & Young Hua Ming (2021) Shen Zi No. 60468092_H01
Zijin Mining Group Company Limited

III. KEY AUDIT MATTERS *(continued)*

Key audit matter	How our audit addressed the key audit matter
Impairment of non-current assets – fixed assets, construction in progress, intangible assets and goodwill	
<p>As at 31 December 2020, the fixed assets, construction in progress, intangible assets and goodwill of Zijin Mining amounted to RMB48,545,670,954, RMB15,236,029,582, RMB46,760,243,982 and RMB314,149,588, respectively, which are material to the total assets of consolidated financial statements.</p> <p>The management assessed at the end of the reporting period whether there is any indication that the non-current assets may be impaired. If there is an indication that non-current assets, as well as asset groups and sets of asset groups with goodwill allocated may be impaired, Zijin Mining shall conduct the impairment test and estimate the recoverable amount of such assets. 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 calculation of the recoverable amount of such assets require management's significant estimates on the mineral reserves, production plans, sales prices, operating costs, depreciation expenses, taxes, capital expenditures, discount rates, etc.</p> <p>To obtain the recoverable amount of an asset is complicated and involves significant estimates. Therefore, we considered this as a key audit matter.</p> <p>Please refer to Notes III.14, 15, 18, 19 and 35 and Notes V.15, 16, 18, 19 and 57 to the financial statements for the accounting policies, significant accounting judgments and estimates and the relevant disclosures in the financial statements.</p>	<p>We performed the following procedures in our audit for the assessment of impairment of such non-current assets:</p> <ol style="list-style-type: none"> 1. We understood and evaluated the related internal controls of impairment provision; and performed tests on key internal controls to assess the effectiveness of the design and operating of key internal controls. 2. We discussed with the management and reviewed whether there is any indication of impairment of non-current assets. If there is an indication that non-current assets as well as asset groups and sets of asset groups with goodwill allocated may be impaired, we reviewed the management's identification of an asset group and the reasonableness of impairment test models. 3. We reviewed the related valuation reports used to calculate the recoverable amount, interviewed the valuation experts engaged by the management and assessed their objectivity and competence. We invited internal experts to review the market parameters adopted for the evaluation; or review the reasonableness of the key assumptions used in the discounted cash flow projection models (mainly including the mineral reserves, production plans, operating costs, depreciation expenses, taxes and capital expenditures, etc.); and invited internal experts to review the discounted cash flow projection models and the reasonableness of assumptions and parameters adopted for the models, including sales prices, discount rates, etc. 4. We reviewed the accuracy of the management's forecast from previous periods and compared the assumptions adopted for the models with the economic situation and the market trend. 5. We evaluated the adequacy and completeness of the relevant disclosures in the notes to the financial statements.

Auditor's Report *(continued)*

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

Ernst & Young Hua Ming (2021) Shen Zi No. 60468092_H01
Zijin Mining Group Company Limited

III. KEY AUDIT MATTERS *(continued)*

Key audit matter	How our audit addressed the key audit matter
Business combinations not involving enterprises under common control	
<p>1. On 5 March 2020, Zijin Mining acquired 100% equity interest of Continental Gold Inc. ("Continental Gold") through its subsidiary with a total purchase consideration of CAD1,335,786,131, which was equivalent to approximately RMB6,910,788,547.</p> <p>2. On 9 July 2020, Zijin Mining acquired 50.1% equity interest of Tibet Julong Copper Co., Ltd. ("Julong Copper") with a total purchase consideration of RMB3,882,750,000.</p> <p>3. On 25 August 2020, Zijin Mining acquired all the remaining equity interest of Guyana Goldfields Inc. ("Guyana Goldfields"), for which the purchase consideration consisted of CAD299,638,920 and the original holding of 12,597,200 shares, which was approximately RMB1,693,361,892 in total.</p> <p>The purchase transactions mentioned above involve accounting treatment of business combinations not involving enterprises under common control, Zijin Mining shall make judgements on whether they are business acquisition, allocate the acquisition costs at the acquisition dates, measure the fair values of the acquirees' identifiable assets, liabilities and contingent liabilities at the acquisition dates, and determine the goodwill or purchase discount arisen from such acquisitions. The amounts are material, and the measurement of the fair values of the acquirees' identifiable assets, liabilities and contingent liabilities involves complex evaluation techniques and management's significant estimates, of which the key assumptions include the useful life of mine, proven mineral reserves, production plans, sales prices, operating costs, depreciation expenses, taxes, capital expenditures, discount rates, etc. Therefore, we considered this as a key audit matter.</p> <p>Please refer to Note III.4 and Note VI.1 to the financial statements for the accounting policies, significant accounting judgements and estimates and the relevant disclosure in the financial statements.</p>	<p>We performed the following procedures in our audit for the business combinations not involving enterprises under common control:</p> <ol style="list-style-type: none"> 1. We understood and evaluated the related internal controls of acquisition; and performed tests on key controls to assess the design and operating effectiveness of key internal controls. 2. We reviewed the acquisition agreements, the management's judgement on the purchase types and acquisition dates as well as management's understanding of agreement terms and analysis of the effect on accounting treatment. 3. We interviewed the valuation experts engaged by the management and assessed their objectivity and competence, and obtained the knowledge of the evaluation method and models adopted for measuring the fair value of identifiable assets, liabilities and contingent liabilities at the acquisition date. 4. Based on our understanding of the industries and the related professional reports, we reviewed the reasonableness of the discounted cash flow projection models and their key assumptions (mainly including the mineral reserves, production plans, operating costs, depreciation expenses, taxes and capital expenditures, etc.) and invited internal experts to review the discounted cash flow projection models and the reasonableness of assumptions and parameters adopted for the models, including sales prices, discount rates, etc. 5. We evaluated the adequacy and completeness of the relevant disclosures in the notes to the financial statements.

Auditor's Report *(continued)*

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

Ernst & Young Hua Ming (2021) Shen Zi No. 60468092_H01
Zijin Mining Group Company Limited

IV. OTHER INFORMATION

Management is responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon.

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

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

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

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

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

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

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

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

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

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

- 1) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 2) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- 3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Auditor's Report *(continued)*

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

Ernst & Young Hua Ming (2021) Shen Zi No. 60468092_H01
Zijin Mining Group Company Limited

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

As part of an audit in accordance with CSA, we exercise professional judgement and maintain professional scepticism throughout the audit. We also: *(continued)*

- 4) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- 5) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 6) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Ernst & Young Hua Ming LLP

Chinese Certified Public Accountant: Deng Dongmei
(Engagement Partner)

Beijing, the People's Republic of China

Chinese Certified Public Accountant: Fu Sichun

19 March 2021

Consolidated Statement of Financial Position

As at 31 December 2020

RMB

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

ASSETS	Note V	31 December 2020	31 December 2019
CURRENT ASSETS			
Cash and cash equivalents	1	11,955,339,296	6,225,144,800
Held for trading financial assets	2	1,930,142,166	687,951,525
Trade receivables	3	1,141,449,611	944,115,730
Receivables financing	4	1,584,054,139	1,318,505,074
Prepayments	5	1,410,054,078	1,323,248,170
Other receivables	6	1,195,047,565	899,847,411
Inventories	7	18,064,160,420	14,886,554,158
Current portion of non-current assets	8	40,255,087	956,692,852
Other current assets	9	1,941,901,571	1,352,336,396
Total current assets		39,262,403,933	28,594,396,116
NON-CURRENT ASSETS			
Debt investments	10	255,811,321	–
Long-term equity investments	11	7,099,654,913	6,924,416,093
Other equity instrument investments	12	6,482,326,358	4,410,441,677
Other non-current financial assets	13	37,500,000	951,779,422
Investment properties	14	124,070,873	130,373,389
Fixed assets	15	48,545,670,954	38,624,766,390
Construction in progress	16	15,236,029,582	5,876,829,425
Right-of-use assets	17	238,255,309	354,772,381
Intangible assets	18	46,760,243,982	24,162,508,461
Goodwill	19	314,149,588	314,149,588
Long-term deferred assets	20	1,301,906,634	1,205,837,946
Deferred tax assets	21	1,182,983,944	836,666,816
Other non-current assets	22	15,472,243,012	11,444,009,515
Total non-current assets		143,050,846,470	95,236,551,103
TOTAL ASSETS		182,313,250,403	123,830,947,219

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

Consolidated Statement of Financial Position *(continued)*

As at 31 December 2020

RMB

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

LIABILITIES AND OWNERS' EQUITY	Note V	31 December 2020	31 December 2019
CURRENT LIABILITIES			
Short-term borrowings	23	20,719,121,154	14,440,917,886
Held for trading financial liabilities	24	647,508,441	326,139,054
Bills payable	25	955,561,056	420,860,145
Trade payables	26	5,542,998,831	4,382,104,169
Contract liabilities	27	452,695,891	359,453,565
Employee benefits payable	28	1,317,467,162	852,297,934
Taxes payable	29	1,880,291,712	985,193,397
Other payables	30	7,371,403,664	5,326,849,819
Current portion of non-current liabilities	31	7,975,748,215	5,768,840,060
Other current liabilities	32	172,904,917	500,000,000
Total current liabilities		47,035,701,043	33,362,656,029
NON-CURRENT LIABILITIES			
Long-term borrowings	33	29,082,887,198	13,826,221,524
Bonds payable	34	16,109,678,619	11,966,468,687
Lease liabilities	35	172,704,600	282,347,122
Long-term payables	36	1,946,237,992	1,201,391,669
Provisions	37	4,136,622,582	2,927,712,283
Deferred income	38	456,711,967	496,720,164
Deferred tax liabilities	21	6,543,876,371	2,687,831,677
Other non-current liabilities	39	2,232,388,555	-
Total non-current liabilities		60,681,107,884	33,388,693,126
TOTAL LIABILITIES		107,716,808,927	66,751,349,155

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

Consolidated Statement of Financial Position *(continued)*

As at 31 December 2020

RMB

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

LIABILITIES AND OWNERS' EQUITY <i>(continued)</i>	Note V	31 December 2020	31 December 2019
EQUITY			
Share capital	40	2,537,725,995	2,537,725,995
Other equity instruments	41	5,355,681,209	4,985,500,000
<i>Including: Renewable corporate bonds</i>		4,486,950,000	4,985,500,000
Capital reserve	42	18,610,084,074	18,690,342,400
Other comprehensive income	43	812,570,699	(473,929,209)
Special reserve	44	154,686,505	120,952,216
Surplus reserve	45	1,319,401,104	1,319,401,104
Retained earnings	46	27,748,404,618	24,005,972,520
Equity attributable to owners of the parent		56,538,554,204	51,185,965,026
Non-controlling interests		18,057,887,272	5,893,633,038
TOTAL EQUITY		74,596,441,476	57,079,598,064
TOTAL LIABILITIES AND OWNERS' EQUITY		182,313,250,403	123,830,947,219

The financial statements were signed by the followings:

Legal representative:

Principal in charge of accounting:

Head of accounting department:

Chen Jinghe

Wu Honghui

Qiu Shoucai

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

Consolidated Statement of Profit or Loss

For the year ended 31 December 2020

RMB

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

	Note V	2020	2019
OPERATING INCOME	47	171,501,338,490	136,097,978,018
Less: Operating costs	47	151,070,863,441	120,582,627,749
Taxes and surcharges	48	2,499,195,383	1,874,141,394
Selling expenses	49	427,684,618	574,433,782
Administrative expenses	50	3,845,610,597	3,689,326,869
Research and development expenses	51	582,514,953	476,341,941
Financial expenses	52	1,784,243,603	1,466,849,459
Including: Interest expenses		2,056,543,584	1,927,817,536
Interest income		620,767,659	499,675,899
Add: Other income	53	342,312,056	290,839,484
Investment (losses)/income	54	(522,067,721)	34,406,224
Including: Share of profits of associates and joint ventures		209,744,927	96,011,495
Gains/(Losses) on changes in fair value	55	342,356,736	(59,752,112)
Credit impairment gains/(losses)	56	130,622,540	(65,619,609)
Impairment losses on assets	57	(357,114,009)	(368,381,596)
Gains/(Losses) on disposal of non-current assets	58	12,407,033	(23,675,053)
OPERATING PROFIT		11,239,742,530	7,242,074,162
Add: Non-operating income	59	138,757,205	50,080,938
Less: Non-operating expenses	60	532,472,561	317,876,334
PROFIT BEFORE TAX		10,846,027,174	6,974,278,766
Less: Income tax expenses	61	2,387,988,221	1,913,374,082
NET PROFIT		8,458,038,953	5,060,904,684
Classification according to the continuity of operation			
Net profit from continuing operations		8,458,038,953	5,060,904,684
Attributable to:			
Owners of the parent		6,508,553,913	4,283,957,365
Non-controlling interests		1,949,485,040	776,947,319

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

Consolidated Statement of Profit or Loss *(continued)*

For the year ended 31 December 2020

RMB

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

	Note V	2020	2019
NET OTHER COMPREHENSIVE INCOME AFTER TAX			
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods			
Changes in fair value of other equity instrument investments	43	2,183,173,385	1,146,766,336
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods			
Hedging costs - forward elements	43	5,617,436	(65,505,914)
Exchange differences arising from translation of financial statements denominated in foreign currencies	43	(872,186,733)	123,196,019
Other comprehensive income attributable to owners of the parent			
		1,316,604,088	1,204,456,441
Other comprehensive (loss)/income attributable to non-controlling interests			
		(541,960,459)	85,157,856
Sub-total of net other comprehensive income after tax		774,643,629	1,289,614,297
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		9,232,682,582	6,350,518,981
Attributable to:			
<i>Owners of the parent</i>		7,825,158,001	5,488,413,806
<i>Non-controlling shareholders</i>		1,407,524,581	862,105,175
Earnings per share			
Basic earnings per share	62	0.25	0.18
Diluted earnings per share		0.25	0.18

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

Consolidated Statement of Changes in Equity

For the year ended 31 December 2020

RMB

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

For the year ended 31 December 2020

	Attributable to owners of the parent										Total equity	
	Share capital		Other equity instruments		Capital reserve		Other comprehensive income		Non-controlling interests			
	Renewable corporate bonds	Others	Renewable corporate bonds	Others	Special reserve	Retained earnings	Surplus reserve	Subtotal	Subtotal	Subtotal		
I. Opening balance of the current year	4,985,500,000	-	18,690,342,400	-	120,952,216	1,319,401,104	24,005,972,520	51,185,965,026	5,893,633,038	57,079,598,064	2,537,725,995	57,079,598,064
II. Changes for the year	-	-	-	1,316,604,088	-	-	6,508,553,913	7,825,158,001	1,407,524,581	9,232,682,582	-	9,232,682,582
(i) Total comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-
(ii) Owners' contributions and reductions in capital	-	-	-	-	-	-	-	-	-	-	-	-
1. Capital contributed by owners	-	-	-	-	-	-	-	-	-	-	-	-
2. Business combination not involving enterprises under common control	-	-	-	-	-	-	-	-	-	-	-	-
3. Capital contributed/(reduced) by other equity instrument holders	(498,550,000)	868,731,209	(80,258,326)	-	-	-	-	370,181,209	(119,405,579)	(199,663,905)	370,181,209	(199,663,905)
4. Others	-	-	-	-	-	-	-	(80,258,326)	-	-	(80,258,326)	(80,258,326)
(iii) Profit distributions	-	-	-	-	-	-	(2,537,725,995)	(2,537,725,995)	(969,369,818)	(3,507,095,813)	-	(3,507,095,813)
1. Distributions to owners	-	-	-	-	-	-	(2,537,725,995)	(2,537,725,995)	(969,369,818)	(3,507,095,813)	-	(3,507,095,813)
2. Others	-	-	-	-	-	-	(258,500,000)	(258,500,000)	-	(258,500,000)	-	(258,500,000)
(iv) Transfer within equity	-	-	-	-	-	-	-	-	-	-	-	-
1. Other comprehensive income transferred to retained earnings	-	-	-	(30,104,180)	-	-	30,104,180	-	-	-	-	-
(v) Special reserve	-	-	-	-	-	-	-	-	-	-	-	-
1. Transferred to special reserve in the current year	-	-	-	-	684,823,390	-	-	684,823,390	-	684,823,390	-	684,823,390
2. Amount utilised in the current year	-	-	-	-	(651,089,101)	-	-	(651,089,101)	-	(651,089,101)	-	(651,089,101)
III. Closing balance of the current year	4,486,950,000	868,731,209	18,610,084,074	812,570,699	154,866,505	1,319,401,104	27,748,404,618	56,538,554,204	18,057,887,272	74,596,441,476	2,537,725,995	74,596,441,476

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

Consolidated Statement of Changes in Equity (continued)

For the year ended 31 December 2020

RMB

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

For the year ended 31 December 2019

	Attributable to owners of the parent								Total equity	
	Share capital	Other equity instruments Renewable corporate bonds	Capital reserve	Other comprehensive income	Special reserve	Surplus reserve	Retained earnings	Subtotal		Non-controlling interests
I. Opening balance of the current year	2,303,121,889	4,985,500,000	11,094,766,390	(1,575,973,065)	147,393,497	1,319,401,104	22,181,224,459	40,455,434,274	6,818,278,428	47,273,712,702
II. Changes for the year	-	-	-	1,204,456,441	-	-	4,283,957,365	5,488,413,806	862,105,175	6,350,518,981
(I) Total comprehensive income	-	-	-	1,204,456,441	-	-	4,283,957,365	5,488,413,806	862,105,175	6,350,518,981
(II) Owners' contributions and reductions in capital	234,604,106	-	7,612,823,862	-	-	-	-	7,847,427,968	21,443,325	7,868,871,293
1. Capital contributed by owners	234,604,106	-	7,612,823,862	-	-	-	-	7,847,427,968	21,443,325	7,868,871,293
2. Others	-	-	(17,247,852)	-	-	-	-	(17,247,852)	(969,235,868)	(986,483,720)
(III) Profit distributions	-	-	-	-	-	-	-	-	-	-
1. Distributions to owners	-	-	-	-	-	-	(2,303,121,889)	(2,303,121,889)	(837,355,000)	(3,140,476,889)
2. Others	-	-	-	-	-	-	(258,500,000)	(258,500,000)	-	(258,500,000)
(IV) Transfer within equity	-	-	-	(102,412,585)	-	-	102,412,585	-	-	-
1. Other comprehensive income transferred to retained earnings	-	-	-	(102,412,585)	-	-	102,412,585	-	-	-
(V) Special reserve	-	-	-	-	522,735,350	-	-	522,735,350	40,728,111	563,463,461
1. Transferred to special reserve in the current year	-	-	-	-	522,735,350	-	-	522,735,350	40,728,111	563,463,461
2. Amount utilised in the current year	-	-	-	-	(549,176,631)	-	-	(549,176,631)	(42,331,133)	(591,507,764)
III. Closing balance of the current year	2,537,725,995	4,985,500,000	18,690,342,400	(473,929,209)	120,952,216	1,319,401,104	24,005,972,520	51,185,965,026	5,893,633,038	57,079,598,064

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

Consolidated Statement of Cash Flows

For the year ended 31 December 2020

RMB

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

	Note V	2020	2019
I. CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash receipts from sale of goods and rendering of services		178,295,611,924	143,341,187,979
Other cash receipts relating to operating activities	63	615,825,285	826,104,378
Sub-total of cash inflows from operating activities		178,911,437,209	144,167,292,357
Cash payments for goods purchased and services received		(149,670,462,142)	(121,968,271,733)
Cash payments to and on behalf of employees		(3,958,818,015)	(3,765,182,943)
Payments of various types of taxes		(6,727,320,348)	(5,463,539,039)
Other cash payments relating to operating activities	63	(4,286,433,281)	(2,304,741,629)
Sub-total of cash outflows used in operating activities		(164,643,033,786)	(133,501,735,344)
Net cash flows from operating activities		14,268,403,423	10,665,557,013
II. CASH FLOWS FROM INVESTING ACTIVITIES:			
Cash receipts from disposals and recovery of investments		268,802,207	574,366,273
Cash receipts from investment income		179,165,875	409,661,967
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets		100,468,800	209,103,813
Net cash receipts from disposals of subsidiaries and other business units	64	–	141,906,496
Other cash receipts relating to investing activities	63	65,401,352	460,685,011
Sub-total of cash inflows from investing activities		613,838,234	1,795,723,560
Cash payments for acquisitions or constructions of fixed assets, intangible assets and other long-term assets		(13,886,407,296)	(11,896,001,203)
Cash payments for acquisitions of investments		(1,287,831,015)	(2,235,672,167)
Net cash payments for acquisitions of subsidiaries and other business units	64	(12,135,024,617)	(248,429,216)
Other cash payments relating to investing activities	63	(2,479,014,469)	(1,518,451,034)
Sub-total of cash outflows used in investing activities		(29,788,277,397)	(15,898,553,620)
Net cash flows used in investing activities		(29,174,439,163)	(14,102,830,060)

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

Consolidated Statement of Cash Flows *(continued)*

For the year ended 31 December 2020

RMB

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

	Note V	2020	2019
III. CASH FLOWS FROM FINANCING ACTIVITIES:			
Cash receipts from capital contributions		6,632,283,694	7,861,071,293
<i>Including: Cash receipts from capital contributions from non-controlling shareholders of subsidiaries</i>		6,632,283,694	13,643,325
Cash receipts from issuance of convertible bonds		5,970,285,067	–
Cash receipts from borrowings		38,074,222,643	12,451,641,684
Cash receipts from the gold leasing business		12,634,847,803	7,238,555,776
Cash receipts from issuance of bonds and ultra short-term financing bonds		5,069,740,000	6,500,000,000
Other cash receipts relating to financing activities	63	1,030,811,044	135,577,629
Sub-total of cash inflows from financing activities		69,412,190,251	34,186,846,382
Cash repayments of borrowings		(26,338,513,882)	(12,686,169,279)
Cash repayments of the gold leasing business		(10,650,615,173)	(7,774,509,133)
Cash repayments of bonds and ultra short-term financing bonds		(4,298,550,000)	(6,953,469,000)
Cash payments for distribution of dividends or profits or settlement of interest expenses		(5,671,366,799)	(5,490,938,903)
<i>Including: Payments for distribution of dividends or profits to non-controlling shareholders of subsidiaries</i>		(969,369,818)	(837,355,000)
Other cash payments relating to financing activities	63	(1,524,949,267)	(1,607,570,368)
Sub-total of cash outflows used in financing activities		(48,483,995,121)	(34,512,656,683)
Net cash flows from/(used in) financing activities		20,928,195,130	(325,810,301)
IV. EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		(321,064,600)	(84,163,353)
V. NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	64	5,701,094,790	(3,847,246,701)
Add: Opening balance of cash and cash equivalents		6,085,591,450	9,932,838,151
VI. CLOSING BALANCE OF CASH AND CASH EQUIVALENTS	64	11,786,686,240	6,085,591,450

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

Company Statement of Financial Position

As at 31 December 2020

RMB

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

ASSETS	Note XIV	31 December 2020	31 December 2019
CURRENT ASSETS			
Cash and cash equivalents		4,978,921,732	2,243,044,214
Held for trading financial assets		154,103,201	10,235,923
Trade receivables	1	577,170,602	571,503,669
Receivables financing		141,745,670	321,021,579
Prepayments		26,232,815	46,092,085
Other receivables	2	9,348,643,976	10,392,972,218
Inventories		84,958,826	104,366,458
Other current assets		148,973,363	112,197,698
Total current assets		15,460,750,185	13,801,433,844
NON-CURRENT ASSETS			
Long-term equity investments	3	45,379,313,351	36,167,925,305
Other equity instrument investments		273,612,810	252,868,971
Other non-current financial assets		37,500,000	–
Fixed assets	4	3,288,166,669	3,383,189,644
Construction in progress	5	424,961,450	349,783,508
Right-of-use assets		4,052,312	5,403,083
Intangible assets	6	262,257,963	269,926,397
Long-term deferred assets	7	199,938,953	222,490,412
Deferred tax assets		270,081,624	270,686,426
Other non-current assets	8	12,444,168,528	10,684,801,932
Total non-current assets		62,584,053,660	51,607,075,678
TOTAL ASSETS		78,044,803,845	65,408,509,522

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

Company Statement of Financial Position *(continued)*

As at 31 December 2020

RMB

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

LIABILITIES AND OWNERS' EQUITY	Note XIV	31 December 2020	31 December 2019
CURRENT LIABILITIES			
Short-term borrowings		8,421,649,702	5,709,142,525
Held for trading financial liabilities		–	12,717,000
Trade payables	9	516,339,962	491,559,077
Contract liabilities		22,099,051	268,076,168
Employee benefits payable		316,391,579	164,097,622
Taxes payable		25,535,472	44,831,289
Other payables		541,957,213	480,863,568
Current portion of non-current liabilities		4,611,041,132	5,472,546,130
Other current liabilities		98,534,326	572,762,498
Total current liabilities		14,553,548,437	13,216,595,877
NON-CURRENT LIABILITIES			
Long-term borrowings		5,865,038,200	3,086,074,921
Bonds payable	10	15,117,773,951	9,540,399,486
Lease liabilities		2,740,466	4,246,294
Long-term payables	11	3,963,428,782	240,348,782
Provisions		307,513,434	333,436,208
Deferred income		158,994,057	172,569,913
Deferred tax liabilities		72,220,672	27,096,829
Other non-current liabilities		226,277,348	177,193,188
Total non-current liabilities		25,713,986,910	13,581,365,621
TOTAL LIABILITIES		40,267,535,347	26,797,961,498
EQUITY			
Share capital		2,537,725,995	2,537,725,995
Other equity instruments		5,355,681,209	4,985,500,000
<i>Including: Renewable corporate bonds</i>		4,486,950,000	4,985,500,000
Capital reserve		20,662,750,813	20,662,750,813
Other comprehensive income		(105,445,925)	(119,160,647)
Surplus reserve		1,268,862,997	1,268,862,997
Retained earnings		8,057,693,409	9,274,868,866
TOTAL EQUITY		37,777,268,498	38,610,548,024
TOTAL LIABILITIES AND OWNERS' EQUITY		78,044,803,845	65,408,509,522

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

Company Statement of Profit or Loss

For the year ended 31 December 2020

RMB

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

	Note XIV	2020	2019
OPERATING INCOME	12	4,262,394,459	4,181,674,607
Less: Operating costs	12	2,099,326,613	2,451,720,155
Taxes and surcharges		250,517,457	242,328,484
Selling expenses		7,433,510	11,287,422
Administrative expenses		800,786,036	624,416,397
Research and development expenses		236,038,878	203,349,759
Financial expenses	13	554,037,349	152,907,767
Including: Interest expenses		1,171,610,122	1,009,578,109
Interest income		769,953,862	833,540,091
Add: Other income		35,920,277	49,197,206
Investment income	15	1,165,676,840	1,192,587,748
Including: Share of profits of associates and joint ventures		215,739,894	137,905,089
Gains/(Losses) on changes in fair value		165,584,277	(5,772,264)
Credit impairment gains/(losses)	14	195,040	(92,319,369)
Impairment losses on assets	14	(2,861,192)	(153,880,000)
Gains on disposal of non-current assets		608,601	401,573
OPERATING PROFIT		1,679,378,459	1,485,879,517
Add: Non-operating income		1,048,638	3,084,809
Less: Non-operating expenses		25,180,686	47,506,016
PROFIT BEFORE TAX		1,655,246,411	1,441,458,310
Less: Income tax expenses		76,256,684	21,954,903
NET PROFIT		1,578,989,727	1,419,503,407
Including: Net profit from continuing operations		1,578,989,727	1,419,503,407
NET OTHER COMPREHENSIVE INCOME/(LOSS) AFTER TAX			
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods			
Changes in fair value of other equity instrument investments		13,775,533	(39,876,898)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		1,592,765,260	1,379,626,509

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

Company Statement of Changes in Equity

For the year ended 31 December 2020

RMB

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

For the year ended 31 December 2020

	Share capital	Other equity instruments Renewable corporate bonds	Others	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	2,537,725,995	4,985,500,000	-	20,662,750,813	(119,160,647)	-	1,268,862,997	9,274,868,866	38,610,548,024
II. Changes for the year	-	-	-	-	13,775,533	-	-	1,578,989,727	1,592,765,260
(i) Total comprehensive income	-	-	-	-	-	-	-	-	-
(ii) Owners' contributions and reductions in capital	-	-	-	-	-	-	-	-	-
1. Capital contributed by owners	-	-	-	-	-	-	-	-	-
2. Others	-	(498,550,000)	868,731,209	-	-	-	-	-	370,181,209
(iii) Profit distributions	-	-	-	-	-	-	-	-	-
1. Transferred to surplus reserve	-	-	-	-	-	-	-	-	-
2. Distributions to owners	-	-	-	-	-	-	-	(2,537,725,995)	(2,537,725,995)
3. Others	-	-	-	-	-	-	-	(258,500,000)	(258,500,000)
(iv) Transfer within equity	-	-	-	-	(60,811)	-	-	60,811	-
1. Other comprehensive income transferred to retained earnings	-	-	-	-	-	-	-	-	-
(v) Special reserve	-	-	-	-	-	190,065,920	-	-	190,065,920
1. Transferred to special reserve in the current year	-	-	-	-	-	-	-	-	-
2. Amount utilised in the current year	-	-	-	-	-	(190,065,920)	-	-	(190,065,920)
III. Closing balance of the current year	2,537,725,995	4,486,950,000	868,731,209	20,662,750,813	(105,445,925)	-	1,268,862,997	8,057,693,409	37,777,268,498

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

Company Statement of Changes in Equity *(continued)*

For the year ended 31 December 2020

RMB

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

For the year ended 31 December 2019

	Share capital	Other equity instruments	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	2,303,121,889	4,985,500,000	13,057,976,951	(79,283,749)	-	1,151,560,944	10,534,289,401	31,953,115,436
II. Changes for the year	-	-	-	(39,876,898)	-	-	1,419,503,407	1,379,626,509
(i) Total comprehensive income								
(ii) Owners' contributions and reductions in capital								
1. Capital contributed by owners	234,604,106	-	7,612,823,862	-	-	-	-	7,847,427,968
2. Others	-	-	(8,000,000)	-	-	-	-	(8,000,000)
(iii) Profit distributions								
1. Transferred to surplus reserve	-	-	-	-	-	117,302,053	(117,302,053)	-
2. Distributions to owners	-	-	-	-	-	-	(2,303,121,889)	(2,303,121,889)
3. Others	-	-	-	-	-	-	(258,500,000)	(258,500,000)
(iv) Special reserve								
1. Transferred to special reserve in the current year	-	-	-	-	164,794,492	-	-	164,794,492
2. Amount utilised in the current year	-	-	-	-	(164,794,492)	-	-	(164,794,492)
III. Closing balance of the current year	2,537,725,995	4,985,500,000	20,662,750,813	(119,160,647)	-	1,268,862,997	9,274,868,866	38,610,548,024

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

Company Statement of Cash Flows

For the year ended 31 December 2020

RMB

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

	Note XIV	2020	2019
I. CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash receipts from sale of goods and rendering of services		4,212,746,314	4,359,639,755
Other cash receipts relating to operating activities		56,239,930	73,838,433
Sub-total of cash inflows from operating activities		4,268,986,244	4,433,478,188
Cash payments for goods purchased and services received		(1,031,872,667)	(1,302,132,254)
Cash payments to and on behalf of employees		(687,739,249)	(657,448,120)
Payments of various types of taxes		(570,682,483)	(537,933,156)
Other cash payments relating to operating activities		(487,512,911)	(540,080,559)
Sub-total of cash outflows used in operating activities		(2,777,807,310)	(3,037,594,089)
Net cash flows from operating activities	16	1,491,178,934	1,395,884,099
II. CASH FLOWS FROM INVESTING ACTIVITIES:			
Cash receipts from disposals and recovery of investments		6,007,100,061	6,592,854,402
Cash receipts from investment income		1,461,959,519	1,119,842,727
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets		7,771,402	18,216,261
Net cash receipts from disposals of subsidiaries and other business units		–	143,271,681
Other cash receipts relating to investing activities		428,865,311	–
Sub-total of cash inflows from investing activities		7,905,696,293	7,874,185,071
Cash payments for acquisitions or constructions of fixed assets, intangible assets and other long-term assets		(599,395,626)	(674,399,980)
Cash payments for acquisitions of investments		(15,633,608,585)	(11,197,809,267)
Other cash payments relating to investing activities		(2,664,150)	(404,965,779)
Sub-total of cash outflows used in investing activities		(16,235,668,361)	(12,277,175,026)
Net cash flows used in investing activities		(8,329,972,068)	(4,402,989,955)

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

Company Statement of Cash Flows *(continued)*

For the year ended 31 December 2020

RMB

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

	Note XIV	2020	2019
III. CASH FLOWS FROM FINANCING ACTIVITIES:			
Cash receipts from capital contributions		–	7,847,427,968
Cash receipts from issuance of convertible bonds		5,970,285,068	–
Cash receipts from issuance of bonds and ultra short-term financing bonds		4,029,714,932	6,500,000,000
Cash receipts from borrowings		10,237,878,211	1,558,900,742
Cash receipts from the gold leasing business		7,870,184,500	12,717,000
Sub-total of cash inflows from financing activities		28,108,062,711	15,919,045,710
Cash repayments of borrowings		(5,435,180,070)	(2,814,422,000)
Cash repayments of the gold leasing business		(4,484,234,937)	(1,164,274,094)
Cash repayments of bonds and ultra short-term financing bonds		(4,298,550,000)	(6,953,469,000)
Cash payments for distribution of dividends or profits or settlement of interest expenses		(3,864,042,750)	(3,590,898,937)
Other cash payments relating to financing activities		(31,601,070)	(12,718,261)
Sub-total of cash outflows used in financing activities		(18,113,608,827)	(14,535,782,292)
Net cash flows from financing activities		9,994,453,884	1,383,263,418
IV. EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		(5,220,864)	54,294,679
V. NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		3,150,439,886	(1,569,547,759)
Add: Opening balance of cash and cash equivalents	16	1,556,787,424	3,126,335,183
VI. CLOSING BALANCE OF CASH AND CASH EQUIVALENTS	16	4,707,227,310	1,556,787,424

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

Notes to Financial Statements

For the year ended 31 December 2020

RMB

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

I. CORPORATE INFORMATION

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

As approved by the People's Government of Fujian Province (Min Zheng Ti Gu (2000) No. 22), on 17 August 2000, Minxi Xinghang State-owned Assets Investment Company Limited ("Minxi Xinghang") as the principal promoter, together with other promoters including Xinhua Industrial Group Company Limited ("Xinhua Industrial"), 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 Commission (the "CSRC") on 18 November 2003, the Company publicly issued 400,544,000 overseas listed foreign shares with a nominal value of RMB0.1 per share at an issue price of Hong Kong dollar ("HKD") 3.3 (approximately RMB3.516) per share; and Minxi Xinghang, Fujian Gold Group and Minxi Geological Team sold their 36,413,090 state-owned shares at an issue price of HKD3.3 (approximately RMB3.516) per share. As a result of the issuance, the Company's registered capital was changed to RMB131,413,091. Pursuant to the Resolution at the Annual General Meeting for year 2003 dated 28 May 2004 on the conversion of capital reserve into share capital, the Company converted its capital reserve of RMB131,413,091 into 1,314,130,910 shares with a nominal value of RMB0.1 per share; the Company's registered capital was then changed to RMB262,826,182. Pursuant to the Resolution at the Annual General Meeting for year 2004 dated 31 May 2005 on the conversion of capital reserve into share capital, the Company converted its capital reserve of RMB262,826,182 into 2,628,261,820 shares with a nominal value of RMB0.1 per share; the Company's registered capital was then changed to RMB525,652,364. Pursuant to the Resolution at the Annual General Meeting for the year 2005 dated 18 May 2006 on the conversion of capital reserve into share capital, the Company converted capital reserve of RMB525,652,364 into 5,256,523,640 shares with a nominal value of RMB0.1 per share (i.e., every 10 existing ordinary shares for 10 newly issued ordinary shares as a bonus issue based on the 5,256,523,640 issued shares as at the end of 2005). Pursuant to the Resolution at the Annual General Meeting for the year 2006 dated 30 April 2007 on the conversion of capital reserve into share capital, the Company converted capital reserve of RMB262,826,182 into 2,628,261,820 shares with a nominal value of RMB0.1 per share (i.e., every 10 existing ordinary shares for 2.5 newly issued ordinary shares as a bonus issue based on the 10,513,047,280 issued shares as at the end of 2006). As such, the Company's registered capital was changed to RMB1,314,130,910. On 25 April 2008, as approved by the CSRC ([2008] No. 417) and the Shanghai Stock Exchange (Shang Zheng Shang Zi [2008] No. 29) respectively, the Company issued 1.4 billion ordinary shares with a nominal value of RMB0.1 per share at an issue price of RMB7.13 per share and the shares of the Company were listed on the Shanghai Stock Exchange ("IPO A shares"). As such, the Company's registered capital was changed to RMB1,454,130,910.

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

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

Notes to Financial Statements *(continued)*

For the year ended 31 December 2020

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

I. CORPORATE INFORMATION *(continued)*

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

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

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

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

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

Pursuant to the first Extraordinary General Meeting in 2019 of the Company held on 12 April 2019 and Approval for Public Issuance of A Shares of Zijin Mining Group Co., Ltd.* (Zheng Jian Xu Ke [2019] No. 1942) issued by the CSRC on 28 October 2019, the Company publicly issued 2,346,041,055 ordinary A Shares (with par value of RMB0.1) at an issuance price of RMB3.41 per share on 21 November 2019. The Company's registered capital was then changed to RMB2,537,725,995.

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

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

The financial statements were approved by the Company's board of directors on 19 March 2021. In compliance with the articles of association of the Company, the financial statements will be proposed for approval at the forthcoming shareholders' general meeting.

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

Notes to Financial Statements *(continued)*

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

II. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

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

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

As at 31 December 2020, the Group recorded current assets of RMB39,262,403,933 and current liabilities of RMB47,035,701,043. The balance of the current assets was less than that of the current liabilities. In view of this circumstance, the management of the Company has given consideration to the future liquidity of the Group and its available financial sources in assessing whether the Group will have sufficient financial resources to continue as a going concern, mainly including that the Group generates sufficient net cash flows from operating activities and has sufficient bank line of credit.

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

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

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

1. Statement of compliance with CAS

The financial statements have been prepared in accordance with CAS, and presented truthfully and completely the Company’s and the Group’s financial position as at 31 December 2020, and the Company’s and the Group’s financial performance and cash flows for the year then ended.

2. Accounting period

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

3. Functional currency

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

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

Notes to Financial Statements *(continued)*

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

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

4. Business combination

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, and the other combining enterprise(s) is (are) the merged party (parties). The combination date is the date on which the merging party actually obtains control of the merged party (parties).

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

Business combination not involving enterprises under common control

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

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

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

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

Notes to Financial Statements *(continued)*

For the year ended 31 December 2020

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

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

5. Consolidation of financial statements

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

The accounting policies and accounting periods of the Company and its subsidiaries should be consistent in 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 assets, liabilities, equity, income, expenses and cash flows arising from intra-group transactions are eliminated on consolidation.

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

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

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

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

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

6. Classification of joint arrangement and joint operation

Joint arrangement comprises 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.

Notes to Financial Statements *(continued)*

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

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

7. Cash and cash equivalents

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

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

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

A foreign currency transaction is recorded in the functional currency on initial recognition, by applying the prevailing exchange rate on the date of transaction or the average exchange rate through the transaction period. At the end of the reporting period, foreign currency monetary items are translated into the functional currency using the spot exchange rates at the end of the reporting period. Exchange differences arising from the differences between the spot exchange rates prevailing at the end of the reporting period and those on initial recognition or at the end of the previous 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 the foreign currency into RMB using the following method: assets and liabilities on the statement of financial position are translated at the spot exchange rate prevailing at the end of the reporting period; owners' equity items except for retained earnings are translated at the spot exchange rates at the dates on which such items arose; income and expenses in the statement of profit or loss are translated at the average exchange rates during the transaction period. The exchange differences arising from translation of financial statements denominated in foreign currencies are recognised as other comprehensive income. For disposals of equity interests in foreign operations, the proportionate share of the accumulated exchange differences arising from translation of financial statements in other comprehensive income of foreign operations is reclassified to profit or loss for the current period. For partial disposals, the reclassification is determined on the 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.

Notes to Financial Statements *(continued)*

For the year ended 31 December 2020

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

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

9. Financial instruments

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

Recognition and derecognition of financial instruments

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

A financial asset (or, where applicable, a part of a financial asset or a part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's account and consolidated statement of financial position) when:

- (1) the rights to receive cash flows from the financial asset have expired; or
- (2) the Group has transferred its rights to receive cash flows from the financial asset, or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) has transferred substantially all the risks and rewards of the financial asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the financial asset.

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

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

Classification and measurement of financial assets

At initial recognition, the classification of financial assets depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them: financial assets at fair value through profit or loss, financial assets at amortised cost and financial assets at fair value through other comprehensive income. All affected related financial assets will be reclassified only if the Group changes its business model for managing financial assets.

Financial assets are measured at fair value on initial recognition, but trade receivables or bills receivable arising from the sale of goods or rendering of services that do not contain significant financing components or for which the Group does not consider the effect of a significant financing component due within one year, are initially measured at the transaction price.

For financial assets at fair value through profit or loss, transaction costs are immediately recognised in profit or loss for the current period. For other financial assets, transaction costs are included in their initial recognised amounts.

Notes to Financial Statements *(continued)*

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

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

9. Financial instruments *(continued)*

Classification and measurement of financial assets *(continued)*

Subsequent measurement of financial assets is determined by its classification:

Financial assets at amortised cost (debt instrument investments)

The Group measures financial assets at amortised cost if both of the following conditions are met: the financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income of this kind of financial assets is recognised using the effective interest method. Gains and losses are recognised in the statement of profit or loss when the asset is derecognised, modified or impaired.

Financial assets at fair value through other comprehensive income (debt instrument investments)

The Group measures financial assets at fair value through other comprehensive income if both of the following conditions are met: the financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income of such financial assets is recognised based on the effective interest method. Changes in fair values are recognised in other comprehensive income except that interest income, impairment losses and exchange differences are recognised in current profit or loss. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is transferred to the profit or loss.

Financial assets at fair value through other comprehensive income (equity instrument investments)

The Group irrevocably chooses to designate some instrument investments of non-trading nature as financial assets at fair value through other comprehensive income. Only relevant dividend income (excluding dividend income explicitly recovered as part of investment cost) is recognised in profit or loss, and subsequent changes in fair value are included in other comprehensive income without provision for impairment. When financial assets are derecognised, the accumulated gains or losses previously recognised in other comprehensive income are transferred from other comprehensive income and recognised in retained earnings.

Financial assets at fair value through profit or loss

The financial assets other than the above financial assets measured at amortised cost and financial assets at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Such financial assets are subsequently measured at fair value with changes in fair value recognised in profit or loss, except for the financial assets accounted for under hedge accounting.

Only if it can eliminate or significantly reduce accounting mismatch can financial assets be designated as financial assets at fair value through profit or loss on initial recognition.

When an enterprise initially designates a financial asset as a financial asset at fair value through profit or loss, it cannot be reclassified to other financial assets; and other financial assets cannot be re-designated after initial recognition as financial assets at fair value through profit or loss.

In accordance with the above conditions, the Group's designated financial assets mainly consist of spot deferred settlement contracts in open positions at the Shanghai Gold Exchange that are held for purchasing or selling gold based on a predetermined schedule.

Notes to Financial Statements *(continued)*

For the year ended 31 December 2020

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

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

9. Financial instruments *(continued)*

Classification and measurement of financial liabilities

On initial recognition, financial liabilities of the Group are classified as financial liabilities at fair value through profit or loss and other financial liabilities. For financial liabilities at fair value through profit or loss, the relevant transaction costs are directly recognised in profit or loss for the current period, and the related transaction costs of other financial liabilities are recognised in their initial amount.

Subsequent measurement of financial liabilities is determined by its classification:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include held for trading financial liabilities (including derivative instruments attributable to financial liabilities) and financial liabilities designated upon initial recognition as at fair value through profit or loss. Held for trading financial liabilities (including derivative instruments attributable to financial liabilities) are subsequently measured at fair value. All changes in fair value of such financial liabilities are recognised in profit or loss, except for the derivatives designated as hedging instruments. Financial liabilities designated at fair value through profit or loss are subsequently measured at fair value and gains or losses are recognised in profit or loss, except for the gains or losses arising from the Group's own credit risk which are presented in other comprehensive income. If gains or losses arising from the Group's own credit risk which are presented in other comprehensive income will lead to or expand the accounting mismatch in profit or loss, the Group will include all the changes in fair value (including the amount affected by changes in the Group's own credit risk) of such financial liabilities in profit or loss.

Only if one of the following conditions is met, financial liabilities can be designated as financial liabilities at fair value through profit or loss on initial recognition:

- (1) It can eliminate or significantly reduce the accounting mismatch.
- (2) The formal written document of risk management or investment strategy has stated that the portfolio of financial instruments is managed, evaluated and reported to key managers on the basis of fair value.
- (3) A hybrid instrument that contains one or more embedded derivatives, unless the embedded derivatives have no significant change in the cash flow of the hybrid instrument, or the embedded derivatives should obviously not be separated from the related hybrid instruments.
- (4) Hybrid instruments containing embedded derivatives that need to be split but cannot be measured separately at the time of acquisition or at subsequent ends of reporting periods.

When an enterprise designates a financial liability as a financial liability at fair value through profit or loss on initial recognition, it cannot be reclassified as other financial liabilities; nor can other financial liabilities be re-designated as financial liabilities at fair value through profit or loss after initial recognition.

In accordance with the above conditions, the Group's designated financial liabilities mainly consist of spot deferred settlement contracts in open positions at the Shanghai Gold Exchange that are held for purchasing or selling gold based on a predetermined schedule.

Notes to Financial Statements *(continued)*

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

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

9. Financial instruments *(continued)*

Classification and measurement of financial liabilities *(continued)*

Other financial liabilities

For such financial liabilities, subsequent measurement is made at amortised cost using the effective interest method.

Impairment of financial instruments

Based on expected credit losses, the Group undertakes impairment treatment and confirms loss provisions for financial assets at amortised cost, debt instrument investments at fair value through other comprehensive income and financial guarantee contracts.

For receivables that do not contain significant financing components, the Group uses the simplified approach to measure loss provisions in accordance with the amount of expected credit losses equivalent to the entire lifetime expected credit losses.

For receivables that contain significant financing components, the Group elects to use the simplified approach to measure loss provisions in accordance with the amount of expected credit losses equivalent to the entire lifetime expected credit losses.

For financial assets and financial guarantee contracts other than those measured with the simplified approach, the Group evaluates at each end of the reporting period whether its credit risk has significantly increased since initial recognition. The financial assets for which credit risk has not significantly increased since initial recognition are considered to be in stage one, for which the Group shall measure loss provisions based on the amount of expected credit losses for the next 12 months and shall compute interest income according to the book value and effective interest rate; the financial assets for which credit risk has significantly increased since initial recognition although no credit impairment has occurred are considered to be in stage two, for which the Group shall measure loss provisions based on the amount of expected credit losses for the entire lifetime and shall compute interest income according to the book value and effective interest rate; the financial assets for which credit impairment has occurred after initial recognition are considered to be in stage three, for which the Group shall measure loss provisions based on the amount of expected credit losses for the entire lifetime and shall compute interest income according to the amortised cost and effective interest rate. For financial instruments with relatively low credit risk at the end of the reporting period, the Group assumes its credit risk has not significantly increased since initial recognition.

The Group evaluates the expected credit losses for financial instruments on a single and combined basis. Taking into account the credit risk characteristics of different customers, the Group evaluates the expected credit losses for trade receivables based on the ageing portfolio.

Please refer to Note VIII.3 for the disclosure of the Group's criteria for judging the significant increase in credit risk, the definition of credit-impaired financial assets, and the assumption of measuring expected credit losses, etc.

When the Group no longer reasonably expects to be able to recover all or part of the contractual cash flows of the financial assets, the Group will write off the book value of the financial assets directly.

Offsetting of financial instruments

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

Notes to Financial Statements *(continued)*

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

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 fair value through profit or loss are measured at the higher of the expected credit loss amount recognised at the end of the reporting period and the balance of the initial recognition amount after deducting the accumulated amortisation amount recognised according to the revenue recognition principle.

Derivative financial instruments

The Group uses derivative financial instruments, such as forward exchange contracts for mitigating foreign exchange rate fluctuation risk, and forward commodity contracts for hedging price fluctuation risk. Derivatives are initially measured at fair value at the date when the derivative contracts are entered into and are subsequently measured at fair value. Derivatives are recognised as assets when the fair value is positive and as liabilities when the fair value is negative.

Except for those subject to hedge accounting, gains or losses arising from changes in the fair value of derivatives are directly recognised in profit or loss for the current period.

Convertible bonds

The Group determines whether the convertible bonds include both liability and equity components according to terms upon issuance. If the issued convertible bonds include both liability and equity components, the components should be split at initial recognition and accounted for separately. While splitting, the fair value of the liability component is determined first and recognised as the initial amount; then the initial amount of the equity component is determined at the amount of the total issue price of the convertible bond net of the initial amount of the liability component. Transaction cost is allocated between the liability component and the equity component based on the relative fair value respectively. The liability component is presented as a liability, and subsequently measured at amortised cost, until cancelled, converted or redeemed. The equity component is presented as equity without subsequent measurement. If the issued convertible bonds only include the liability component and embedded derivatives (i.e. the conversion option of the share is featured with the embedded derivative), it should be split from the convertible bond and individually accounted for as a derivative financial instrument, and initially recognised based on its fair value. The proportion that the issue price exceeding the one initially recognised as a derivative financial instrument is recognised as a debt instrument. Transaction cost is allocated according to the issue prices allocated to the debt instrument and the derivative financial instrument at initial recognition on a pro rata basis. Transaction cost related to the debt instrument is recognised as a liability and transaction cost related to derivative financial instrument is recognised in profit or loss.

Notes to Financial Statements *(continued)*

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

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

9. Financial instruments *(continued)*

Transfers of financial assets

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

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

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

10. Inventories

The Group's inventories include raw materials, work in progress, finished goods and consumable materials.

Inventories are initially measured at cost. Cost of inventories comprises all costs of purchase, costs of processing and other expenditures. The actual cost of inventories upon delivery is calculated using the weighted average method. Consumable materials included low value consumption and packing materials, etc., which are recorded at cost in full upon delivery. Some spare parts and materials directly related to production are amortised periodically (for example, steel balls are amortised using the units-of-production method, and for some spare parts with a great value such as anode plates and lining boards, they are amortised over their actual useful lives).

The perpetual inventory system is maintained for the stock system.

At the end of the 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 for the current period. After the provision for decline in value of inventories is made, if the circumstances that previously caused inventories to be written down below cost no longer exist so that the net realisable value of inventories is higher than their cost, the original provision for decline in value is reversed and the reversal is included in profit or loss for the current period.

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

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

11. Held for sale non-current assets or disposal groups

A non-current asset or disposal group is classified as held for sale when its carrying amount will be recovered principally through a sale transaction rather than through continuous use. The following conditions need to be simultaneously met to be classified as held for sale: according to the practice of selling such assets or disposal groups in similar transactions, they can be sold immediately under current conditions; the sale is highly likely, that is, the Company has already made a sale plan, a resolution is made and a certain purchase commitment is obtained, expecting to complete the sale within one year (in cases that approval from authorities or regulators is required before the sale, the approval is granted). If the control of the subsidiary is lost due to the sale of the subsidiary, etc., whether part of the equity investment is retained after the sale or not, and the conditions for holding for sale are satisfied, the investment in the subsidiary will be presented as held for sale in the individual financial statements and all assets and liabilities of the subsidiary are to be classified into held for sale in the consolidated financial statements.

For non-current assets or disposal groups held for sale (other than financial assets and deferred tax assets), if the book value is higher than the fair value less costs to sell, the book value is reduced to the fair value less costs to sell. The amount of the write-down is recognised as a loss, which is recognised in profit or loss for the current period, and the provision for impairment of held for sale assets is made. Held for sale non-current assets or non-current assets in disposal groups are not depreciated or amortised.

12. Long-term equity investments

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

A long-term equity investment is initially measured at its cost at acquisition. For a long-term equity investment acquired through business combination involving enterprise under common control, the initial investment cost is the attributable share of the carrying amount of the owners' equity of the acquiree in the ultimate controlling party's consolidated financial statements at the date of combination. The difference between initial investment cost and the carrying amount of the consideration is adjusted against capital reserve. If the capital reserve is not sufficient to absorb the difference, any excess shall be adjusted against retained earnings. For other comprehensive income which is already held before the acquisition date, on the disposal of the investment, the same accounting treatment for which the investee directly disposes of the related assets and liabilities should be used, and changes in owners' equity of the investee other than net profit or loss, other comprehensive income and profits distribution are recognised in profit or loss for the current period when the investments are disposed of. Among which, those remain as long-term equity investments will be charged to 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 combinations 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 combinations 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 of the assets given, liabilities incurred or assumed, and equity securities issued by the acquirer. For other comprehensive income under the equity method which is already held before the acquisition date, on the disposal of the investment, the same accounting treatment for which the investee directly disposes of the related assets and liabilities should be used, and changes in owners' equity of the investee other than net profit or loss, other comprehensive income and profits distribution are recognised in profit or loss when the investments are disposed of. Among which, those remain as long-term equity investments will be charged to the statement of profit or loss proportionately, those transferred as financial instruments will be fully charged to the statement of profit or loss. All accumulated fair value changes charged to other comprehensive income of equity investments held before the acquisition date classified as financial instruments are transferred to retained earnings when the cost method is adopted. The initial costs of the investments acquired other than long-term equity investments acquired through business combinations are recognised as follows: if acquired by cash, the investment is initially recognised at the actual consideration paid plus the expenses, taxes and other required expenditures directly attributable to the acquisition; if acquired through issuing equity securities, the investment is initially recognised at the fair value of the equity instruments issued.

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

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

The long-term equity investments over which the Company has control are accounted for using the cost method in the Company's separate financial statements. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

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

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

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 interest in the fair values of the investee's identifiable net assets at the acquisition date, the difference is charged to profit or loss, and the cost of the long-term equity investment is adjusted accordingly.

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

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

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

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 such 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 the subsequent measurement of its investment properties, and adopts a depreciation policy for the investment properties which is consistent with that for buildings.

14. Fixed assets

A fixed asset is recognised only when the economic benefits associated with the asset will probably flow into the Group and the cost of the asset can be measured reliably. Subsequent expenditures incurred for a fixed asset that meets the recognition criteria shall be included in the cost of the fixed asset, and the carrying amount of the component of the fixed asset that is replaced shall be derecognised. Other subsequent expenditures are recognised in profit or loss in the period in which they are incurred.

Fixed assets are initially measured at cost and the effect of any expected costs of abandoning the asset at the end of its use is considered. The cost of a fixed asset is the aggregate cost of purchase price, related taxes and any directly attributable expenditure for bringing the asset to its working condition for its intended use.

Other than the fixed asset formed by the work safety fund that is depreciated one time, other fixed assets are depreciated over their useful lives using the units-of-production method or the straight-line method. The useful lives, estimated net residual value rate and annual depreciation rate of each category of the fixed assets which depreciation is calculated using the straight-line method are as follows:

	Useful life	Estimated net residual value rate	Annual depreciation rate
Buildings	8-60 years	0%-5%	1.58%-12.50%
Mining assets	5-40 years	0%-5%	2.38%-20.00%
Power generation and transmission equipment	8-30 years	0%-5%	3.17%-12.50%
Plant, machinery and equipment	5-15 years	0%-5%	6.33%-20.00%
Motor vehicles	4-10 years	0%-5%	9.50%-25.00%
Furniture and fixtures and others	3-10 years	0%-5%	9.50%-33.33%
Land	Permanent	N/A	N/A

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

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.

Notes to Financial Statements *(continued)*

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

16. Borrowing costs

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

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised when expenditures for such assets fulfill the conditions of capitalisation, whereas other borrowing costs are recorded in profit or loss for the current period. Qualifying assets are assets (fixed assets, investment properties, inventories, etc.) that necessarily take a substantial period of time of 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 have been incurred;
- (2) Borrowing costs have been incurred; and
- (3) Activities relating to the acquisition, construction or production of the asset that are necessary to bring the asset for its intended use or sale have commenced.

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

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

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

Capitalisation of borrowing costs shall be suspended during periods in which the acquisition, construction or production of qualifying assets is interrupted abnormally for a continuous period of more than three months except when the assets have become ready for their intended use or sale. The borrowing costs incurred during these periods shall be recognised in profit or loss for the current period until the acquisition, construction or production resumes.

17. Right-of-use assets

Right-of-use assets of the Group mainly consist of buildings, power generation and transmission equipment, plant, machinery and equipment, motor vehicles, furniture and fixtures and others.

At the commencement date of the lease, the Group recognises the right to use the leased assets during the lease term as a right-of-use asset, including: the initial measurement amount of the lease liability; the amount of lease payment paid on or before the beginning of the lease term, the amount of lease incentive already enjoyed shall be deducted if there is a lease incentive; initial direct expenses incurred by the lessee; the costs that the lessee is expected to incur in order to dismantle and remove the leased asset, restore the leased asset to the site or restore the leased asset to the state agreed upon in the lease terms. The right-of-use assets are depreciated on a straight-line basis subsequently by the Group. If the Group is reasonably certain that the ownership of the underlying asset will be transferred to the Group at the end of the lease term, the Group depreciates the asset from the commencement date to the end of the useful life of the asset. Otherwise, the Group depreciates the assets from the commencement date to the earlier of the end of the useful life of the asset or the end of the lease term.

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

17. Right-of-use assets *(continued)*

The Group remeasures the lease liability at the present value of the revised lease payments and adjusts the carrying amount of the right-of-use assets accordingly. When the carrying amount of the right-of-use assets is reduced to zero, and there is a further reduction in the measurement of the lease liability, the Group recognises the remaining amount of the remeasurement in profit or loss for the current period.

18. Intangible assets

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

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

A mining right (included in Note V.18 Intangible assets) is amortised using the units-of-production method. An exploration right will not be amortised until it is transferred to mining right which is amortised using the units-of-production method. Other intangible assets are amortised over their useful lives using the straight-line method. The estimated useful lives of each category of intangible assets are as follows:

	Useful life
Land use rights	30-50 years
Membership of Shanghai Gold Exchange	10 years

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

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

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

Exploration expenditure is recognised as other non-current assets - exploration and development costs at the net amount of cost less impairment. Exploration expenditure includes costs of geological prospecting for technical consultancy and costs of feasibility study for commercial development which incurred in the surroundings, outer ring and deep areas of the existing or externally acquired mineral properties, and costs of drilling, trench sampling and other associated activities. Such expenditures may be capitalised when the mineral properties are reasonably determined to be commercially available and recognised as intangible assets after obtaining mining rights or permits, which will be amortised under the units-of-production method. If any construction was abandoned in the development phase or belongs to the productive exploration, all costs shall be written off and recognised in profit or loss for the current period.

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

19. Impairment of assets

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

The Group assesses at each end of the 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 of impairment. Impairment tests of intangible assets should be performed annually, even if they are not ready for use.

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

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

For the purpose of impairment testing, the carrying amount of 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 asset groups or set of asset groups to which the goodwill is so allocated represents those which are expected to benefit from the synergies of the combination and is not larger than a reported segment of the Group.

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

Once an impairment loss of the above-mentioned asset is recognised, it shall not be reversed in any subsequent period.

20. Long-term deferred assets

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

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

21. Employee benefits

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

Short term employee benefits

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

Post-employment benefits (defined contribution plan)

The employees in the Group participate in social insurance and unemployment insurance schemes administrated by the local governments, to which the Company and its subsidiaries in the PRC are required to contribute a certain percentage of the basic salaries of its employees as stipulated by rules and regulations in the PRC, and the related expenditures are recorded in cost of related assets or profit or loss in the period when they incurred.

Post-employment benefit plan (defined benefit plan)

The Group operates a defined benefit pension plan which requires contributions to be made to a separately administered fund. The benefit plan is not funded yet. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements arising from the defined benefit pension plan, comprising actuarial gains and losses, the effect of the asset ceiling (excluding amounts included in net interest on the net defined benefit liability) and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the statement of financial position with a corresponding debit or credit to equity through other comprehensive income in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss at the earlier of the date of the plan amendment and the date that the Group recognises restructuring-related costs or termination benefits.

The net interest is calculated by the discount rate of the net liabilities or net assets of the defined benefit plan. The Group recognises the following changes in the net defined benefit obligation under operating costs, and administrative expenses, in the statement of profit or loss: service costs comprising current service costs, past service costs, gains and losses on settlements; net interest comprising interest income on plan assets, interest costs on the defined benefit obligation and interest on the effect of the asset ceiling.

Termination benefits

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

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

22. Lease liabilities

At the commencement date of the lease period, the Group recognises the present value of outstanding lease payments as a lease liability, excluding short-term leases and leases of low-value assets. The Group adopts the interest rate implicit in the lease as the discount rate to calculate the present value of the lease payments. Where the interest rate implicit in the lease cannot be determined, the incremental borrowing rate of the lessee shall be used as the discount rate. The Group calculates the interest expense of the lease liability during each period of the lease term in accordance with the constant periodic rate of interest and recognises it in profit or loss for the current period, except otherwise stipulated in the cost of related assets. The variable lease payment that is not included in the measurement of lease liabilities is recognised in profit or loss for the current period when it actually occurs, except that it is otherwise stipulated to be included in the cost of relevant assets.

After a lease term commences, when there is a change in the amount of in-substance fixed lease payments, a change in the amounts expected to be payable under a residual value guarantee, a change in future lease payments resulting from a change in an index or a rate used to determine those payments, a change in assessment of an option to purchase the underlying asset, renew or terminate the lease, or change in the actual exercise of an option, the Group remeasures the carrying amount of the lease liability by discounting the revised lease payments.

23. Contingent liabilities

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

- (1) it is a present obligation of the Group;
- (2) it is probable that an outflow of economic benefits from the Group will be required to settle the obligation; and
- (3) the amount of the obligation can be measured reliably.

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

The contingent liabilities of the acquiree acquired in the business combination not involving enterprises under common control are measured at fair value at initial recognition. After initial recognition, the contingent liabilities are subsequently measured at the higher of the amount that would be recognised based on provisions and the balance of the amount initially recognised less the cumulative amortisation determined by the income recognition principle.

24. Other equity instruments

The Group has the right to extend for an unlimited number of times the renewable corporate bonds issued by the Group after maturity, and the Group has the right to defer payment for the interest at the nominal interest of the renewable corporate bonds. The Group has no contractual obligation to pay cash or other financial assets. Hence the renewable corporate bonds are classified as equity instruments.

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

25. Revenue from contracts with customers

The Group recognises revenue when it has fulfilled its obligations under the contract, i.e., when the customer acquires control of relevant goods or services. Acquiring control over the goods or services refers to the ability to dominate the use of the goods or the provision of services and to derive almost all the economic benefits therefrom.

Contracts for the sale of goods

The contracts for the sale of goods between the Group and its customers usually only contain the performance obligations for the transfer of goods. The Group generally recognises revenue at the point of transfer of the control of goods on the basis of a combination of the following factors: the current right to collect the goods, the transfer of major risks and benefits in the ownership of the goods, the transfer of the legal ownership of the goods, the transfer of physical assets of the goods and that the customers have accepted the goods.

Metals streaming business

There is a metals streaming business in Continental Gold Inc. ("Continental Gold") acquired by the Group in 2020. Under the business arrangement, Continental Gold receives a payment in advance and the counterparty obtains a certain proportion of deliverable gold and silver within the entire life of the designated mine. The counterparty is also required to pay an additional payment based on a certain proportion of the market price when Continental Gold delivers the goods within an agreed period in the future. The payment Continental Gold receives in advance is considered to be part of the counterparty's prepayment for the future goods with uncertain but predictable quantity, and is recognised as a contract liability upon receipt. Each unit of the delivered goods represents a separate performance obligation, and revenue is recognised at the point in time when control of the goods is transferred. Considering the timing of satisfaction of delivery obligations throughout the entire life of the mines, the contract liability above is considered to have significant financing components. In addition, because the quantity of all delivered goods available to the counterparty depends on the mining reserves of the metals throughout the entire life of the mines, the management will estimate the change of total metal reserves and planned mining reserves of the mines change on a regular basis and adjustments shall be made to the revenue and financing expenses recognised in historical periods based on the updated prices in the change periods.

Contracts for the rendering of services

A contract for the rendering of services between the Group and a customer usually includes performance obligations such as engineering construction management, engineering design consulting and so on. Because the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs, and the Group has an enforceable right to payment for performance completed to date, the revenue is recognised over time only if the Group can reasonably measure its progress towards the complete satisfaction of the performance obligation. The Group uses the output method and determines the progress towards the complete satisfaction of the rendering of services on the basis of performance completed to date based on survey. If the progress towards the complete satisfaction of the performance obligation cannot be reasonably measured, but the Group expects to recover the costs incurred in satisfying the performance obligation, the revenue is recognised only to the extent of the costs incurred until such time that the Group can reasonably measure the progress towards the complete satisfaction of the performance obligation.

Notes to Financial Statements *(continued)*

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

25. Revenue from contracts with customers *(continued)*

Significant financing components

When the contract contains a significant financing component, the Group determines the transaction price based on an amount that reflects the price that a customer would have paid for the goods or services in cash at the time of obtaining the control of the goods or services, and amortises the difference between the determined transaction price and the consideration promised in the contract under the effective interest method within the contract period using the discount rate that discounts the nominal amount of the contract consideration to the current selling price of the goods or services. The Group does not consider the effects of a significant financing component in the contract if it is expected that the period between when the customer obtains control of the goods or services and when the customer pays for such goods or services will be one year or less.

Variable consideration

In the Group's metals streaming business, because the quantity of all delivered goods available to the counterparty depends on the mining reserves of the mine throughout the entire life of the mine, the price allocated to each unit of the delivered goods is considered as variable consideration. When estimated total metal reserves and planned mining reserves of the mine are changed, the price of each unit of the delivered goods shall be recalculated and adjustments shall be made to the revenue and financing expenses recognised in historical periods based on the updated prices in the change periods. The Group determines the best estimate of the variable consideration based on the expected value. However, the transaction price including variable consideration is only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

Principal/agent

When the Group obtains control of trade goods from a third party and then transfers them to the customer, the Group is entitled to determine the transaction price of the trade goods on its own. The Group controls the trade goods before they are transferred to the customer. Thus, the Group is a principal and recognises revenue in the gross amount of consideration received or receivable. Otherwise, the Group is an agent and recognises revenue in the amount of any fee or commission to which it expects to be entitled from the customer. The amount is the net amount of the gross consideration received or receivable after paying the other party the consideration received in exchange for the goods to be provided by that party or determined by the agreed-upon amount or proportion of commissions, etc.

26. Contract liabilities

The Group presents contract liabilities in the statement of financial position depending on the relationship between contractual performance obligations and customer payments.

Contract liabilities

The obligation to transfer products to customers in connection with customer consideration received or receivable is presented as contract liabilities, for example, amounts received prior to the transfer of the promised products.

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

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

27. Government grants

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

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

The method applicable to the Group's government grants is the gross method.

Government grants related to income shall be accounted for accordingly as follows: those to be used as compensation for future expenses or losses shall be recognised as deferred income and recorded in profit or loss or offset against the related costs over the period when the related expenses or losses are recognised; those to be used as compensation for related expenses or losses already incurred shall be recognised directly in profit or loss or offset against the related costs.

Government grants related to assets shall be offset against the carrying value of the assets, or recognised as deferred income to be recognised in profit or loss on a reasonable and systematic basis over the useful lives of the assets (however, government grants measured at a nominal amount shall be recognised directly in profit or loss for the current period). If the assets are sold, transferred, scrapped or destroyed before the end of their useful lives, the balances of undistributed deferred income shall be reclassified to profit or loss over the period when the assets are disposed of.

28. Income tax

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

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

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

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

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

Notes to Financial Statements *(continued)*

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

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

28. Income tax *(continued)*

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

- (1) When the deductible temporary differences do not arise from business combinations and affect neither the accounting profit, taxable profit or loss nor deductible losses at the time of the transaction.
- (2) In respect of deductible temporary differences associated with investments in subsidiaries, joint ventures 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 the 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 liabilities are expected to be repaid. The recognition of deferred tax assets and liabilities also takes the recovery or the repayment terms at the end of the reporting period into account.

At the end of the 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 the reporting period, the carrying amount of deferred tax assets that are not recognised before, is reviewed and recognised to the extent that it is probable that available taxable profits in the future will allow entire or part of the benefit of deferred tax assets to be utilised.

Deferred tax assets and deferred tax liabilities are offset and the net amount is presented if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities, and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

29. Leases

Identification of leases

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset or group of identified assets for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Group assesses whether, throughout the period of use, the customer has both the right to obtain substantially all of the economic benefits from use of the identified asset and the right to direct the use of the identified asset.

Identification of separate lease components

For a contract that contains multiple separate lease components, the Group separates the components of the contract and accounts for each separate lease component. The right to use an underlying asset is a separate lease component if both of the following conditions are satisfied:

- (1) the lessee can benefit from use of the underlying asset either on its own or together with other resources that are readily available to the lessee; and
- (2) the underlying asset is neither highly dependent on, nor highly interrelated with, the other underlying assets in the contract.

Notes to Financial Statements *(continued)*

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

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

29. Leases *(continued)*

Separating lease components and non-lease components

For a contract that contains lease components and non-lease components, the Group, as a lessor or a lessee, accounts for each lease component within the contract as a lease separately from non-lease components of the contract. The Group, as a lessee, does not separate the leased components and non-lease components and combined into leases for accounting. Except for the categories of leased assets described above, the Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract.

Assessment of the lease term

The lease term is the non-cancellable period of a lease for which the Group has the right to use an underlying asset. If the Group has an option to extend the lease, that is, the Group has the right to extend the lease, and is reasonably certain to exercise that option, the lease term also includes periods covered by an option to extend the lease. If the Group has an option to terminate the lease, that is, the Group has the right to terminate the lease, but is reasonably certain not to exercise that option, the lease term includes periods covered by an option to terminate the lease. The Group reassesses whether it is reasonably certain to exercise an extension option, purchase option, or not to exercise a termination option, upon the occurrence of either a significant event or a significant change in the circumstances that is within the control of the Group and affects whether the Group is reasonably certain to exercise an option.

As lessee

The general accounting treatment of the Group as a lessee is shown in Note III.17 and Note III.22.

Lease modifications

Lease modification is a change in the scope of a lease, or the consideration or term for a lease, that was not part of the original terms and conditions of the lease, for example, adding or terminating the right to use one or more underlying assets, or extending or shortening the contractual lease term.

The Group accounts for a lease modification as a separate lease if both of the following conditions are satisfied:

- (1) the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- (2) the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, at the effective date of the lease modification the Group redetermines the lease term and remeasures the lease liability by discounting the revised lease payments using a revised discount rate. The revised discount rate is determined as the interest rate implicit in the lease for the remainder of the lease term, or the lessee's incremental borrowing rate at the effective date of the modification, if the interest rate implicit in the lease cannot be readily determined.

For a lease modification that is not accounted for as a separate lease, the Group accounts for the remeasurement of the lease liability by:

- (1) decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease or shorten the lease term, and recognising the gain or loss relating to the partial or full termination of the lease in profit or loss for the current period; or
- (2) making a corresponding adjustment to the carrying amount of the right-of-use asset for all other lease modifications.

Notes to Financial Statements *(continued)*

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

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

29. Leases *(continued)*

As lessee *(continued)*

Short-term leases and leases of low-value assets

The Group considers a lease that, at the commencement date of the lease, has a lease term of 12 months or less, and does not contain any purchase option as a short-term lease; and a lease for which the value of the individual underlying asset is not more than RMB40,000 when it is new as a lease of low-value assets. If the Group subleases an asset, or expects to sublease an asset, the head lease does not qualify as a lease of a low-value asset. The Group does not recognise the right-of-use assets and lease liabilities for short-term leases and leases of low-value assets of buildings, power generation and transmission equipment, machinery and equipment, motor vehicles, furniture and fixtures and others. The Group recognises lease payments on short-term leases and leases of low-value assets in the costs of the related asset or profit or loss for the current period on a straight-line basis (or units-of-production basis) over the lease term.

COVID-19-related rent concessions

As to any rent concessions relating to the existing leases which include reduction or delay in rent payment, occurring as a direct consequence of the COVID-19 pandemic, the Group adopted a practical expedient to account for all leases only if all of the following conditions are met:

- (1) the revised consideration after the rent concession for the lease is substantially the same as, or less than the consideration for the lease immediately preceding the rent concession;
- (2) the rent concession only affects the amount of lease payable due on or before 30 June 2021; and
- (3) there is no substantive change to other terms and conditions of the lease by taking into account any qualitative and quantitative factors.

The Group does not assess whether there exist lease modifications, continues to calculate the interest expense of the lease liabilities based on the same discount rate as before the concessions and recognise it in profit or loss for the current period, and continues to provide depreciation of the right-of-use assets using the same way as before the concessions. For rent concessions, the Group regards the reduced rent as a variable lease payment. When a concession agreement is reached to release the original rent payment obligation, the undiscounted cash amount will be used to offset the relevant asset costs or expenses, and the lease liabilities will be adjusted accordingly; for the deferred rent payment, the Group will offset the lease liabilities recognised in the previous period when the actual payment is made.

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

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

29. Leases *(continued)*

As lessor

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset, except that a lease is classified as an operating lease at the inception date.

As lessor under an operating lease

Rent income under an operating lease is recognised on a straight-line basis over the lease term, through profit or loss for the current period. Variable lease payments that are not included in the measurement of lease receivables are charged to profit or loss for the current period as incurred.

The Group accounts for a modification to an operating lease as a new lease from the effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease.

30. Hedge accounting

In respect of the methods of hedge accounting, the Group's hedging is classified as fair value hedge, that is a hedge of the exposure to changes in fair value of a recognised asset or liability or an unrecognised firm commitment (other than foreign exchange risk).

At the inception of a hedge relationship, the Group officially designates the hedge relationship and prepares formal written documentation of the hedge relationship, risk management objectives and hedge strategies. The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess the hedging instrument's effectiveness. Hedge effectiveness is the extent to which the changes in fair value or cash flows of the hedging instruments offset changes in the fair value or cash flow of hedged items caused by the hedged risk. Such hedges are assessed on an ongoing basis to ensure that such hedges are effective during the accounting period with designated hedging relationships.

If the hedging instrument expires or is sold, terminated or exercised (but the rollover or replacement of part of a hedging instrument under the hedging strategy is not treated as an expiration or a contract termination), or due to a change in the risk management objective, the hedging relationship no longer meets the risk management objective, or when the hedging no longer meets other conditions of the hedge accounting method, the Group terminates the use of hedge accounting.

Where the hedging relationship no longer meets the hedging effectiveness requirements due to the hedging ratio, but the risk management objectives for the designated hedging relationship have not changed, the Group rebalances the hedging relationship.

The Group's methodology for assessing the effectiveness of hedging, risk management strategy and how to apply the strategy to manage risks are described in Note V.67.

Notes to Financial Statements *(continued)*

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

30. Hedge accounting *(continued)*

Hedges which meet the criteria for hedge accounting are accounted for as follows:

Fair value hedges

The gains or losses arising from the hedging instrument are recognised in profit or loss for the current period. The gains or losses arising from the hedging instrument shall be recognised in other comprehensive income if it is a hedge against the investment of a non-trading equity instrument investment designated to be measured at fair value through other comprehensive income. The gain or loss of the hedged item arising from risk exposure is recognised in profit or loss for the current period. If the hedged item is a non-trading equity instrument investment designated to be measured at fair value through other comprehensive income, the gain or loss arising from risk exposure is recognised in other comprehensive income. The book value of the hedged item that is not measured at fair value is adjusted accordingly.

For fair value hedge relating to debt instruments carried at amortised cost, the adjustments on the carrying amount of the hedged items are amortised to profit or loss over the remaining term of the hedge using the effective interest method. Amortisation using the effective interest rate may begin upon the adjustment of the carrying amount but no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged. If the hedged item is a debt instrument measured at fair value through other comprehensive income, the accumulation of recognised hedged gains or losses shall be amortised in the same manner and recognised in profit or loss for the current period, while the book value of financial assets is not adjusted. If the hedged item is terminated, the unamortised fair value is recognised in profit or loss for the current period.

When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with the corresponding gain or loss recognised in profit or loss for the current period. The fair value changes of hedging instruments are also recognised in profit or loss for the current period.

Hedging costs

The Group separates the forward element and the spot element of a forward contract and designates as the hedging instrument only the change in the value of the spot element of the forward contract; the Group recognises the change in fair value of the forward element of the forward contract and the foreign currency basis spread of a financial instrument in other comprehensive income to the extent that they relate to the hedged items. For a time-period related hedged item, the changes in fair values are amortised on a systematic and rational basis over the period during which the hedged items could affect profit or loss or other comprehensive income and reclassified from other comprehensive income to profit or loss.

31. Share repurchase

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

32. Profits distribution

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

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

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

33. Work safety fund

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

34. Fair value measurement

The Group measures its receivables financing, certain debts investments in debt instruments, derivative financial instruments and equity investments at fair value at each end of the reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the relevant asset or liability, or in the absence of a principal market, in the most advantageous market for the relevant asset or liability. The principal or the most advantageous market must be accessible by the Group as at the measurement date. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic 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 and other information are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Unobservable inputs are adopted only when observable inputs are not available or impracticable to be obtained.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole: Level 1 - based on quoted prices (unadjusted) in active markets for identical assets or liabilities which can be accessed at the measurement date; Level 2 - based on inputs other than those included within level 1 that are observable for the relevant asset or liability, either directly or indirectly; and Level 3 - based on unobservable inputs for the relevant asset and liability.

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

Notes to Financial Statements *(continued)*

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

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

35. Significant accounting judgements and estimates

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

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements which have the most significant effects on the amounts recognised in the financial statements:

Corporate income tax

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

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.) International Mining Co., Ltd. ("Gold Mountains (H.K.)"), a wholly-owned subsidiary of the Company, and Barrick (PD) Australia Pty Limited, and each of the parties has rights to the assets and obligations for the liabilities of BNL, eligible to BNL's products and recognises expenses incurred in the proportion of 50% each. Therefore, the Group accounts for it as a joint operation.

Business model

The classification of financial assets at initial recognition is dependent on the Group's business model for managing the assets. Factors considered by the Group in judging the business model include enterprise evaluation, the method of reporting the results of financial assets to key management members, risks affecting the results of financial assets and the method for managing such risks, as well as the form of remuneration received by the management personnel of the businesses concerned. In assessing whether the business model is aimed at receiving contractual cash flows, the Group is required to analyse and exercise judgement in respect of the reasons, timing, frequency and values of any disposals prior to maturity.

Characteristics of contractual cash flows

The classification of financial assets at initial recognition is dependent on the characteristics of the contractual cash flows of such type of financial assets. Judgement is required to determine whether the contractual cash flows represent solely payments of principal and interest on the principal amount outstanding, including judgement of whether it is significantly different from the benchmark cash flows when assessing modifications to the time value of currencies.

Notes to Financial Statements *(continued)*

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

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

35. Significant accounting judgements and estimates *(continued)*

Judgements *(continued)*

Principal/agent

When the Group obtains control of trade goods from a third party and then transfers them to the customer, the Group is entitled to determine the transaction price of the trade goods on its own. The Group controls the trade goods before they are transferred to the customer. Thus, the Group is a principal and recognises revenue in the gross amount of consideration received or receivable. Otherwise, the Group is an agent and recognises revenue in the amount of any fee or commission to which it expects to be entitled from the customer. The amount is the net amount of the gross consideration received or receivable after paying the other party the consideration received in exchange for the goods to be provided by that party or determined by the agreed-upon amount or proportion of commissions, etc.

Estimation uncertainty

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

Inventory provision determined on net realisable value

Inventory provision is made for those inventories with cost higher than the net realisable value based on the Company's accounting policies for inventories and the measurement of the lower of cost and net realisable value. At least at every financial year end, the Company reviews if the costs of the inventories are lower than the net realisable value.

Impairment of financial instruments

The Group has adopted the expected credit loss model to evaluate the impairment of financial instruments. The application of the expected credit loss model requires significant judgements and estimates and the consideration of all reasonable and soundly based information, including forward-looking information. In making such judgements and estimates, the Group estimates the projected movements of the debtor's credit risk according to past repayment records, economic policies, macro-economic indicators and industry risks, etc. Different estimates may affect the impairment provision, and the amount of impairment provision may not equal to the actual amount of impairment loss in the future.

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 the reporting period. Intangible assets with indefinite useful lives are tested for impairment annually and at other times when such an indicator exists. Other non-current assets other than financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or asset group exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its present value of future cash flows. The calculation of the fair value less costs of disposal based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or asset group and choose a suitable discount rate in order to calculate the present value of those cash flows. Please refer to Notes V.14, 15, 16 and 18.

Notes to Financial Statements *(continued)*

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

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

35. Significant accounting judgements and estimates *(continued)*

Estimation uncertainty *(continued)*

Impairment of goodwill

Goodwill is tested for impairment at least at the end of each year. For the purpose of impairment testing, the present value of future cash flows, which are generated from asset groups or sets of asset groups considered together with allocated goodwill, is estimated. The Group estimates the present value of future cash flows from asset groups or sets of asset groups by forecasting the related cash flows and selecting a suitable discount rate. Please refer to Note V.19.

Fair value of non-listed equity investments

Non-listed equity investments are valued as expected future cash flows based on the current discount rate of other financial instruments with similar contractual terms and risk characteristics. This requires the Group to estimate future cash flows, credit risks, fluctuations and discount rates and is therefore uncertain.

Useful lives of property, plant and equipment

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

Exploration expenditures

Determination of the capitalisation amount of exploration expenditures requires management's estimation of future cash flows of the related assets, choosing a suitable discount rate and estimation of beneficial useful lives.

Proved mineral reserves

Proved mineral reserves are estimated based on professional knowledge, experience and industry practice. Generally, the mineral reserve volume estimated based 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, on the stripping ratio which was used in the capitalisation of stripping costs, and on each of transaction prices of the metals streaming business, etc. This may result in changes of or impacts on the Group's development and operation plan, and hence the Group's operation and operating results.

Deferred tax assets

To the extent that it is probable that there are sufficient taxable profits to offset the deductible losses, deferred tax assets shall be recognised for all unused deductible losses. Substantial management's judgements regarding the timing, amount of future taxable profit as well as tax planning strategies are needed when estimating the amount of deferred tax assets.

Estimated compensation

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

Notes to Financial Statements *(continued)*

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

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

35. Significant accounting judgements and estimates *(continued)*

Estimation uncertainty *(continued)*

Provision for environmental rehabilitation and restoration of mines

Pursuant to the regulations of the governmental authorities in the countries where the mines are located, the Group recognises provision for environmental rehabilitation and restoration of mines. The amount of provision is an estimate based upon the life of mining tenements, timing of mine closure and cost of such rehabilitation. When this estimate changes, it may affect the Group's operations and performance.

Lessee's incremental borrowing rate

If the interest rate implicit in the lease cannot be readily determined, the Group measures the lease liability at the present value of the lease payments discounted using the lessee's incremental borrowing rate. According to the economic environment, the Group takes the observable interest rate as the reference basis for determining the incremental borrowing rate, then adjusts the observable interest rate based on its own circumstances, underlying assets, lease terms and amounts of lease liabilities to determine the applicable incremental borrowing rate.

36. Change in accounting policy

COVID-19-related rent concessions

In accordance with the "Accounting Treatment of COVID-19-related Rent Concessions" (the "Accounting Treatment"), practical expedient can be applied for COVID-19-related rent concessions pursuant to the provisions of the Accounting Treatment. As a lessee, the Group applied the aforesaid practical expedient for those rent concessions before 30 June 2021 arising as a direct consequence of COVID-19 pandemic and agreed upon between the lessors or lessees and the Group, in the preparation of the Group's and the Company's financial statements for the year 2020. The announcement of the Accounting Treatment does not have material impact on the Group's and the Company's financial statements.

Scope of related party disclosure

In accordance with the requirements of "Accounting Standards for Business Enterprises Interpretation No. 13", from 1 January 2020, the following parties which were not identified as related parties before shall be identified as related parties: subsidiaries of the Group's joint ventures. Such changes in accounting policy affect the identification of related parties and the disclosure of related party transactions. The comparative figures were not retrospectively adjusted pursuant to the transitional arrangement.

Determination of a business

In accordance with the requirements of "Accounting Standards for Business Enterprises Interpretation No. 13", from 1 January 2020, "a set must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs" shall be used to determine if a set constitutes a business. "Involving two essential elements of inputs and processes" is no longer a determination condition. Such changes in accounting policy affect the determination of whether a transaction constitutes a business combination. The comparative figures were not retrospectively adjusted pursuant to the transitional arrangement.

Notes to Financial Statements *(continued)*

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

IV. TAX

1. Major taxes and tax rates

Value added tax For the Company and the Company's subsidiaries incorporated and operating in the PRC: Sales of final gold products and carrying-gold minerals are exempted from VAT. The output VAT rate for the mining and processing of ferrous metals such as iron concentrates and non-ferrous metals such as copper concentrates, zinc concentrates, and the sales and processing of copper cathodes, zinc bullion, silver bullion and materials was 13%. The taxpayer is required to remit the VAT it collects to the tax authority, but may deduct the VAT it has paid on eligible purchases. The output VAT rate for transportation service was 9%, and that for trademark royalty income and technical service income is 6%. The taxpayer is required to remit the VAT it collects to the tax authority, but may deduct the VAT it has paid on eligible purchases.

For the Company's subsidiaries incorporated and operating abroad: The output VAT rate of 10%-20% is applicable to subsidiaries in different countries and regions according to local VAT or goods services tax ("GST") law.

City construction and maintenance tax Levied on actual payment of turnover tax at rates ranging from 1% to 7%.

Resource tax For the Company and the Company's subsidiaries incorporated and operating in the PRC: taxes on resources are calculated with the price-based method. The basis for taxation is the sales amount of original ore concentrates (or processed products from original ore), primary products or gold bullion. Since 1 July 2016, the tax rates were 1% to 4% for gold resources; 2% to 7% for copper resources; 1% to 6% for iron resources; and 2% to 6% for zinc-lead resources. Pursuant to the Resource Tax Law of the People's Republic of China (hereinafter referred to as the "Resource Tax Law") coming into force as of 1 September 2020, the tax rates are 2% to 6% for gold resources; 2% to 10% for copper resources; 1% to 9% for iron resources; and 2% to 10% for zinc-lead resources.

For the Company's subsidiaries incorporated and operating abroad: In accordance with the relevant provisions of local resource tax, utilisation fee of mine or mining tax of mineral resources, subsidiaries in different countries and regions abroad apply different tax rates. The tax rates are 2.5% to 8% for precious metals such as gold and silver resources and 2.5% to 7% for other bulk metals such as copper and zinc resources.

Corporate income tax	Countries or regions where the subsidiaries and joint arrangement are situated	Tax rate
	Mainland China	25%
	Hong Kong	16.5%
	Australia, the Democratic Republic of the Congo and Papua New Guinea	30%
	The Republic of Serbia	15%
	The Republic of Tajikistan	13%
	The Russian Federation	20%
	Eritrea	38%
	Colombia	32%
	Guyana	25%
	The Kyrgyz Republic (Note 1)	—

Note 1: For the Company's subsidiaries incorporated in the Kyrgyz Republic, according to the local tax laws, a zero corporate income tax rate is adopted for taxpayers specialising in mining activities and selling gold ore, gold concentrates, alloy gold and refined gold. Meanwhile, corporate income tax is imposed on the revenue ranging at the rate from 1% to 20% depending on the range of gold price.

Some subsidiaries of the Company enjoy preferential tax treatment. Please refer to Note IV.2 for details of the major subsidiaries of the Company which enjoy preferential tax treatment.

Notes to Financial Statements *(continued)*

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

IV. TAX *(continued)*

2. Tax incentives

Pursuant to the Notice of the Ministry of Finance, the State Taxation Administration and the General Administration of Customs on the Issues of Preferential Taxation Policies for Further Implementing the Western Development Strategy (Cai Shui [2011] No. 58) and the Notice of the Continuation of the Corporate Income Tax Policies under Western Development Strategy issued by the Ministry of Finance, the State Taxation Administration, the National Development and Reform Commission on 23 April 2020 (the Ministry of Finance Notice No. 23), from 1 January 2011 to 31 December 2030, the enterprises in the western region, which are principally engaged in encouraged industries as indicated in the Catalogue of Encouraged Industries of Western Region could enjoy a reduced corporate income tax ("CIT") rate of 15%. According to the Notice Concerning Issuance and Amendment of "Handling Methods of Preferential Corporate Income Tax Policies" issued by the State Taxation Administration (State Taxation Administration Announcement 2018 No. 23), the handling methods of "self-determination, reporting the entitlement and retaining the relevant information for inspection" shall be adopted by the enterprises enjoying the tax concessions.

In 2020, the following subsidiaries met the conditions for enjoying tax concessions and were entitled to a reduced CIT rate of 15%:

- (1) Xinjiang Habahe Ashele Copper Co., Ltd. ("Ashele Copper") met the conditions of preferential taxation policies for the Western Development and was entitled to a tax concession at a preferential CIT rate of 15% in 2020.
- (2) Xinjiang Zijin Zinc Co., Ltd. ("Zijin Zinc") met the conditions of preferential taxation policies for the Western Development and was entitled to a tax concession at a preferential CIT rate of 15% in 2020.
- (3) Xinjiang Jinbao Mining Co., Ltd. ("Xinjiang Jinbao") met the conditions of preferential taxation policies for the Western Development and was entitled to a tax concession at a preferential CIT rate of 15% in 2020.
- (4) Hunchun Zijin Mining Co., Ltd. ("Hunchun Zijin") met the conditions of preferential taxation policies for the Western Development and was entitled to a tax concession at a preferential CIT rate of 15% in 2020.
- (5) Urad Rear Banner Zijin Mining Co., Ltd. ("Urad Rear Banner Zijin") met the conditions of preferential taxation policies for the Western Development and was entitled to a tax concession at a preferential CIT rate of 15% in 2020.

Pursuant to the Measures for the Implementation of Enterprise Income Tax Policies of the Tibet Autonomous Region (Zang Zheng Fa [2014] No. 51), for enterprises in the Tibet Autonomous Region, the corporate income tax rate shall be 15% under the Western Development Strategy. Pursuant to the Provision of Preferential Policies for Investment Promotion of the Tibet Autonomous Region (Tentative) (Zang Zheng Fa [2018] No. 25), enterprises that have been approved for establishment before 1 January 2018 and enjoyed the regular tax reduction and exemption policies in accordance with the prevailing laws, regulations and the relevant provisions of the government of the autonomous region, shall continue to enjoy the tax reduction and exemption policies until 31 December 2020 after the implementation of the provisions. In 2020, the Group's subsidiary, Tibet Julong Copper Co., Ltd. ("Julong Copper") met the conditions for enjoying tax concessions and was entitled to a reduced CIT rate of 15%.

Notes to Financial Statements *(continued)*

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

IV. TAX *(continued)*

2. Tax incentives *(continued)*

Pursuant to the Notice Concerning Revision and Issuance of Administration Policy for Determination of High and New Technology Enterprise (Guo Ke Fa Huo [2016] No. 32) issued by the Ministry of Science and Technology, the Ministry of Finance and the State Taxation Administration and the Notice Concerning Revision and Issuance of Administration Guideline on Determination of High and New Technology Enterprise (Guo Ke Fa Huo [2016] No. 195) issued by the Ministry of Science and Technology, the Ministry of Finance and the State Taxation Administration, the Company obtained the certificate of High and New Technology Enterprise jointly issued by authorities including the Science and Technology Department of Fujian Province, the Finance Department of Fujian Province, the State Tax Bureau of Fujian Province, the Local Tax Bureau of Fujian Province, etc. on 23 October 2017 (reference number: GR201735000251). The validity period of the certificate is from 23 October 2017 to 23 October 2020. After the expiration of the above certificate, the Company obtained the certificate of High and New Technology Enterprise jointly issued by the authorities including the Science and Technology Department of Fujian Province, the Finance Department of Fujian Province, Fujian Provincial Tax Bureau of State Taxation Administration, etc. on 1 December 2020 (reference number: GR202035000605). The validity period of the certificate is from 1 December 2020 to 30 November 2023. The Company was entitled to enjoy the preferential CIT policies for high and new technology enterprises and entitled to a tax concession of the CIT rate of 15% in 2020.

According to the Departmental Interpretation and Practice Notes No. 52 issued by the Inland Revenue Department of the Hong Kong Special Administrative Region, Zijin International Capital Company Limited meets the conditions for being identified as a qualified corporate treasury center, and the income tax is reduced by 50%, i.e., income tax was levied at 8.25% in 2020.

The Company's subsidiaries incorporated in the Russian Federation met the prescribed requirements of local tax laws, the applicable income tax rate for 2019 was 0% and the applicable income tax rate from 2020 to 2024 is 10%.

Notes to Financial Statements *(continued)*

For the year ended 31 December 2020

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*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)***V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****1. Cash and cash equivalents**

	2020	2019
Cash	6,570,582	4,993,926
Bank deposits	11,621,138,439	5,858,208,293
Other monetary funds (Note 1)	327,630,275	361,942,581
	11,955,339,296	6,225,144,800
Including: Total amount with restrictions on use due to mortgage, pledge or freeze	168,653,056	149,269,836

Note 1: As at 31 December 2020, the balance of other monetary funds of the Group in Renminbi mainly included: land restoration and environmental rehabilitation costs of RMB23,644,758 (31 December 2019: RMB120,857,247). Pursuant to the rules of the local government, the Group provided a deposit for mine restoration and improvement of ecological environment in mines and deposited the fund in a specified bank account. The fund was restricted to the use for land restoration and environmental rehabilitation after mine closure; other guarantee deposits of RMB141,101,118, which were restricted to use (31 December 2019: RMB18,696,103); a deposit in the Shanghai Gold Exchange of RMB158,977,219 (31 December 2019: RMB222,389,231); and bank deposits with a carrying amount of RMB3,907,180 were frozen due to litigation (31 December 2019: RMB9,716,486).

As at 31 December 2020, cash and cash equivalents in the equivalent amount of RMB3,625,917,786 (31 December 2019: RMB2,128,060,365) 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 relevant rates with different maturities.

2. Held for trading financial assets

	2020	2019
Financial assets at fair value through profit or loss		
Investments in debt instruments (Note 1)	4,381,741	1,764,856
Investments in equity instruments (Note 2)	521,815,633	394,728,960
Derivative financial assets (Note 3)	346,548,180	59,055,417
Current portion of other non-current financial assets (Note 4)	749,755,657	–
Others (Note 5)	307,640,955	232,402,292
	1,930,142,166	687,951,525

Note 1: The Group's investments in bonds.

Note 2: The Group's investments in stocks aimed at making short-term profits.

Notes to Financial Statements *(continued)*

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

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

2. Held for trading financial assets *(continued)*

Note 3: Derivative financial assets are as follows:

	2020	2019
(1) Derivative financial assets without designated hedging relationship	282,595,447	29,178,947
<i>Including: Forward contracts</i>	14,595,153	21,073,375
<i>Foreign currency forward contracts</i>	262,035,033	–
<i>Futures contracts</i>	5,965,261	8,105,572
(2) Hedging instruments – Forward contracts	63,952,733	29,876,470
	346,548,180	59,055,417

Note 4: Please refer to Note V.13 for details of the current portion of other non-current financial assets.

Note 5: The Group's investments in funds and other investments aimed at making short-term profits. As at 31 December 2020, structured deposits of the Group's subsidiary, Shanghang Zijin Metallic Resources Co., Ltd. amounted to RMB50,000,000 were pledged with Agricultural Bank of China for bank acceptance bills; structured deposits of the Group's subsidiary, Zijin Mining Group (Xiamen) Metallic Materials Co., Ltd. amounted to RMB30,000,000 were pledged with Minsheng Bank for bank acceptance bills (31 December 2019: Nil).

3. 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:

	2020	2019
Within 1 year	1,120,955,317	920,113,326
Over 1 year but within 2 years	17,600,061	9,114,974
Over 2 years but within 3 years	6,098,932	20,743,565
Over 3 years	15,596,350	13,018,550
	1,160,250,660	962,990,415
Less: Bad debt provision for trade receivables	18,801,049	18,874,685
	1,141,449,611	944,115,730

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

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 the Hong Kong Companies Ordinance.

Notes to Financial Statements (continued)

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

3. Trade receivables (continued)

Details of the Group's trade receivables for which bad debt provision has been made are as follows:

	2020				
	Carrying amount		Bad debt provision		Net book value
	Amount	Proportion (%)	Amount	Proportion (%)	
For which bad debt provision has been made individually	12,378,436	1.07	12,378,436	100.00	-
Provision for bad debts based on credit risk characteristics	1,147,872,224	98.93	6,422,613	0.56	1,141,449,611
	1,160,250,660	100.00	18,801,049	1.62	1,141,449,611

	2019				
	Carrying amount		Bad debt provision		Net book value
	Amount	Proportion (%)	Amount	Proportion (%)	
For which bad debt provision has been made individually	11,234,457	1.17	11,234,457	100.00	-
Provision for bad debts based on credit risk characteristics	951,755,958	98.83	7,640,228	0.80	944,115,730
	962,990,415	100.00	18,874,685	1.96	944,115,730

The Group's trade receivables with bad debt provision based on credit risk characteristics are as follows:

	2020			2019		
	Carrying amount with estimated default	Expected credit loss rate (%)	Entire lifetime expected credit losses	Carrying amount with estimated default	Expected credit loss rate (%)	Entire lifetime expected credit losses
Within 1 year	1,120,954,467	0.30	3,362,863	920,012,775	0.30	2,760,038
Over 1 year but within 2 years	17,500,061	6.00	1,050,004	9,114,974	6.00	546,899
Over 2 years but within 3 years	5,437,087	15.00	815,563	16,367,816	15.00	2,455,173
Over 3 years	3,980,609	30.00	1,194,183	6,260,393	30.00	1,878,118
	1,147,872,224		6,422,613	951,755,958		7,640,228

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

	At 1 January	Additions	Recovery or reversal	Write-off	At 31 December
2020	18,874,685	8,990,504	(8,761,229)	(302,911)	18,801,049
2019	11,986,497	8,813,200	(389,998)	(1,535,014)	18,874,685

Notes to Financial Statements *(continued)*

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

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

3. Trade receivables *(continued)*

In 2020, provision for bad debt was RMB8,990,504 (2019: RMB8,813,200), and provision for bad debt of RMB8,761,229 was recovered or reversed (2019: RMB389,998).

In 2020, trade receivables written off amounted to RMB302,911 (2019: RMB1,535,014).

The five entities with the largest balances of trade receivables at 31 December 2020 are as follows:

Name of entity	Relationship	Amount	Proportion of trade receivables (%)	Ageing	Closing balance of bad debt provision
China Post Group Corporation Beijing Philatelic Bureau	Third party	64,414,360	5.55	Within 1 year	193,243
Suning E-Commerce self-operated platform	Third party	60,472,725	5.21	Within 1 year	181,418
Kamoa Copper S.A. ("Kamoa Copper")	Subsidiary of a joint venture	49,499,465	4.27	Within 1 year	148,498
Intercontinental Resources HK Co., Limited	Third party	48,424,315	4.17	Within 1 year	145,273
Jinchuan Group Copper Co., Ltd. ("Jinchuan Group")	Third party	28,957,651	2.50	Within 1 year	86,873
		251,768,516	21.70		755,305

The five entities with the largest balances of trade receivables at 31 December 2019 are as follows:

Name of entity	Relationship	Amount	Proportion of trade receivables (%)	Ageing	Closing balance of bad debt provision
The Perth Mint Australia	Third party	127,236,702	13.21	Within 1 year	381,710
Intercontinental Resources HK Co., Limited	Third party	78,815,252	8.18	Within 1 year	236,446
Trafigura Pte Ltd.	Third party	67,879,142	7.05	Within 1 year	203,637
Kazzinc Ltd.	Third party	41,368,589	4.30	Within 1 year	124,106
Hanzhong Zinc Industry Co., Ltd.	Third party	35,390,000	3.68	Within 1 year	106,170
		350,689,685	36.42		1,052,069

Notes to Financial Statements *(continued)*

For the year ended 31 December 2020

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*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

4. Receivables financing

	2020	2019
Bills receivable (Note 1)	1,584,054,139	1,318,505,074

Note 1: The Group reclassified bills receivable as financial assets at fair value through other comprehensive income, presented as receivables financing. Details are as follows:

	2020	2019
Bank acceptance bills	1,359,596,464	1,048,460,012
Commercial acceptance bills	240,240,529	276,795,969
	1,599,836,993	1,325,255,981
Less: Other comprehensive income – changes in fair value	15,782,854	6,750,907
	1,584,054,139	1,318,505,074

The Group did not have any external pledged bills receivable in 2020 and 2019.

Bills receivable endorsed or discounted by the Group which were not yet due at the end of the reporting period are as follows:

	2020		2019	
	Derecognised	Not derecognised	Derecognised	Not derecognised
Bank acceptance bills	530,150,820	260,976,849	529,155,989	224,098,696
Commercial acceptance bills	–	13,000,000	–	14,300,000
	530,150,820	273,976,849	529,155,989	238,398,696

5. Prepayments

An ageing analysis of the prepayments is as follows:

	2020		2019	
	Carrying amount	Proportion (%)	Carrying amount	Proportion (%)
Within 1 year	1,193,408,485	84.40	1,100,071,436	82.96
Over 1 year but within 2 years	84,072,335	5.95	111,472,507	8.41
Over 2 years but within 3 years	68,961,305	4.88	75,574,664	5.70
Over 3 years	67,467,431	4.77	38,842,021	2.93
	1,413,909,556	100.00	1,325,960,628	100.00
Less: Bad debt provision for prepayments	3,855,478		2,712,458	
	1,410,054,078		1,323,248,170	

As at 31 December 2020 and 31 December 2019, there were no prepayments with significant balances aged over one year.

Notes to Financial Statements *(continued)*

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

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

5. Prepayments *(continued)*

The movements of bad debt provision for prepayments are as follows:

	At 1 January	Additions	Reversal	Write-back/ Write-off	At 31 December
2020	2,712,458	1,143,020	–	–	3,855,478
2019	4,372,525	2,471,035	–	(4,131,102)	2,712,458

The five entities with the largest balances of prepayments at 31 December 2020 are as follows:

Name of entity	Relationship	Closing balance	Proportion of prepayments (%)
WH Metals Limited	Third party	81,307,032	5.75
Chifeng Fubang Copper Co., Ltd.	Third party	70,428,082	4.98
Trafigura Pte Ltd.	Third party	44,375,334	3.14
Wancheng Commercial Dongshengmiao Co., Ltd. ("Wancheng Commercial")	Associate	21,867,831	1.55
IXM S.A.	Third party	19,044,594	1.35
		237,022,873	16.77

The five entities with the largest balances of prepayments at 31 December 2019 are as follows:

Name of entity	Relationship	Closing balance	Proportion of prepayments (%)
Trafigura Pte Ltd.	Third party	100,832,506	7.60
Wancheng Commercial	Associate	40,877,128	3.08
Chifeng Fubang Copper Co., Ltd.	Third party	23,533,528	1.77
MCC Non-Ferrous Trading Inc.	Third party	21,187,190	1.60
Yunnan Gold Mining Group Import & Export Co., Ltd.	Third party	19,420,000	1.46
		205,850,352	15.51

Notes to Financial Statements *(continued)*

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*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

6. Other receivables

	2020	2019
Interest receivables	27,494,423	18,840,754
Other receivables	1,167,553,142	881,006,657
	1,195,047,565	899,847,411

An ageing analysis of other receivables is as follows:

	2020	2019
Within 1 year	781,877,337	531,939,182
Over 1 year but within 2 years	129,571,798	154,120,504
Over 2 years but within 3 years	116,546,865	161,779,711
Over 3 years	256,969,643	149,910,362
	1,284,965,643	997,749,759
Less: Bad debt provision for other receivables	117,412,501	116,743,102
	1,167,553,142	881,006,657

The changes in bad debt provision for other receivables based on 12-month expected credit losses and the entire lifetime expected credit losses are as follows:

2020

	Stage 1 12-month expected credit losses	Stage 2 Entire lifetime expected credit losses	Stage 3 Financial assets with credit impairment occurred (entire lifetime)	Total
Balance at 1 January	1,102,771	–	115,640,331	116,743,102
Balance at 1 January during the year				
– Transferred to Stage 2	–	–	–	–
– Transferred to Stage 3	–	–	–	–
– Reversed to Stage 2	–	–	–	–
– Reversed to Stage 1	–	–	–	–
Provision during the year	608,195	–	4,613,040	5,221,235
Reversal during the year	(542,082)	–	–	(542,082)
Write-back during the year	–	–	–	–
Write-off during the year	–	–	(4,009,754)	(4,009,754)
Other changes	–	–	–	–
	1,168,884	–	116,243,617	117,412,501

Notes to Financial Statements *(continued)*

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

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

6. Other receivables *(continued)*

The changes in bad debt provision for other receivables based on 12-month expected credit losses and the entire lifetime expected credit losses are as follows: *(continued)*

2019

	Stage 1 12-month expected credit losses	Stage 2 Entire lifetime expected credit losses	Stage 3 Financial assets with credit impaired occurred (entire lifetime)	Total
Balance at 1 January	1,498,073	–	61,608,508	63,106,581
Balance at 1 January during the year				
– Transferred to Stage 2	–	–	–	–
– Transferred to Stage 3	–	–	–	–
– Reversed to Stage 2	–	–	–	–
– Reversed to Stage 1	–	–	–	–
Provision during the year	–	–	69,157,337	69,157,337
Reversal during the year	(395,302)	–	(15,125,514)	(15,520,816)
Write-back during the year	–	–	–	–
Write-off during the year	–	–	–	–
Other changes	–	–	–	–
	1,102,771	–	115,640,331	116,743,102

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

	At 1 January	Additions	Recovery or reversal	Write-off	At 31 December
2020	116,743,102	5,221,235	(542,082)	(4,009,754)	117,412,501
2019	63,106,581	69,157,337	(15,520,816)	–	116,743,102

In 2020, the provision for bad debt was RMB5,221,235 (2019: RMB69,157,337), and a provision of RMB542,082 was recovered or reversed (2019: RMB15,520,816). In 2020, other receivables written off amounted to RMB4,009,754 (2019: Nil).

Notes to Financial Statements *(continued)*

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*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)***V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** *(continued)***6. Other receivables** *(continued)*

The category of other receivables by nature is as follows:

	2020	2019
Advanced material costs	61,603,924	72,949,858
Due from non-controlling shareholders	15,391,446	58,144,916
Staff advances and reserve funds	62,376,623	41,940,984
Due from third parties	151,238,282	119,403,280
Receivables from associates and joint ventures	106,176,028	104,543,556
Guarantees and deposits	184,836,568	71,316,201
Tax rebate receivables	315,482,587	87,601,490
Receivables from disposal of assets	67,503,085	116,352,163
Deferred expenses	115,154,015	153,477,072
Receivables from settlement of futures	38,497,944	12,803,960
Receivables from insurance claim	–	4,387,393
Others	166,705,141	154,828,886
	1,284,965,643	997,749,759
Less: Bad debt provision for other receivables	117,412,501	116,743,102
	1,167,553,142	881,006,657

Notes to Financial Statements *(continued)*

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

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

6. Other receivables *(continued)*

The five entities with the largest balances of other receivables at 31 December 2020 are as follows:

	Closing balance	Proportion of other receivables (%)	Nature	Ageing	Closing balance of bad debt provision
Serbian Tax Administration (Note 1)	185,215,207	14.41	VAT refund receivables	Within 1 year	–
State Taxation Administration (Note 2)	130,213,661	10.13	VAT refund receivables	Within 1 year	–
Gowling WLG (Canada) LLP (Note 3)	76,172,076	5.93	Deposits	Within 1 year	–
Wuping Tianan Urban Construction and Investment Development Co., Ltd. (“Wuping Tianan”) (Note 4)	54,193,200	4.22	Due from third parties	Over 3 years	(54,193,200)
Fujian Makeng Mining Co., Ltd. (“Makeng Mining”) (Note 5)	50,062,028	3.90	Receivables from associates	Within 1 year	–
	495,856,172	38.59			(54,193,200)

The five entities with the largest balances of other receivables at 31 December 2019 are as follows:

	Closing balance	Proportion of other receivables (%)	Nature	Ageing	Closing balance of bad debt provision
Serbian Tax Administration (Note 1)	75,346,187	7.55	VAT refund receivables	Within 1 year	–
Wuping Tianan (Note 4)	54,193,200	5.43	Due from third parties	Over 3 years	(54,193,200)
Makeng Mining (Note 5)	50,069,781	5.02	Receivables from associates	Within 1 year	–
Eritrean National Mining Corporation (“ENAMCO”) (Note 6)	49,356,615	4.95	Receivables from disposal of equity interest	Within 1 year	–
Xinjiang Hongze Mining Co., Ltd. (“Xinjiang Hongze Mining”) (Note 7)	45,000,000	4.51	Receivables from disposal of assets	Over 3 years	(45,000,000)
	273,965,783	27.46			(99,193,200)

Note 1: The amount represents VAT refund receivables from the Serbian Tax Administration of the Group’s subsidiary, Serbian Zijin Copper Co., Ltd. (“Serbia Zijin Copper”), for export sales. As at 31 December 2020, the amount of VAT refund receivables from the Serbian Tax Administration was equivalent to RMB185,215,207 (as at 31 December 2019, the amount of VAT refund receivables from the Serbian Tax Administration was equivalent to RMB75,346,187).

Notes to Financial Statements *(continued)*

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*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)***V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** *(continued)***6. Other receivables** *(continued)*

Note 2: The amount represents VAT refund receivables from the State Taxation Administration of the People's Republic of China of the Group's subsidiaries, Zijin Mining Logistics Co., Ltd. ("Zijin Logistics"), Zijin Mining Logistics (Xiamen) Co., Ltd. ("Xiamen Logistics") and Heilongjiang Zijin Longxing Mining Co., Ltd. ("Hei Longxing") for export sales. As at 31 December 2020, the total amount of VAT refund receivables from the State Taxation Administration of the People's Republic of China of the three subsidiaries was RMB130,213,661.

Note 3: The amount represents a litigation deposit of USD11,674,060 (equivalent to RMB76,172,076) deposited into the trust account by Guyana Goldfields Inc. ("Guyana Goldfields"), the Group's subsidiary newly acquired in 2020, due to litigation.

Note 4: The Group's subsidiaries, Zijin Mining Group South Investment Co., Ltd. ("South Investment"), Wuping Zijin Mining Co., Ltd. ("Wuping Zijin") and Shanghang Jinshan Mining Co., Ltd. ("Jinshan Mining") had provided loans to Wuping Tianan for reconstruction, relocation and land development project of the old town of Wuping County. The total amount of principal and interest due from Wuping Tianan was RMB54,193,200. The Group considered that it was difficult to recover the receivables and provided bad debt for the whole amount of the receivables in 2019.

Note 5: In September and October 2020, Zijin Mining Group Finance Co., Ltd. ("Finance Company"), a subsidiary of the Group, provided loans amounting to RMB30,000,000 and RMB20,000,000, respectively, to Makeng Mining, an associate of the Group. As at 31 December 2020, the total principal and interest of the loans amounted to RMB50,062,028 (as at 31 December 2019, the total principal and interest of the loans amounted to RMB50,069,781). The loans would be due in September and October 2021, respectively. Amounts receivable in 2019 from Makeng Mining were fully settled in 2020.

Note 6: On 30 April 2019, Nevsun Resources (Eritrea) Ltd. ("Nevsun Resources (Eritrea)"), a subsidiary of the Group, entered into an equity transfer agreement with ENAMCO, another shareholder of Bisha Mining Share Company ("Bisha"). Nevsun Resources (Eritrea) transferred its 5% equity interest in Bisha to ENAMCO for a consideration of USD10,000,000 which would be repaid by 50% of the dividends of Bisha to be distributed to ENAMCO in the future years until the amount is fully settled. In 2020, Bisha distributed dividends of USD50,000,000 in total, the above receivable from ENAMCO for disposal of equity interest was fully settled.

Note 7: Wujia County Huaxin Mining Co., Ltd., an entity merged by Zijin Zinc (formerly "Wujia Jinwang"), had transferred Huaxin ore processing plant to Xinjiang Hongze Mining Co., Ltd. in December 2012. As at 31 December 2019, the outstanding balance of receivables from Xinjiang Hongze Mining was RMB45,000,000. The Group considered that it was difficult to recover the receivables and provided bad debt for the whole amount of the receivables in 2018.

7. Inventories

	2020			2019		
	Carrying amount	Inventory provision	Net book value	Carrying amount	Inventory provision	Net book value
Raw materials	8,254,740,505	(74,391,615)	8,180,348,890	6,308,023,064	(25,972,918)	6,282,050,146
Work in process	8,502,479,668	(55,530,983)	8,446,948,685	7,255,112,369	(52,238,740)	7,202,873,629
Finished goods	1,463,768,438	(32,904,116)	1,430,864,322	1,422,362,812	(26,725,257)	1,395,637,555
Reusable materials	5,998,523	-	5,998,523	5,992,828	-	5,992,828
	18,226,987,134	(162,826,714)	18,064,160,420	14,991,491,073	(104,936,915)	14,886,554,158

Notes to Financial Statements *(continued)*

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

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

7. Inventories *(continued)*

The movements of inventory provision are as follows:

2020

	At 1 January	Additions	Reductions		At 31 December
			Reversal	Write-back	
Raw materials	25,972,918	54,977,137	(6,558,440)	–	74,391,615
Work in process	52,238,740	7,238,313	(3,946,070)	–	55,530,983
Finished goods	26,725,257	23,398,800	(4,943,616)	(12,276,325)	32,904,116
	104,936,915	85,614,250	(15,448,126)	(12,276,325)	162,826,714

2019

	At 1 January	Additions	Reductions		At 31 December
			Reversal	Write-back	
Raw materials	12,191,343	22,619,534	(8,837,959)	–	25,972,918
Work in process	32,203,111	43,449,256	(23,413,627)	–	52,238,740
Finished goods	25,479,025	25,385,206	(14,138,050)	(10,000,924)	26,725,257
	69,873,479	91,453,996	(46,389,636)	(10,000,924)	104,936,915

2020 and 2019	Determination basis of net realisable value	Basis of making provision for inventories	Reasons for reversal of inventory provision
Raw materials	Market price of raw materials/ market price of relevant finished goods	Defectiveness and obsolescence/Decrease in market price of relevant finished goods	Increase in market price of relevant finished goods
Work in process	Market price of relevant finished goods	Decrease in market price of relevant finished goods	Increase in market price of relevant finished goods
Finished goods	Market price/contract price	Decrease in market price	Increase in market price

As at 31 December 2020, the Group had no inventories with restricted ownership (31 December 2019: Nil).

As at 31 December 2020, the Group had no capitalised interest expenses in the closing balance of inventories (31 December 2019: Nil).

Notes to Financial Statements *(continued)*

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*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

8. Current portion of non-current assets

	2020	2019
Current portion of long-term receivables (Note V.22)	40,255,087	956,692,852

9. Other current assets

	2020	2019
VAT recoverable	1,091,652,624	817,578,245
Deposit for futures contracts	509,584,616	260,513,594
Liquid cash for futures contracts	199,700,833	224,486,892
Taxes prepayment	125,474,546	19,314,865
Input VAT to be verified	2,687,516	19,768,297
Others	12,801,436	10,674,503
	1,941,901,571	1,352,336,396

10. Debt investments

	2020			2019		
	Carrying amount	Impairment provision	Net book value	Carrying amount	Impairment provision	Net book value
Large-denomination certificates of deposit with a term of over one year	255,811,321	–	255,811,321	–	–	–

In 2020, the Group purchased large-denomination certificates of deposit with a term of over one year, all of which will mature in 2023 and have a 3.85% deposit interest rate.

As at 31 December 2020, debt investments with a carrying amount of RMB250,000,000 (31 December 2019: Nil) of the Group were subject to restrictions on title or use. Please refer to Note V.65 for details.

11. Long-term equity investments

	2020			2019		
	Carrying amount	Impairment provision	Net book value	Carrying amount	Impairment provision	Net book value
Investments in joint ventures	3,059,612,686	(17,575,099)	3,042,037,587	3,478,019,980	(15,815,023)	3,462,204,957
Investments in associates	4,104,656,029	(47,038,703)	4,057,617,326	3,509,249,839	(47,038,703)	3,462,211,136
	7,164,268,715	(64,613,802)	7,099,654,913	6,987,269,819	(62,853,726)	6,924,416,093

Notes to Financial Statements (continued)

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

11. Long-term equity investments (continued)

2020

	Movements during the year										
	At 1 January	Additions	Reductions	Investment income/(losses) under the equity method	Other comprehensive income	Other changes in equity	Cash dividends declared by investee	Provision for impairment losses	Exchange differences arising from translation of financial statements denominated in foreign currencies	At 31 December	Provision for impairment losses at 31 December
Joint ventures											
Gold Eagle Mining Investment Limited ("Gold Eagle Mining")	1,441,844,336	-	-	(37,554,117)	17,549,867	-	-	-	(88,789,919)	1,333,050,167	-
Shandong Guoda Gold Co., Ltd. ("Shandong Guoda")	165,368,825	-	-	11,988,372	-	-	(9,014,700)	-	-	168,342,497	(12,350,855)
Xiamen Zijin Zhonghang Properties Co., Ltd. ("Xiamen Zijin Zhonghang")	174,604,090	-	-	2,024,011	-	-	(35,832,565)	-	-	140,795,536	-
Guizhou Funeng Zijin Energy Co., Ltd. ("Guizhou Funeng Zijin")	74,816,879	-	-	(74,348)	-	-	-	-	-	74,742,531	-
Guizhou Southwest Zijin Gold Development Co., Ltd. ("Southwest Zijin Gold")	21,005,109	-	-	346,042	-	-	-	-	-	21,351,151	-
Fujian Longhu Fishery Ecological Development Co., Ltd. ("Fujian Longhu Fishery")	9,431,726	-	-	188,471	-	-	-	-	-	9,620,197	-
Kamoa Holding Limited ("Kamoa")	1,568,865,864	-	-	(184,978,875)	-	-	-	-	(91,495,348)	1,292,391,641	-
Porgera Service Company	646,760	-	-	1,097,107	-	-	-	-	-	1,743,867	-
Preduzece za Proizvodnju Barmkarnog Praha Pometon Tir Doo Bor ("Pometon")	5,621,368	-	-	-	-	-	-	(5,224,244)	(397,124)	-	(5,224,244)
Subtotal	3,462,204,957	-	-	(206,963,337)	17,549,867	-	(44,847,265)	(5,224,244)	(180,682,391)	3,042,037,587	(17,575,099)

Notes to Financial Statements (continued)

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

11. Long-term equity investments (continued)

2020 (continued)

	Movements during the year										
	At 1 January	Additions	Reductions	Investment income/(losses) under the equity method	Other comprehensive income	Other changes in equity	Cash dividends declared by investee	Provision for impairment losses	Exchange differences arising from translation of financial statements denominated in foreign currencies	At 31 December	Provision for impairment losses at 31 December
Associates											
Makeng Mining	877,501,833	-	-	118,869,572	-	-	-	-	-	996,371,405	-
Xinjiang Tianlong Mining Co., Ltd. ("Xinjiang Tianlong")	349,662,025	-	-	16,209,663	-	-	(5,382,665)	-	-	360,489,023	-
Wengfu Zijin Chemical Co., Ltd. ("Wengfu Zijin")	367,811,453	-	-	97,833,909	-	-	-	-	-	465,645,362	-
Fujian Haixia Technology Co., Ltd. ("Haixia Technology")	237,042,676	-	-	19,322,583	-	-	-	-	-	256,365,259	-
Wancheng Commercial	142,611,050	-	-	60,605,557	-	-	(30,875,000)	-	-	172,341,607	-
Xiamen Modern Terminals Co., Ltd. ("Xiamen Modern Terminals")	134,927,823	-	-	2,827,573	-	-	-	-	-	137,755,396	-
Tibet Yulong Copper Co., Ltd. ("Yulong Copper")	677,621,434	-	-	83,100,841	-	-	-	-	-	760,722,275	-
Shanghai Xinyuan Water Supply Co., Ltd. ("Shanghai Xinyuan")	100,475,763	-	-	1,668,053	-	-	-	-	-	102,143,816	-
Yanbian SMEs Investing and Financing Security Co., Ltd. ("Yanbian Security")	71,648,005	-	-	(1,458,030)	-	-	-	-	-	70,189,975	-
Xinjiang Karas Travel Development Co., Ltd. ("Karas Travel")	81,655,800	-	-	(17,245,530)	-	-	-	-	-	64,410,270	-
Fujian Shanghang Ting River Hydropower Co., Ltd. ("Ting River Hydropower")	72,007,654	-	-	1,715,000	-	-	(4,900,000)	-	-	68,822,654	-
Songpan Zijin Industrial and Commercial Co., Ltd. ("Songpan Zijin")	39,249,785	-	-	-	-	-	-	-	-	39,249,785	-

Notes to Financial Statements (continued)

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

11. Long-term equity investments (continued)

2020 (continued)

	Movements during the year										
	At 1 January	Additions	Reductions	Investment income/(losses) under the equity method	Other comprehensive income	Other changes in equity	Cash dividends declared by investee	Provision for impairment losses	Exchange differences arising from translation of financial statements denominated in foreign currencies	At 31 December	Provision for impairment losses at 31 December
Associates (continued)											
Fujian Wuping Zijin Hydropower Co., Ltd. ("Wuping Zijin Hydropower")	44,892,383	-	-	(2,255,646)	-	-	(6,240,000)	-	-	36,396,737	-
Hunchun Jindi Mining Co., Ltd. ("Hunchun Jindi")	-	-	-	-	-	-	-	-	-	-	(47,038,703)
Zisen (Xiamen) Supply Chain Management Co., Ltd. ("Zisen Supply Chain")	10,654,407	-	-	2,626,364	-	-	(720,000)	-	-	12,560,771	-
Fujian Kinglopp Co., Ltd. ("Fujian Kinglopp")	3,515,774	-	(3,106,925)	(408,849)	-	-	-	-	-	-	-
Science Environmental Co., Ltd. ("Science")	220,666,005	-	-	14,196,420	-	-	-	-	-	234,862,425	-
Fujian Evergreen New Energy Technology Co., Ltd. ("Evergreen New Energy")	27,123,266	-	-	1,807,061	-	-	-	-	-	28,930,327	-
Beijing Anchuang Shenzhen Technology Co., Ltd. ("Beijing Anchuang Shenzhen")	144,000	-	-	-	-	-	-	-	-	144,000	-
Fujian Shanghang Caixi Cultural Media Co., Ltd. (Caixi Cultural)	3,000,000	-	-	-	-	-	-	-	-	3,000,000	-
China Gezhouba Group Explosive Co., Ltd. Maizhokunggar Branch (Note 1)	-	28,383,638	-	1,150,112	-	-	-	-	-	29,533,750	-
Sino-Zijin Resources Ltd. ("Sino-Zijin Resources") (Note 2)	-	217,810,400	-	(127,911)	-	-	-	-	-	217,682,489	-
Subtotal	3,462,211,136	246,194,038	(3,106,925)	400,436,742	-	-	(48,117,665)	-	-	4,057,617,326	(47,038,703)
Total	6,924,416,093	246,194,038	(3,106,925)	193,473,405	17,549,867	-	(92,964,930)	(5,224,244)	(180,682,391)	7,099,654,913	(64,613,802)

Notes to Financial Statements (continued)

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

11. Long-term equity investments (continued)

2019

	Movements during the year										
	At 1 January	Additions	Reductions	Investment income/(losses) under the equity method	Other comprehensive income	Other equity changes	Cash dividends declared by investee	Provision for impairment losses	Exchange differences arising from translation of financial statements denominated in foreign currencies	At 31 December	Provision for impairment losses at 31 December
Joint ventures											
Gold Eagle Mining	1,445,504,737	-	-	(29,177,546)	(1,407,790)	-	-	-	26,924,935	1,441,844,336	-
Shandong Guoda	165,782,309	-	-	8,736,516	-	-	(9,150,000)	-	-	165,368,825	(12,350,855)
Xiamen Zijin Zhonghang	226,794,323	-	-	8,637,496	-	-	(60,827,729)	-	-	174,604,090	-
Guizhou Funeng Zijin	74,816,879	-	-	-	-	-	-	-	-	74,816,879	-
Southwest Zijin Gold	20,673,565	-	-	331,544	-	-	-	-	-	21,005,109	-
Fujian Longhu Fishery	9,262,877	-	-	168,849	-	-	-	-	-	9,431,726	-
Kamao	1,705,286,682	-	-	(171,121,007)	-	-	-	-	34,700,189	1,568,865,864	-
Fujian Zijin Cuiyu Jewellery Development Co., Ltd. ("Zijin Cuiyu")	-	-	-	-	-	-	-	-	-	-	(3,464,168)
Porgera Service Company	1,027,943	-	-	(381,183)	-	-	-	-	-	646,760	-
Pometon	5,544,584	-	-	76,784	-	-	-	-	-	5,621,368	-
Subtotal	3,654,693,899	-	-	(182,728,547)	(1,407,790)	-	(69,977,729)	-	61,625,124	3,462,204,957	(15,815,023)

Notes to Financial Statements (continued)

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

11. Long-term equity investments (continued)

2019 (continued)

	Movements during the year									
	At 1 January	Additions	Reductions	Investment income/(losses) under the equity method	Other comprehensive income	Other equity changes	Cash dividends declared by investee	Provision for impairment losses	Exchange differences arising from translation of financial statements denominated in foreign currencies	Provision for impairment losses at 31 December
Associates										
Makeng Mining	876,923,359	-	-	42,078,474	-	-	(41,500,000)	-	-	877,501,833
Xinjiang Tianlong	363,999,658	-	-	(14,337,633)	-	-	-	-	-	349,662,025
Wengfu Zijin	310,983,390	-	-	56,828,063	-	-	-	-	-	367,811,453
Haixia Technology	228,104,609	-	-	12,802,067	-	-	(3,864,000)	-	-	237,042,676
Wancheng Commercial	239,705,354	-	-	62,859,679	-	-	(159,953,983)	-	-	142,611,050
Xiamen Modern Terminals	132,691,846	-	-	2,235,977	-	-	-	-	-	134,927,823
Yulong Copper	596,152,414	-	-	81,469,020	-	-	-	-	-	677,621,434
Shanghai Xinyuan	109,507,289	-	-	(9,031,526)	-	-	-	-	-	100,475,763
Yanbian Credit Security	73,193,680	-	-	(1,545,675)	-	-	-	-	-	71,648,005
Kanas Travel	79,674,300	-	-	7,381,500	-	-	(5,400,000)	-	-	81,655,800
Ting River Hydropower	61,211,550	-	-	13,246,104	-	-	(2,450,000)	-	-	72,007,654

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

11. Long-term equity investments (continued)

2019 (continued)

	Movements during the year										
	At 1 January	Additions	Reductions	Investment income/(losses) under the equity method	Other comprehensive income	Other equity changes	Cash dividends declared by investee	Provision for impairment losses	Exchange differences arising from translation of financial statements denominated in foreign currencies	At 31 December	Provision for impairment losses at 31 December
Associates (continued)											
Songpan Zijin	39,249,785	-	-	-	-	-	-	-	-	39,249,785	-
Wuping Zijin Hydropower	35,384,429	-	-	9,987,954	-	-	(480,000)	-	-	44,892,383	-
Hunchun Jindi	46,215,762	-	-	-	822,941	-	-	(47,038,703)	-	-	(47,038,703)
Zisen Supply Chain	9,173,651	980,000	-	2,300,756	-	-	(1,800,000)	-	-	10,654,407	-
Fujian Kingkop	3,212,092	-	-	303,682	-	-	-	-	-	3,515,774	-
Science	174,509,759	31,200,000	-	10,854,504	-	4,101,742	-	-	-	220,666,005	-
Evergreen New Energy	7,022,443	22,500,000	-	(2,399,177)	-	-	-	-	-	27,123,266	-
Beijing Anchuang Shenzhen	144,000	-	-	-	-	-	-	-	-	144,000	-
Caixi Cultural	-	3,000,000	-	-	-	-	-	-	-	3,000,000	-
Subtotal	3,387,059,370	57,680,000	-	275,033,769	-	4,924,683	(215,447,983)	(47,038,703)	-	3,462,211,136	(47,038,703)
Total	7,041,753,269	57,680,000	-	92,305,222	(1,407,790)	4,924,683	(285,425,712)	(47,038,703)	61,625,124	6,924,416,093	(62,853,726)

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall 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:

2020

	At 1 January	Additions	Reductions	At 31 December
Joint venture – Zijin Cuifu	3,464,168	–	(3,464,168)	–
Joint venture – Shandong Guoda	12,350,855	–	–	12,350,855
Joint venture – Pometon	–	5,224,244	–	5,224,244
Associate – Hunchun Jindi	47,038,703	–	–	47,038,703
	62,853,726	5,224,244	(3,464,168)	64,613,802

2019

	At 1 January	Additions	Reductions	At 31 December
Joint venture – Zijin Cuifu	3,464,168	–	–	3,464,168
Joint venture – Shandong Guoda	12,350,855	–	–	12,350,855
Associate – Hunchun Jindi	–	47,038,703	–	47,038,703
	15,815,023	47,038,703	–	62,853,726

Note 1: China Gezhouba Group Explosive Co., Ltd. Maizhokunggar Branch is an associate of Julong Copper. Julong Copper was included in the scope of consolidation during this year, as a result of which China Gezhouba Group Explosive Co., Ltd. Maizhokunggar Branch has become an associate of the Group.

Note 2: On 31 August 2020, the Group, together with Beijing Institute of Geology for Mineral Resources Co., Ltd. and Beijing Aolian Zhuocheng Science and Technology Partnership (Limited Partnership) jointly invested in and incorporated Sino-Zijin Resources with registered capital of RMB518,596,200. The Group holds 42% of its equity interest. As at 31 December 2020, the Group had invested a total of RMB217,810,400 in cash. Pursuant to the articles of association of Sino-Zijin Resources, the board of directors of Sino-Zijin Resources consists of five directors, including two appointed by the Group. The resolutions of the board of directors are effective only when approved by more than half of the directors. Therefore, the management of the Group considers that the Group has significant influence over the financial and operating decisions of Sino-Zijin Resources, and accounts for it as an associate.

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

12. Other equity instrument investments

2020

	Costs	Accumulated changes in fair value of other comprehensive income	Fair value	Dividend income for the current year	Reasons for designating at fair value through other comprehensive income
				Equity instruments held	
Non-listed company					
Fujian Shanghang Rural Commercial Bank Company Limited ("Shanghang Rural Commercial Bank")	89,900,000	1,843,949	91,743,949	13,800,000	Long-term holding
Rongda Gold (Sichuan) Limited (formerly known as Muli County Rongda Mining Company Limited, "Muli Rongda")	74,950,241	48,180,505	123,130,746	-	Long-term holding
Lenghu Bindi Potash Co., Ltd. ("Bindi Potash")	187,106,400	(130,919,712)	56,186,688	-	Long-term holding
Beijing Larkworld Environmental Technology Incorporated Company ("Bailing Larkworld")	76,739,294	6,608,385	83,347,679	-	Long-term holding
Fujian Shanghang Xingcheng Financing Guarantee Company Limited ("Xingcheng Guarantee")	50,000,000	(7,796,580)	42,203,420	-	Long-term holding
Guizhou Zhenfeng Rural Commercial Bank Company Limited ("Zhenfeng Rural Commercial Bank")	11,074,000	14,647,010	25,721,010	1,131,900	Long-term holding
Sichuan Liwu Copper Company Limited ("Liwu Copper")	19,850,000	34,385,083	54,235,083	2,400,000	Long-term holding
Nanjing China-Spacenet Satellite Telecom Co., Ltd. (formerly known as Nanjing China Net Communication Company Limited, "Nanjing China Net")	25,000,000	(8,837,288)	16,162,712	-	Long-term holding
Xinjiang Wuxin Copper Co., Ltd. ("Wuxin Copper")	6,731,300	1,766,301	8,497,601	-	Long-term holding
China Supply Chain Cloud Finance Company Ltd. ("CSCC")	6,500,000	(1,574,280)	4,925,720	-	Long-term holding
Histron Technology (Fujian) Group Co., Ltd. ("Histron")	4,200,000	2,487,611	6,687,611	-	Long-term holding
Ningbo Maverick Zhongying Equity Investment Partnership (Limited Partnership) ("Maverick Zhongying")	21,084,246	-	21,084,246	-	Long-term holding
Others	12,932,111	(8,864,063)	4,068,048	-	Long-term holding
	586,067,592	(48,073,079)	537,994,513	17,331,900	
Listed company					
Ivanhoe Mines Ltd. ("Ivanhoe")	2,178,116,952	3,627,763,405	5,805,880,357	-	Strategic investment
Galiano Gold Inc. (formerly known as Asanko Gold Inc.)	84,459,862	27,450,655	111,910,517	-	Strategic investment
Lydian International Ltd.	25,283,509	(23,592,876)	1,690,633	-	Strategic investment
Chrometco Ltd.	2,749,189	(1,743,385)	1,005,804	-	Strategic investment
Xinjiang Xinxin Mining Industry Company Limited ("Xinjiang Xinxin")	18,314,097	5,267,314	23,581,411	-	Strategic investment
Altamira Gold Corp. (formerly known as Equitas Resources Corp.)	8,310,748	(8,047,625)	263,123	-	Strategic investment
	2,317,234,357	3,627,097,488	5,944,331,845	-	
	2,903,301,949	3,579,024,409	6,482,326,358	17,331,900	

Notes to Financial Statements *(continued)*

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

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

12. Other equity instrument investments *(continued)*

2019

	Costs	Accumulated changes in fair value of other comprehensive income	Fair value	Dividend income for the current year Equity instruments held	Reasons for designating at fair value through other comprehensive income
Non-listed company					
Shanghai Rural Commercial Bank	89,900,000	8,509,354	98,409,354	6,000,000	Long-term holding
Muli Rongda	74,950,241	66,105,437	141,055,678	16,800,000	Long-term holding
Bindi Potash	187,106,400	(136,128,644)	50,977,756	-	Long-term holding
Bailing Larkworld	76,739,294	9,203,954	85,943,248	1,666,667	Long-term holding
Xingcheng Guarantee	50,000,000	(8,194,536)	41,805,464	-	Long-term holding
Zhenfeng Rural Commercial Bank	11,074,000	13,548,223	24,622,223	823,200	Long-term holding
Liwu Copper	19,850,000	14,986,580	34,836,580	-	Long-term holding
Nanjing China Net	25,000,000	(7,155,671)	17,844,329	100,000	Long-term holding
Wuxin Copper	6,731,300	338,934	7,070,234	-	Long-term holding
CSCC	6,500,000	(5,752,144)	747,856	-	Long-term holding
Others	12,994,115	(8,864,065)	4,130,050	390,000	Long-term holding
	560,845,350	(53,402,578)	507,442,772	25,779,867	
Listed company					
Ivanhoe	2,328,606,265	1,427,204,562	3,755,810,827	-	Strategic investment
Galiano Gold Inc. (formerly known as Asanko Gold Inc.)	90,301,596	10,231,384	100,532,980	-	Strategic investment
Lydian International Ltd.	27,032,298	(16,652,464)	10,379,834	-	Strategic investment
Northern Dynasty Minerals Ltd.	21,231,867	(8,575,745)	12,656,122	-	Strategic investment
Xinjiang Xinxin	18,314,097	1,989,063	20,303,160	-	Strategic investment
Altamira Gold Corp. (formerly known as Equitas Resources Corp.)	8,885,568	(8,778,619)	106,949	-	Strategic investment
Chrometco Ltd.	3,059,776	149,257	3,209,033	-	Strategic investment
	2,497,431,467	1,405,567,438	3,902,998,905	-	
	3,058,276,817	1,352,164,860	4,410,441,677	25,779,867	

In 2020, the Group acquired a portion of shares of Guyana Goldfields, which was accounted for as other equity instrument investments. Thereafter, due to the completion of the acquisition of 100% equity interest in Guyana Goldfields, such investments accounted for as other equity instrument investments was derecognised. In addition, the Group disposed of its investments in Northern Dynasty Minerals Ltd. The accumulated changes in fair value of other comprehensive income were transferred to retained earnings, amounted to RMB28,531,472 and RMB1,572,708 respectively (2019: RMB102,412,585).

Notes to Financial Statements *(continued)*

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*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

13. Other non-current financial assets

	2020	2019
Jinrui Co-operative Business Operation Project (Note 1)	749,755,657	602,061,526
Trust guarantee fund (Note 2)	37,500,000	–
Convertible Bond in Continental Gold (Note 3)	–	349,717,896
	787,255,657	951,779,422
Current portion of other non-current financial assets	(749,755,657)	–
	37,500,000	951,779,422

Note 1: On 1 January 2019, the Group's subsidiary entered into an agreement with Xiamen Jinrui Commercial Factoring Co., Ltd. to cooperate in the documentary factoring of commercial acceptance bills for a period of three years. As at 31 December 2020, the investment cost of the project was RMB748,800,000 and the fair value change was RMB955,657. The project will end on 31 December 2021.

Note 2: In 2020, the Company accepted trust loans from its subsidiaries. In accordance with Yin Jian Fa [2014] No. 50, Yin Jian Ban Fa [2015] No. 32 and other relevant regulations, the Group is required to purchase trust guarantee fund at 1% of the outstanding balance of the trust loans. The holding period of the fund is the same as the term of the trust loans, which is three years.

Note 3: On 2 December 2019, the Group subscribed for the convertible bonds of Continental Gold, with an amount of USD50,000,000 and a maturity of five years. On 5 March 2020, the Group completed the acquisition of Continental Gold, as a result the convertible bonds were eliminated in the Group's consolidated financial statements.

14. Investment properties

Buildings subsequently measured under the cost model:

	2020	2019
Cost		
At 1 January	182,659,768	756,670,882
Other additions	169,321	421,324
Other reductions	–	(574,432,438)
At 31 December	182,829,089	182,659,768
Accumulated depreciation and amortisation		
At 1 January	52,286,379	68,512,215
Depreciation and amortisation for the year	6,471,837	15,513,671
Other reductions	–	(31,739,507)
At 31 December	58,758,216	52,286,379
Impairment provision		
At 1 January	–	79,936,878
Impairment provided for the year	–	–
Other reductions	–	(79,936,878)
At 31 December	–	–
Net book value		
At 31 December	124,070,873	130,373,389
At 1 January	130,373,389	608,221,789

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

14. Investment properties *(continued)*

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 2020, there were no investment properties of which certificates of title have not been obtained (31 December 2019: Nil).

15. Fixed assets

2020

	Buildings	Mining assets	Power generation and transmission equipment	Plant, machinery and equipment	Motor vehicles	Furniture and fixtures and others	Total
Cost							
At 1 January 2020	12,223,134,209	27,558,422,844	2,183,888,940	18,801,496,758	1,927,201,840	653,609,027	63,347,753,618
Purchases	860,719,260	2,749,302,109	208,171,829	804,961,876	700,335,386	138,143,873	5,461,634,333
Transfers from construction in progress	1,080,706,279	4,382,491,252	305,697,254	3,593,526,992	23,660,487	45,247,579	9,431,329,843
Business combination not involving enterprises under common control	43,041,806	300,567,367	6,808,181	1,203,649,995	441,073,063	61,842,062	2,056,982,474
Disposals or write-off	(128,906,724)	(357,572,873)	(39,382,589)	(427,774,134)	(39,222,315)	(36,995,307)	(1,029,853,942)
Reclassification	267,320,346	(153,933,805)	293,357,623	(601,173,139)	248,537,043	(54,108,068)	-
Exchange realignments	(284,749,424)	(792,213,616)	(73,126,704)	(609,450,716)	(59,548,317)	(11,367,637)	(1,830,456,414)
At 31 December 2020	14,061,265,752	33,687,063,278	2,885,414,534	22,765,237,632	3,242,037,187	796,371,529	77,437,389,912
Accumulated depreciation							
At 1 January 2020	3,179,190,464	8,780,494,261	962,969,637	8,673,891,132	987,976,730	363,784,915	22,948,307,139
Depreciation for the year	760,944,436	2,253,034,850	211,323,223	1,943,876,111	229,685,882	92,081,752	5,490,946,254
Disposals or write-off	(56,896,473)	(278,540,644)	(12,667,701)	(404,924,298)	(34,035,800)	(30,892,799)	(817,957,715)
Exchange realignments	(70,189,401)	(304,715,328)	(20,275,264)	(317,658,740)	(38,137,415)	(5,178,283)	(756,154,431)
At 31 December 2020	3,813,049,026	10,450,273,139	1,141,349,895	9,895,184,205	1,145,489,397	419,795,585	26,865,141,247
Impairment provision							
At 1 January 2020	299,981,498	1,335,088,757	9,336,086	129,584,012	449,739	239,997	1,774,680,089
Impairment provided for the year	69,561,099	158,578,385	2,345,289	37,426,315	728,571	95,085	268,734,744
Disposals or write-off	(3,009,963)	-	-	(13,827,159)	-	-	(16,837,122)
Exchange realignments	-	-	-	-	-	-	-
At 31 December 2020	366,532,634	1,493,667,142	11,681,375	153,183,168	1,178,310	335,082	2,026,577,711
Net book value							
At 31 December 2020	9,881,684,092	21,743,122,997	1,732,383,264	12,716,870,259	2,095,369,480	376,240,862	48,545,670,954
At 1 January 2020	8,743,962,247	17,442,839,826	1,211,583,217	9,998,021,614	938,775,371	289,584,115	38,624,766,390

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

15. Fixed assets (continued)

2019

	Buildings	Mining assets	Power generation and transmission equipment	Plant, machinery and equipment	Motor vehicles	Furniture and fixtures and others	Total
Cost							
At 1 January 2019	10,732,491,001	23,320,703,750	1,917,702,523	16,734,733,982	1,574,164,826	532,025,899	54,811,821,981
Purchases	93,833,809	898,756,206	78,074,991	806,592,846	273,667,115	124,573,179	2,275,498,146
Transfers from construction in progress	1,633,509,079	1,339,268,371	204,856,863	2,401,233,820	120,332,221	22,472,729	5,721,673,083
Disposals or write-off	(153,112,766)	(340,989,453)	(28,574,077)	(367,556,637)	(56,004,751)	(14,107,779)	(960,345,463)
Reclassification	(702,353,805)	1,591,125,749	-	(888,771,944)	-	-	-
Other additions/(reductions)	564,502,235	(26,540,591)	-	-	-	(14,062,062)	523,899,582
Others	-	636,082,949	-	-	-	-	636,082,949
Exchange realignments	54,264,656	140,015,863	11,828,640	115,264,691	15,042,429	2,707,061	339,123,340
At 31 December 2019	12,223,134,209	27,558,422,844	2,183,888,940	18,801,496,758	1,927,201,840	653,609,027	63,347,753,618
Accumulated depreciation							
At 1 January 2019	2,619,303,318	7,178,410,628	822,444,242	7,044,769,065	844,669,779	324,570,247	18,834,167,279
Depreciation for the year	603,368,965	1,772,369,352	146,354,275	1,764,500,798	186,718,956	64,121,208	4,537,433,554
Disposals or write-off	(84,573,112)	(227,318,163)	(9,574,092)	(203,188,837)	(51,557,931)	(11,946,063)	(588,158,198)
Other additions/(reductions)	29,698,104	-	-	-	-	(14,062,062)	15,636,042
Exchange realignments	11,393,189	57,032,444	3,745,212	67,810,106	8,145,926	1,101,585	149,228,462
At 31 December 2019	3,179,190,464	8,780,494,261	962,969,637	8,673,891,132	987,976,730	363,784,915	22,948,307,139
Impairment provision							
At 1 January 2019	256,746,402	1,401,988,134	12,302,610	161,462,966	449,739	239,997	1,833,189,848
Impairment provided for the year	-	6,282,766	899	873,080	-	5,345	7,162,090
Disposals or write-off	(35,748,094)	(73,182,143)	(2,967,423)	(32,752,034)	-	(5,345)	(144,655,039)
Other additions/(reductions)	78,983,190	-	-	-	-	-	78,983,190
Exchange realignments	-	-	-	-	-	-	-
At 31 December 2019	299,981,498	1,335,088,757	9,336,086	129,584,012	449,739	239,997	1,774,680,089
Net book value							
At 31 December 2019	8,743,962,247	17,442,839,826	1,211,583,217	9,998,021,614	938,775,371	289,584,115	38,624,766,390
At 1 January 2019	7,856,441,281	14,740,304,988	1,082,955,671	9,528,501,951	729,045,308	207,215,655	34,144,464,854

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

15. Fixed assets *(continued)*

Fixed assets that are temporarily idle are as follows:

2020

	Cost	Accumulated depreciation	Impairment provision	Net book value
Buildings	1,197,511,053	(303,570,689)	(165,531,584)	728,408,780
Mining assets	1,759,375,955	(534,706,118)	(479,535,379)	745,134,458
Plant, machinery and equipment	601,287,558	(380,235,947)	(84,330,844)	136,720,767
Motor vehicles	82,754,770	(74,394,586)	(715,588)	7,644,596
Power generation and transmission equipment	27,579,390	(19,287,069)	(502,802)	7,789,519
Furniture and fixtures and others	3,830,007	(3,506,657)	(339)	323,011
	3,672,338,733	(1,315,701,066)	(730,616,536)	1,626,021,131

2019

	Cost	Accumulated depreciation	Impairment provision	Net book value
Buildings	987,460,637	(240,237,067)	(79,706,766)	667,516,804
Mining assets	1,803,311,680	(571,255,672)	(338,129,860)	893,926,148
Plant, machinery and equipment	463,066,951	(342,355,455)	(20,921,269)	99,790,227
Motor vehicles	46,220,664	(25,544,619)	(55,105)	20,620,940
Power generation and transmission equipment	35,068,249	(25,461,900)	(151,846)	9,454,503
Furniture and fixtures and others	6,282,013	(5,918,151)	(58,955)	304,907
	3,341,410,194	(1,210,772,864)	(439,023,801)	1,691,613,529

Fixed assets leased out under operating leases are as follows:

2020

	Cost	Accumulated depreciation	Impairment provision	Net book value
Buildings	36,348,037	(16,314,883)	–	20,033,154
Mining assets	19,048,740	(8,563,066)	–	10,485,674
Power generation and transmission equipment	3,730,676	(3,337,400)	–	393,276
Plant, machinery and equipment	5,176,615	(4,642,532)	–	534,083
	64,304,068	(32,857,881)	–	31,446,187

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*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*15. Fixed assets *(continued)*Fixed assets leased out under operating leases are as follows: *(continued)*

2019

	Cost	Accumulated depreciation	Impairment provision	Net book value
Buildings	36,420,590	(14,623,158)	–	21,797,432
Mining assets	19,048,740	(7,656,184)	–	11,392,556
Power generation and transmission equipment	3,730,676	(2,982,986)	–	747,690
Plant, machinery and equipment	8,229,872	(4,798,475)	–	3,431,397
Motor vehicles	71,500	(67,925)	–	3,575
	67,501,378	(30,128,728)	–	37,372,650

Fixed assets of which certificates of title have not been obtained are as follows:

	2020 Net book value	2019 Net book value	Reason why certificates of title have not been obtained
Buildings	1,135,902,905	1,582,473,195	In the process of application/the projects were unsettled
Mining assets	67,576	399,964,471	In the process of application/the projects were unsettled
	1,135,970,481	1,982,437,666	

At 31 December 2020, the net book value of the Group's fixed assets with restrictions on title or use was RMB1,650,541,716 (31 December 2019: Nil). Please refer to Note V.65 for details.

16. Construction in progress

	2020	2019
Construction in progress	14,909,935,802	5,279,257,840
Construction materials	326,093,780	597,571,585
	15,236,029,582	5,876,829,425

Construction in progress

2020			2019		
Carrying amount	Impairment provision	Net book value	Carrying amount	Impairment provision	Net book value
15,678,203,039	(768,267,237)	14,909,935,802	6,053,178,885	(773,921,045)	5,279,257,840

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

16. Construction in progress (continued)

Construction in progress (continued)

The movements of important construction in progress in 2019 are as follows:

Project name	Budget	At 1 January 2019	Additions	Transferred to fixed assets	Other reductions	At 31 December 2019	Contribution in budget	Progress of projects	Balance of capitalised interest as at 31 December 2019	Including capitalised interest for the year	Interest rate of capitalisation (%)	Source of funds
Serbia Zijin Copper infrastructure project	955,908,865	256,629,294	480,210,290	(177,306,165)	(483,777)	558,949,642	83%	61%	-	-	Not applicable	Equity fund
Heilongjiang Zijin Copper infrastructure project	2,163,969,000	1,179,757,743	856,741,920	(2,015,869,788)	-	20,629,875	94%	100%	36,538,376	22,547,767	5.00	Equity fund/ Equity fund/ Proceeds raised/loan
Guizhou Zijin infrastructure project	557,170,800	445,817,833	138,547,047	(66,647,577)	-	517,717,303	105%	94%	61,701,998	22,119,068	4.57	Equity fund/loan
Duobaoshan Copper industry infrastructure project	881,450,068	390,667,518	106,545,193	(326,400,977)	-	170,811,734	81%	89%	18,591,158	8,350,966	4.57	Equity fund/loan
Guizhou Xinerengji infrastructure project	350,000,000	386,911,825	2,652,647	-	-	389,564,472	111%	96%	125,996,221	-	Not applicable	Equity fund/loan
COMCUS infrastructure project	1,469,663,686	281,477,355	1,262,595,834	(1,533,780,875)	-	10,292,314	105%	98%	-	-	Not applicable	Equity fund/ Proceeds raised
Ankang Jifeng infrastructure project	370,000,000	276,127,577	5,233,008	-	-	281,360,585	80%	95%	87,752,979	12,743,081	3.80	Equity fund/loan
Zijinstan Gold and Copper Mine infrastructure project	538,080,000	160,383,177	259,121,152	(73,885,074)	(582,273)	345,036,982	88%	85%	-	-	Not applicable	Equity fund
Longyong infrastructure project	559,100,000	135,588,967	337,909,049	(107,275,792)	(136,044)	366,086,180	85%	88%	134,630	134,630	5.00	Equity fund/loan
Yilan Gold Mine infrastructure project	198,117,129	125,711,114	63,463,299	(148,440,747)	-	40,733,666	97%	97%	10,562,607	3,274,201	4.75	Equity fund/loan
Serbia Zijin Mining infrastructure project	3,249,777,000	48,888,742	266,027,041	(26,314,213)	(12,818,640)	275,782,930	8%	13%	8,541,281	8,541,281	4.12	Equity fund/loan
Xinjiang Zijin Non-ferrous infrastructure project	822,520,051	20,111,864	419,523,149	-	(37,168)	439,597,845	64%	79%	1,420,487	1,420,307	4.41	Equity fund/loan
Zijin Zinc infrastructure project	370,000,000	63,999,607	168,345,238	(42,765,496)	-	189,579,349	53%	60%	1,854,125	1,854,125	3.95	Equity fund/loan
CARRLU infrastructure project	972,941,314	-	538,241,609	(7,156,464)	(2,852,881)	528,232,264	55%	65%	36,750,117	36,750,117	5.00	Equity fund/loan
Others	2,074,767,505	1,765,755,024	1,390,087,798	(1,195,829,915)	(41,209,163)	1,918,803,744	Not applicable	Not applicable	12,531,363	2,790,946	Not applicable	Equity fund/loan
Subtotal	15,533,465,418	5,537,727,640	6,295,244,274	(5,721,673,083)	(58,119,946)	6,053,178,885			402,375,342	1,201,526,389		
Impairment provision for construction in progress		(730,551,202)				(773,921,045)						
Total		4,807,176,438				5,279,257,840						

Notes to Financial Statements *(continued)*

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

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

16. Construction in progress *(continued)*

Construction in progress *(continued)*

Impairment provision for construction in progress:

2020

	At 1 January	Additions	Write-off during the year	At 31 December	Reasons for making provision
Luoyang Kunyu infrastructure project	5,005,874	-	-	5,005,874	No expected usable value in the future
Ankang Jinfeng infrastructure project	53,637,599	-	-	53,637,599	Expected recoverable amount less than carrying amount
Jinhao Iron infrastructure project	591,814,765	-	-	591,814,765	Expected recoverable amount less than carrying amount
Wuping Zijin infrastructure project	5,653,808	-	(5,653,808)	-	The construction in progress of Wuping Zijin was disposed of this year
Liancheng Zijin infrastructure project	64,276,926	-	-	64,276,926	Expected recoverable amount less than carrying amount
Shangri-La Huaxi infrastructure project	9,188,819	-	-	9,188,819	Expected recoverable amount less than carrying amount
Sichuan Jinkang infrastructure project	623,967	-	-	623,967	Expected recoverable amount less than carrying amount
Henan Jinda infrastructure project	43,719,287	-	-	43,719,287	Expected recoverable amount less than carrying amount
	773,921,045	-	(5,653,808)	768,267,237	

2019

	At 1 January	Additions	Write-off during the year	At 31 December	Reasons for making provision
Luoyang Kunyu infrastructure project	5,005,874	-	-	5,005,874	No expected usable value in the future
Ankang Jinfeng infrastructure project	53,637,599	-	-	53,637,599	Expected recoverable amount less than carrying amount
Malipo Jinwei infrastructure project	973,411	-	(973,411)	-	Expected recoverable amount less than carrying amount
Jinhao Iron infrastructure project	591,814,765	-	-	591,814,765	Expected recoverable amount less than carrying amount
Wuping Zijin infrastructure project	5,653,808	-	-	5,653,808	Expected recoverable amount less than carrying amount
Liancheng Zijin infrastructure project	64,276,926	-	-	64,276,926	Expected recoverable amount less than carrying amount
Shangri-La Huaxi infrastructure project	9,188,819	-	-	9,188,819	Expected recoverable amount less than carrying amount
Sichuan Jinkang infrastructure project	-	623,967	-	623,967	Expected recoverable amount less than carrying amount
Henan Jinda infrastructure project	-	43,719,287	-	43,719,287	Expected recoverable amount less than carrying amount
	730,551,202	44,343,254	(973,411)	773,921,045	

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*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*16. Construction in progress *(continued)*

Construction materials

	2020			2019		
	Carrying amount	Impairment provision	Net book value	Carrying amount	Impairment provision	Net book value
Dedicated materials	322,806,245	–	322,806,245	400,405,024	–	400,405,024
Dedicated equipment	5,084,579	(1,797,044)	3,287,535	198,963,605	(1,797,044)	197,166,561
	327,890,824	(1,797,044)	326,093,780	599,368,629	(1,797,044)	597,571,585

Impairment provision for construction materials:

2020

	At 1 January	Additions	Reductions	At 31 December
Dedicated equipment	1,797,044	–	–	1,797,044

2019

	At 1 January	Additions	Reductions	At 31 December
Dedicated equipment	1,797,044	–	–	1,797,044

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

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

17. Right-of-use assets

2020

	Buildings	Power generation and transmission equipment	Plant, machinery and equipment	Motor vehicles	Furniture and fixtures and others	Total
Cost						
At 1 January 2020	36,380,590	284,756,210	65,237,626	58,739,367	7,879,773	452,993,566
Business combination not involving enterprises under common control	13,341,044	-	-	-	-	13,341,044
Additions	-	-	1,059,939	16,927,445	-	17,987,384
Reductions	(4,422,667)	-	-	-	-	(4,422,667)
Exchange realignments	(774,057)	(18,421,272)	-	-	-	(19,195,329)
At 31 December 2020	44,524,910	266,334,938	66,297,565	75,666,812	7,879,773	460,703,998
Accumulated depreciation						
At 1 January 2020	9,949,743	39,837,651	30,655,806	12,843,607	4,934,378	98,221,185
Depreciation for the year	17,006,577	39,024,549	26,485,908	46,162,167	827,921	129,507,122
Reductions	(2,896,956)	-	-	-	-	(2,896,956)
Exchange realignments	(618,611)	(1,764,051)	-	-	-	(2,382,662)
At 31 December 2020	23,440,753	77,098,149	57,141,714	59,005,774	5,762,299	222,448,689
Impairment provision						
At 1 January 2020	-	-	-	-	-	-
Impairment provided for the year	-	-	-	-	-	-
At 31 December 2020	-	-	-	-	-	-
Net book value						
At 31 December 2020	21,084,157	189,236,789	9,155,851	16,661,038	2,117,474	238,255,309
At 1 January 2020	26,430,847	244,918,559	34,581,820	45,895,760	2,945,395	354,772,381

Notes to Financial Statements *(continued)*

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*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*17. Right-of-use assets *(continued)*

2019

	Buildings	Power generation and transmission equipment	Plant, machinery and equipment	Motor vehicles	Furniture and fixtures and others	Total
Cost						
At 1 January 2019	5,659,841	280,143,749	44,077,812	4,739,307	4,347,796	338,968,505
Additions	30,720,749	–	21,159,814	54,000,060	3,531,977	109,412,600
Exchange realignments	–	4,612,461	–	–	–	4,612,461
At 31 December 2019	36,380,590	284,756,210	65,237,626	58,739,367	7,879,773	452,993,566
Accumulated depreciation						
At 1 January 2019	–	–	–	–	–	–
Depreciation for the year	9,949,743	39,192,364	30,655,806	12,843,607	4,934,378	97,575,898
Exchange realignments	–	645,287	–	–	–	645,287
At 31 December 2019	9,949,743	39,837,651	30,655,806	12,843,607	4,934,378	98,221,185
Impairment provision						
At 1 January 2019	–	–	–	–	–	–
Impairment provided for the year	–	–	–	–	–	–
At 31 December 2019	–	–	–	–	–	–
Net book value						
At 31 December 2019	26,430,847	244,918,559	34,581,820	45,895,760	2,945,395	354,772,381
At 1 January 2019	5,659,841	280,143,749	44,077,812	4,739,307	4,347,796	338,968,505

Notes to Financial Statements *(continued)*

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

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

18. Intangible assets

2020

	Exploration and mining rights	Land use rights	Membership of Shanghai Gold Exchange and others	Total
Cost				
At 1 January 2020	27,752,072,678	2,374,252,790	251,361,908	30,377,687,376
Purchases	432,052,846	1,524,671,399	93,638,634	2,050,362,879
Business combination not involving enterprises under common control	23,430,126,056	13,266,700	25,702,694	23,469,095,450
Disposals or write-off	(79,386,759)	(2,712,224)	(136,789)	(82,235,772)
Exchange realignments	(1,504,025,917)	(24,638,512)	(2,634,694)	(1,531,299,123)
Other reductions	(38,631,600)	(4,096,000)	–	(42,727,600)
At 31 December 2020	49,992,207,304	3,880,744,153	367,931,753	54,240,883,210
Accumulated amortisation				
At 1 January 2020	4,227,764,602	500,071,892	93,612,090	4,821,448,584
Amortisation provided for the year	1,227,808,249	131,051,687	32,386,047	1,391,245,983
Disposals or write-off	(25,516,169)	(379,371)	(131,326)	(26,026,866)
Exchange realignments	(104,240,063)	(1,456,178)	(778,352)	(106,474,593)
Other reductions	(3,279,709)	(320,583)	–	(3,600,292)
At 31 December 2020	5,322,536,910	628,967,447	125,088,459	6,076,592,816
Impairment provision				
At 1 January 2020	1,316,403,735	–	77,326,596	1,393,730,331
Impairment provided for the year (Note 1)	10,316,081	–	–	10,316,081
At 31 December 2020	1,326,719,816	–	77,326,596	1,404,046,412
Net book value				
At 31 December 2020	43,342,950,578	3,251,776,706	165,516,698	46,760,243,982
At 1 January 2020	22,207,904,341	1,874,180,898	80,423,222	24,162,508,461

Note 1: During the current year, the Group had provided impairment of RMB10,316,081 for the mining rights of Xinyi Zijin Mining Co., Ltd. ("Xinyi Zijin"), a subsidiary of the Group, since there were indications of impairment.

Notes to Financial Statements *(continued)*

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*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*18. Intangible assets *(continued)*

2019

	Exploration and mining rights	Land use rights	Membership of Shanghai Gold Exchange and others	Total
Cost				
At 1 January 2019	25,213,147,009	2,358,847,137	223,100,401	27,795,094,547
Purchases	2,693,895,281	107,856,562	33,808,949	2,835,560,792
Disposals or write-off	(146,152,605)	–	(5,731,969)	(151,884,574)
Exchange realignments	176,290,290	455,069	184,527	176,929,886
Other reductions	(185,107,297)	(92,905,978)	–	(278,013,275)
At 31 December 2019	27,752,072,678	2,374,252,790	251,361,908	30,377,687,376
Accumulated amortisation				
At 1 January 2019	3,560,843,142	406,381,217	55,852,549	4,023,076,908
Amortisation provided for the year	720,169,218	93,549,735	37,599,208	851,318,161
Disposals or write-off	(55,069,436)	–	–	(55,069,436)
Exchange realignments	1,821,678	140,940	160,333	2,122,951
At 31 December 2019	4,227,764,602	500,071,892	93,612,090	4,821,448,584
Impairment provision				
At 1 January 2019	1,178,678,859	–	83,058,565	1,261,737,424
Impairment provided for the year (Note 2)	224,773,189	–	–	224,773,189
Disposals or write-off (Note 3)	(87,048,313)	–	(5,731,969)	(92,780,282)
At 31 December 2019	1,316,403,735	–	77,326,596	1,393,730,331
Net book value				
At 31 December 2019	22,207,904,341	1,874,180,898	80,423,222	24,162,508,461
At 1 January 2019	20,473,625,008	1,952,465,920	84,189,287	22,510,280,215

Note 2: In 2019, the Group made impairment provisions of RMB168,000,000 and RMB39,588,100 respectively for the exploration rights of Henan Jinda Mining Co., Ltd. ("Henan Jinda") and Sichuan Jinkang Mining Co., Ltd. ("Sichuan Jinkang") since there were indications of impairment.

Note 3: In 2019, Malipo Jinwei Mining Company Limited and Malipo Jinyuan Mining Company Limited were disposed of by the Group, and impairment provisions on intangible assets of RMB81,648,153 and RMB11,132,129 were written off respectively.

Notes to Financial Statements *(continued)*

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

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

18. Intangible assets *(continued)*

As at 31 December 2020, the Group's intangible assets with a carrying amount of RMB13,516,845,568 (31 December 2019: Nil) were subject to restrictions on title or use. Please refer to Note V.65 for details.

Intangible assets of which certificates of title have not been obtained as at 31 December 2020 are as follows:

	Net book value	Reason why certificates of title have not been obtained
1,081 hectares of land use rights of Duobaoshan Copper Industry (phase I) (expansion of western side of open-pit mine, dump, tailings pool with level-four sub-dam, etc.)	777,448,008	In the process of application
972 hectares of land use rights of Duobaoshan Copper Industry (phase II) (mining plant, processing plant, dump, tailings pool, etc.)	1,146,702,524	In the process of application
Land use rights of Ashele Copper's new tailings pool	88,893,329	In the process of application
Land use rights of Ashele Copper's 1,200 tonnes of copper selection from zinc tailings	1,225,965	In the process of application
Land use rights of Ashele Copper's new employee dormitory (No. 9)	331,600	In the process of application
Land use rights of Urad Rear Banner Zijin (Sanguikou processing plant and office, tailings pool, slag dump)	64,931,972	In the process of application
Land block for the new office building of the Company's headquarters and Zijin community	12,572,040	In the process of application
Transfer of the state-owned construction land use right of West Copper	17,129,432	In the process of application

Intangible assets of which certificates of title have not been obtained as at 31 December 2019 are as follows:

	Net book value	Reason why certificates of title have not been obtained
Land use rights of Duobaoshan Copper Industry (storage of explosives, management and living areas, etc.)	517,456,341	In the process of application
Land use rights of Duobaoshan Copper Industry (phase II construction land)	31,650,856	In the process of application
Land use rights of Duobaoshan Copper Industry's employee apartment building	2,196,594	In the process of application
Land use rights of Ashele Copper's new tailings pool	100,819,671	In the process of application
Land use rights of Urad Rear Banner Zijin	67,628,109	In the process of application
140 hectares of land use rights of Duobaoshan Copper Industry (Orebody no. 3, mining area, dump, tailings pool)	132,511,603	In the process of application
Land beside the Zijin Avenue	12,941,806	In the process of application
Land use rights of Ashele Copper's 1,200 tonnes of copper selection from zinc tailings	1,353,892	In the process of application
169 hectares of land use rights in Duobaoshan Copper Industry (expansion of western side of open-pit mine, dump, tailings pool with level-four sub-dam)	162,963,680	In the process of application

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*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

19. Goodwill

2020

	At 1 January	Additions	Reductions	At 31 December
Ashele Copper	12,906,890	-	-	12,906,890
Qinghai West Copper Co., Ltd. ("West Copper")	455,874	-	-	455,874
Hunchun Zijin	71,099,520	-	-	71,099,520
Yunnan Huaxi Mineral Resources Co., Ltd. ("Yunnan Huaxi")	33,161,050	-	-	33,161,050
Zijin Mining Group (Xiamen) Investment Co., Ltd. ("Xiamen Investment")	1,241,101	-	-	1,241,101
Shanxi Zijin Mining Co., Ltd. ("Shanxi Zijin")	2,503,610	-	-	2,503,610
Xinyi Zijin	44,319,632	-	-	44,319,632
Norton Gold Fields Pty Limited ("Norton")	157,778,981	-	-	157,778,981
Urad Rear Banner Zijin	119,097,944	-	-	119,097,944
Bayannur Zijin Non-ferrous Metals Co., Ltd. ("Bayannur Zijin")	14,531,538	-	-	14,531,538
Zijin Copper Co., Ltd. ("Zijin Copper")	4,340,000	-	-	4,340,000
Fujian Shanghang Jinshan Hydropower Co., Ltd. ("Jinshan Hydropower")	79,642,197	-	-	79,642,197
Beijing Anchuang Management Consulting Co., Ltd. ("Beijing Anchuang")	8,330,914	-	-	8,330,914
	549,409,251	-	-	549,409,251
Provision for impairment of goodwill	(235,259,663)	-	-	(235,259,663)
	314,149,588	-	-	314,149,588

2019

	At 1 January	Additions	Reductions	At 31 December
Ashele Copper	12,906,890	-	-	12,906,890
West Copper	455,874	-	-	455,874
Hunchun Zijin	71,099,520	-	-	71,099,520
Yunnan Huaxi	33,161,050	-	-	33,161,050
Xiamen Investment	1,241,101	-	-	1,241,101
Shanxi Zijin	2,503,610	-	-	2,503,610
Xinyi Zijin	44,319,632	-	-	44,319,632
Norton	157,778,981	-	-	157,778,981
Urad Rear Banner Zijin	119,097,944	-	-	119,097,944
Bayannur Zijin	14,531,538	-	-	14,531,538
Zijin Copper	4,340,000	-	-	4,340,000
Jinshan Hydropower	79,642,197	-	-	79,642,197
Beijing Anchuang	8,330,914	-	-	8,330,914
	549,409,251	-	-	549,409,251
Provision for impairment of goodwill	(235,259,663)	-	-	(235,259,663)
	314,149,588	-	-	314,149,588

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

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

19. Goodwill *(continued)*

The movements of impairment provision for goodwill are as follows:

2020

	At 1 January	Additions	Reductions	At 31 December
		Provision	Disposal	
Norton	157,778,981	–	–	157,778,981
Xinyi Zijin	44,319,632	–	–	44,319,632
Yunnan Huaxi	33,161,050	–	–	33,161,050
	235,259,663	–	–	235,259,663

2019

	At 1 January	Additions	Reductions	At 31 December
		Provision	Disposal	
Norton	157,778,981	–	–	157,778,981
Xinyi Zijin	44,319,632	–	–	44,319,632
Yunnan Huaxi	33,161,050	–	–	33,161,050
	235,259,663	–	–	235,259,663

Goodwill arising from business combinations has been allocated to the following asset groups or portfolio of asset groups for the impairment test:

- Refining asset group
- Mining asset group
- Hydropower asset group
- Other asset group

Refining asset group

Goodwill of the refining asset group was formed by the acquisitions of Zijin Copper and Bayannur Zijin, which was consistent with the portfolio of asset groups as determined on the acquisition dates. The original book value of goodwill of the refining asset group as at 31 December 2020 was RMB18,871,538 (31 December 2019: RMB18,871,538). The recoverable amount is determined by the present value of the expected future cash flows, which is based on the cash flow forecasts of the management's five-year rolling plan. The pre-tax discount rate used for the cash flow forecast is 15%.

Notes to Financial Statements *(continued)*

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*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*19. Goodwill *(continued)***Mining asset group**

Goodwill of the mining asset group was formed by the acquisitions of Ashele Copper, West Copper, Hunchun Zijin, Shanxi Zijin and Urad Rear Banner Zijin, which was consistent with the portfolio of asset groups as determined on the acquisition dates. As at 31 December 2020, the original book value of goodwill of the mining asset group was RMB441,323,501 (31 December 2019: RMB441,323,501). The recoverable amount is determined by the present value of the expected future cash flows, which is based on the cash flow forecasts of the management's five-year rolling plan and mine production lifecycle or the pre-feasibility reports. The pre-tax discount rate used for the cash flow forecast is 15% to 18%.

Hydropower asset group

Goodwill of the hydropower asset group was formed by the acquisition of Jinshan Hydropower. As at 31 December 2020, the original book value of the goodwill was RMB79,642,197 (31 December 2019: RMB79,642,197). The recoverable amount is determined by the present value of the expected future cash flows, based on the cash flow forecasts of the budget and feasibility study reports. The pre-tax discount rate used for the cash flow forecast is 12%.

Other asset group

Goodwill of the other asset group was formed by the acquisitions of Xiamen Investment and Beijing Anchuang. As at 31 December 2020, the book value of the goodwill was RMB9,572,015 (31 December 2019: RMB9,572,015). The pre-tax discount rate used for the cash flow forecast is 15%.

	Refining asset group		Mining asset group		Hydropower asset group		Other asset group		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Carrying amount of goodwill	18,871,538	18,871,538	441,323,501	441,323,501	79,642,197	79,642,197	9,572,015	9,572,015	549,409,251	549,409,251
Impairment provision	-	-	(235,259,663)	(235,259,663)	-	-	-	-	(235,259,663)	(235,259,663)
Net book value of goodwill	18,871,538	18,871,538	206,063,838	206,063,838	79,642,197	79,642,197	9,572,015	9,572,015	314,149,588	314,149,588

The following illustrates the key assumptions made by the management in determining cash flow forecasts for the goodwill impairment test:

Budgeted gross profit margin The average gross profit margin achieved in the year immediately before the budget year is appropriately adjusted according to the expected raise of production efficiency variance.

Discount rates The discount rates before tax reflect the specific risks of related asset group or portfolio of asset groups.

The amount allocated to the above asset groups or portfolio of asset groups is consistent with the historical experience and external information of the Group.

As at 31 December 2020, the Group had made full impairment provisions for goodwill of RMB44,319,632, RMB33,161,050 and RMB157,778,981 for Xinyi Zijin, Yunnan Huaxi and Norton, respectively.

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

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

20. Long-term deferred assets

2020

	At 1 January	Additions	Amortisation	Other reductions	At 31 December
Land compensation costs (Note 1)	177,845,759	47,412,524	(22,054,442)	–	203,203,841
Mining shaft development expenditure	196,220,957	183,059,049	(69,371,894)	(3,615,848)	306,292,264
Amortisation costs of bipolar plates	212,519,384	125,509,543	(16,900,467)	–	321,128,460
Forest compensation expenditure	108,564,860	22,190,344	(35,042,337)	–	95,712,867
Others (Note 2)	510,686,986	217,169,113	(343,993,906)	(8,292,991)	375,569,202
	1,205,837,946	595,340,573	(487,363,046)	(11,908,839)	1,301,906,634

2019

	At 1 January	Additions	Amortisation	Other reductions	At 31 December
Land compensation costs (Note 1)	180,373,342	5,894,331	(8,421,914)	–	177,845,759
Mining shaft development expenditure	195,455,325	44,860,386	(44,094,754)	–	196,220,957
Amortisation costs of bipolar plates	203,707,175	9,892,006	(1,079,797)	–	212,519,384
Forest compensation expenditure	135,312,365	–	(26,220,164)	(527,341)	108,564,860
Others (Note 2)	272,467,264	535,987,408	(271,354,141)	(26,413,545)	510,686,986
	987,315,471	596,634,131	(351,170,770)	(26,940,886)	1,205,837,946

Note 1: The land compensation costs are related to the compensation for the occupation of forest land at the mining sites for production and construction needs. The amortisation period ranges from 5 to 50 years.

Note 2: As at 31 December 2020, other long-term deferred assets mainly included highway tolls of RMB10,731,787 (31 December 2019: RMB17,254,663); reconstruction costs of power supply lines of RMB12,861,880 (31 December 2019: RMB15,945,465); exploration expenditures of RMB25,343,910 (31 December 2019: RMB27,072,766); fixed asset improvement expenditures of RMB52,096,337 (31 December 2019: RMB110,053,128); enterprise resource planning system implementation fees of RMB40,680,551 (31 December 2019: RMB43,666,802); plant improvement expenditures of RMB46,358,562 (31 December 2019: RMB52,587,534), etc. Other long-term deferred assets are amortised in accordance with their useful lives.

Notes to Financial Statements *(continued)*

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*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

21. Deferred tax assets/liabilities

Deferred tax assets and deferred tax liabilities before offsetting:

	2020		2019	
	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets
Deferred tax assets				
Provision for impairment of assets	474,214,540	107,398,421	417,389,014	99,904,764
Elimination of unrealised profit arising from intra-group transactions	1,738,605,875	358,809,714	1,038,614,417	241,100,541
Deductible losses (Note 1)	2,891,857,585	659,636,692	999,783,282	157,736,660
Differences in depreciation policies	963,938,537	145,400,436	627,987,963	99,578,972
Changes in the fair value of equity instrument investments not held for trading	105,743,978	16,388,203	137,348,782	21,116,308
Changes in the fair value of held for trading financial assets	42,501,568	10,625,392	113,900,882	23,368,658
Expenses accrued but not yet paid and others	795,013,662	211,326,449	783,146,086	193,860,913
	7,011,875,745	1,509,585,307	4,118,170,426	836,666,816

Note 1: As at 31 December 2020, deferred tax assets generated from the above deductible losses were recognised to the extent that it was probable that taxable profits would be available against which the deductible tax losses can be utilised.

	2020		2019	
	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	27,450,116,559	5,990,729,344	7,881,856,785	1,857,880,420
Changes in the fair value of held for trading financial assets	447,077,226	73,439,872	61,696,814	15,424,204
Changes in the fair value of equity instrument investments not held for trading	71,708,491	16,980,680	84,194,425	21,110,679
Differences in amortisation policies for stripping costs	2,510,435,698	789,327,838	2,895,842,620	793,416,374
	30,479,337,974	6,870,477,734	10,923,590,644	2,687,831,677

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

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

21. Deferred tax assets/liabilities *(continued)*

Deferred tax assets and liabilities are shown in the net amount after offsetting:

	2020	
	Offset amount	Closing balance after offsetting
Deferred tax assets	326,601,363	1,182,983,944
Deferred tax liabilities	326,601,363	6,543,876,371

Deductible temporary differences and deductible tax losses for which deferred tax assets are not recognised are as follows:

	2020	2019
Deductible temporary differences	4,810,985,395	3,958,626,893
Deductible losses	3,865,748,298	5,760,671,972
	8,676,733,693	9,719,298,865

Deductible losses of unrecognised deferred tax assets will expire in the following years:

	2020	2019
2020	–	932,752,756
2021	453,629,301	766,957,934
2022	247,858,892	528,561,999
2023	447,236,720	731,330,563
2024	547,397,483	818,557,324
2025	1,221,043,377	–
2026 and the following years	948,582,525	1,982,511,396
	3,865,748,298	5,760,671,972

The accumulated deductible losses of RMB276,874,205 (2019: RMB1,563,015,019) incurred by the Group's subsidiaries in Hong Kong, South Africa, Australia and Russia can be deducted indefinitely; the accumulated deductible losses incurred by PRC subsidiaries of RMB2,749,280,142 (2019: RMB3,748,995,483) can be deducted within five consecutive years from the year they were incurred; the accumulated deductible losses incurred by PRC subsidiaries of RMB737,498,783 (2019: RMB419,496,376) can be deducted within ten consecutive years from the year in which they were incurred; the Group's subsidiaries in Serbia had no deductible losses arisen from deferred tax assets not recognised in the current year (2019: RMB29,165,094, can be deducted within five consecutive years from the year in which they were incurred); and the accumulated deductible losses incurred by the Group's subsidiaries in Papua New Guinea of RMB102,095,168 (2019: Nil) can be deducted within seven consecutive years.

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*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

22. Other non-current assets

	2020	2019
Long-term receivables	8,496,225,681	6,223,680,062
Exploration and development costs	3,047,647,244	2,805,235,398
Prepayments for land use rights	1,434,063,125	1,874,438,678
Prepayments for fixed assets and constructions	1,321,465,455	757,434,870
VAT credits expected not to be utilised within one year	870,751,183	373,679,226
Inventories expected not to be processed within one year	290,798,919	300,885,340
Prepaid investment costs	–	2,960,000
Deposit for mine restoration and improvement of ecological environment in mines	–	10,268,480
Prepayments for exploration and mining rights	–	20,274,870
Others	51,546,492	31,845,443
	15,512,498,099	12,400,702,367
Including: Current portion of long-term receivables (Note V.8)	(40,255,087)	(956,692,852)
	15,472,243,012	11,444,009,515

The movements of impairment provision for other non-current assets are as follows:

	At 1 January 2020	Provision	Recovery or reversal	Write-off during the year	At 31 December 2020
Long-term receivables	153,203,515	819,055	–	–	154,022,570
Exploration and development costs	33,351,922	1,529,795	–	–	34,881,717
Inventories expected not to be processed within one year	42,389,163	–	–	–	42,389,163
Prepaid investment costs	252,423,299	–	–	–	252,423,299
Others	17,516,917	–	–	–	17,516,917
Total	498,884,816	2,348,850	–	–	501,233,666

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

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

22. Other non-current assets *(continued)*

The changes in bad debt provision for long-term receivables based on 12-month expected credit losses and the entire lifetime expected credit losses are as follows:

2020

	Stage 1 12-month expected credit losses	Stage 2 Entire lifetime expected credit losses	Stage 3 Financial assets with credit impairment occurred (entire lifetime)	Total
At 1 January	–	–	153,203,515	153,203,515
Balance at 1 January during the year				
– Transferred to Stage 2	–	–	–	–
– Transferred to Stage 3	–	–	–	–
– Reversed to Stage 2	–	–	–	–
– Reversed to Stage 1	–	–	–	–
Provision during the year	819,055	–	–	819,055
Reversal during the year	–	–	–	–
Write-back during the year	–	–	–	–
Write-off during the year	–	–	–	–
Other changes	–	–	–	–
	819,055	–	153,203,515	154,022,570

As at 31 December 2020, there were no other non-current assets with restrictions on use.

As at 31 December 2019, other non-current assets with restrictions on use amounted to RMB10,268,480. Please refer to Note V.65 for details.

23. Short-term borrowings

	2020	2019
Unsecured and non-guaranteed loans	7,545,834,324	6,564,033,351
Gold leasing (Note 1)	11,813,940,074	7,006,198,930
Bills receivable discounted	1,359,346,756	870,685,605
	20,719,121,154	14,440,917,886

As at 31 December 2020 and 31 December 2019, the Group had no secured short-term borrowings.

As at 31 December 2020, the interest rates of the above borrowings ranged from 0.52% to 4.35% per annum (31 December 2019: 2.23% to 4.35% per annum).

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*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*23. Short-term borrowings *(continued)*

As at 31 December 2020 and 31 December 2019, there were no short-term borrowings of the Group that were overdue but not yet repaid.

Note 1: For gold leasing, the Group entered into forward contracts with the same quantity, specification and maturity with the same gold leasing banks, and agreed that on maturity of the leases, the Group would purchase gold from those gold leasing banks with the same quantity and specification at specific prices denominated in Renminbi to return the leased gold. The Group considered that under such gold leasing business model, the banks entirely bore the risk of gold price fluctuation during the gold leasing period. The Group only bore the agreed gold leasing fee and the related handling fee. Therefore, the Group included the leased gold in short-term borrowings.

24. Held for trading financial liabilities

	2020	2019
Financial liabilities at fair value through profit or loss		
Gold leasing (Note 1)	196,350,000	32,262,397
Derivative financial liabilities (Note 2)	451,158,441	293,876,657
	647,508,441	326,139,054

Note 1: The Group financed through leasing gold from banks and subsequently sold the gold through the Shanghai Gold Exchange. On maturity of the leases, the Group would return the gold to gold leasing banks with the same quantity and specification purchased through the Shanghai Gold Exchange, and pay the agreed leasing fees. The maturity period of gold leasing was within one year (one year inclusive). As at 31 December 2020, the cost of these financial liabilities was RMB176,862,450, and the changes in fair value were RMB19,487,550. Besides, other items of gold leasing of the Group have been classified as short-term borrowings. Please refer to Note V.23 for details.

Note 2: Details of derivative financial liabilities are as follows:

	2020	2019
(1) Derivative financial liabilities without designated hedging relationship	76,368,530	127,301,375
Including: Forward contracts	60,179,706	54,482,869
Foreign currency forward contracts	52,228	28,494,587
Futures contracts	16,136,596	44,323,919
(2) Hedging instruments – Forward contracts	374,789,911	166,575,282
	451,158,441	293,876,657

25. Bills payable

	2020	2019
Bank acceptance bills	772,070,659	388,934,613
Commercial acceptance bills	183,490,397	31,925,532
	955,561,056	420,860,145

As at 31 December 2020, there were no bills payable of the Group that were overdue but not yet repaid (31 December 2019: Nil).

Notes to Financial Statements *(continued)*

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

26. Trade payables

	2020	2019
Trade payables	5,542,998,831	4,382,104,169

As at 31 December 2020, an ageing analysis of the trade payables, based on the invoice dates, is as follows:

	2020	2019
Within 1 year	4,951,011,177	3,754,308,693
Over 1 year but within 2 years	302,794,376	358,375,254
Over 2 years but within 3 years	149,500,189	125,860,772
Over 3 years	139,693,089	143,559,450
	5,542,998,831	4,382,104,169

As at 31 December 2020, the significant balances of trade payables aged more than one year are as follows:

	Balance	Reason for not being settled
Zhejiang Xinwang Mine Engineering Co., Ltd.	18,689,112	Construction payments not yet settled
Zhejiang Jianhui Mine Construction Co., Ltd.	13,132,972	Construction payments not yet settled
China National Chemical Engineering Fourth Construction Co., Ltd.	11,097,889	Construction payments not yet settled
	42,919,973	

As at 31 December 2019, the significant balances of trade payables aged more than one year are as follows:

	Balance	Reason for not being settled
Wenzhou Tongye Construction Work Co., Ltd. Sanguikou project site	53,387,565	Construction payments not yet settled
China Fifteen Metallurgical Construction Co., Ltd.	28,458,033	Construction payments not yet settled
Wenzhou Mine Workings Co., Ltd.	27,834,742	Construction payments not yet settled
Fujian Xingwanxiang Construction Group Co., Ltd.	15,057,512	Construction payments not yet settled
	124,737,852	

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

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

27. Contract liabilities

	2020	2019
Advances from sales of goods	452,695,891	359,453,565
	452,695,891	359,453,565

28. Employee benefits payable

2020

	At 1 January	Additions	Reductions	At 31 December
Short-term employee benefits	823,037,782	4,246,264,237	(3,794,600,040)	1,274,701,979
Post-employment benefit plan (defined contribution plan)	28,663,964	151,777,015	(137,987,380)	42,453,599
Termination benefit	596,188	25,945,992	(26,230,596)	311,584
	852,297,934	4,423,987,244	(3,958,818,016)	1,317,467,162

2019

	At 1 January	Additions	Reductions	At 31 December
Short-term employee benefits	694,371,924	3,642,686,139	(3,514,020,281)	823,037,782
Post-employment benefit plan (defined contribution plan)	32,244,199	235,869,188	(239,449,423)	28,663,964
Termination benefit	13,967	12,295,460	(11,713,239)	596,188
	726,630,090	3,890,850,787	(3,765,182,943)	852,297,934

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

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

28. Employee benefits payable *(continued)*

Short-term employee benefits are as follows:

2020

	At 1 January	Additions	Reductions	At 31 December
Wages or salaries, bonuses, allowances and subsidies	645,232,261	3,432,143,661	(3,165,800,842)	911,575,080
Staff welfare	124,589,139	386,301,858	(277,661,275)	233,229,722
Social security contributions	508,165	102,071,740	(96,003,358)	6,576,547
<i>Including: Medical insurance</i>	<i>(74,214)</i>	<i>82,232,600</i>	<i>(77,308,334)</i>	<i>4,850,052</i>
<i>Work-related injury insurance</i>	<i>538,857</i>	<i>16,117,573</i>	<i>(15,003,121)</i>	<i>1,653,309</i>
<i>Maternity insurance</i>	<i>43,522</i>	<i>3,721,567</i>	<i>(3,691,903)</i>	<i>73,186</i>
Housing fund	2,408,674	147,641,895	(147,471,075)	2,579,494
Union running costs and employee education costs	28,837,275	95,493,977	(79,726,769)	44,604,483
Short-term compensated leave	(2,639,333)	22,001,997	(16,787,590)	2,575,074
Short-term profit-sharing plan (Note 1)	24,101,601	60,609,109	(11,149,131)	73,561,579
	823,037,782	4,246,264,237	(3,794,600,040)	1,274,701,979

2019

	At 1 January	Additions	Reductions	At 31 December
Wages or salaries, bonuses, allowances and subsidies	506,238,608	3,007,706,348	(2,868,712,695)	645,232,261
Staff welfare	117,475,184	293,324,138	(286,210,183)	124,589,139
Social security contributions	1,989,107	102,121,422	(103,602,364)	508,165
<i>Including: Medical insurance</i>	<i>229,283</i>	<i>75,560,808</i>	<i>(75,864,305)</i>	<i>(74,214)</i>
<i>Work-related injury insurance</i>	<i>1,737,953</i>	<i>20,485,479</i>	<i>(21,684,575)</i>	<i>538,857</i>
<i>Maternity insurance</i>	<i>21,871</i>	<i>6,075,135</i>	<i>(6,053,484)</i>	<i>43,522</i>
Housing fund	1,879,086	130,400,611	(129,871,023)	2,408,674
Union running costs and employee education costs	45,416,542	76,831,952	(93,411,219)	28,837,275
Short-term compensated leave	1,557,946	24,017,248	(28,214,527)	(2,639,333)
Short-term profit-sharing plan (Note 1)	19,815,451	8,284,420	(3,998,270)	24,101,601
	694,371,924	3,642,686,139	(3,514,020,281)	823,037,782

Note 1: The short-term profit-sharing plan was determined by remuneration assessment and completion of the Group's performance for the year.

Notes to Financial Statements *(continued)*

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*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*28. Employee benefits payable *(continued)*

Details of the defined contribution plan are as follows:

2020

	At 1 January	Additions	Reductions	At 31 December
Basic pension insurance	27,923,008	142,285,994	(134,535,666)	35,673,336
Unemployment insurance	740,956	9,491,021	(3,451,714)	6,780,263
	28,663,964	151,777,015	(137,987,380)	42,453,599

2019

	At 1 January	Additions	Reductions	At 31 December
Basic pension insurance	31,583,371	228,769,102	(232,429,465)	27,923,008
Unemployment insurance	660,828	7,100,086	(7,019,958)	740,956
	32,244,199	235,869,188	(239,449,423)	28,663,964

29. Taxes payable

	2020	2019
Corporate income tax	1,166,543,294	499,283,867
Value-added tax	163,211,818	137,595,058
Resource compensation fee	120,769,049	120,769,049
Resource tax	305,333,197	149,329,435
Others	124,434,354	78,215,988
	1,880,291,712	985,193,397

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

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

30. Other payables

	2020	2019
Dividends payable	4,928,328	11,081,780
Interest payables	–	35,579,862
Other payables	7,366,475,336	5,280,188,177
	7,371,403,664	5,326,849,819

Dividends payable

	2020	2019
Gansu Jiuzhou Exploration Mining Co., Ltd.	4,734,000	–
Luoning County Funiu Mining Development Centre	180,000	5,180,000
Ministry of Finance of the Republic of Tajikistan	–	4,886,530
China Gold Henan Co., Ltd.	–	1,000,000
Others	14,328	15,250
	4,928,328	11,081,780

Interest payables

	2020	2019
Borrowing interest	–	31,228,768
Gold leasing interest	–	4,351,094
	–	35,579,862

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

30. Other payables *(continued)*

Other payables

	2020	2019
Payables for construction work and equipment	3,748,861,275	2,054,715,526
Amounts due to third parties	1,119,449,612	665,636,453
Due to non-controlling shareholders	765,693,404	967,051,315
Deposits	223,589,115	308,062,478
Payables to Freeport-McMoRan Exploration Corporation ("FMEC") (Note V.36)	326,244,902	313,929,000
Payables for exploration and mining rights	43,058,005	114,273,114
Donation payables	69,905,309	105,197,935
Withholding individual income tax	61,662,544	10,555,350
Payables for acquisition of equities/debts	–	2,490,000
Payables for losses on futures contracts	57,502,014	23,487,905
Accrued maintenance costs	70,375,135	62,889,279
Payables for consulting services	21,229,376	30,618,805
Others	858,904,645	621,281,017
	7,366,475,336	5,280,188,177

As at 31 December 2020, the significant balances of other payables aged more than one year are as follows:

	Reason for not being settled	Balance
China Gezhouba Group Municipal Engineering Co., Ltd.	Construction payments not yet settled	316,379,467
Tongling Nonferrous Metals Group Holding Co., Ltd. ("Tongling Nonferrous Metals")	Payables not yet settled	212,299,899
Xiamen C&D Inc. ("C&D Inc.")	Payables not yet settled	84,919,960
Tibet Autonomous Region Forestry Department	Payables not yet settled	95,209,544
Inner Mongolia North Hauler Joint Stock Company Limited	Construction payments not yet settled	69,177,000
China Gezhouba Group Foundation Engineering Co., Ltd.	Construction payments not yet settled	56,784,929
China Huaye Group Company Limited	Construction payments not yet settled	48,160,807
Mr. Zhu	Expense of mining rights not yet settled	29,672,233
The 8th Metallurgical Construction Group Company Limited	Construction payments not yet settled	26,007,578
Shanghang County Finance Bureau	Expense of exploration rights not yet settled	22,948,760
		961,560,177

Notes to Financial Statements *(continued)*

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

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

30. Other payables *(continued)*

Other payables *(continued)*

As at 31 December 2019, the significant balances of other payables aged more than one year are as follows:

	Reason for not being settled	Balance
FMEC (Note V.36)	Payables for acquisition of equity interest not yet settled	313,929,000
Tongling Nonferrous Metals C&D Inc.	Payables not yet settled	202,902,291
Fuyun County Finance Bureau	Payables not yet settled	81,211,727
The 8th Metallurgical Construction Group Company Limited	Payables not yet settled	65,149,981
Mr. Zhu	Construction payments not yet settled	35,353,493
Wenzhou Tongye Construction Work Co., Ltd. Changtian project site	Expense of mining rights not yet settled	29,672,233
Hunan Industrial Equipment Installation Co., Ltd.	Construction payments not yet settled	28,586,901
Shanghang County Finance Bureau	Construction payments not yet settled	27,780,815
Shanghai Baoye Group Corp., Ltd.	Expense of exploration rights not yet settled	22,998,760
	Construction payments not yet settled	21,731,502
		829,316,703

31. Current portion of non-current liabilities

	2020	2019
Current portion of long-term borrowings (Note V.33)	1,658,269,127	2,026,445,561
Current portion of bonds payable (Note V.34)	5,825,382,124	3,298,810,017
Current portion of bonds interest (Note V.34)	295,689,277	266,129,549
Current portion of lease liabilities (Note V.35)	81,009,218	91,815,553
Current portion of long-term payables (Note V.36)	109,742,855	85,639,380
Current portion of contract liabilities – metals streaming business (Note V.39)	5,655,614	–
	7,975,748,215	5,768,840,060

Notes to Financial Statements *(continued)*

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*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

32. Other current liabilities

	2020	2019
Ultra short-term financing bonds (Note 1)	–	500,000,000
Provisions (Note 2)	46,751,598	–
Endorsed bills receivable that have not been derecognised and not yet due	74,508,438	–
Output VAT to be transferred	51,644,881	–
Total	172,904,917	500,000,000

Note 1: In July 2019, the Company received the Notice of Registration Acceptance (Zhongshixiezhuzhu [2019] DFI No. 18) issued by the National Association of Financial Market Institutional Investors and the Company was approved to register debt financing instruments. The registration was effective within 2 years commencing from the issuance date of the notice, during which the Company was allowed to issue ultra short-term financing bonds, short-term financing bonds, medium-term notes and perpetual notes in different tranches. On 18 October 2019, the Company issued ultra short-term financing bonds with a principal amount of RMB500 million and a maturity period of 270 days. The maturity date was 17 July 2020 with an interest rate of 2.65%. The ultra short-term financing bonds matured and were settled in 2020.

Note 2: The balances were the community development funds and mine recovery reserves which were provided and expected to be used within one year by La Compagnie Minière de Musonoié Global Société par Actions Simplifiée ("COMMUS"), the Group's overseas subsidiary.

33. Long-term borrowings

	2020	2019
Secured bank loans (Note 1)	4,478,306,616	–
Pledged loans (Note 2)	4,978,097,354	–
Unsecured and non-guaranteed loans	21,284,752,355	15,852,667,085
Including: Current portion of long-term borrowings (Note V.31)	30,741,156,325 (1,658,269,127)	15,852,667,085 (2,026,445,561)
	29,082,887,198	13,826,221,524

Note 1: In 2017, Julong Copper used the mining right permit of the Qulong Copper and Polymetallic Mine, the mining right permit of the Zhibula Copper and Polymetallic Mine, machinery and equipment and land use right permit of Chengdu Shilong Industrial Co., Ltd. with appraisal values of RMB9,108,000,000, RMB1,619,000,000, RMB1,351,870,868 and RMB2,715,000,000 respectively as securities for a loan from a bank syndicate (formed by the Bank of China Tibet Autonomous Region Branch, Bank of Tibet Co., Ltd., China Minsheng Bank Corp., Ltd. Lhasa Branch and Hengfeng Bank Co., Ltd. Beijing Branch). The term of the loan is 13 years. The Group acquired Julong Copper during the year. As at 31 December 2020, the outstanding balance of the above secured loan was RMB4,339,000,000.

In 2020, Bayannur Zijin, a subsidiary of the Group, used its legally owned buildings, land use rights and machinery and equipment to secure a bank loan of RMB135,000,000 with a maturity of 5 years from the China Development Bank Inner Mongolia Autonomous Region Branch. As at 31 December 2020, the outstanding balance of the above secured bank loan was RMB135,000,000.

As at 31 December 2019, the Group had no secured bank loans.

Notes to Financial Statements *(continued)*

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

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

33. Long-term borrowings *(continued)*

Note 2: In 2017, Julong Copper used the equity interest in Zangge Holding Limited by Share Ltd. with an appraisal value of RMB3,294,772,900 as a pledge for a loan from a bank syndicate (formed by Bank of China Tibet Autonomous Region Branch, Hengfeng Bank Beijing Branch, Minsheng Bank Lhasa Branch, Tibet Bank Maizhokunggar County Branch). The term of the loan is 13 years. In 2020, the Group acquired Julong Copper. As at 31 December 2020, the outstanding balance of the above pledged loan was RMB1,268,150,000. In 2020, Gold Mountains (H.K.), a subsidiary of the Group, used the equity interest in Zijin (America) Gold Mining Company Limited ("Zijin America") as a pledge to obtain a syndicated loan amounted to USD568,000,000 (equivalent to RMB3,706,143,200) from China CITIC Bank Fuzhou Branch and other banks (loan from China CITIC Bank Fuzhou Branch amounted to USD248,000,000, loan from China Minsheng Bank Fuzhou Branch amounted to USD100,000,000, loan from Bank of China Hungarian Branch amounted to USD120,000,000 and loan from China Merchant Bank Hong Kong Branch amounted to USD100,000,000). The term of the loan is 6 years. As at 31 December 2020, the outstanding balance of the above pledged loan was RMB3,706,143,200.

As at 31 December 2019, the Group had no pledged loans.

As at 31 December 2020, interest rates of the above borrowings ranged from 1.20% to 3.50% per annum (31 December 2019: 1.20% to 5.68 % per annum).

Maturity analysis of long-term borrowings is as follows:

	2020	2019
Within 1 year or repayable on demand	1,658,269,127	2,026,445,561
Over 1 year but within 2 years	8,026,235,027	3,896,727,340
Over 2 years but within 5 years	18,233,732,132	9,159,406,150
Over 5 years	2,822,920,039	770,088,034
	30,741,156,325	15,852,667,085

34. Bonds payable

	2020	2019
Bonds payable	5,825,382,124	5,975,290,413
Medium-term notes	9,988,407,781	9,289,988,291
Convertible corporate bonds (Note 5)	5,133,939,580	–
Preference shares (Note 6)	978,734,705	–
	21,926,464,190	15,265,278,704
Bonds interest	295,689,277	266,129,549
Dividends on preference shares	8,596,553	–
	22,230,750,020	15,531,408,253
Including: Current portion of bonds payable (Note V.31)	(5,825,382,124)	(3,298,810,017)
Current portion of bonds interest (Note V.31)	(295,689,277)	(266,129,549)
	16,109,678,619	11,966,468,687

Notes to Financial Statements (continued)

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

34. Bonds payable (continued)

As at 31 December 2020, the balances of bonds payable were as follows:

Note	Currency	Face value	Issue date	Maturity of the bonds	Issue value of the bonds	At 1 January 2020	Issued in the current year	Interest accrued for the current year	Classified into other equity instruments	Amortisation of discount/premium	Exchange gains or losses	Interest paid for the year	Repayment of principal in the year	At 31 December 2020
Note 1	RMB	3,300,000,000	11 September 2015	5 years	3,300,000,000	3,298,810,017	-	108,900,000	-	1,189,983	-	(145,200,000)	(3,300,000,000)	-
Note 4	RMB	1,500,000,000	11 March 2019	3 years	1,500,000,000	1,498,679,402	-	57,000,000	-	595,883	-	(57,000,000)	-	1,499,275,285
Note 4	RMB	1,000,000,000	11 March 2019	5 years	1,000,000,000	998,303,958	-	43,000,000	-	379,551	-	(43,000,000)	-	998,683,509
Note 4	RMB	1,000,000,000	8 July 2019	5 years	1,000,000,000	998,891,696	-	37,000,000	-	225,957	-	(37,000,000)	-	998,117,653
Note 4	RMB	2,500,000,000	30 August 2019	5 years	2,500,000,000	2,495,303,218	-	98,750,000	-	934,215	-	(98,750,000)	-	2,496,297,433
Note 4	RMB	1,000,000,000	21 February 2020	5 years	1,000,000,000	-	1,000,000,000	29,250,000	-	(1,690,814)	-	-	-	998,309,186
Note 4	RMB	1,000,000,000	21 February 2020	3 years	1,000,000,000	-	1,000,000,000	25,833,333	-	(877,917)	-	-	-	998,122,083
Note 4	RMB	2,000,000,000	23 November 2020	3 years	2,000,000,000	-	2,000,000,000	7,000,000	-	(2,337,368)	-	-	-	1,997,662,632
Note 5	RMB	6,000,000,000	3 November 2020	5 years	6,000,000,000	-	6,000,000,000	2,000,000	(868,731,209)	2,670,789	-	-	-	5,133,939,580
Note 6	USD	1,089,740,000	31 March 2020	5 years	1,089,740,000	-	1,089,740,000	32,341,364	-	-	(91,002,355)	-	-	978,734,705
	Current portion of bonds payable													
Note 2	RMB	2,000,000,000	18 March 2016	5 years	2,000,000,000	1,998,601,408	-	67,400,000	-	1,114,067	-	(67,400,000)	-	1,998,715,475
Note 2	RMB	3,000,000,000	18 March 2016	5 years	3,000,000,000	3,023,323,264	-	9,045,647	-	164,758	-	(9,045,647)	-	3,024,083,022
Note 2	RMB	1,800,000,000	15 July 2016	5 years	1,800,000,000	43,852,242	-	1,342,031	-	24,257	-	(1,342,031)	-	43,966,499
Note 2	RMB	1,200,000,000	15 July 2016	5 years	1,200,000,000	1,198,307,708	-	41,400,000	-	682,801	-	(41,400,000)	-	1,199,590,509
Note 3	USD	2,283,714,311	18 October 2018	3 years	2,283,714,311	2,431,495,791	-	121,320,244	-	5,403,556	(157,297,778)	(120,626,790)	-	2,278,601,619
		30,053,454,311	15,265,278,704	11,089,740,000	681,592,619	(868,731,209)	8,479,718	(246,303,023)	(620,763,468)	(3,300,000,000)	21,926,464,190			

Notes to Financial Statements (continued)

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

34. Bonds payable (continued)

As at 31 December 2019, the balances of bonds payable were as follows:

Note	Currency	Face value	Issue date	Maturity of the bonds	Issue value of the bonds	At 1 January 2019	Exchange gains or losses	Issued in the current year	Interest accrued for the current year	Amortisation of discount/premium	Interest paid for the year	Repayment of principal in the year	At 31 December 2019
Note 1	RMB	2,500,000,000	5 September 2014	5 years	2,500,000,000	2,499,052,416	-	-	108,125,000	947,584	(137,500,000)	(2,500,000,000)	-
Note 2	RMB	2,000,000,000	18 March 2016	5 years	2,000,000,000	1,997,524,823	-	-	67,400,000	1,076,585	(67,400,000)	-	1,998,601,408
Note 2	RMB	3,000,000,000	18 March 2016	5 years	3,000,000,000	2,996,365,082	-	-	29,209,235	3,428,182	(89,837,191)	(2,697,470,000)	302,323,264
Note 2	RMB	1,800,000,000	15 July 2016	5 years	1,800,000,000	1,797,452,512	-	-	32,584,179	2,308,730	(54,900,000)	(1,755,999,000)	43,962,242
Note 2	RMB	1,200,000,000	15 July 2016	5 years	1,200,000,000	1,198,248,418	-	-	41,400,000	659,290	(41,400,000)	-	1,198,907,708
Note 3	USD												
	(equivalent amount in RMB)												
Note 4	RMB	2,441,670,242	18 October 2018	3 years	2,441,670,242	2,386,336,664	39,290,662	-	129,077,955	5,808,465	(112,479,167)	-	2,431,495,791
Note 4	RMB	1,500,000,000	11 March 2019	3 years	1,500,000,000	-	-	1,500,000,000	47,500,000	(1,320,598)	-	-	1,498,679,402
Note 4	RMB	1,000,000,000	11 March 2019	5 years	1,000,000,000	-	-	1,000,000,000	35,833,333	(1,696,042)	-	-	998,303,958
Note 4	RMB	1,000,000,000	8 July 2019	5 years	1,000,000,000	-	-	1,000,000,000	15,416,667	(1,108,304)	-	-	998,891,696
Note 4	RMB	2,500,000,000	30 August 2019	5 years	2,500,000,000	-	-	2,500,000,000	32,916,667	(4,696,782)	-	-	2,495,303,218
Note 1	Current portion of bonds payable												
	RMB	3,300,000,000	11 September 2015	5 years	3,300,000,000	3,297,283,788	-	-	145,200,000	1,526,229	(145,200,000)	-	3,298,810,017
	RMB	22,241,670,242	11 September 2015	5 years	22,241,670,242	16,172,323,703	39,290,662	6,000,000,000	679,663,036	7,133,339	(648,716,358)	(6,933,469,000)	15,265,278,704

Note 1: The Company, through the National Association of Financial Market Institutional Investors, issued medium-term notes with face values of RMB2.5 billion on 5 September 2014 and RMB3.3 billion on 11 September 2015, respectively, with a maturity of 5 years and coupon rates of 5.5% and 4.4%, respectively. Interest of the notes shall be paid annually. Among them, the 5-year medium-term notes issued on 5 September 2014 matured and were settled, and the 5-year medium-term notes issued on 11 September 2015 matured and were settled during this year.

Note 2: Pursuant to the approval of the CSRC on 17 February 2016, the Company issued corporate bonds with a face value of RMB2 billion on the Shanghai Stock Exchange on 18 March 2016. The bonds have a maturity of five years and an annual interest rate of 3.37%. On 18 March 2016, the Company issued corporate bonds with a face value of RMB3 billion on the Shanghai Stock Exchange. The bonds have a maturity of five years, and an annual interest rate of 2.99%, with terms that the issuer has an option to adjust the interest rate and investors have a sell-back option at the end of the third year. The Company exercised the sell-back option in 2019. On 15 July 2016, the Company issued corporate bonds with a face value of RMB1.8 billion on the Shanghai Stock Exchange. The bonds have a maturity of five years, and an annual interest rate of 3.05%, with terms that the issuer has an option to adjust the interest rate and investors have a sell-back option at the end of the third year. The Company exercised the sell-back option in 2019. On 15 July 2016, the Company issued corporate bonds with a face value of RMB1.2 billion on the Shanghai Stock Exchange. The bonds have a maturity of five years, and an annual interest rate of 3.45%. The interest of the above bonds shall be settled annually and the principal shall be repaid in full upon their maturities. The above corporate bonds will mature in 2021. Therefore, the Company classified them as the current portion of bonds payable.

Notes to Financial Statements *(continued)*

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*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*34. Bonds payable *(continued)*

Note 3: On 18 October 2018, Zijin International Capital Company Limited, an overseas wholly-owned subsidiary of the Company, issued guaranteed senior bonds with an aggregate face value of USD350 million and an annual interest rate of 5.282% through the Stock Exchange of Hong Kong Limited. The date of maturity is 18 October 2021 and the Company is the guarantor. From 18 April 2019, the interest shall be paid semi-annually on 18 April and 18 October. The bonds will mature in 2021. Therefore, the Company classified the bonds as the current portion of bonds payable.

Note 4: In 2019, the Company, through the National Association of Financial Market Institutional Investors, issued medium-term notes with a face value of RMB1.5 billion, a maturity of 3 years and an annual interest rate of 3.80% on 11 March 2019; issued medium-term notes with a face value of RMB1.0 billion, a maturity of 5 years and an annual interest rate of 4.30% on 11 March 2019; issued medium-term notes with a face value of RMB1.0 billion, a maturity of 5 years and an annual interest rate of 3.70% on 8 July 2019; issued medium-term notes with a face value of RMB2.5 billion, a maturity of 5 years and an annual interest rate of 3.95% on 30 August 2019; on 21 February 2020, the Company issued medium-term notes with a face value of RMB1.0 billion, a maturity of 3 years and an annual interest rate of 3.10%, and medium-term notes with a face value of RMB1.0 billion, a maturity of 5 years and an annual interest rate of 3.51%; on 23 November 2020, the Company issued medium-term notes with a face value of RMB2.0 billion, a maturity of 3 years and an annual interest rate of 4.20%. The interest payments of the above medium-term notes shall be settled annually and the principals shall be repaid in full upon their maturities.

Note 5: Pursuant to the Approval for Public Issuance of Convertible Corporate Bonds of Zijin Mining Group Co., Ltd.* issued by the CSRC (Zheng Jian Xu Ke [2020] No. 2613), the Company issued 60,000,000 convertible corporate bonds with a face value of RMB100 each on 3 November 2020, and raised RMB6,000,000,000 in total. After deducting the underwriting and sponsor fees of RMB25,471,698 (tax excluded) and other issuance costs of RMB4,243,235 (tax excluded), the actual net amount raised was RMB5,970,285,067; among which, the value of the liability component of the issued convertible corporate bonds of RMB5,101,553,858 was accounted for as bonds payable, and the value of the equity component of RMB868,731,209 was accounted for as other equity instruments.

The annual coupon rate of the convertible corporate bonds issued is 0.20% for the first year, 0.40% for the second year, 0.60% for the third year, 0.80% for the fourth year, and 1.50% for the fifth year, interest shall be settled once a year, and the final year's interest payment shall be made at the same time as repayment of principal at maturity. The convertible corporate bonds were issued at an initial conversion price of RMB7.01 per A Share. The conversion period is from 10 May 2021 to 2 November 2025. From the issue date to 31 December 2020, there were no bonus issue, conversion of capital reserve into share capital, issuance of new shares (excluding the increase in share capital due to the conversion of convertible corporate bonds in the issue), rights issue, distribution of cash dividends and other events which require adjustment to the conversion price. The conversion price was RMB7.01 per A Share. On 3 February 2021, since the Company had completed the transfer of partial A Shares granted to the participants of the restricted A Share incentive scheme by way of specific issuance of ordinary shares (A Shares), the conversion price of the convertible corporate bonds has been adjusted from RMB7.01 per A Share to RMB7.00 per A Share. On the issue date, the market interest rates of similar convertible corporate bonds without attached warrants were used to estimate the fair value of the liability component of the bonds, and the residual amount was accounted for as the fair value of the equity component and included in owners' equity.

Note 6: On 31 March 2020, the Company and Gold Mountains (H.K.), its subsidiary, entered into a share subscription agreement with Hantang Iron Ore Investments Limited ("Hantang Iron Ore"). Gold Mountains (H.K.) issued 150 million Class A preference shares to Hantang Iron Ore at a consideration of USD150 million (equivalent to RMB1,069,740,000 on the issue date). The parties also entered into a three-party put and call option deed, pursuant to which Hantang Iron Ore holds a put option. When the put option trigger events occur and Hantang Iron Ore chooses to exercise the put option, the Company should assign Gold Mountains (H.K.) or other subsidiaries within the Group to settle the put option at the same consideration for purchasing the put option. At the same time, the Company holds a call option from the day following the fifth anniversary of the completion date of the share subscription agreement. Since neither the Company nor Gold Mountains (H.K.) can unconditionally avoid settlement by delivery of cash, the Company classified such item as a bond payable.

As at 31 December 2020 and 31 December 2019, the Company had no overdue bonds.

35. Lease liabilities

	2020	2019
Lease liabilities	253,713,818	374,162,675
Including: Current portion of lease liabilities (Note V.31)	(81,009,218)	(91,815,553)
	172,704,600	282,347,122

Notes to Financial Statements *(continued)*

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

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

36. Long-term payables

	2020	2019
Payables for acquisition of equities/debts	102,671,430	147,444,299
Payables to FMEC (Note 1)	353,906,218	687,578,473
Payables for acquisitions of mining rights	166,087,511	97,678,750
Entrusted investments	216,368,782	221,178,782
Loans from related parties	454,638,127	22,200,000
Resettlement compensations (Note 2)	638,487,694	–
Others	123,821,085	110,950,745
	2,055,980,847	1,287,031,049
Including: Current portion of long-term payables (Note V.31)	(109,742,855)	(85,639,380)
	1,946,237,992	1,201,391,669

* Maturity analysis of long-term payables is as follows:

	2020	2019
Within 1 year or repayable on demand	109,742,855	85,639,380
Over 1 year but within 2 years	471,221,321	440,930,033
Over 2 years but within 5 years	276,317,717	112,510,923
Over 5 years	1,198,698,954	647,950,713
	2,055,980,847	1,287,031,049

Note 1: On 3 November 2019, Zijin (Europe) International Mining Co., Ltd. ("Zijin Europe") acquired 72% of Class B Shares of CuAu International Holding (BVI) Ltd. held by FMEC to obtain interests in the Lower Zone of the Timok Copper and Gold Mine (the "Lower Zone") and interests in the relevant exploration licences held by FMEC. Pursuant to the share purchase agreement, the consideration included an initial payment and a deferred payment. On 27 December 2019, Zijin Europe settled the initial payment of USD240,000,000 (equivalent to RMB1,677,096,000) and completed the registration for the change of equity interest. The present value of the deferred payment was USD44,119,146 (equivalent to RMB287,872,931) and it was expected that payment of the amount would begin after five years.

Besides, Nevsun Resources entered into a cooperation agreement with FMEC to acquire a 100% interest in the Upper Zone and partial interest in the Lower Zone of the Timok Copper and Gold Mine in 2016. According to the agreement, the outstanding balance to be paid to FMEC amounted to USD107,500,000 in total.

On 27 December 2019, the Group acquired the remaining interests in the Lower Zone of the Timok Copper and Gold Mine held by FMEC. After negotiation, both parties agreed that the above cooperation agreement entered into between Nevsun Resources and FMEC would be terminated and the abovementioned outstanding balances shall be settled before 2022, among which, USD45,000,000 shall be paid on or before 31 July 2020, and USD50,000,000 shall be paid on or before 31 December 2021 and USD12,500,000 shall be paid on or before 31 March 2022 respectively. As at 31 December 2020, the outstanding balance was USD62,500,000, among which USD50,000,000 (equivalent to RMB326,244,902) shall be paid in 2021, and was reclassified to other payables, and USD12,500,000 was presented in long-term payables at its discounted value, which was equivalent to RMB66,033,287.

Notes to Financial Statements *(continued)*

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*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*36. Long-term payables *(continued)*

Note 2: In December 2012, Julong Copper entered into the Cooperation Framework Agreement on Qulong Copper and Polymetallic Mine Construction Project with the People's Government of Maizhokunggar County. According to the agreement, the People's Government of Maizhokunggar County requisitioned the agricultural land of Jiama Zizirong Village and provided it to Julong Copper for the metal mine construction project. Therefore, Julong Copper was required to pay land-lost farmers resettlement compensations. The compensations include oneoff subsidies and long-term subsidies. The long-term subsidies were required to be paid for 50 years. If the construction project exceeds 50 years, the duration of Julong Copper shall prevail. The Group acquired Julong Copper this year. As at 31 December 2020, the balance of such long-term resettlement compensations payable was RMB419,466,286, among which RMB20,997,585 will fall due within one year.

On 29 December 2016, Julong Copper entered into the Agreement on the Second Phase of Resettlement in Jiama Zizirong Village with the People's Government of Maizhokunggar County, which stipulates that Julong Copper will pay long-term subsidies for 50 years to the People's Government of Maizhokunggar County for the second phase of resettlement of farmers and herdsmen. If the construction project exceeds 50 years, the duration of Julong Copper shall prevail. The Group acquired Julong Copper this year. As at 31 December 2020, the balance of such long-term resettlement compensations payable was RMB92,171,721, among which, RMB4,749,912 will fall due within one year.

As at 31 December 2020, the balance of resettlement compensations payable to local landlords by BNL, the Group's joint operation, was RMB126,849,687.

37. Provisions

2020

	At 1 January	Additions	Reductions	At 31 December
Provision for environmental rehabilitation and restoration of mines (Note 1)	2,808,780,315	817,311,233	(236,943,053)	3,389,148,495
Defined benefits payable	66,406,029	–	(8,519,119)	57,886,910
Provision for litigations (Note 2)	52,525,939	84,067,257	(35,884,438)	100,708,758
Financial guarantee contract liabilities (Note 3)	–	727,319,236	(138,440,817)	588,878,419
	2,927,712,283	1,628,697,726	(419,787,427)	4,136,622,582

2019

	At 1 January	Additions	Reductions	At 31 December
Provision for environmental rehabilitation and restoration of mines (Note 1)	2,061,474,181	892,575,291	(145,269,157)	2,808,780,315
Defined benefits payable	62,754,474	9,662,103	(6,010,548)	66,406,029
Provision for litigations (Note 2)	41,621,501	10,960,884	(56,446)	52,525,939
Onerous contracts	119,810,882	–	(119,810,882)	–
Payables to FMEC (Note V.36)	400,429,415	–	(400,429,415)	–
	2,686,090,453	913,198,278	(671,576,448)	2,927,712,283

Note 1: The subsidiaries of the Group recognised a provision for environmental rehabilitation and restoration of mines based on the estimation of the lives of mining tenements, timing of mine closure and costs of rehabilitation to be incurred at mine closure.

Note 2: The Group's overseas subsidiaries, Serbia Zijin Copper and Guyana Goldfields, recognised provision for litigations.

Notes to Financial Statements *(continued)*

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

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

37. Provisions *(continued)*

Note 3: The Group included Julong Copper into the scope of consolidation on 9 July 2020 (the "Acquisition Date") (please refer to Note VI.1(2) for details). In prior years, Julong Copper provided joint guarantee liabilities for the relevant debts of its related parties including Tibet Zangge Venture Capital Group Co., Ltd., Sichuan Yonghong Industrial Co., Ltd. and Qinghai Zhonghao Natural Gas Chemical Engineering Co. Ltd. pursuant to the resolution of the shareholders' general meetings signed by some of its shareholders. The abovementioned related parties also pledged shares, machinery and equipment to provide securities to the creditors. Based on the amount of expected credit loss under the exposure at default as at the Acquisition Date, which was calculated as the expected risk exposure of the guarantees less the value of the shares pledged and the assessed value of the secured equipment, the Group recognised financial guarantee contract liabilities of RMB727,319,236. As at 31 December 2020, the Group recognised a provision of RMB588,878,419 based on the abovementioned exposure at default, and an expected credit loss for financial guarantee contract of RMB138,440,817 was reversed during the year. Such accounting treatments were made based on the ASBE. It does not represent the Group's ratification to the abovementioned guarantee actions nor rectification of the guarantee procedures.

38. Deferred income

2020

	At 1 January	Additions	Reductions	At 31 December
Government grants	496,720,164	48,005,630	(88,013,827)	456,711,967

2019

	At 1 January	Additions	Reductions	At 31 December
Government grants	422,783,097	107,368,668	(33,431,601)	496,720,164

Notes to Financial Statements *(continued)*

For the year ended 31 December 2020

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*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*38. Deferred income *(continued)*

As at 31 December 2020, liabilities related to government grants were as follows:

	At 1 January	Additions	Recognised as other income for the year	Other movements	At 31 December	Related to assets or income
Expenditures for science projects	4,851,863	34,858,300	(2,113,348)	–	37,596,815	Assets
Fund for environmental protection projects	129,147,038	9,500,000	(17,693,392)	–	120,953,646	Assets
Refund of land compensation from government	98,995,027	–	(2,838,360)	–	96,156,667	Assets
Comprehensive utilisation of mineral resources	164,264,210	–	(13,575,856)	–	150,688,354	Assets
Other financial subsidies	99,462,026	3,647,330	(51,792,871)	–	51,316,485	Assets/Income
	496,720,164	48,005,630	(88,013,827)	–	456,711,967	

As at 31 December 2019, liabilities related to government grants were as follows:

	At 1 January	Additions	Recognised as other income for the year	Other movements	At 31 December	Related to assets or income
Expenditures for science projects	8,692,800	–	(3,840,937)	–	4,851,863	Assets
Fund for environmental protection projects	70,390,182	66,196,500	(7,439,644)	–	129,147,038	Assets
Refund of land compensation from government	101,630,672	–	(2,635,645)	–	98,995,027	Assets
Comprehensive utilisation of mineral resources	180,325,678	–	(16,061,468)	–	164,264,210	Assets
Other financial subsidies	61,743,765	41,172,168	(3,453,907)	–	99,462,026	Assets
	422,783,097	107,368,668	(33,431,601)	–	496,720,164	

Notes to Financial Statements *(continued)*

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

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

39. Other non-current liabilities

	2020	2019
Contract liabilities – metals streaming agreement (Note 1)	768,569,571	–
Contingent consideration (Note 2)	1,359,912,912	–
Import VAT payables (Note 3)	103,906,072	–
Total	2,232,388,555	–

Note 1: On 25 June 2019, Continental Gold entered into a metals streaming agreement with Triple Flag Precious Metals Corp. (“Triple Flag”), and obtained a prepayment of USD100,000,000 from Triple Flag. Continental Gold shall satisfy its delivery obligations with 2.1% of the future gold production of the Buriticá Gold Mine (the “Gold Delivery Obligation”) and silver production equals to 1.84 times of the Gold Delivery Obligation (the “Silver Delivery Obligation”). For each ounce of products delivered under the agreement, Triple Flag would pay 10% and 5%, respectively, of the gold and silver market prices prevailing at the time of delivery. Besides, the agreement also stipulates that Continental Gold may choose to repurchase the Gold Delivery Obligation in advance before 31 December 2021, and the consideration would be USD80,000,000 less 90% of the value of the gold delivered (the “Redemption Right of the Gold Delivery Obligation”). When the Group acquired Continental Gold on 5 March 2020, the Buriticá Gold Mine was still in the stage of infrastructure construction and had not yet begun to perform its delivery obligations.

On 5 March 2020, contract liabilities of RMB782,999,275 and RMB825,997,015 were recognised based on the fair values of the Gold Delivery Obligation and the Silver Delivery Obligation respectively. The Redemption Right of the Gold Delivery Obligation was recognised as a held for trading financial asset based on the fair value of RMB254,530,379.

On 30 December 2020, Continental Gold and Triple Flag entered into an agreement to exercise the Redemption Right of the Gold Delivery Obligation. The Redemption Right of the Gold Delivery Obligation was redeemed at USD78,028,190 (equivalent to approximately RMB509,125,982).

The Group expected the delivery obligations of the metals streaming agreement will be fully performed in 2042.

The movements of contract liabilities – metals streaming agreement from the acquisition date to 31 December 2020 are as follows:

	Gold Delivery Obligation	Silver Delivery Obligation
On 5 March 2020	782,999,275	825,997,015
Contract liabilities		
Revenue recognition upon delivery of goods	(12,416,325)	(12,841,719)
Updates and adjustments of variable consideration	–	(464,500)
Exchange realignments	(91,375,993)	(97,925,388)
Unrecognised finance expenses		
Financial expenses	38,242,479	41,090,323
Updates and adjustments of variable consideration	(36,686,943)	(30,042,943)
Exchange realignments	44,441,795	48,412,397
Disposals during the year	(725,204,288)	–
On 31 December 2020	–	774,225,185
Including: Current portion of contract liabilities (Note V.31)	–	(5,655,614)
Contract liabilities	–	768,569,571

Notes to Financial Statements *(continued)*

For the year ended 31 December 2020

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*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*39. Other non-current liabilities *(continued)*

Note 2: The Group acquired Julong Copper during this year. Based on the acquisition agreement, the Group was required to pay all the sellers a certain amount of compensations when Julong Copper obtained the mining permit of the Qulong Copper and Polymetallic Mine phase two with an increased processing capacity of 150,000 tonnes per day as well as the corresponding construction permits and approval procedures. The fair values of the contingent consideration as at 9 July 2020 and 31 December 2020 were RMB1,343,122,407 and RMB1,359,912,912 respectively. The changes in fair value amounted to RMB16,790,505 were recognised in gains or losses on changes in fair value.

Note 3: The balance is the unpaid import VAT payables of Continental Gold, the Group's subsidiary, for importing machinery and equipment from 2017 to 2020. According to Colombian laws, taxes related to the purchase of imported equipment for mining projects can be settled any time within ten years after the purchase.

40. Share capital

2020

	At 1 January	Movements					At 31 December
		Issuance of new shares	Stock dividend	Conversion of capital reserve into shares	Others	Subtotal	
I. Shares not subject to trading moratorium							
RMB ordinary shares (Note 1)	1,922,176,690	-	-	-	41,855,305	41,855,305	1,964,031,995
Overseas-listed foreign invested shares	573,694,000	-	-	-	-	-	573,694,000
Total share capital of shares not subject to trading moratorium	2,495,870,690	-	-	-	41,855,305	41,855,305	2,537,725,995
II. Shares subject to trading moratorium							
RMB ordinary shares (Note 1)	41,855,305	-	-	-	(41,855,305)	(41,855,305)	-
III. Total share capital	2,537,725,995	-	-	-	-	-	2,537,725,995

Notes to Financial Statements *(continued)*

For the year ended 31 December 2020

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

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

40. Share capital *(continued)*

2019

	At 1 January		Movements				At 31 December	
			Issuance of new shares	Stock dividend	Conversion of capital reserve into shares	Others	Subtotal	
I. Shares not subject to trading moratorium								
RMB ordinary shares (Note 2)	1,687,572,584	234,604,106	-	-	-	234,604,106		1,922,176,690
Overseas-listed foreign invested shares	573,694,000	-	-	-	-	-	-	573,694,000
Total share capital of shares not subject to trading moratorium	2,261,266,584	234,604,106	-	-	-	234,604,106		2,495,870,690
II. Shares subject to trading moratorium								
RMB ordinary shares	41,855,305	-	-	-	-	-	-	41,855,305
III. Total share capital	2,303,121,889	234,604,106	-	-	-	234,604,106		2,537,725,995

Note 1: Pursuant to the Approval for Non-public Issuance of A Shares of Zijin Mining Group Co., Ltd.* (Zheng Jian Xu Ke [2017] No. 289) issued by the CSRC in June 2017, the Company non-publicly issued 1,490,475,241 A Shares subject to trading moratorium. As at 31 December 2020, the A Shares subject to trading moratorium issued by the Company had been unlocked and became publicly floating.

Note 2: The increase in share capital in 2019 was due to the public issuance of A Shares by the Company. For details, please refer to Note I. Corporate Information. The increase was verified by Ernst & Young Hua Ming LLP according to the "Ernst & Young Hua Ming (2019) Yan Zi No. 60468092_H01" verification report. As at 31 December 2020, the Company's total number of issued shares was 25,377,259,946.

41. Other equity instruments

	2020	2019
Renewable corporate bonds (Note 1)	4,486,950,000	4,985,500,000
Convertible corporate bonds – equity component (Note V.34 Note 5)	868,731,209	-
	5,355,681,209	4,985,500,000

Notes to Financial Statements *(continued)*

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*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*41. Other equity instruments *(continued)*

Note 1:

- (1) Basic information of renewable corporate bonds issued and outstanding

As at 31 December 2020, the detailed information of outstanding renewable corporate bonds issued by the Group was as follows:

Name of bond	Date of issuance	Accounting classification	Interest rate	Issue price (RMB/unit)	Quantity	Total issue amount (RMB)	Amount recognised in other equity instruments (RMB)	Date of maturity
18 Zijin Y1	16 October 2018	Renewable corporate bonds	5.17%	100	45,000,000	4,500,000,000	4,486,950,000	17 October 2021

As at 31 December 2019, the detailed information of outstanding renewable corporate bonds issued by the Group was as follows:

Name of bond	Date of issuance	Accounting classification	Interest rate	Issue price (RMB/unit)	Quantity	Total issue amount (RMB)	Amount recognised in other equity instruments (RMB)	Date of maturity
18 Zijin Y1	16 October 2018	Renewable corporate bonds	5.17%	100	45,000,000	4,500,000,000	4,486,950,000	17 October 2021
17 Zijin Y1	12 September 2017	Renewable corporate bonds	5.17%	100	5,000,000	500,000,000	498,550,000	13 September 2020
						5,000,000,000	4,985,500,000	

On 16 October 2018, the Group issued 2018 Renewable Corporate Bonds (the First Tranche) ("18 Zijin Y1") with a total principal amount of RMB4,500,000,000 and a coupon rate of 5.17% for the first period. The remaining balance of RMB4,486,950,000 after deducting issuance expenses was recognised in other equity instruments.

The base period of 18 Zijin Y1 is 3 years. At the end of the base period and the end of each renewal period, the Group has an option to renew the bonds for one more period (i.e., 3 years). The renewable corporate bonds will mature when the Group does not exercise the renewal option and redeems the bonds in full amount.

Notes to Financial Statements *(continued)*

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

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

41. Other equity instruments *(continued)*

Note 1: *(continued)*

(1) Basic information of renewable corporate bonds issued and outstanding *(continued)*

18 Zijin Y1 applies a fixed interest rate on an annual basis, instead of a compound interest rate. In case of deferral, each deferred interest is accrued at the prevailing coupon rate during the deferred period. The coupon rate inquiry range for the first base period of 18 Zijin Y1 is 4.3%-5.8%. The coupon rate for the first base period will be determined by the Group and the bookkeeping manager within the preset range according to the book building conditions. The coupon rate is fixed for the first base period and will be reset at each subsequent period. The coupon rate for the first base period is the initial benchmark rate plus the initial interest rate margin, and the coupon rates of the subsequent periods will be adjusted to the prevailing benchmark interest rate plus initial interest rate margin and 300 basis points. The initial interest rate margin is the coupon rate of the first period minus the initial benchmark interest rate. If the prevailing benchmark interest rate is unavailable at the interest rate reset date due to factors such as macroeconomic and policy changes in the future, the benchmark interest rate prior to the interest rate reset date is deemed to be the prevailing benchmark interest rate. The initial benchmark interest rate shall be the arithmetic mean of the yield of the Chinese government bond with maturity equals to the length of the initial period as shown in the China Bond Inter-bank Fixed Rate Chinese Government Bond Yield Curve published on the China Bond Information Website (www.chinabond.com.cn) (or other websites as recognised by China Central Depository & Clearing Co. Ltd.) 250 working days before the book building date (rounded to 0.01%). The benchmark interest rates for the subsequent periods shall be the arithmetic mean of the yield of the Chinese government bond with maturity equals to the length of the initial period as shown in the China Bond Inter-bank Fixed Rate Chinese Government Bond Yield Curve published on the China Bond Information Website (www.chinabond.com.cn) (or other websites as recognised by China Central Depository & Clearing Co. Ltd.) 250 working days before the date of coupon rate reset (rounded to 0.01%).

On 12 September 2017, the Group issued 2017 Renewable Corporate Bonds (the First Tranche) ("17 Zijin Y1") with a total principal amount of RMB500,000,000 and the coupon rate of 5.17% for the first period. The remaining balance of RMB498,550,000 after deducting issuance expenses was recognised as other equity instruments.

The base period of 17 Zijin Y1 is 3 years. At the end of the base period and the end of each renewal period, the Group has an option to renew the bonds for one more period (i.e., 3 years). The renewable corporate bonds will mature when the Group does not exercise the renewal option and redeems the bonds in full amount.

17 Zijin Y1 applies a fixed interest rate on an annual basis, instead of a compound interest rate. In case of deferral, each deferred interest is accrued at the prevailing coupon rate during the deferred period. The coupon rate inquiry range for the first base period of 17 Zijin Y1 is 4.8%-5.8%. The coupon rate for the first base period will be determined by the Group and the bookkeeping manager within the preset range according to the book building conditions. The coupon rate is fixed for the first base period and will be reset at each subsequent period. The coupon rate for the first base period is the initial benchmark rate plus the initial interest rate margin, and the coupon rates of the subsequent periods will be adjusted to the prevailing benchmark interest rate plus initial interest rate margin and 300 basis points. The initial interest rate margin is the coupon rate of the first period minus the initial benchmark interest rate. If the prevailing benchmark interest rate is unavailable at the interest rate reset date due to factors such as macroeconomic and policy changes in the future, the benchmark interest rate prior to the interest rate reset date is deemed to be the prevailing benchmark interest rate. The initial benchmark interest rate shall be the arithmetic mean of the yield of the Chinese government bond with maturity equals to the length of the initial period as shown in the China Bond Inter-bank Fixed Rate Chinese Government Bond Yield Curve published on the China Bond Information Website (www.chinabond.com.cn) (or other websites as recognised by China Central Depository & Clearing Co. Ltd.) 250 working days before the book building date (rounded to 0.01%). The benchmark interest rates for the subsequent periods shall be the arithmetic mean of the yield of the Chinese government bond with maturity equals to the length of the initial period as shown in the China Bond Inter-bank Fixed Rate Chinese Government Bond Yield Curve published on the China Bond Information Website (www.chinabond.com.cn) (or other websites as recognised by China Central Depository & Clearing Co. Ltd.) 250 working days before the date of coupon rate reset (rounded to 0.01%).

17 Zijin Y1 matured and was redeemed in full amount in September 2020.

Notes to Financial Statements *(continued)*

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*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*41. Other equity instruments *(continued)*Note 1: *(continued)*

(2) Movements of renewable corporate bonds issued and outstanding:

2020

	At 1 January		Additions		Deductions		At 31 December	
	Quantity	Book value (RMB)	Quantity	Book value (RMB)	Quantity	Book value (RMB)	Quantity	Book value (RMB)
18 Zijin Y1	45,000,000	4,486,950,000	-	-	-	-	45,000,000	4,486,950,000
17 Zijin Y1	5,000,000	498,550,000	-	-	5,000,000	498,550,000	-	-
		4,985,500,000		-		498,550,000		4,486,950,000

2019

	At 1 January		Additions		Deductions		At 31 December	
	Quantity	Book value (RMB)	Quantity	Book value (RMB)	Quantity	Book value (RMB)	Quantity	Book value (RMB)
18 Zijin Y1	45,000,000	4,486,950,000	-	-	-	-	45,000,000	4,486,950,000
17 Zijin Y1	5,000,000	498,550,000	-	-	-	-	5,000,000	498,550,000
		4,985,500,000		-		-		4,985,500,000

42. Capital reserve

2020

	Opening balance	Additions	Reductions	Closing balance
Share premium	18,515,222,263	-	-	18,515,222,263
Others (Note 1)	175,120,137	2,740,782	(82,999,108)	94,861,811
	18,690,342,400	2,740,782	(82,999,108)	18,610,084,074

2019

	Opening balance	Additions	Reductions	Closing balance
Share premium (Note 2)	10,902,398,401	7,612,823,862	-	18,515,222,263
Others (Note 3)	192,367,989	29,902,560	(47,150,412)	175,120,137
	11,094,766,390	7,642,726,422	(47,150,412)	18,690,342,400

Notes to Financial Statements *(continued)*

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

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

42. Capital reserve *(continued)*

Note 1: In 2020, the Group's acquired equity interest owned by the non-controlling shareholders of Fuyun Jinshan Mining Co., Ltd. ("Fuyun Jinshan"), which decreased the capital reserve by RMB75,650,192. The Group acquired equity interest owned by the non-controlling shareholders of Fujian Zijin Precious Metal Materials Co., Ltd., which decreased the capital reserve by RMB7,348,916. The capital contribution from the non-controlling shareholders of Xiamen Strait Gold Jewellery Industrial Park Co., Ltd. increased the capital reserve by RMB2,740,782.

Note 2: The Company publicly issued Renminbi-denominated ordinary A Shares and raised net proceeds of RMB7,847,427,968 on 21 November 2019. It increased the registered capital and share premium of capital reserve by RMB234,604,106 and RMB7,612,823,862 respectively.

Note 3: In 2019, the Group disposed of a 39% equity interest in its subsidiary, Zijin Mineral Processing Chemicals Co., Ltd., which increased the capital reserve by RMB25,260,125. The Group acquired the equity interest owned by the non-controlling shareholders of Nkwe Platinum Limited ("Nkwe"), which increased the capital reserve by RMB4,642,435. The Group disposed of a 5% equity interest of its subsidiary, Bisha, which decreased the capital reserve by RMB44,504,851. Other disposals of subsidiaries led to a decrease in capital reserve by RMB2,645,561 in total.

43. Other comprehensive income

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

2020

	Opening balance		Movements		Closing balance
		Amount before tax	Income tax expenses	Amount after tax	
Changes in fair value of other equity instrument investments and other investments (Note 1)	95,489,647	2,277,410,080	(124,340,875)	2,153,069,205	2,248,558,852
Hedging costs – forward elements	(3,839,794)	5,617,436	–	5,617,436	1,777,642
Exchange differences arising from translation of financial statements denominated in foreign currencies	(565,579,062)	(872,186,733)	–	(872,186,733)	(1,437,765,795)
	(473,929,209)	1,410,840,783	(124,340,875)	1,286,499,908	812,570,699

Notes to Financial Statements *(continued)*

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

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

43. Other comprehensive income *(continued)*

The accumulated balance of other comprehensive income attributable to owners of the parent in the consolidated statement of financial position is as follows: *(continued)*

2019

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

Note 1: Changes in fair value of other equity instrument investments were mainly due to the fair value change of the stocks of Ivanhoe.

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

2020

	Amount before tax	Less: Amount of other comprehensive income recognised in the previous periods transferred into profit or loss during the current period	Less: Amount of other comprehensive income recognised in the previous periods transferred into retained earnings during the current period	Less: Income tax	Attributable to the parent	Attributable to non-controlling interests
Changes in fair value of other equity instrument investments and other investments	2,368,208,025	–	30,104,180	73,503,539	2,183,173,385	81,426,921
Other comprehensive income that may be reclassified to profit or loss						
Hedging costs – forward elements	16,333,278	9,998,199	–	–	5,617,436	717,643
Exchange differences arising from translation of financial statements denominated in foreign currencies	(1,496,291,756)	–	–	–	(872,186,733)	(624,105,023)
	888,249,547	9,998,199	30,104,180	73,503,539	1,316,604,088	(541,960,459)

Notes to Financial Statements *(continued)*

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

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

43. Other comprehensive income *(continued)*

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

2019

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

44. Specialised reserve

2020

	At 1 January	Additions	Reductions	At 31 December
Work safety fund	120,952,216	684,823,390	(651,089,101)	154,686,505

2019

	At 1 January	Additions	Reductions	At 31 December
Work safety fund	147,393,497	522,735,350	(549,176,631)	120,952,216

Notes to Financial Statements *(continued)*

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*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

45. Surplus reserve

2020

	At 1 January	Additions	Reductions	At 31 December
Statutory surplus reserve	1,319,401,104	–	–	1,319,401,104

2019

	At 1 January	Additions	Reductions	At 31 December
Statutory surplus reserve	1,319,401,104	–	–	1,319,401,104

Pursuant to the stipulations of the Company Law of the PRC and the articles of associations of the Company, the Company shall make provision for statutory surplus reserve at the amount of 10% of net profit. Provision for statutory surplus reserve is optional if the aggregate balance of the statutory surplus reserve reaches 50% of the Company's registered capital. The balance of the statutory surplus reserve has reached 50% of the Company's registered capital. Therefore, no provision for statutory surplus reserve was made.

The Company can make provision for a discretionary surplus reserve after the provision for statutory surplus reserve is made. Discretionary surplus reserve can be used to offset accumulated losses for previous years or to issue capital upon approval.

46. Retained earnings

	2020	2019
At 1 January	24,005,972,520	22,181,224,459
Net profit attributable to owners of the parent	6,508,553,913	4,283,957,365
Other comprehensive income transferred into retained earnings	30,104,180	102,412,585
Less: Interest payable on renewable corporate bonds	258,500,000	258,500,000
Dividends payable in cash for ordinary shareholders	2,537,725,995	2,303,121,889
At 31 December	27,748,404,618	24,005,972,520

Pursuant to the resolution of the shareholders' general meeting on 12 June 2020, the Company distributed a cash dividend of RMB0.10 per share (2019: RMB0.10 per share) to all shareholders, calculated on the basis of 25,377,259,946 issued shares (2019: 23,031,218,891 shares), with an aggregate amount of RMB2,537,725,995 (2019: RMB2,303,121,889).

Notes to Financial Statements *(continued)*

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

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

47. Operating income and operating costs

	2020		2019	
	Operating income	Operating costs	Operating income	Operating costs
Principal operations	169,596,341,917	149,442,326,493	135,150,418,869	119,863,254,551
Other operations	1,904,996,573	1,628,536,948	947,559,149	719,373,198
	171,501,338,490	151,070,863,441	136,097,978,018	120,582,627,749

Breakdown of operating income:

	2020	2019
Revenue from contracts with customers	171,427,710,174	136,045,066,781
Revenue not from contracts with customers Lease income	73,628,316	52,911,237
	171,501,338,490	136,097,978,018

Notes to Financial Statements (continued)

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

47. Operating income and operating costs (continued)

Breakdown of the revenue from contracts with customers

2020	Reportable segment	Gold bullion	Processed, refined and trading gold	Gold concentrates	Copper cathodes	Refined copper	Copper concentrates	Other concentrates	Zinc bullion	Others	Total
	Main business areas										
	Mainland China	853,736,109	91,042,263,524	1,018,425,801	309,358,387	23,564,715,903	694,669,159	3,985,797,077	3,450,780,736	19,237,692,717	144,157,439,413
	Others	7,675,955,875	4,225,723,934	343,611,574	4,354,606,329	918,720,092	3,349,052,697	1,231,481,054	-	5,171,119,206	27,270,270,761
	Main types of products	8,529,691,984	95,267,987,458	1,362,037,375	4,663,964,716	24,483,435,995	4,043,721,856	5,217,278,131	3,450,780,736	24,408,811,923	171,427,710,174
	Timing of revenue recognition										
	Revenue recognised at a point in time	8,529,691,984	95,267,987,458	1,362,037,375	4,663,964,716	24,483,435,995	4,043,721,856	5,217,278,131	3,450,780,736	24,108,318,598	171,127,216,849
	Sales of goods	-	-	-	-	-	-	-	-	-	-
	Revenue recognised over time	-	-	-	-	-	-	-	-	-	-
	Rendering of services	-	-	-	-	-	-	-	-	300,493,325	300,493,325
	Main types of products	8,529,691,984	95,267,987,458	1,362,037,375	4,663,964,716	24,483,435,995	4,043,721,856	5,217,278,131	3,450,780,736	24,408,811,923	171,427,710,174
	2019										
	Main business areas										
	Mainland China	633,590,117	69,808,026,145	1,107,675,682	411,088,509	16,512,123,236	1,426,902,971	3,972,117,501	4,024,630,424	17,577,114,988	115,473,269,573
	Others	4,405,901,629	2,563,070,023	395,979,695	2,324,977,881	2,687,305,984	2,790,534,157	1,960,943,954	-	3,443,083,885	20,571,797,208
	Main types of products	5,039,491,746	72,371,096,168	1,503,655,377	2,736,066,390	19,199,429,220	4,217,437,128	5,933,061,455	4,024,630,424	21,020,198,873	136,045,066,781
	Timing of revenue recognition										
	Revenue recognised at a point in time	5,039,491,746	72,371,096,168	1,503,655,377	2,736,066,390	19,199,429,220	4,217,437,128	5,933,061,455	4,024,630,424	20,242,887,278	135,267,755,186
	Sales of goods	-	-	-	-	-	-	-	-	664,455,888	664,455,888
	Others	-	-	-	-	-	-	-	-	-	-
	Revenue recognised over time	-	-	-	-	-	-	-	-	-	-
	Rendering of services	-	-	-	-	-	-	-	-	112,855,707	112,855,707
	Main types of products	5,039,491,746	72,371,096,168	1,503,655,377	2,736,066,390	19,199,429,220	4,217,437,128	5,933,061,455	4,024,630,424	21,020,198,873	136,045,066,781

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

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

47. Operating income and operating costs *(continued)*

Income recognised in the current year that was included in the balance of contract liabilities at the beginning of the year is as follows:

	2020	2019
Sales of goods	359,453,565	275,479,862

Information about the Group's performance obligations is as follows:

Sales of goods

The performance obligation is satisfied upon delivery of the products. For certain enterprises, payment in advance is normally required. Therein, please refer to Note V.39 for information about the sales arrangements related to metals streaming.

48. Taxes and surcharges

	2020	2019
Resource tax	1,704,574,753	1,388,335,234
Mine-produced gold income tax (Note 1)	185,701,604	46,849,462
Property tax	86,270,397	65,935,554
Road tax (Note 2)	82,749,149	63,373,995
Customs tax (Note 2)	78,171,706	58,291,082
Stamp tax	74,626,274	50,869,140
Education surcharges	72,081,060	31,840,463
City construction and maintenance tax	54,364,005	29,638,037
Mineral concentrates tax (Note 2)	37,258,363	23,881,786
Local development fund	33,721,272	20,191,923
Land use tax	23,404,174	16,511,206
Environmental protection tax	9,848,234	10,385,777
Vehicle and vessel use tax	1,499,086	1,387,683
Land appreciation tax	–	(44,338,650)
Others	54,925,306	110,988,702
	2,499,195,383	1,874,141,394

Note 1: Mine-produced gold income tax was the tax payable by the Group's overseas subsidiary, Altynken Limited Liability Company ("Altynken"), for the mining and sales of gold products, the tax is imposed on the revenue ranging at the rate from 1% to 20% depending on the range of gold price.

Note 2: Road tax, customs tax and mineral concentrates tax were the taxes payable by the Group's overseas subsidiary, COMMUS, for the purchase or sale of mineral products.

Notes to Financial Statements *(continued)*

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*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

49. Selling expenses

	2020	2019
Transportation expenses	–	194,040,305
Salaries and benefits	94,113,812	80,327,253
Service expenses related to sales	82,336,346	83,236,258
Agency fees	29,836,819	11,108,098
Charge of commission sales	28,734,707	25,937,355
Customs charges	27,933,953	32,143,712
Depreciation and amortisation	26,588,863	26,408,523
Insurance expenses	12,865,702	10,789,759
Repair expenses	12,403,069	11,542,438
Packing expenses	11,792,925	12,257,097
Inspection (test) fee	11,033,445	7,884,437
Safety measures fee	9,965,312	11,250,719
Material consumption fee	6,626,417	7,270,647
Storage expenses	4,385,528	5,089,289
Use and maintenance fees for roads	3,000,000	5,038,877
Uploading and unloading expenses	2,725,784	3,144,181
Others	63,341,936	46,964,834
	427,684,618	574,433,782

50. Administrative expenses

	2020	2019
Salaries and benefits	1,947,481,344	1,702,948,923
Depreciation and amortisation	543,579,667	565,326,325
Professional consulting expenses	264,040,673	230,869,452
Office expenses	219,957,607	165,891,326
Material consumption fee	151,119,245	166,765,510
Stipulated fees	152,557,303	169,181,529
Exploration expenses	88,062,164	196,351,237
Travelling and conference expenses	81,003,399	123,371,493
Audit fees*	28,779,929	29,969,125
Others	369,029,266	338,651,949
	3,845,610,597	3,689,326,869

* In the year 2020, the auditor's remuneration of the Company was RMB11,800,000 (2019: RMB10,900,000).

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

51. Research and development expenses

	2020	2019
Material consumption fee	210,003,063	152,421,514
Salaries and benefits	149,563,062	149,892,296
Technical development costs	103,301,760	81,792,959
Depreciation and amortisation	48,227,598	43,755,723
Office expenses	30,188,797	32,510,323
Others	41,230,673	15,969,126
	582,514,953	476,341,941

52. Financial expenses

	2020	2019
Interest expenses	2,308,639,492	2,048,343,925
<i>Including: Bank borrowings</i>	1,720,092,057	1,502,675,435
<i>Bonds payable</i>	537,668,050	541,303,212
<i>Ultra short-term financing bonds</i>	50,879,385	4,365,278
Less: Interest income	613,771,145	499,675,899
Less: Capitalised interest expenses	387,886,106	120,526,389
Exchange differences	235,105,796	(129,976,244)
Bank charges	113,361,882	86,372,706
Amortisation of unrecognised finance expenses (Note 1)	135,790,198	89,826,651
Unrealised finance income (Note 2)	(6,996,514)	(7,515,291)
	1,784,243,603	1,466,849,459

Note 1: Unrecognised finance expenses consisted of amortisation of unrecognised interest expenses of provisions of RMB90,907,658, amortisation of interest expenses of lease liabilities of RMB32,458,050 and amortisation of unrecognised interest expenses of other non-current liabilities of RMB12,424,490.

Note 2: Unrealised finance income was the amortisation of unrecognised finance income from long-term receivables.

Capitalised interest expenses of 2020 were included in construction in progress. In 2020 and 2019, there was no interest income arising from impaired financial assets.

Notes to Financial Statements *(continued)*

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*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

53. Other income

	2020	2019
Government grants relating to daily operating activities	342,312,056	290,839,484

Government grants relating to daily operating activities in 2020 are as follows:

	2020	Related to assets/income
Alloy gold award	53,313,191	Related to income
Tax incentives received by Zijin Copper for 2018	36,744,300	Related to income
Subsidies for research and development	24,068,651	Related to income
Incentive funds for industrial production projects in 2020	21,740,000	Related to income
Subsidies for employment security	19,381,780	Related to income
Import and export rewards	15,100,667	Related to income
Output value breakthrough awards and incremental incentive support funds	13,406,700	Related to income
COVID-19-related government grants	12,094,185	Related to income
Subsidies for social security	5,368,555	Related to income
Real estate and land tax rebates	5,240,356	Related to income
Special subsidies for foreign investment and cooperation for 2019	4,000,000	Related to income
Logistics subsidies for the trading of copper and processing trade	3,457,469	Related to income
Repayment of charges for individual/corporate income tax	3,103,718	Related to income
Incentives for enterprises included in the list of government statistics department	2,294,309	Related to income
Zijin Copper's 6th Provincial Government Quality Award	2,000,000	Related to income
Forest land subsidy	2,000,000	Related to income
Central air/land pollution prevention and control funds	1,981,500	Related to income
Fiscal and tax incentives for industrial parks	1,979,665	Related to income
Construction funds for processing trade gradient transfer key points	1,653,500	Related to income
Implementation standard evaluation reward for industrialisation and informatisation management systems integration	1,381,300	Related to income
Special funds for military-civilian integration	1,285,600	Related to income
Prefecture-level supporting funds for the transformation of one thousand enterprises in 2019	1,000,000	Related to income
Government subsidies for industrial internet innovation and development projects	1,000,000	Related to income
Other government grants directly recognised in other income	20,702,783	Related to income
Other government grants transferred from deferred income	88,013,827	Related to assets/income
	342,312,056	

Notes to Financial Statements *(continued)*

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

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

53. Other income *(continued)*

Government grants relating to daily operating activities in 2019 are as follows:

	2019	Related to assets/income
Tax incentives and subsidies received by Zijin Copper for 2017	89,410,000	Related to income
Alloy gold award	58,477,200	Related to income
Export incentives	20,241,893	Related to income
Depreciation of stripped copper mine infrastructure subsidised by the government	15,514,493	Related to income
Incentives and special funds from Industry and Information Technology Bureau	12,062,400	Related to income
Subsidies for research and development	11,215,900	Related to income
Subsidies to export insurance	7,418,043	Related to income
Government award for "One Enterprise, One Policy"	3,730,000	Related to income
Government grants for intelligent manufacturing upgrade and reform to Jilin Zijin Copper	3,700,000	Related to income
Special fund for foreign investment and cooperation from Commerce Bureau	3,000,000	Related to income
Subsidies for social security	2,901,960	Related to income
Special fund for prevention of heavy metal pollution to Bayannur Zijin	2,660,000	Related to income
Property tax and land use tax incentives	1,859,100	Related to income
Incentives for commercial circulation and development for 2018	1,560,000	Related to income
Subsidies for employment security	1,529,428	Related to income
Government grants to Mining and Metallurgy Institute	1,407,500	Related to income
Subsidies for special fund from Zhenfeng County's Treasury Centre	1,360,000	Related to income
Special funds for industrial development for 2019	1,244,000	Related to income
Gradient transfer key points support fund of Longyan City for 2018	1,200,000	Related to income
Amortisation of refund of land supporting facilities compensation from Kuitun Dushanzi Economic and Technological Development Zone	1,188,324	Related to income
Other government grants directly recognised in other income	15,727,642	Related to income
Other government grants transferred from deferred income	33,431,601	Related to assets
	290,839,484	

Notes to Financial Statements *(continued)*

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*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

54. Investment (losses)/income

	2020	2019
Income from long-term equity investments under the equity method	209,744,927	96,011,495
Income/(losses) on disposal of long-term equity investments	1,093,075	(4,964,011)
Dividend income from other equity instrument investments during the holding period	17,331,900	25,779,867
Losses on disposal of financial assets and liabilities at fair value through profit or loss (Note 1)	(759,112,419)	(87,114,517)
Others	8,874,796	4,693,390
	(522,067,721)	34,406,224

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

	2020	2019
1. Held for trading equity instrument investments – Income/(Losses) arising from stock investments	36,164,138	(38,191,494)
2. Losses arising from gold leasing at fair value	(18,866,014)	(51,019,363)
3. Losses arising from derivative instruments without designated hedging relationship	(832,345,240)	(46,524,639)
(3-1) Foreign currency forward contracts	11,679,600	13,316
(3-2) Commodity hedging contracts	(844,024,840)	(46,537,955)
4. Investment (losses)/income from derivative instruments with designated hedging relationship	(9,466,655)	5,615,561
5. Others	65,401,352	43,005,418
	(759,112,419)	(87,114,517)

55. Gains/(Losses) on changes in fair value

	2020	2019
Financial assets at fair value through profit or loss	50,054,085	32,259,831
Financial liabilities at fair value through profit or loss	292,302,651	(92,011,943)
	342,356,736	(59,752,112)

Notes to Financial Statements *(continued)*

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

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

55. Gains/(Losses) on changes in fair value *(continued)*

Gains/(Losses) on changes in fair value are as follows:

	2020	2019
1. Held for trading equity instrument investments – Gains arising from changes in fair value of stock investments	92,549,811	60,348,192
2. Losses arising from changes in fair value of gold leasing at fair value	(20,665,227)	(2,577,625)
3. Hedging instruments – Gains/(Losses) arising from changes in fair value of ineffectively hedged derivative instruments	8,392,933	(943,939)
4. Gains/(Losses) arising from changes in fair value of derivative instruments without designated hedging relationship	304,349,345	(139,976,147)
(4-1) Foreign currency forward contracts	290,477,392	(26,724,322)
(4-2) Commodity hedging contracts	13,871,953	(113,251,825)
5. Others	(42,270,126)	23,397,407
	342,356,736	(59,752,112)

56. Credit impairment gains/(losses)

	2020	2019
Bad debt provision for trade receivables	(229,275)	(8,423,202)
Bad debt provision for other receivables	(4,679,153)	(53,636,521)
Bad debt provision for receivables financing	(2,090,794)	(1,088,851)
Reversal of expected credit losses for financial guarantee contracts (Note V.37)	138,440,817	–
Bad debt provision for prepayments	–	(2,471,035)
Bad debt provision for other non-current assets	(819,055)	–
	130,622,540	(65,619,609)

57. Impairment losses on assets

	2020	2019
Impairment provision for fixed assets	(268,734,744)	(7,162,090)
Provision for decline in value of inventories	(70,166,124)	(45,064,360)
Impairment provision for intangible assets	(10,316,081)	(224,773,189)
Impairment provision for construction in progress	–	(44,343,254)
Impairment provision for long-term equity investments	(5,224,244)	(47,038,703)
Impairment provision for prepayments	(1,143,020)	–
Impairment provision for other non-current assets	(1,529,796)	–
	(357,114,009)	(368,381,596)

Notes to Financial Statements *(continued)*

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*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

58. Gains/(Losses) on disposal of non-current assets

	2020	2019
Gains/(Losses) on disposal of fixed assets	12,928,440	(22,623,785)
Gains on disposal of intangible assets	316,038	1,724,794
Losses on disposal of other non-current assets	(837,445)	(2,776,062)
	12,407,033	(23,675,053)

59. Non-operating income

	2020	2019	Non-recurring profit or loss in 2020
Penalty income	15,480,764	13,928,403	15,480,764
Compensations and default penalty	10,480,959	4,095,872	10,480,959
Waiver of debts	34,992,852	8,959,036	34,992,852
Others	77,802,630	23,097,627	77,802,630
	138,757,205	50,080,938	138,757,205

60. Non-operating expenses

	2020	2019	Non-recurring profit or loss in 2020
Losses arising from obsolescence of non-current assets	207,485,152	92,506,857	207,485,152
Donations	166,275,845	178,033,075	166,275,845
Penalties, compensations and overdue charges	101,708,817	11,651,161	101,708,817
Losses on stocktaking	114,868	13,057,260	114,868
Others	56,887,879	22,627,981	56,887,879
	532,472,561	317,876,334	532,472,561

61. Income tax expenses

	2020	2019
Current income tax expenses	2,462,295,011	1,851,659,710
Deferred tax expenses	(74,306,790)	61,714,372
	2,387,988,221	1,913,374,082

Notes to Financial Statements *(continued)*

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

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

61. Income tax expenses *(continued)*

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

	2020	2019
Profit before tax	10,846,027,174	6,974,278,766
Tax at the statutory tax rate (Note 1)	2,711,506,794	1,743,569,692
Effect of different tax rates applicable to certain subsidiaries (Note 1)	(345,745,474)	69,634,030
Adjustments in respect of current tax of previous periods	(19,586,289)	(22,968,893)
Income not subject to tax (Note 2)	(56,888,316)	(33,292,467)
Expenses not deductible for tax	35,450,575	47,188,912
Tax losses utilised from previous periods	(163,927,682)	(214,529,747)
Effect of unrecognised deductible temporary differences and deductible tax losses	227,178,613	323,772,555
Tax charge at the Group's effective tax rate	2,387,988,221	1,913,374,082

Note 1: Provision for the PRC corporate income tax expenses has been made at the applicable tax rates based on the estimated taxable profits. Provision for Hong Kong profits tax expenses has been made at the applicable tax rate based on assessable profits. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing and in accordance with current laws, interpretations and customs in the countries/jurisdictions in which the Group operates.

Note 2: In 2020, income not subject to tax mainly included investment income from long-term equity investments under the equity method of RMB209,744,927 (2019: investment income of RMB96,011,495) and sales revenue from certain products of the Group that meet the national industrial policy and enjoyed tax exemption totaling RMB12,455,269 (2019: RMB24,216,353).

62. Earnings per share

	2020 RMB per share	2019 RMB per share
Basic earnings per share Continuing operations	0.25	0.18
Diluted earnings per share Continuing operations	0.25	0.18

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.

Pursuant to the "Reply of the Approval for the Public Issuance of A Share Convertible Corporate Bonds of Zijin Mining Group Co., Ltd.*" (Zhengjian Xuke [2020] No. 2613) issued by the CSRC, on 3 November 2020, the Company issued 60,000,000 A Share convertible corporate bonds with a nominal value of RMB100 each. The Company recalculated the earnings per share of the same period last year based on the adjusted number of shares.

As at 31 December 2020, the total nominal value of the unconverted A Share convertible corporate bonds of the Company was RMB6,000,000,000. When calculating diluted earnings per share, it is assumed that all of the A Share convertible corporate bonds were converted at the price of RMB7.01 per A Share, hence there were 855,920,114 diluted shares.

There were no potential dilutive ordinary shares for the Company in 2019.

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*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*62. Earnings per share *(continued)*

Basic earnings per share is calculated as follows:

	2020	2019
Earnings		
Consolidated net profit attributable to ordinary shareholders of the Company		
Continuing operations	6,508,553,913	4,283,957,365
Consolidated net profit attributable to ordinary shareholders of the Company after adjustments	6,250,053,913	4,283,957,365
Consolidated net profit attributable to ordinary shareholders of the Company		
Continuing operations	6,250,053,913	4,283,957,365
Shares		
Weighted average number of ordinary shares outstanding	25,377,259,946	23,288,319,281

Diluted earnings per share is calculated as follows:

	2020	2019
Earnings		
Consolidated net profit attributable to ordinary shareholders of the Company		
Continuing operations	6,508,553,913	4,283,957,365
Consolidated net profit attributable to ordinary shareholders of the Company after adjustments	6,285,934,057	4,283,957,365
Consolidated net profit attributable to ordinary shareholders of the Company		
Continuing operations	6,285,934,057	4,283,957,365
Shares		
Weighted average number of ordinary shares outstanding	25,377,259,946	23,288,319,281
Dilutive effect – weighted average number of ordinary shares		
Convertible corporate bonds	71,326,676	–
Adjusted weighted average number of ordinary shares outstanding	25,448,586,622	23,288,319,281

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

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

63. Note to the statement of cash flows

	2020	2019
Other cash receipts relating to operating activities		
Interest income	85,583,329	63,127,813
Government grants	302,303,859	364,776,551
Others	227,938,097	398,200,014
	615,825,285	826,104,378
Other cash payments relating to operating activities		
Transportation expenses, insurance expenses, commission charges and other selling expenses	(307,544,692)	(467,698,006)
Office expenses, conference expenses and other administrative expenses	(1,433,188,523)	(1,316,585,909)
Donations	(130,983,219)	(103,463,161)
Redemption of Gold Delivery Obligation under the metals streaming agreement	(509,125,982)	–
Losses on the settlement of forward contracts, futures contracts and others	(1,905,590,865)	(416,994,553)
	(4,286,433,281)	(2,304,741,629)
Other cash receipts relating to investing activities		
Cash receipts from time deposits with maturity of more than three months	–	3,000,000
Recovered wealth management products	65,401,352	457,685,011
	65,401,352	460,685,011
Other cash payments relating to investing activities		
Large-denomination certificates of deposit with a term of over one year	(255,811,321)	–
Funds for construction and operation of joint venture	(2,174,860,525)	(1,394,540,898)
Fees related to mergers and acquisitions of subsidiaries	(48,342,623)	(123,910,136)
	(2,479,014,469)	(1,518,451,034)
Other cash receipts relating to financing activities		
Disposals of equity interests to non-controlling shareholders	51,101,779	20,630,903
Borrowings from third parties	979,709,265	114,946,726
	1,030,811,044	135,577,629

Notes to Financial Statements *(continued)*

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*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*63. Note to the statement of cash flows *(continued)*

	2020	2019
Other cash payments relating to financing activities		
Repayment of loans from third parties prior to acquisition dates of Julong Copper and Serbia Zijin Copper	(910,921,505)	(109,588,200)
Repayment of borrowings from third parties	(116,766,641)	(85,135,094)
Acquisitions of non-controlling interests of subsidiaries	(199,663,905)	(1,169,055,198)
Payment for lease liabilities	(184,235,335)	(107,641,592)
Bank charges and others	(113,361,881)	(136,150,284)
	(1,524,949,267)	(1,607,570,368)

64. Supplementary information to the statement of cash flows

(1) Supplementary information to the statement of cash flows

Reconciliation of net profit to net cash flows from operating activities:

	2020	2019
Net profit	8,458,038,953	5,060,904,684
Add: Provisions for asset impairment	226,491,469	434,001,205
Depreciation and amortisation of investment properties	6,471,837	15,513,671
Depreciation of fixed assets	5,490,946,254	4,537,433,554
Depreciation of right-of-use assets	129,507,122	97,575,898
Amortisation of intangible assets	1,391,245,983	851,318,161
Amortisation of long-term deferred assets	487,363,046	351,170,770
(Gains)/losses on the disposal of fixed assets, intangible assets and other long-term assets	(12,407,033)	23,675,053
Losses on write-off of fixed assets	216,256,084	92,506,857
(Gains)/losses from changes in fair value	(342,356,736)	59,752,112
Financial expenses	1,869,826,932	1,529,977,272
Investment income	(331,423,775)	(75,328,619)
Decrease in deferred tax assets	230,722,015	46,709,603
(Decrease)/increase in deferred tax liabilities	(710,213,077)	16,148,398
Increase in inventories	(2,704,680,658)	(2,147,113,293)
Increase in receivables from operating activities	(1,450,105,588)	(584,956,016)
Increase in payables from operating activities	1,211,416,090	243,597,087
Increase/(Decrease) in special reserve	33,734,289	(26,441,281)
Exploration and development expenses	88,062,164	196,351,237
Others	(20,491,948)	(57,239,340)
Net cash flows from operating activities	14,268,403,423	10,665,557,013

Notes to Financial Statements *(continued)*

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

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

64. Supplementary information to the statement of cash flows *(continued)*

(1) Supplementary information to the statement of cash flows *(continued)*

Significant non-cash investing activities:

	2020	2019
Acquisitions of right-of-use assets by assuming lease liabilities	17,987,384	109,412,600

Bills endorsement:

	2020	2019
Bills endorsement of bank acceptance bills and commercial acceptance bills in the sale of goods and rendering of services	828,488,366	749,580,998

Net changes in cash and cash equivalents:

	2020	2019
Closing balance of cash	11,627,709,021	5,863,202,219
Less: Opening balance of cash	5,863,202,219	9,817,724,859
Add: Closing balance of cash equivalents	158,977,219	222,389,231
Less: Opening balance of cash equivalents	222,389,231	115,113,292
Net increase/(decrease) in cash and cash equivalents	5,701,094,790	(3,847,246,701)

(2) Information about acquisitions or disposals of subsidiaries and other business units

Information about acquisitions of subsidiaries and other business units

	2020	2019
Consideration for acquisitions of subsidiaries and other business units	13,707,823,563	258,634,464
Less: Contingent consideration payable	1,343,122,407	-
Cash and cash equivalents paid for acquisitions of subsidiaries and other business units	12,364,701,156	258,634,464
Less: Cash and cash equivalents obtained from acquisitions of subsidiaries and other business units	229,676,539	10,205,248
Net cash payments for acquisitions of subsidiaries and other business units	12,135,024,617	248,429,216

Notes to Financial Statements *(continued)*

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*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*64. Supplementary information to the statement of cash flows *(continued)*(2) Information about acquisitions or disposals of subsidiaries and other business units *(continued)*

Information about disposals of subsidiaries and other business units

	2020	2019
Consideration for disposals of subsidiaries and other business units	–	134,841,140
Cash and cash equivalents received from disposals of subsidiaries and other business units	–	152,884,710
Less: Cash and cash equivalents held by subsidiaries and other business units disposed of	–	10,978,214
Net cash receipts from disposals of subsidiaries and other business units	–	141,906,496

(3) Cash and cash equivalents

	2020	2019
Cash	11,627,709,021	5,863,202,219
Including: Cash on hand	6,570,582	4,993,926
Cash at banks that can be readily drawn on demand	11,621,138,439	5,858,208,293
Cash equivalents	158,977,219	222,389,231
Closing balance of cash and cash equivalents at the end of the year	11,786,686,240	6,085,591,450

65. Assets with restrictions on title or use

	2020	2019
Cash and cash equivalents (Note 1)	168,653,056	149,269,836
Held for trading financial assets (Note 2)	80,000,000	–
Debt investments (Note 3)	250,000,000	–
Fixed assets (Note 4)	1,650,541,716	–
Intangible assets (Note 5)	13,516,845,568	–
Other non-current assets (Note 6)	–	10,268,480
	15,666,040,340	159,538,316

Notes to Financial Statements *(continued)*

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

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

65. Assets with restrictions on title or use *(continued)*

- Note 1: As at 31 December 2020, the closing balance of cash and cash equivalents of the Group denominated in Renminbi mainly included: land restoration and environmental rehabilitation costs of RMB23,644,758 (31 December 2019: RMB120,857,247), pursuant to the rules of the local government, the Group provided a deposit for mine restoration and improvement of ecological environment in mines and deposited the fund in a specified bank account. The fund was restricted to the use for land restoration and environmental rehabilitation and environmental protection after mine closure; other guarantee deposits of RMB141,101,118 which were restricted to use (31 December 2019: RMB18,696,103); bank deposits with a carrying amount of RMB3,907,180 were frozen due to litigation (31 December 2019: RMB9,716,486).
- Note 2: As at 31 December 2020, Shanghang Zijin Metallic Resources Co., Ltd., a subsidiary of the Group, pledged RMB50,000,000 of structural deposits to the Agricultural Bank of China for bank acceptance bills; Zijin Mining Group (Xiamen) Metal Materials Co., Ltd., a subsidiary of the Group, pledged RMB30,000,000 of structural deposits to China Minsheng Bank for bank acceptance bills (31 December 2019: Nil).
- Note 3: As at 31 December 2020, Shanghang Zijin Metallic Resources Co., Ltd., a subsidiary of the Group, pledged RMB100,000,000 of debt investments to the Agricultural Bank of China for bank acceptance bills and issuance of domestic letters of credit, and pledged RMB150,000,000 of debt investments to Bank of China for bank acceptance bills (31 December 2019: Nil).
- Note 4: As at 31 December 2020, Julong Copper, a subsidiary of the Group, provided part of its fixed assets (a batch of machinery and equipment) as securities for syndicated loan (the lending banks include: the Bank of China Tibet Autonomous Region Branch, Bank of Tibet Co., Ltd., China Minsheng Bank Corp., Ltd. Lhasa Branch and Hengfeng Bank Co., Ltd. Beijing Branch), with a carrying amount of RMB1,348,340,869; Bayannur Zijin, a subsidiary of the Group, obtained loans from the China Development Bank Inner Mongolia Branch for comprehensive utilisation of leaching slag resources from the marmatite hydrometallurgy and the harmless treatment technology project, and provided certain fixed assets (a batch of buildings, machinery and equipment) as securities, with a carrying amount of RMB302,200,847 (31 December 2019: Nil).
- Note 5: As at 31 December 2020, Julong Copper, a subsidiary of the Group, provided intangible assets (Qulong, Zhibula mining rights permits and Shilong land use right certificate) as securities for syndicated loan (the lending banks include: the Bank of China Tibet Autonomous Region Branch, Bank of Tibet Co., Ltd., China Minsheng Bank Corp., Ltd. Lhasa Branch and Hengfeng Bank Co., Ltd. Beijing Branch), with a carrying amount of RMB13,442,000,000; the intangible assets (land use rights of the iron smelting plant) of Xinjiang Altay Jinhao Iron Co., Ltd. ("Jinhao Iron"), a subsidiary of the Group, were frozen by the court due to the arrearage case of China Fifteen Metallurgical Construction, with a carrying amount of RMB74,845,568 and a frozen area of 180,694.313 square metres (31 December 2019: Nil).
- Note 6: As at 31 December 2020, there were no non-current assets with restrictions on title (31 December 2019: RMB10,268,480).

Notes to Financial Statements *(continued)*

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*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

66. Foreign currency monetary items

	2020			2019		
	Original currency	Exchange rate	Equivalent to RMB	Original currency	Exchange rate	Equivalent to RMB
Cash and cash equivalents						
HKD	30,524,337	0.8416	25,689,282	27,588,888	0.8958	24,714,126
USD	565,793,520	6.5249	3,691,746,139	342,529,902	6.9762	2,389,557,102
GBP	1,058	8.8903	9,406	1,088,055	9.1501	9,955,812
CAD	17,918,266	5.1161	91,671,641	5,680,940	5.3421	30,348,150
AUD	89,775,816	5.0163	450,342,426	48,232,556	4.8843	235,582,273
RUB	66,191,172	0.1140	7,545,794	65,951,048	0.1126	7,426,088
EUR	497,409	8.0250	3,991,707	752,654	7.8155	5,882,367
Others	Not applicable	Not applicable	143,355,076	Not applicable	Not applicable	22,086,732
Trade receivables						
AUD	4,112,200	5.0163	20,628,029	2,931,210	4.8843	14,316,909
USD	93,777,122	6.5249	611,886,343	77,750,137	6.9762	542,400,506
Others	Not applicable	Not applicable	24,294,998	Not applicable	Not applicable	1,619,418
Other receivables						
USD	30,983,695	6.5249	202,165,512	46,252,500	6.9762	322,666,691
AUD	4,617,001	5.0163	23,160,262	3,696,887	4.8843	18,056,705
CAD	472,135	5.1161	2,415,490	191,874	5.3421	1,025,010
Others	Not applicable	Not applicable	873,306	Not applicable	Not applicable	6,190,147
Other non-current assets						
USD	1,247,022,454	6.5249	8,136,696,810	737,346,968	6.9762	5,143,879,918
Total foreign currency monetary assets			13,436,472,221			8,775,707,954

Notes to Financial Statements *(continued)*

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

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

66. Foreign currency monetary items *(continued)*

	2020			2019		
	Original currency	Exchange rate	Equivalent to RMB	Original currency	Exchange rate	Equivalent to RMB
Short-term borrowings						
USD	847,962,875	6.5249	5,532,872,963	322,799,778	6.9762	2,251,915,811
Trade payables						
USD	153,865,004	6.5249	1,003,953,765	80,948,569	6.9762	564,713,407
AUD	1,756,293	5.0163	8,810,093	37,161,110	4.8843	181,506,010
Others	Not applicable	Not applicable	40,460,718	Not applicable	Not applicable	245,202,245
Other payables						
USD	190,882,539	6.5249	1,245,489,479	187,161,951	6.9762	1,305,679,203
AUD	30,913,240	5.0163	155,070,086	16,100,073	4.8843	78,637,587
CAD	2,112,412	5.1161	10,807,311	657,545	5.3421	3,512,671
Others	Not applicable	Not applicable	186,836	Not applicable	Not applicable	3,959,235
Current portion of non-current liabilities						
USD	492,053,553	6.5249	3,210,600,228	186,169,104	6.9762	1,298,752,903
Long-term borrowings						
USD	2,392,241,277	6.5249	15,609,135,108	1,629,900,000	6.9762	11,370,508,380
EUR	-	8.0250	-	120,000,000	7.8155	937,860,000
Long-term payables						
USD	108,535,503	6.5249	708,183,304	111,422,096	6.9762	777,302,826
Lease liabilities						
USD	24,637,114	6.5249	160,754,705	27,120,681	6.9762	189,199,295
Bonds payable						
USD	150,000,000	6.5249	978,735,000	350,000,000	6.9762	2,441,670,000
Total foreign currency monetary liabilities			28,665,059,596			21,650,419,573

Notes to Financial Statements *(continued)*

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*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*66. Foreign currency monetary items *(continued)***Information about foreign business entities**

Name of foreign business entity	Place of registration and business	Accounting currency	Basis for adoption of accounting currency
Longxing Limited Liability Company ("Longxing")	Russia	USD	Major sales, purchase, financing and other business activities in USD
Joint Venture Zeravshan Limited Liability Company ("Zeravshan")	Tajikistan	USD	Major sales, purchase, financing and other business activities in USD
Altynten	Kyrgyzstan	USD	Major sales, purchase, financing and other business activities in USD
COMMUS	DR Congo	USD	Major sales, purchase, financing and other business activities in USD
BNL	Papua New Guinea	USD	Major sales, purchase, financing and other business activities in USD
Norton	Australia	AUD	Major sales, purchase, financing and other business activities in AUD
Nkwe Platinum (South Africa) (Pty) Ltd. ("NKWESA")	South Africa	AUD	Major sales, purchase, financing and other business activities in AUD
Serbia Zijin Copper	Serbia	USD	Major sales, purchase, financing and other business activities in USD
Bisha	Eritrea	USD	Major sales, purchase, financing and other business activities in USD
Serbia Zijin Mining Doo ("Serbia Zijin Mining")	Serbia	USD	Major sales, purchase, financing and other business activities in USD
Rio Blanco Copper S.A.	Peru	USD	Major sales, purchase, financing and other business activities in USD
La Carrière Du Lualaba Société par Actions Simplifiée ("CARRILU")	DR Congo	USD	Major sales, purchase, financing and other business activities in USD
Continental Gold Limited Sucursal Colombia	Colombia	USD	Major sales, purchase, financing and other business activities in USD
AGM Inc.	Guyana	USD	Major sales, purchase, financing and other business activities in USD

Notes to Financial Statements *(continued)*

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

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

67. Hedging

Fair value hedges

The Group is engaged in the production and processing of gold, silver, copper and zinc (hereinafter referred to as “precious metals”) products, and the raw materials for precious metal products are exposed to the risk of price changes of precious metals. Therefore, the Group uses precious metals futures contracts and forward contracts in the futures exchanges to manage the commodity price risk faced by some of the raw materials for precious metal products. The precious metal products produced and processed by the Group are the same as the standard precious metal products in the precious metals futures contracts and forward contracts. The basic variables of the hedging instruments (precious metals futures contracts and forward contracts) and the hedged items (the ore concentrates required for the Group to produce precious metal products) are standard precious metal prices. The effect of credit risk does not dominate the value changes. The Group determines the ratio of the number of hedging instruments to the hedged items for silver, copper and zinc to be 1.13:1 (containing the effect of VAT) while for gold to be 1:1. The Group uses fair value hedges for such hedging, and separates the forward element and the spot element of a forward contract and designates as the hedging instrument only the change in the value of the spot element of the forward contract. Such change is amortised on a systematic and rational basis from the period during which the hedged items could affect profit or loss or other comprehensive income and reclassified from other comprehensive income to profit or loss. In the current year, the forward element of hedging costs increased by RMB5,617,436. As at 31 December 2020, the balance of the forward element of hedging costs to be amortised is RMB1,777,642.

As at 31 December 2020, the Group entered into a foreign currency forward contract with a nominal amount of USD180,000,000 (equivalent to RMB1,198,855,000), under which the Group exchanged USD for RMB at a fixed exchange rate for the purpose of hedging the exchange rate risk of the RMB liabilities. Through qualitative analysis, the Group determines the ratio of the number of hedging instruments to the hedged items to be 1:1, with no ineffective portion.

Notes to Financial Statements *(continued)*

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*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)***V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** *(continued)***67. Hedging** *(continued)***Fair value hedges** *(continued)*

The temporal distribution of the nominal amount of the hedging instruments and the average price are as follows:

2020

	Less than 6 months	6 to 12 months	Over 1 year	Total
Notional amount of gold futures	228,879,612	–	–	228,879,612
Average price of gold futures – RMB/gramme	391	–	–	391
Notional amount of silver futures	169,056,502	–	–	169,056,502
Average price of silver futures – RMB/kilogramme	5,203	–	–	5,203
Notional amount of copper futures	1,804,765,553	–	–	1,804,765,553
Average price of copper futures – RMB/tonne	55,386	–	–	55,386
Notional amount of zinc futures	379,891,350	–	–	379,891,350
Average price of zinc futures – RMB/tonne	21,312	–	–	21,312
Notional amount of gold forward	1,352,880,738	93,781,736	–	1,446,662,474
Average price of gold forward – RMB/gramme	410	413	–	410
Notional amount of silver forward	272,739,385	–	–	272,739,385
Average price of silver forward – RMB/kilogramme	5,179	–	–	5,179
Notional amount of copper forward	2,170,492,923	–	–	2,170,492,923
Average price of copper forward – RMB/tonne	46,595	–	–	46,595
Notional amount of zinc forward	148,692,031	–	–	148,692,031
Average price of zinc forward – RMB/tonne	16,340	–	–	16,340
Notional amount of foreign currency forward	1,198,855,000	–	–	1,198,855,000
Average exchange rate of foreign currency forward – USD to RMB	6.6603	–	–	6.6603

Notes to Financial Statements *(continued)*

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

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

67. Hedging *(continued)*

Fair value hedges *(continued)*

The temporal distribution of the nominal amount of the hedging instruments and the average price are as follows *(continued)*:

2019

	Less than 6 months	6 to 12 months	Over 1 year	Total
Notional amount of gold futures	186,811,150	–	–	186,811,150
Average price of gold futures – RMB/gramme	345	–	–	345
Notional amount of silver futures	148,227,465	–	–	148,227,465
Average price of silver futures – RMB/kilogramme	4,410	–	–	4,410
Notional amount of copper futures	564,925,110	–	–	564,925,110
Average price of copper futures – RMB/tonne	47,156	–	–	47,156
Notional amount of zinc futures	58,895,775	–	–	58,895,775
Average price of zinc futures – RMB/tonne	18,122	–	–	18,122
Notional amount of gold forward	–	77,510,934	–	77,510,934
Average price of gold forward – RMB/gramme	–	375	–	375
Notional amount of zinc forward	144,380,133	–	–	144,380,133
Average price of zinc forward – RMB/tonne	16,595	–	–	16,595
Notional amount of foreign currency forward	420,360,000	587,620,000	1,198,855,000	2,206,835,000
Average exchange rate of foreign currency forward – USD to RMB	7.0060	6.5291	6.6603	6.6874

Changes in the book value and fair value of hedging instruments are as follows:

2020

	Notional amount of hedging instruments	Book value of hedging instruments		Line items in the statement of financial position including hedging instruments	Change in fair value of the hedging instruments used for measuring hedge ineffectiveness for 2020
		Assets	Liabilities		
		Fair value hedges			
Foreign exchange risk – foreign currency liabilities	1,198,855,000	23,950,541	–	Held for trading financial assets	15,101,356
Commodity price risk – inventories	6,621,179,830	40,002,192	374,789,911	Held for trading financial assets/ liabilities	(891,673,706)

Notes to Financial Statements *(continued)*

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*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*67. Hedging *(continued)*Fair value hedges *(continued)*Changes in the book value and fair value of hedging instruments are as follows: *(continued)*

2019

	Notional amount of hedging instruments	Book value of hedging instruments		Line items in the statement of financial position including hedging instruments	Change in fair value of the hedging instruments used for measuring hedge ineffectiveness for 2019
		Assets	Liabilities		
Fair value hedges					
Foreign exchange risk – foreign currency liabilities	2,302,146,000	–	98,620,555	Held for trading financial liabilities	(26,310,203)
Commodity price risk – inventories	1,180,750,567	29,876,470	67,954,727	Held for trading financial assets/liabilities	(33,362,314)

The book value of the hedged items and the associated adjustments are as follows:

2020

	Book value of hedged items		Accumulated fair value adjustments on the hedged item (included in the carrying amount of hedged items)		Line item in the statement of financial position including hedged items	Change in fair value of the hedging instruments used for measuring hedge ineffectiveness for 2020	Cash flow hedge reserve Assets
	Assets	Liabilities	Assets	Liabilities			
Fair value hedges							
Foreign exchange risk – foreign currency liabilities (Note 1)	–	1,198,432,557	29,199,769	–	Long-term payables	(15,101,356)	–
Commodity price risk – inventories	6,203,881,254	–	789,281,706	–	Inventories	900,066,639	–

Notes to Financial Statements *(continued)*

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

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

67. Hedging *(continued)*

Fair value hedges *(continued)*

The book value of the hedged items and the associated adjustments are as follows: (continued)

2019

	Book value of hedged items		Accumulated fair value adjustments on the hedged item (included in the carrying amount of hedged items)		Line item in the statement of financial position including hedged items	Change in fair value of the hedging instruments used for measuring hedge ineffectiveness for 2019	Cash flow hedge reserve Assets
	Assets	Liabilities	Assets	Liabilities			
	Fair value hedges						
Foreign exchange risk – foreign currency liabilities (Note 1)	–	2,211,908,037	196,980,159	–	Long-term payables	26,310,203	Not applicable
Commodity price risk – inventories	1,190,769,300	–	63,421,692	–	Inventories	32,418,375	Not applicable

Note 1: The hedged item is a liability incurred by the counterparty within the Group. The exchange gains or losses on the monetary item arising from such transaction cannot be offset in the consolidated financial statements. The enterprise can designate it as a hedged item in the consolidated level. In order to truly and fairly reflect the hedge accounting process, the Group uses the pre-offsetting data of the transaction to present the hedged items.

The ineffective portion of the hedges in the changes in fair value of hedging instruments is as follows:

2020

Fair value hedges	Ineffective portion of the hedges included in the statement of profit or loss	Ineffective portion of the hedges included in other comprehensive income	Line item in the statement of profit or loss that includes hedge ineffectiveness
Commodity price risk	8,392,933	–	Gains/(Losses) on changes in fair value

Notes to Financial Statements *(continued)*

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*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*67. Hedging *(continued)*Fair value hedges *(continued)*

2019

	Ineffective portion of the hedges included in the statement of profit or loss	Ineffective portion of the hedges included in other comprehensive income	Line item in the statement of profit or loss that includes hedge ineffectiveness
Fair value hedges			
Commodity price risk	(943,939)	-	Gains/(Losses) on changes in fair value

In addition, the Group implemented risk management on the purchases and sales of refined and processed metals as well as the sales of other metals through forward contracts and futures contracts, in order to avoid the risk of significant fluctuation in the prices of relevant products. The Group implemented risk management on exchange rate risk through foreign currency forward contracts, so as to avoid the exchange rate risk borne by the Group. As the abovementioned forward contracts, futures contracts and foreign currency forward contracts were not designated as hedging instruments or were not consistent with the hedge accounting standards, the gains or losses arising from changes in fair value would be directly charged to profit or loss during the period. Please refer to Notes V.55 and 54 for details of the gains or losses on changes in fair value and investment income or losses on the derivative financial instruments without designated hedging relationship.

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

VI. CHANGES IN THE SCOPE OF CONSOLIDATION

1. Business combinations not involving enterprises under common control

(1) Continental Gold

Zijin America, a subsidiary of the Group, entered into an arrangement agreement with Continental Gold on 2 December 2019 and proposed an acquisition arrangement to acquire all of the issued common shares and dilutive instruments of Continental Gold in cash at a consideration of CAD5.50 per share, with a total consideration of CAD1,335,786,131.

As at 27 February 2020, all domestic and overseas approvals or filing formalities required for the acquisition were completed. On 3 March 2020, Zijin America remitted the equity acquisition consideration of CAD1,335,786,131 (equivalent to approximately RMB6,910,788,547). The acquisition was completed on 5 March 2020. Thereafter, Zijin America owns a 100% equity interest in Continental Gold. Continental Gold was officially delisted from the Toronto Stock Exchange in Canada and OTCQX international market in the United States after the acquisition was completed.

The fair values and carrying amounts of identifiable assets and liabilities of Continental Gold on the acquisition date were as follows:

	5 March 2020 Fair value	5 March 2020 Carrying amount
Cash and cash equivalents	194,736,936	194,736,936
Held for trading financial assets	256,300,371	1,769,992
Trade receivables	1,647,802	1,647,802
Other receivables	94,863,932	94,863,932
Inventories	392,950,305	225,191,777
Other current assets	55,856,465	55,856,465
Fixed assets	662,333,728	530,719,683
Construction in progress	3,767,666,884	3,767,666,884
Right-of-use assets	13,341,044	13,341,044
Intangible assets	9,298,917,880	938,580,871
Deferred tax assets	185,650,023	185,650,023
Other non-current assets	105,004,605	105,004,605
Held for trading financial liabilities	5,350,971	5,350,971
Trade payables	106,747,200	106,747,200
Employee benefits payable	12,894,240	12,894,240
Taxes payable	12,700,111	12,700,111
Other payables	367,276,884	367,276,884
Current portion of non-current liabilities	24,127,273	24,127,273
Other current liabilities	2,551,652,695	2,551,652,695
Bonds payable	340,317,826	340,317,826
Lease liabilities	13,341,044	13,341,044
Long-term payables	347,775,581	347,775,581
Provision	102,639,951	102,639,951
Deferred tax liabilities	2,624,661,362	-
Other non-current liabilities	1,608,996,290	1,354,465,911
Net assets	6,910,788,547	875,740,327

Notes to Financial Statements *(continued)*

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*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)***VI. CHANGES IN THE SCOPE OF CONSOLIDATION** *(continued)***1. Business combinations not involving enterprises under common control** *(continued)***(1) Continental Gold** *(continued)*

	5 March 2020 Fair value
Net assets obtained	6,910,788,547
Consideration	6,910,788,547

From the acquisition date to the end of 2020, the operating results and cash flows of Continental Gold were as follows:

	For the period from 6 March 2020 to 31 December 2020
Operating income	589,807,458
Net loss	(128,059,055)
Net cash inflows	1,902,545

(2) Julong Copper

On 6 June 2020, Tibet Zijin Industrial Co., Ltd. ("Tibet Zijin"), a wholly-owned subsidiary of the Company, entered into the an equity transfer agreement in relation to Tibet Julong Copper Co., Ltd. with Tibet Zangge Venture Capital Group Co., Ltd., Tibet Zhongsheng Mining Co., Ltd., Shenzhen Chenfang Asset Management Company Limited, Xiao Yongming and Julong Copper, Zangge Holding Limited by Share Ltd. and Tibet Huibaihong Industrial Co., Ltd. respectively. According to the abovementioned agreement, the Company proposed to acquire a 50.1% equity interest in Julong Copper in cash at a consideration of RMB3.88275 billion. In addition, according to the supplementary terms of the agreement, if the phase 2 project of additional mining and processing scale of 150 thousand tonnes/day of the Qulong Copper and Polymetallic Mine (including the Rongmuoluola Copper and Polymetallic Mine) fulfills the conditions as stipulated in the agreement, Tibet Zijin shall make certain compensation to the current sellers of the equity interest in Julong Copper. As at 9 July 2020, Julong Copper completed the change of business registration. Thereafter, the Group has obtained 50.1% equity interest in Julong Copper, and can direct the relevant activities of Julong Copper.

Notes to Financial Statements *(continued)*

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

VI. CHANGES IN THE SCOPE OF CONSOLIDATION *(continued)*

1. Business combinations not involving enterprises under common control *(continued)*

(2) Julong Copper *(continued)*

The fair values and carrying amounts of the identifiable assets and liabilities of Julong Copper on the acquisition date were as follows:

	9 July 2020 Fair value	9 July 2020 Carrying amount
Cash and cash equivalents	3,389,830	3,389,830
Trade receivables	1,210,870	1,210,870
Prepayments	18,911,165	18,911,165
Other receivables	21,769,649	21,769,649
Inventories	98,433,362	98,063,362
Other current assets	3,765,578	3,765,578
Long-term equity investments	28,383,638	28,383,638
Fixed assets	1,004,237,427	833,797,238
Construction in progress	7,169,998,263	7,503,903,798
Intangible assets	12,984,305,146	703,821,053
Long-term deferred assets	–	961,879,030
Deferred tax assets	84,053,951	84,053,951
Other non-current assets	1,567,733,992	1,567,733,992
Short-term borrowings	90,000,000	90,000,000
Trade payables	452,042,946	452,042,946
Contract liabilities	26,504,997	26,504,997
Employee benefits payable	52,758,932	52,758,932
Taxes payable	13,922,684	13,922,684
Other payables	2,530,038,359	2,530,038,359
Provisions	727,319,236	727,319,236
Other current liabilities	570,833,480	570,833,480
Long-term borrowings	5,888,150,000	5,888,150,000
Long-term payables	521,665,827	521,665,827
Deferred tax liabilities	1,680,948,004	7,621,547
Net assets	10,432,008,406	949,825,146
Less: Non-controlling interests	1,125,358	1,125,358
Net assets attributable to owners of the parent	10,430,883,048	948,699,788
Non-controlling interests	5,205,010,641	
Net assets obtained (50.1%)	5,225,872,407	
Consideration		
Including: Cash	3,882,750,000	
Other non-current liabilities – contingent consideration	1,343,122,407	
	5,225,872,407	

Notes to Financial Statements *(continued)*

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*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)***VI. CHANGES IN THE SCOPE OF CONSOLIDATION** *(continued)***1. Business combinations not involving enterprises under common control** *(continued)***(2) Julong Copper** *(continued)*

From the acquisition date to the end of 2020, the operating results and cash flows of Julong Copper were as follows:

	For the period from 10 July 2020 to 31 December 2020
Operating income	220,133,062
Net profit	189,295,308
Net cash inflows	109,251,376

(3) Guyana Goldfields

On 11 June 2020, the Group entered into an arrangement agreement with Guyana Goldfields, which proposed to acquire all the issued and outstanding common shares of Guyana Goldfields for a cash consideration of CAD1.85 per share. As at 24 August 2020, the Group had acquired a total of 12,597,200 common shares of Guyana Goldfields through the open market. On 24 August 2020, the Group paid the cash consideration of CAD299,638,920 (equivalent to RMB1,571,162,610) to acquire the remaining 161,966,984 common shares of Guyana Goldfields. The accounting treatment of business combinations not involving enterprises under common control achieved in stages was applied to the transaction. As at 25 August 2020, upon completion of the filing of the arrangement agreement under Canadian Commercial Law, the Group completed the acquisition and held 100% equity interest in Guyana Goldfields. On 25 August 2020, Guyana Goldfields issued an announcement that it was delisted from the Toronto Stock Exchange in Canada.

The Group achieved the control of Guyana Goldfields through acquisition in stages:

Time of acquisition	Number of shares held	Initial investment costs	Way of acquisition	Accounting category
June 2020	12,597,200	93,667,810	Purchase	Other equity instrument investments
August 2020	161,966,984	1,571,162,610	Purchase	Long-term equity investments
	174,564,184	1,664,830,420		

Notes to Financial Statements *(continued)*

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

VI. CHANGES IN THE SCOPE OF CONSOLIDATION *(continued)*

1. Business combinations not involving enterprises under common control *(continued)*

(3) Guyana Goldfields *(continued)*

The fair values and carrying amounts of identifiable assets and liabilities of Guyana Goldfields on the acquisition date were as follows:

	25 August 2020 Fair value	25 August 2020 Carrying amount
Cash and cash equivalents	31,549,773	31,549,773
Prepayments	9,653,810	9,653,810
Other receivables	108,967,334	108,967,334
Inventories	204,612,777	204,612,777
Fixed assets	390,411,319	390,411,319
Construction in progress	658,006	658,006
Intangible assets	1,185,872,424	–
Long-term deferred assets	–	143,278,796
Deferred tax assets	307,335,169	307,335,169
Other non-current assets	19,804,222	19,804,222
Trade payables	12,113,334	12,113,334
Employee benefits payable	3,740,310	3,740,310
Taxes payable	11,842,054	11,842,054
Other payables	18,853,281	18,853,281
Long-term payables	101,007,180	101,007,180
Deferred tax liabilities	260,648,405	–
Provisions	157,298,378	157,298,378
Net assets obtained	1,693,361,892	911,416,669
Consideration		
Including: Cash	1,571,162,610	
Fair value of the originally held equity on the acquisition date	122,199,282	
	1,693,361,892	

As at the acquisition date, the fair value of the 12,597,200 common shares originally held before the acquisition date was CAD23,304,820 (equivalent to RMB122,199,282), the accumulated change in fair value arising from the holding period of the original 12,597,200 common shares previously recognised in other comprehensive income was RMB28,531,472, which was transferred from other comprehensive income to retained earnings.

From the acquisition date to the end of 2020, the operating results and cash flows of Guyana Goldfields were as follows:

	For the period from 26 August 2020 to 31 December 2020
Operating income	53,175,040
Net loss	(1,075,571)
Net cash inflows	25,049,710

Notes to Financial Statements *(continued)*

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

VI. CHANGES IN THE SCOPE OF CONSOLIDATION *(continued)*

2. Newly established major subsidiaries

Tibet Zijin was established in Lhasa City, Tibet on 21 May 2020 with registered capital of RMB2,000,000,000. The Company holds 100% equity interest in Tibet Zijin. As at 31 December 2020, the registered capital and paid-in capital of Tibet Zijin were both RMB2,000,000,000. The newly established subsidiary was included in the scope of consolidation during the reporting period.

Xiamen Logistics was established in Xiamen City, Fujian Province on 10 January 2020 with registered capital of RMB200,000,000. Zijin Logistics, a subsidiary of the Group, holds 100% equity interest in Xiamen Logistics. As at 31 December 2020, the registered capital and paid-in capital of Xiamen Logistics were both RMB200,000,000. The newly established subsidiary was included in the scope of consolidation during the reporting period.

Jin Yang (H.K.) Mining Company Limited was established on 17 March 2020 in Hong Kong with registered capital of USD3,000. Hei Longxing, a subsidiary of the Group, holds 100% equity interest in Jin Yang (H.K.) Mining Company Limited. As at 31 December 2020, the registered capital and paid-in capital of Jin Yang (H.K.) Mining Company Limited were both USD3,000. The newly established subsidiary was included in the scope of consolidation during the reporting period.

Hunchun Zijin Mechanical and Electrical Installation Co., Ltd. was established in Hunchun City, Jilin Province on 8 April 2020 with registered capital of RMB5,000,000. Hunchun Zijin, a subsidiary of the Group, holds 100% equity interest in Hunchun Zijin Mechanical and Electrical Installation Co., Ltd. As at 31 December 2020, the registered capital and paid-in capital of Hunchun Zijin Mechanical and Electrical Installation Co., Ltd. were both RMB5,000,000. The newly established subsidiary was included in the scope of consolidation during the reporting period.

Fujian Zijin Gold Jewellery Co., Ltd. was established in Shanghang County, Fujian Province on 26 April 2020 with registered capital of RMB10,000,000. Zijin Mining Group Gold Jewellery Co., Ltd., a subsidiary of the Group, holds 100% equity interest in Fujian Zijin Gold Jewellery Co., Ltd. As at 31 December 2020, the paid-in capital of Fujian Zijin Gold Jewellery Co., Ltd. was RMB1,000,000. The newly established subsidiary was included in the scope of consolidation during the reporting period.

Fujian Zijin Motor Vehicle Testing Co., Ltd. was established in Shanghang County, Fujian Province on 3 January 2020 with registered capital of RMB10,000,000. Fujian Zijin Shun'an Logistics Co., Ltd., a subsidiary of the Group, holds 100% equity interest in Fujian Zijin Motor Vehicle Testing Co., Ltd. As at 31 December 2020, the paid-in capital of Fujian Zijin Motor Vehicle Testing Co., Ltd. was RMB2,600,000. The newly established subsidiary was included in the scope of consolidation during the reporting period.

Zijin Mining Zifeng (Xiamen) Investment Partnership (Limited Partnership) ("Zifeng Investment") was established in Xiamen City, Fujian Province on 28 February 2020 with registered capital of RMB120,000,000. The Group holds 100% equity interest in Zifeng Investment. As at 31 December 2020, the paid-in capital of Zifeng Investment was RMB1,000. The newly established subsidiary was included in the scope of consolidation during the reporting period.

Zijin International Holding Co., Ltd. was established in Sanya City, Hainan Province on 3 November 2020 with registered capital of RMB2,000,000,000. The Company holds 100% equity interest in Zijin International Holding Co., Ltd. As at 31 December 2020, the paid-in capital of Zijin International Holding Co., Ltd. was RMB300,000,000. The newly established subsidiary was included in the scope of consolidation during the reporting period.

Zijin International Trading Co., Ltd. was established in Xiamen City, Fujian Province on 20 October 2020 with registered capital of RMB100,000,000. The Company holds 100% equity interest in Zijin International Trading Co., Ltd. As at 31 December 2020, the paid-in capital of Zijin International Trading Co., Ltd. was RMB20,000,000. The newly established subsidiary was included in the scope of consolidation during the reporting period.

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

VI. CHANGES IN THE SCOPE OF CONSOLIDATION *(continued)*

2. Newly established major subsidiaries *(continued)*

Zijin Environmental Technology Co., Ltd. was established in Shanghang County, Fujian Province on 4 August 2020 with registered capital of RMB100,000,000. The Company holds 100% equity interest in Zijin Environmental Technology Co., Ltd. As at 31 December 2020, the paid-in capital of Zijin Environmental Technology Co., Ltd. was RMB30,000,000. The newly established subsidiary was included in the scope of consolidation during the reporting period.

Xiamen Zixin No. 1 Investment Partnership (Limited Partnership) ("Zixin No. 1") was established in Xiamen City, Fujian Province on 13 August 2020 with registered capital of RMB3,751,000,000. The Group holds 20.02% equity interest in Zixin No. 1. Pursuant to the partnership agreement of Zixin No. 1, the decision-making committee consists of three members, including two appointed by the Group. The resolutions of the decision-making committee are effective only when approved by more than two-thirds (including two-thirds) of the members. In addition, Zijin Mining Group Capital Investment Co., Ltd. ("Zijin Capital"), a subsidiary of the Group, serves as the executive partner of Zixin No. 1. The management of the Group considers that the Group can exercise control over Zixin No. 1 and therefore the newly established subsidiary was included in the scope of consolidation during the reporting period. As at 31 December 2020, the registered capital and paid-in capital of Zixin No. 1 were both RMB3,751,000,000.

Zijin Mining Tongli (Xiamen) Trading Partnership (Limited Partnership) ("Tongli Trading") was established in Xiamen City, Fujian Province on 30 June 2020 with registered capital of RMB142,186,700. The Company and five subsidiaries of the Group including Heilongjiang Duobaoshan Copper Industry Inc. ("Duobaoshan Copper Industry"), Ashele Copper, Zijin Capital, Hunchun Zijin and West Copper hold 29.03%, 36.29%, 15.61%, 10%, 5.44% and 3.63% equity interests in Tongli Trading, respectively. As at 31 December 2020, the registered capital and paid-in capital of Tongli Trading were both RMB142,186,700. The newly established subsidiary was included in the scope of consolidation during the reporting period.

Zijin Mining Xinli (Xiamen) Trading Partnership (Limited Partnership) ("Xinli Trading") was established in Xiamen City, Fujian Province on 30 June 2020 with registered capital of RMB41,600,000. Zijin Zinc, Urad Rear Banner Zijin and Zijin Capital, three subsidiaries of the Group, hold 55.38%, 34.62% and 10% equity interests in Xinli Trading, respectively. As at 31 December 2020, the registered capital and paid-in capital of Xinli Trading were both RMB41,600,000. The newly established subsidiary was included in the scope of consolidation during the reporting period.

Xiamen Zixin Mining Co., Ltd. ("Xiamen Zixin") was established in Xiamen City, Fujian Province on 17 December 2020 with registered capital of RMB120,000,000. The Group holds 100% equity interest in Xiamen Zixin. As at 31 December 2020, the Group had not yet paid the registered capital of Xiamen Zixin.

3. Deregistered subsidiary

Company name	Place of registration	Principal activity	Proportion of equity attributable to the Group	Proportion of voting right attributable to the Group	Reason for deconsolidation
Shenzhen Zijin Metals Trading Co., Ltd.	Shenzhen	Trading of non-ferrous metals and precious metals mineral products	100%	100%	Deregistration

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

VII. INVESTMENTS IN OTHER ENTITIES

1. Investments in subsidiaries

(1) Major subsidiaries acquired by establishment or investment

Company name	Principal place of business	Place of registration	Principal activities	Registered capital	Percentage of ownership interest	
					Direct	Indirect
Gold Mountains (H.K.) (Note 1)	Hong Kong	Hong Kong	Trading and investment	HKD24,889,706,000	100%	-
Heilongjiang Zijin Copper Co., Ltd.	Qiqihar City, Heilongjiang Province	Qiqihar City, Heilongjiang Province	Mining, milling, refining, processing, sale and research, development, consultation, service and transfer of refining technology of copper, gold, silver, other non-ferrous metals and non-metals	RMB1,087,900,000	-	100%
Zijin Europe	Hong Kong	Hong Kong	Financing; investment	HKD2,734,620,001	-	100%
Zijin International Capital Company Limited	Hong Kong	Hong Kong	Bond issuance; financing	USD10,000,000	-	100%
Finance Company	Shanghang County, Longyan City, Fujian Province	Shanghang County, Longyan City, Fujian Province	Assisting member units to settle payments; entrusted loans and investment among member units; bill acceptance and discounting among member units; internal account settlement and clearing among member units; acceptance of deposits from member units; application for loans and finance leases among member units; intercompany borrowings; financing; investments in securities (excluding stocks traded in the secondary market), etc.	RMB668,595,500	95%	-
Zijin Capital	Xiamen City, Fujian Province	Xiamen City, Fujian Province	Entrusted management of non-security equity investments and related advisory services; entrusted management and operation of equity investment funds and provision of consultancy services; investment and asset management; spot gold sales; wholesale of metals and ores; trade agency service	RMB1,000,000,000	100%	-
Zijin Mining Group Gold Smelting Co., Ltd.	Shanghang County, Longyan City, Fujian Province	Shanghang County, Longyan City, Fujian Province	Refining and sale of gold; processing and sale of gold, silver and platinum products; non-ferrous metal alloy manufacturing; precious metal rolling processing; metallurgical engineering technology research services; import and export of goods or technology, etc.	RMB100,000,000	-	100%
Heilongjiang Duobaoshan Copper Industry Inc.	Heihe City, Heilongjiang Province	Heihe City, Heilongjiang Province	Mining of copper ore; processing and sale of mineral products; mining technology development, consultation, transfer, etc.	RMB2,000,000,000	-	100%

Note 1: From January to December 2020, the Company increased the capital of Gold Mountains (H.K.), a subsidiary of the Company, by injecting cash of HKD6,357,772,288. After the capital increase, the registered capital of Gold Mountains (H.K.) became HKD24,889,706,000.

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

VII. INVESTMENTS IN OTHER ENTITIES *(continued)*

1. Investments in subsidiaries *(continued)*

(2) Major subsidiaries acquired by business combinations not involving enterprises under common control

Company name	Principal place of business	Place of registration	Principal activities	Registered capital	Percentage of ownership interest	
					Direct	Indirect
Ashele Copper	Altay City, Xinjiang Uyghur Autonomous Region	Altay City, Xinjiang Uyghur Autonomous Region	Exploration and development of geological resources; production, processing and sale of mineral products; technological services of geological mining; motor transportation, environmental protection, development of tourism and hotel investment	RMB250,000,000	-	51%
Norton	Australia	Australia	Production of gold; geological and mineral resources exploration and related information and technical services	AUD186,844,557	-	100%
Bayannur Zijin	Bayannur City, Inner Mongolia	Bayannur 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	RMB375,000,000	87.20%	-
Zijin Copper	Shanghang County, Longyan City, Fujian Province	Shanghang County, Longyan City, Fujian Province	Refining and sale of copper cathode, gold, silver, crude selenium; manufacture and sale of sulphuric acid for industrial use and copper sulphate	RMB2,221,402,200	-	100%
Luoyang Zijin Yinhui Gold Refinery Company Limited ("Luoyang Yinhui")	Luoyang City, Henan Province	Luoyang City, Henan Province	Refining of gold and silver; testing and examination; purchase of gold ore; gold transaction agency; sale of mineral products and mining pit design and research	RMB150,000,000	70%	-
Hunchun Zijin	Hunchun City, Jilin Province	Hunchun City, Jilin Province	Mining, milling, refining and processing of gold, copper and other non-ferrous metal and non-metallic mineral products; sale of mineral products; mineral resources exploration information and technical services	RMB150,000,000	-	100%
Longxing	Russia	Russia	Mining of zinc-lead ore; refining and processing; sale of mineral products	RUB700,000,000	-	70%
Zijin Zinc	Wuqia County, Kizilsu Kyrgyz Prefecture, Xinjiang	Wuqia County, Kizilsu Kyrgyz Prefecture, Xinjiang	Exploration and development of Wulugan Lead and Zinc Mine in Wuqia County	RMB500,000,000	-	100%
Serbia Zijin Copper	Serbia	Serbia	Mining, processing, refining of ferrous metals, non-ferrous metals, precious metals and other metals	RSD39,414,455,845	-	63%
Bisha	Eritrea	Eritrea	Mining, refining and processing of zinc and copper ore; sale of mineral products	USD64,296,314	-	55%
Serbia Zijin Mining	Serbia	Serbia	Mining, refining and processing of copper and gold ore; sale of mineral products	RSD4,929,947,027	-	100%
Continental Gold Limited Sucursal Colombia	Colombia	Colombia	Mining, milling and processing of gold and silver ore; sale of mineral products	11,238,405,220 Colombian Peso	-	69.28%
AGM Inc.	Guyana	Guyana	Mining, milling and processing of gold and silver ore; sale of mineral products	USD63,000,500	-	100%
Julong Copper	Lhasa City, Tibet Autonomous Region	Maizhokunggar County, Lhasa City, Tibet Autonomous Region	Sale of mineral products; mining equipment, smelting equipment, geological prospecting and construction; mining, milling, smelting, processing and product sales and services of non-ferrous metals, etc.	RMB5,019,800,000	-	50.1%

Note: The abovementioned PRC subsidiaries are companies with limited liability.

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*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*VII. INVESTMENTS IN OTHER ENTITIES *(continued)*1. Investments in subsidiaries *(continued)*

Details of the Group's subsidiaries that have material non-controlling interests are set out below:

2020

	Percentage of equity interest held by non-controlling shareholders	Profit/(Loss) for the year attributable to non-controlling shareholders	Dividend paid to non-controlling shareholders	Accumulated balances of non-controlling interests at the end of the reporting period
Serbia Zijin Copper	37.00%	197,346,609	–	1,693,333,248
Xiamen Zijin Tongguan Investment Development Company Limited (“Zijin Tongguan”)	49.00%	(20,641,756)	–	1,011,870,496
Ashele Copper	49.00%	388,575,118	(343,000,000)	972,601,343
Bisha	45.00%	169,985,153	(150,448,173)	916,174,438
Xinjiang Jinbao	44.00%	411,495,744	(352,000,000)	601,934,817
Guizhou Zijin Mining Co., Ltd. (“Guizhou Zijin”)	44.00%	63,499,057	(4,000,000)	395,068,623
Hei Longxing	30.00%	(57,243,855)	–	195,502,337
Luoyang Kunyu Mining Co., Ltd. (“Luoyang Kunyu”)	30.00%	48,972,929	(15,000,000)	288,603,482
Wenshan Malipo Zijin Tungsten Group Co., Ltd. (“Malipo Tungsten Group”)	23.08%	(6,887,156)	–	207,154,472
Yunnan Huaxi	47.00%	85,588	–	202,981,795
Bayannur Zijin	12.80%	31,564,905	(12,000,000)	177,546,816
Altynken	40.00%	236,452,671	–	481,423,534
Jinhao Iron	43.40%	(17,115,971)	–	(1,260,002,227)
Zijin America	30.72%	12,493,636	–	2,808,282,091
Julong Copper	49.90%	92,088,070	–	4,449,378,042
Zixin No.1	79.98%	46,905,309	–	3,046,905,309
Others		351,908,989	(92,921,645)	1,869,128,656
Total		1,949,485,040	(969,369,818)	18,057,887,272

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

VII. INVESTMENTS IN OTHER ENTITIES (continued)

1. Investments in subsidiaries (continued)

The major financial information of the subsidiaries in the table above is stated below. These amounts are before elimination among the enterprises of the Group:

	2020				2019							
	Current assets	Non-current assets	Total assets	Total liabilities	Current assets	Non-current assets	Total assets	Total liabilities				
Serbia Zijin Copper	2,693,021,840	5,824,561,459	8,517,583,299	(1,269,566,950)	(3,163,170,617)	(4,432,737,567)	2,153,454,054	3,903,133,839	6,056,587,893	(671,554,946)	(1,836,886,003)	(2,508,440,949)
Zijin Tongguan	271,084,409	1,701,971,472	1,973,055,881	(625,532,278)	(8,441,050)	(633,973,328)	301,006,087	2,934,689,042	3,235,695,129	(592,675,203)	(9,039,807)	(601,715,010)
Ashele Copper	415,270,361	2,500,283,338	2,915,553,699	(411,797,097)	(538,945,000)	(950,742,097)	360,703,266	2,580,762,737	2,941,466,003	(618,376,706)	(453,345,000)	(1,071,721,706)
Bisla	1,024,905,730	2,755,523,035	3,780,428,765	(361,442,657)	(264,451,153)	(625,893,810)	1,115,941,397	2,886,905,958	4,002,847,355	(381,589,798)	(266,485,178)	(648,074,976)
Xinjiang Jinbao	1,536,091,001	713,478,018	2,249,569,019	(625,983,892)	(274,777,810)	(900,761,702)	1,231,992,536	340,144,460	1,572,136,996	(352,406,473)	(6,140,806)	(358,547,279)
Guizhou Zijin	197,415,370	2,375,462,918	2,572,878,288	(370,896,757)	(1,294,495,950)	(1,665,392,707)	2,378,945,200	2,272,741,087	2,510,635,607	(985,246,507)	(780,000,000)	(1,765,246,507)
Heilongjiang (consolidated)	768,402,834	2,614,646,024	3,383,048,858	(1,672,315,387)	(1,072,908,783)	(2,745,224,170)	753,453,487	2,918,366,439	3,671,819,926	(1,526,329,061)	(1,165,857,022)	(2,692,186,083)
Luoyang Kunyu	141,982,696	933,758,631	1,075,741,327	(196,473,914)	(46,501,221)	(242,975,135)	65,682,060	878,909,870	944,591,930	(163,939,889)	(110,841,887)	(274,781,776)
Malipo Tungsten Group	126,138,946	1,323,968,823	1,450,107,769	(584,862,494)	(100,000,000)	(684,862,494)	120,071,990	1,405,613,431	1,525,685,421	(678,284,810)	-	(678,284,810)
Yunnan Huaiti	148,802,115	160,806,936	309,609,051	(15,594)	-	(15,594)	150,209,649	160,458,830	310,668,479	(1,257,124)	-	(1,257,124)
Bayannur Zijin	888,101,521	1,886,444,152	2,774,545,673	(1,296,322,888)	(131,231,355)	(1,427,554,243)	967,549,598	1,958,699,552	2,926,249,090	(1,523,837,241)	(230,639,313)	(1,754,476,554)
Altynten	206,154,201	1,722,679,244	1,928,833,445	(532,203,245)	(507,374,633)	(1,039,577,878)	214,461,376	1,983,575,009	2,198,036,385	(1,066,456,289)	(801,095,211)	(1,867,551,500)
Jinbao Iron	167,359,457	155,877,124	323,236,581	(1,229,621,528)	(1,057,459,772)	(2,287,081,300)	159,202,727	223,808,219	383,010,946	(1,156,498,715)	(1,055,019,809)	(2,211,518,524)
Continental Gold Limited	789,728,053	6,378,247,889	7,167,975,942	(343,257,225)	(4,111,614,392)	(4,454,871,617)	-	-	-	-	-	-
Sucursal Colombia (Note 1)	326,633,265	13,567,929,726	13,894,562,991	(4,474,913,709)	(6,732,694,246)	(11,207,607,955)	-	-	-	-	-	-
Zijin No. 1	59,647,324	3,750,000,000	3,809,647,324	-	-	-	-	-	-	-	-	-

Note 1: Continental Gold Limited Sucursal Colombia is the major subsidiary of Zijin America.

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

	2020				2019			
	Operating income	Net profit/(loss)	Total comprehensive income/(loss)	Cash flows from/(used in) operating activities	Operating income	Net profit/(loss)	Total comprehensive income/(loss)	Cash flows from/(used in) operating activities
Serbia Zijin Copper	4,773,724,456	604,244,518	(604,244,518)	133,488,186	3,678,281,042	229,350,679	(229,350,679)	(641,066,706)
Zijin Tongguan	-	(42,126,033)	(42,126,033)	(13,369,406)	-	(36,800,547)	(36,800,547)	(50,993,098)
Ashlee Copper	1,995,158,014	792,657,457	792,657,457	1,078,747,015	1,827,034,444	656,621,488	656,621,488	1,015,559,577
Bisha	2,423,146,349	352,508,972	352,508,972	869,638,396	2,294,463,818	210,362,527	210,362,527	721,154,479
Xinjiang Jinbao	1,898,122,306	935,217,600	935,217,600	992,960,845	1,858,045,172	884,987,257	884,987,257	1,003,333,139
Guizhou Zijin	2,301,442,104	166,096,481	166,096,481	401,011,493	1,938,479,363	55,012,496	55,012,496	138,270,400
Hei Longxing (consolidated)	784,673,705	(249,675,613)	(249,675,613)	303,003,962	1,046,761,478	33,972,129	33,972,129	284,672,224
Luoyang Kunyu	809,584,834	212,956,039	212,956,039	291,588,382	613,167,714	94,100,144	94,100,144	188,177,833
Malipo Tungsten Group	276,893,186	(27,148,487)	(27,148,487)	102,864,656	272,892,460	(268,576,139)	(268,576,139)	73,973,811
Yunnan Huaxi	670,950	182,101	182,101	1,040,322	373,725	1,585,644	1,585,644	(310,933)
Bayannur Zijin	3,750,437,576	253,322,456	253,322,456	430,430,619	4,265,629,324	229,598,022	229,598,022	571,306,060
Altynken	1,691,988,715	614,622,415	614,622,415	805,071,715	1,197,418,895	269,507,857	269,507,857	530,224,959
Jinzhao Iron	2,886,323	(110,407,455)	(110,407,455)	(8,924,219)	3,382,519	(112,312,615)	(112,312,615)	(3,384,543)
Continental Gold Limited Sucursal Colombia	522,137,577	19,257,951	19,257,951	109,900,629	-	-	-	-
Jiulong Copper	220,133,062	189,295,308	189,295,308	151,862,295	-	-	-	-
Zixin No. 1	-	58,647,324	58,647,324	(769,749)	-	-	-	-

The major financial information of the subsidiaries in the table above is stated below. These amounts are before elimination among the enterprises of the Group: (continued)

VII. INVESTMENTS IN OTHER ENTITIES (continued)

1. Investments in subsidiaries (continued)

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

VII. INVESTMENTS IN OTHER ENTITIES *(continued)*

2. Transaction resulting in changes in the proportion of owners' equity but without impact on the control of a subsidiary

On 14 April 2020, Xinjiang Jinbao, a subsidiary of the Group, received the 64.55% equity interest in Fuyun Jinshan held by Zijin Mining Group Northwest Co., Ltd. ("Northwest Co."), a subsidiary of the Group, and acquired the remaining 35.45% equity interest from the non-controlling shareholders of Fuyun Jinshan. The consideration for the acquisition was RMB106,355,000. After the completion of the acquisition, Xinjiang Jinbao holds 100% equity interest in Fuyun Jinshan. The transaction resulted in a decrease in non-controlling interests by RMB75,650,192 in the consolidated financial statements.

3. Investments in joint ventures and associates

Joint ventures	Principal place of business	Place of registration	Principal activities	Registered capital	Proportion of ownership interest		Accounting treatment
					Direct	Indirect	
Shandong Guoda (Note 1)	Zhaoyuan City, Shandong Province	Zhaoyuan City, Shandong Province	Production of gold, silver, copper cathode and sulphuric acid; sale of self-produced products	RMB173,430,000	-	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 consultation, etc.	RMB250,000,000	-	50%	Equity method
Gold Eagle Mining (Note 2)	Hong Kong	Hong Kong	Trading and investment	HKD3,498,500	-	45%	Equity method
Southwest Zijin Gold	Zhenfeng County, Guizhou Province	Zhenfeng County, Guizhou Province	Research and development of manufacturing technology, design and processing, wholesale, retail and technical consultation services of precious metals, jewellery and jade products	RMB100,000,000	-	50%	Equity method
Guizhou Funeng Zijin (Note 3)	Anshun City, Guizhou Province	Anshun City, Guizhou Province	Power and electricity investment	RMB200,000,000	-	50%	Equity method
Fujian Longhu Fishery (Note 4)	Longyan City, Fujian Province	Longyan City, Fujian Province	Ecological aquaculture, fishing, aquatic product processing, recreational fishing business, tourism, etc.	RMB21,500,000	-	51.16%	Equity method
Zijin Cuifu	Longyan City, Fujian Province	Longyan City, Fujian Province	Trade of precious metals, fine processing of gold, processing and sale of jewellery products, diamond and jade, recovery of metal materials	RMB20,000,000	-	51%	Equity method
Kamoa (Note 5)	DR Congo	Barbados	Mining of copper mineral	USD14,000	-	49.5%	Equity method
Porgera Service Company	Australia	Cairns, Australia	Provision of corporate advisory service	AUD1,000	-	50%	Equity method
Pometon (Note 6)	Serbia	Bor, Serbia	Production of copper powder, copper processing	RSD104,610,167	-	49%	Equity method

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

VII. INVESTMENTS IN OTHER ENTITIES (continued)

3. Investments in joint ventures and associates (continued)

Associates	Principal place of business	Place of registration	Principal activities	Registered capital RMB	Proportion of ownership interest		Accounting treatment
					Direct	Indirect	
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 the hydropower industry	60,000,000	-	48%	Equity method
Haixia Technology (Note 7)	Yongan City, Fujian Province	Yongan City, Fujian Province	Production of explosives for civilian use	411,489,086	-	15.65%	Equity method
Shanghang Xinyuan	Shanghang County, Fujian Province	Shanghang County, Fujian Province	Pipe water supply	310,000,000	-	36.97%	Equity method
Hunchun Jindi (Note 8)	Hunchun City, Yanbian Korean Autonomous Prefecture	Hunchun City, Yanbian Korean Autonomous Prefecture	Analysis and testing of geological exploration for mineral, technology development, consultation and transfer, sale of mineral products	100,000,000	-	51%	Equity method
Yanbian Credit Security	Yanbian Korean Autonomous Prefecture	Yanbian Korean Autonomous Prefecture	Provision of loan guarantees for SMEs and individuals	200,000,000	-	23.47%	Equity method
Kanas Travel	Burqin County, Xinjiang	Burqin County, Xinjiang	Catering and travel services	135,000,000	-	20%	Equity method
Makeng Mining	Longyan City, Fujian Province	Longyan City, Fujian Province	Iron and molybdenum mining	1,000,000,000	41.5%	-	Equity method
Songpan Zijin	Songpan County, Ngawa Tibetan and Qiang Autonomous Prefecture	Songpan County, Ngawa Tibetan and Qiang Autonomous Prefecture	Sale of industrial materials, equipment and instruments; development, manufacture and sale of general machinery	180,000,000	34%	-	Equity method
Wancheng Commercial	Urad Rear Banner, Bayannur City, Inner Mongolia	Urad Rear Banner, Bayannur City, Inner Mongolia	Mining, processing and sale of zinc, lead, sulphur, copper and iron	73,440,000	10%	37.5%	Equity method
Tibet Yulong	Changdu County, Changdu Prefecture, Tibet Autonomous Region	Changdu County, Changdu Prefecture, Tibet Autonomous Region	Mining of copper mineral and geological studies	2,800,000,000	22%	-	Equity method
Xinjiang Tianlong (Note 9)	Fukang City, Xinjiang	Fukang City, Xinjiang	Limestone mining, cement production, intensive processing and refining of non-ferrous metals	870,935,192	-	17.20%	Equity method
Xiamen Modern Terminals	Xiamen City, Fujian Province	Xiamen City, Fujian Province	Dock construction, operation of dock and other port facilities; cargo loading and storage operation (under permission in license)	355,580,000	-	25%	Equity method
Wengfu Zijin	Shanghang County, Fujian Province	Shanghang County, Fujian Province	Production of monoammonium phosphate, diammonium hydrogen phosphate, gypsum block, and cement additive	813,340,000	-	37.38%	Equity method
Longyan Zijin AVIC Properties Co., Ltd. ("Longyan Zijin AVIC")	Longyan City, Fujian Province	Longyan City, Fujian Province	Development, operation and management of real estate, property management, and car park service	320,408,163	-	49%	Equity method
Zisen Supply Chain	Xiamen City, Fujian Province	Xiamen City, Fujian Province	Supply chain management, management and consultation of investment; business information consultation; and investment consultation	10,000,000	-	49%	Equity method
Fujian Kingkop	Fuzhou City, Fujian Province	Fuzhou City, Fujian Province	Design, manufacture, sale and repair of automatic and intelligent equipment; technological development and service in respect of industrial automation and electrical engineering; development and design of computer hardware and software products, and provision of informational system integration service	30,000,000	10%	20%	Equity method
Science	Changsha City, Hunan Province	Changsha City, Hunan Province	Technological consultation, design, development and operation services; design, contracting and construction of environmental protection engineering projects; and research, development, manufacture, sale and related technical services for chemicals and environmental protection equipment used in sewage and wastewater treatment	71,120,000	-	28.29%	Equity method
Evergreen New Energy	Shanghang County, Fujian Province	Shanghang County, Fujian Province	Research of power battery recovery technology, power battery recovery, production and sales of precursors	200,000,000	30%	-	Equity method
Beijing Anchuang Shenzhou	Beijing City	Chaoyang District, Beijing City	Technology development, technology transfer, technological consultation, technology promotion, technical services; computer technology training, etc.	10,000,000	-	45%	Equity method
Caixi Cultural	Shanghang County, Fujian Province	Shanghang County, Fujian Province	Cultural and entertainment agency; investments in culture, sports and entertainment; other cultural and artistic industries	1,250,000	20%	-	Equity method
China Gezhouba Group Explosive Co., Ltd. Maizhokunggar Branch	Lhasa City, Tibet Autonomous Region	Maizhokunggar County, Lhasa City, Tibet Autonomous Region	Manufacturing and distribution services of explosives and pyrotechnic products	90,000,000	-	49%	Equity method
Sino-Zijin Resources	Beijing City	Chaoyang District, Beijing City	Engineering survey, software development and technical research services, etc.	518,596,200	42%	-	Equity method

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

VII. INVESTMENTS IN OTHER ENTITIES *(continued)*

3. Investments in joint ventures and associates *(continued)*

- Note 1: Pursuant to the articles of association of Shandong Guoda, the board of directors of Shandong Guoda consists of five directors, including two appointed by the Group and three appointed by Shandong Zhaojin Group Zhaoyuan Gold Smelting Company Limited. The operating decisions of Shandong Guoda are only effective when approved by two-thirds of the directors. Therefore, the management of the Group considers that the Group has joint control over Shandong Guoda, and accounts for it as a joint venture.
- Note 2: Pursuant to the shareholders' agreement related to Gold Eagle Mining, the board of directors of Gold Eagle Mining consists of five directors, including two appointed by the Group and three appointed by Jinchuan Group. The operating decisions of Gold Eagle Mining are only effective when approved by two-thirds of the directors. Therefore, the management of the Group considers that the Group has joint control over Gold Eagle Mining, and accounts for it as a joint venture.
- Note 3: In December 2014, Guizhou Zijin and Fujian Coal and Electric Company Limited ("Fujian Coal and Electric") jointly established Guizhou Funeng Zijin with respective shareholding ratios of 50% and 50%. Pursuant to the agreement between the two parties, the board of directors of Guizhou Funeng Zijin consists of five directors, including two appointed by the Group and three appointed by Fujian Coal and Electric. The operating decisions of Guizhou Funeng Zijin are only effective when approved by two-thirds of the directors. Therefore, the management of the Group considers that the Group has joint control over Guizhou Funeng Zijin, and accounts for it as a joint venture.
- Note 4: Pursuant to the articles of association of Fujian Longhu Fishery, the board of directors consists of three directors, including two appointed by the Group. The resolutions of the board of directors must be approved by more than two-thirds of the directors. Therefore, the management of the Group considers that the Group has joint control over Fujian Longhu Fishery, and accounts for it as a joint venture.
- Note 5: Gold Mountains (H.K.) and Ivanhoe Mines US LLC each holds 49.5% of equity interest in Kamo. The remaining proportion of 1% is held by Crystal River Global Limited. Pursuant to the articles of association of Kamo, the board of directors consists of five directors, including two appointed by the Group, two appointed by Ivanhoe Mines US LLC, and one appointed by Crystal River Global Limited. The operating decisions of Kamo are only effective when approved by more than 80.01% of its shareholders, therefore, the management of the Group considers that the Group has joint control over the company, and accounts for it as a joint venture.
- Note 6: Pometon is a joint venture of Serbia Zijin Copper, a subsidiary of the Group. Pursuant to the articles of association of Pometon, the company shall set up a board of directors, which consists of five directors, two of whom shall be appointed by Zijin Bor. The decisions of the company shall only be implemented with the unanimous consent of all the operating parties. Therefore, the management of the Group considers that the Group has joint control over the company, and accounts for it as a joint venture.
- Note 7: Pursuant to the articles of association of Haixia Technology, the board of directors of Haixia Technology consists of nine directors, including one appointed by the Group. The resolutions of the board of directors are only effectively when approved by over three-fourths of the directors. The chairman of the supervisory committee and the deputy general manager 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 8: Pursuant to the articles of association of Hunchun Jindi, the board of directors of Hunchun Jindi consists of five directors, including two appointed by the Group. The resolutions of the board of directors of Hunchun Jindi are only effective when approved by over two-thirds of the directors. Therefore, the management of the Group considers that the Group has significant influence over the financial and operating decisions of Hunchun Jindi, and accounts for it as an associate.
- Note 9: Pursuant to the articles of association of Xinjiang Tianlong, the board of directors consists of seven directors, including one appointed by the Group. The resolutions of the board of directors of Xinjiang Tianlong are effective only when approved by over two-thirds of the directors. Therefore, the management of the Group considers that the Group has significant influence over financial and operating decisions of Xinjiang Tianlong, and accounts for it as an associate.

Notes to Financial Statements *(continued)*

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*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*VII. INVESTMENTS IN OTHER ENTITIES *(continued)*3. Investments in joint ventures and associates *(continued)*

The significant joint ventures of the Group include Gold Eagle Mining and Kamo, 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:

2020

	Gold Eagle Mining	Kamo
Current assets	504,788,681	2,468,593,497
<i>Including: Cash and cash equivalents</i>	444,060,585	905,688,407
Non-current assets	3,881,541,642	16,239,765,874
Total assets	4,386,330,323	18,708,359,371
Current liabilities	1,420,734,168	1,001,231,418
Non-current liabilities	3,262,450	15,556,567,619
Total liabilities	1,423,996,618	16,557,799,037
Non-controlling interests	–	(460,331,870)
Equity attributable to owners of the parent	2,962,333,705	2,610,892,204
Share of net assets based on the proportion of equity interest	1,333,050,167	1,292,391,641
Adjustments		
Impairment provision	–	–
Book value of equity investments	1,333,050,167	1,292,391,641
Operating income	–	–
Financial expenses	81,057,518	515,229,008
<i>Including: Interest income</i>	–	(35,459,037)
<i>Including: Interest expenses</i>	81,032,557	550,688,045
Income tax expenses	–	(113,128,612)
Net loss	(83,453,594)	(426,501,859)
Other comprehensive income	38,999,704	–
Total comprehensive loss	(44,453,890)	(426,501,859)
Dividends received	–	–

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

VII. INVESTMENTS IN OTHER ENTITIES *(continued)*

3. 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)*

2019

	Gold Eagle Mining	Kamoa
Current assets	552,613,312	1,459,654,041
<i>Including: Cash and cash equivalents</i>	<i>491,049,114</i>	<i>516,013,243</i>
Non-current assets	3,999,084,342	12,360,059,040
Total assets	4,551,697,654	13,819,713,081
Current liabilities	1,458,912,242	541,746,275
Non-current liabilities	3,488,100	10,557,880,411
Total liabilities	1,462,400,342	11,099,626,686
Non-controlling interests	(114,801,217)	(449,339,592)
Equity attributable to owners of the parent	3,204,098,529	3,169,425,987
Share of net assets based on the proportion of equity interest	1,441,844,336	1,568,865,864
Adjustments		
Impairment provision	–	–
Book value of equity investments	1,441,844,336	1,568,865,864
Operating income	–	–
Financial expenses	57,088,317	442,450,965
<i>Including: Interest income</i>	–	<i>(38,065,299)</i>
<i>Including: Interest expenses</i>	<i>57,075,779</i>	<i>480,516,264</i>
Income tax expenses	–	(140,090,662)
Net loss	(64,838,988)	(345,699,005)
Other comprehensive income	–	–
Total comprehensive loss	(64,838,988)	(345,699,005)
Dividends received	–	–

Notes to Financial Statements *(continued)*

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*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)***VII. INVESTMENTS IN OTHER ENTITIES** *(continued)***3. Investments in joint ventures and associates** *(continued)*

The significant associates of the Group include Makeng Mining and Yulong Copper, 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:

2020

	Makeng Mining	Yulong Copper
Current assets	323,960,309	851,029,013
Non-current assets	4,487,340,711	11,663,169,908
Total assets	4,811,301,020	12,514,198,921
Current liabilities	1,908,687,204	2,362,999,964
Non-current liabilities	1,300,792,029	6,693,370,433
Total liabilities	3,209,479,233	9,056,370,397
Non-controlling interests	–	–
Equity attributable to owners of the parent	1,601,821,787	3,457,828,524
Share of net assets based on the proportion of equity interest	664,756,042	760,722,275
Adjustments		
Goodwill	331,615,363	–
Book value of equity investments	996,371,405	760,722,275
Operating income	1,603,122,682	1,171,085,314
Income tax expenses	98,546,857	38,522,414
Net profit	287,732,934	368,861,757
Other comprehensive income	–	–
Total comprehensive income	287,732,934	368,861,757
Dividends received	–	–

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

VII. INVESTMENTS IN OTHER ENTITIES *(continued)*

3. Investments in joint ventures and associates *(continued)*

The financial information of the above significant associates is set out below, which was adjusted to book value per consolidated financial statements in accordance with the Group's accounting policies *(continued)*:

2019

	Makeng Mining	Yulong Copper
Current assets	265,070,248	972,168,611
Non-current assets	4,663,588,858	8,087,634,694
Total assets	4,928,659,106	9,059,803,305
Current liabilities	1,946,484,273	2,153,933,471
Non-current liabilities	1,666,785,747	3,825,772,408
Total liabilities	3,613,270,020	5,979,705,879
Non-controlling interests	–	–
Equity attributable to owners of the parent	1,315,389,086	3,080,097,426
Share of net assets based on the proportion of equity interest	545,886,470	677,621,434
Adjustments		
Goodwill	331,615,363	–
Book value of equity investments	877,501,833	677,621,434
Operating income	1,158,622,584	1,111,133,182
Income tax expenses	42,727,327	8,556,024
Net profit	101,358,247	370,313,728
Other comprehensive income	–	–
Total comprehensive income	101,358,247	370,313,728
Dividends received	41,500,000	–

Notes to Financial Statements *(continued)*

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*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*VII. INVESTMENTS IN OTHER ENTITIES *(continued)*3. 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:

	2020	2019
Joint ventures		
Aggregate book value of the Group's investments in joint ventures	416,595,779	451,494,757
Items below were calculated by the proportion of equity interest		
Share of net profit of joint ventures	15,569,655	17,570,004
Share of other comprehensive income of joint ventures	–	–
Share of total comprehensive income of joint ventures	15,569,655	17,570,004
Associates		
Aggregate book value of the Group's investments in associates	2,300,523,646	1,907,087,869
Items below were calculated by the proportion of equity interest		
Share of net profit of associates	199,877,987	151,486,275
Share of other comprehensive income of associates	–	–
Share of total comprehensive income of associates	199,877,987	151,486,275

The Group will provide support for the capital expenditure of Kamo a based on the proportion to the equity interest held. The funding commitment in future amounted to USD342,385,604, equivalent to RMB2,234,031,828 (2019: USD355,078,522, equivalent to RMB2,477,098,785).

4. Significant joint operation

Company name	Principal place of business	Place of registration	Principal activities	Proportion of ownership interest	Proportion of voting rights	Strategic or not
BNL	Papua New Guinea	Port Moresby, Papua New Guinea	Mining, processing and sale of gold ores	50%	50%	Yes

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

Notes to Financial Statements *(continued)*

For the year ended 31 December 2020

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

VIII. FINANCIAL INSTRUMENTS AND RISKS

1. Financial instruments by category

The carrying amounts of each category of financial instruments as at the end of the reporting period are as follows:

2020

Financial assets

	Financial assets at fair value through profit or loss	Financial assets at amortised cost	Financial assets at fair value through other comprehensive income		Total
	Standards' requirement		Standards' requirement	Designated	
Cash and cash equivalents	-	11,955,339,296	-	-	11,955,339,296
Held for trading financial assets	1,930,142,166	-	-	-	1,930,142,166
Trade receivables	-	1,141,449,611	-	-	1,141,449,611
Receivables financing	-	-	1,584,054,139	-	1,584,054,139
Other receivables	-	1,127,544,480	-	-	1,127,544,480
Current portion of non-current assets	-	40,255,087	-	-	40,255,087
Other current assets	-	709,285,449	-	-	709,285,449
Debt investments	-	255,811,321	-	-	255,811,321
Other equity instrument investments	-	-	-	6,482,326,358	6,482,326,358
Other non-current financial assets	37,500,000	-	-	-	37,500,000
Other non-current assets	-	8,455,970,594	-	-	8,455,970,594
	1,967,642,166	23,685,655,838	1,584,054,139	6,482,326,358	33,719,678,501

Financial liabilities

	Financial liabilities at fair value through profit or loss	Financial liabilities at amortised cost	Total
	Standards' requirement		
Short-term borrowings	-	20,719,121,154	20,719,121,154
Held for trading financial liabilities	647,508,441	-	647,508,441
Bills payable	-	955,561,056	955,561,056
Trade payables	-	5,542,998,831	5,542,998,831
Other payables	-	7,239,365,985	7,239,365,985
Current portion of non-current liabilities	-	7,970,092,601	7,970,092,601
Other current liabilities	-	172,904,917	172,904,917
Long-term borrowings	-	29,082,887,198	29,082,887,198
Bonds payable	-	16,109,678,619	16,109,678,619
Long-term payables	-	1,946,237,992	1,946,237,992
Other non-current liabilities – contingent consideration	1,359,912,912	-	1,359,912,912
	2,007,421,353	89,738,848,353	91,746,269,706

Notes to Financial Statements *(continued)*

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*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*VIII. FINANCIAL INSTRUMENTS AND RISKS *(continued)*1. Financial instruments by category *(continued)*

The carrying amounts of each category of financial instruments as at the end of the reporting period are as follows:
(continued)

2019

Financial assets

	Financial assets at fair value through profit or loss	Financial assets at amortised cost	Financial assets at fair value through other comprehensive income		Total
	Standards' requirement		Standards' requirement	Designated	
Cash and cash equivalents	-	6,225,144,800	-	-	6,225,144,800
Held for trading financial assets	687,951,525	-	-	-	687,951,525
Trade receivables	-	944,115,730	-	-	944,115,730
Receivables financing	-	-	1,318,505,074	-	1,318,505,074
Other receivables	-	746,370,339	-	-	746,370,339
Current portion of non-current assets	-	956,692,852	-	-	956,692,852
Other current assets	-	485,010,486	-	-	485,010,486
Other equity instrument investments	-	-	-	4,410,441,677	4,410,441,677
Other non-current financial assets	951,779,422	-	-	-	951,779,422
Other non-current assets	-	5,266,987,210	-	-	5,266,987,210
	1,639,730,947	14,624,321,417	1,318,505,074	4,410,441,677	21,992,999,115

Financial liabilities

	Financial liabilities at fair value through profit or loss	Financial liabilities at amortised cost	Total
	Standards' requirement		
Short-term borrowings	-	14,440,917,886	14,440,917,886
Held for trading financial liabilities	326,139,054	-	326,139,054
Bills payable	-	420,860,145	420,860,145
Trade payables	-	4,382,104,169	4,382,104,169
Other payables	-	5,253,405,190	5,253,405,190
Current portion of non-current liabilities	-	5,768,840,060	5,768,840,060
Other current liabilities	-	500,000,000	500,000,000
Long-term borrowings	-	13,826,221,524	13,826,221,524
Bonds payable	-	11,966,468,687	11,966,468,687
Long-term payables	-	1,201,391,669	1,201,391,669
	326,139,054	57,760,209,330	58,086,348,384

Notes to Financial Statements *(continued)*

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

VIII. FINANCIAL INSTRUMENTS AND RISKS *(continued)*

2. Transfer of financial assets

Transferred financial assets that are not derecognised in their entirety

As at 31 December 2020, the Group endorsed commercial acceptance bills with a carrying amount of RMB13,000,000 (31 December 2019: RMB14,300,000) to its suppliers in order to settle the trade payables due to such suppliers. During the year 2020, the Group endorsed bank acceptance bills with a carrying amount of RMB260,976,849 (31 December 2019: RMB224,098,696) to certain of its suppliers in order to settle the trade payables due to such suppliers or operated a number of discounting businesses through several banks in China. In the opinion of the Group, the Group has retained substantially all the risks and rewards, which include default risks relating to such endorsed bills, and accordingly, it continued to recognise the full carrying amounts of the endorsed bills and the associated trade payables settled. Subsequent to the endorsement, the Group did not retain any rights on the use of the endorsed bills, including the sale, transfer or pledge of the endorsed bills to any other third parties.

Transferred financial assets that are derecognised in their entirety in which continuing involvement exists

As at 31 December 2020, the Group endorsed certain bank acceptance bills (the "Derecognised Bills") with a carrying amount of RMB530,150,820 (31 December 2019: RMB529,155,989) to certain of its suppliers in order to settle the trade payables due to such suppliers or which are without repurchase obligation at the maturity date to banks. As at 31 December 2020, the Derecognised Bills had a maturity of 1 to 12 months. In accordance with the Law of Negotiable Instruments, the holders of the Derecognised Bills have the right of recourse against the Group if the accepting banks default (the "Continuing Involvement"). In the opinion of the Group, the Group has transferred substantially all risks and rewards relating to the Derecognised Bills. Accordingly, it has derecognised the carrying amounts of such Derecognised Bills and the associated trade payables. The maximum exposure to loss from the Group's Continuing Involvement in the Derecognised Bills and the undiscounted cash flows to repurchase these Derecognised Bills is equal to their carrying amounts. In the opinion of the Group, the fair values of the Group's Continuing Involvement in the Derecognised Bills are not significant.

During the year ended 31 December 2020, the Group has not recognised any gains or losses at the date of transfer of the Derecognised Bills. No gains or losses were recognised from the Continuing Involvement in the derecognised financial assets, both during the year or cumulatively. The endorsement has been made evenly throughout the year.

3. Risk of financial instruments

The Group is exposed to the risks of various financial instruments in its daily activities, mainly including credit risk, liquidity risk and market risk (including currency risk, interest rate risk, equity instruments price risk and commodity price risk). The Group's principal financial instruments mainly include cash and cash equivalents, held for trading financial assets, loans, receivables financing and trade receivables, other receivables, bills payable, bonds payable and held for trading financial liabilities, trade payables, and other payables. The Group also enters into derivative transactions, mainly including futures and forward contracts. The purpose is to manage the market risks arising from the Group's operation. The Group will manage the market risk of the derivative financial instruments in accordance with the variance between actual metal prices in the active market and estimated target prices, etc. Risks associated with these financial instruments and policies of the risk management to lowering the risks of the Group are summarised below.

Notes to Financial Statements *(continued)*

For the year ended 31 December 2020

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

VIII. FINANCIAL INSTRUMENTS AND RISKS *(continued)*

3. Risk of financial instruments *(continued)*

The Group's principal risks of financial instruments are credit risk, liquidity risk and market risk. Policies of the risk management to lower the risks of the Group are summarised below.

Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, trade receivable balances are monitored on an ongoing basis to ensure that the Group's exposure to bad debts is not significant.

As the counterparties of cash and cash equivalents, bank acceptance bills receivable, debt investments and derivative financial instruments are banks with good reputation and high credit ratings, these financial instruments have low credit risk.

The Group's other financial assets, which comprise cash and cash equivalents, held for trading financial assets, loans, trade receivables and certain derivative instruments. The credit risk of such financial assets arises from default of the counterparties, with a maximum exposure equal to the carrying amounts of these instruments.

The maximum exposure to credit risk of the Group at each end of the reporting period is the total amount charged to the customers less the amount of the impairment provision.

The Group is also exposed to credit risk for providing financial guarantees. Detailed information is disclosed in Note XI.

Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral. Concentrations of credit risks are managed by customer/counterparty, by geographical region and by industry sector. There are no significant concentrations of credit risk within the Group as the customer bases of the Group's trade receivables are widely dispersed in different sectors and industries. The Group does not hold any collateral or other credit enhancements over its trade receivable balances.

Determination of significant increase in credit risk

At each end of the reporting period, the Group determines whether the credit risk of a financial asset has increased significantly since initial recognition. When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information. To assess change in default risk in the duration of financial instruments, the Group compares the risk of a default occurring on the asset as at the end of the reporting period with the risk of default as at the date of initial recognition, based on a single financial asset or classes of financial assets with similar credit risks characteristics.

The Group determines that the credit risk of financial assets has significantly increased when one or more of the following quantitative or qualitative criteria below are met:

- quantitative criteria are mainly probability of default increasing more than a given % since initial recognition;
- qualitative criteria are mainly significant detrimental changes in the borrower's operating or financial conditions and early warning customer lists, etc.

Notes to Financial Statements *(continued)*

For the year ended 31 December 2020

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

VIII. FINANCIAL INSTRUMENTS AND RISKS *(continued)*

3. Risk of financial instruments *(continued)*

Credit risk *(continued)*

Definition of credit-impaired financial assets

In assessing whether a financial asset is credit-impaired, the Group considers both quantitative and qualitative indicators and adopts the standard of determination in line with internal credit risk management goal of the relevant financial instruments. The Group assesses whether a financial asset is credit-impaired by considering the following factors:

- significant financial difficulty of the issuer or borrower;
- a breach of contract such as a default or delinquency in payments of interest and principals;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation;
- the disappearance of an active market for a security because of financial difficulties of the issuer or borrower;
- financial assets purchased or sourced at large discounts indicating credit losses have occurred.

The impairment of financial assets may not be necessarily due to a single discrete event. The combined effects of multiple events may result in financial assets being credit-impaired.

Parameters of the expected credit loss model

Based on whether there is a significant increase in credit risk and whether the financial assets are credit-impaired, the Group recognises impairment allowance for different assets using either 12-month expected credit losses or lifetime expected credit losses. The measurement of the expected credit loss model is a function of the probability of default, the loss given default and the exposure at default as key parameters. The Group establishes the model of the probability of default, the loss given default and the exposure at default by considering the quantitative analysis of historical statistics such as the counterparty rating, guarantee method, collateral category, repayment method, and also forward-looking information.

Definitions:

- The probability of default is the probability that the debtor will not be able to meet its repayment obligations within the following 12 months or throughout the remaining duration. To reflect the macro-economic expected credit loss environment conditions, the Group's assessment of the probability of default is based on the calculation of expected credit loss model adjusted by forward-looking information.
- The loss given default refers to the Group's expectation of the extent of the loss of default risk exposure. The loss given default varies depending on the type of counterparty, the way and priority of recourse, and the type of collateral. The loss given default is the percentage of the risk exposure loss at the time of default, calculated on the basis of the next 12 months or the entire duration.
- The exposure at default refers to the amount that the Group should be repaid in the event of default in the next 12 months or throughout the remaining period.

The assessment of a significant increase in credit risk and calculation of expected credit losses both involve forward-looking information. The Group recognises key economic ratios that influence credit risk and expected credit losses by historical data analysis.

As at 31 December 2020, there was no evidence of a significant increase in credit risk.

Notes to Financial Statements *(continued)*

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*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*VIII. FINANCIAL INSTRUMENTS AND RISKS *(continued)*3. Risk of financial instruments *(continued)***Liquidity risk**

The Group monitors its risk of shortage of funds using a recurring liquidity planning tool. This tool considers both the maturity of the financial instruments and projected cash flows from operations.

The Group's objective is to maintain a balance between continuity and flexibility of funding through the use of debentures, bank borrowings and other borrowings. As at 31 December 2020, approximately 47% of the Group's debts will mature in less than one year (31 December 2019: 49%).

The table below summarises the maturity profile of the Group's financial liabilities based on the contractual undiscounted cash flows:

2020

	Within 1 year	Over 1 year but within 5 years	Over 5 years	Total
Short-term borrowings	20,752,840,410	–	–	20,752,840,410
Held for trading financial liabilities	647,508,441	–	–	647,508,441
Bills payable	5,542,998,831	–	–	5,542,998,831
Trade payables	955,561,056	–	–	955,561,056
Other payables	7,239,365,985	–	–	7,239,365,985
Current portion of non-current liabilities	8,021,471,478	–	–	8,021,471,478
Long-term borrowings	991,552,380	28,158,334,300	3,127,473,075	32,277,359,755
Bonds payable	475,850,000	16,179,343,248	–	16,655,193,248
Lease liabilities	–	180,941,497	–	180,941,497
Long-term payables	15,305,198	808,759,830	1,262,193,550	2,086,258,578
	44,642,453,779	45,327,378,875	4,389,666,625	94,359,499,279

2019

	Within 1 year	Over 1 year but within 5 years	Over 5 years	Total
Short-term borrowings	14,537,023,666	–	–	14,537,023,666
Held for trading financial liabilities	326,139,054	–	–	326,139,054
Bills payable	420,860,145	–	–	420,860,145
Trade payables	4,382,104,169	–	–	4,382,104,169
Other payables	5,253,405,190	–	–	5,253,405,190
Current portion of non-current liabilities	6,021,623,033	–	–	6,021,623,033
Other current liabilities	509,765,741	–	–	509,765,741
Long-term borrowings	334,595,398	13,773,013,994	1,054,143,677	15,161,753,069
Bonds payable	1,097,433,684	12,871,944,936	–	13,969,378,620
Lease liabilities	–	331,815,308	–	331,815,308
Long-term payables	15,362,078	614,889,268	711,615,949	1,341,867,295
	32,898,312,158	27,591,663,506	1,765,759,626	62,255,735,290

Notes to Financial Statements *(continued)*

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

VIII. FINANCIAL INSTRUMENTS AND RISKS *(continued)*

3. Risk of financial instruments *(continued)*

Market risk

Interest rate risk

The Group's exposure to the risk of changes in market interest rates primarily relates to the Group's long-term debt obligations with floating interest rates.

The Group maintains an appropriate fixed rate and variable rate debts portfolio to manage the interest costs. As at 31 December 2020, approximately 48% (31 December 2019: 66%) of the interest-bearing borrowings were fixed rate debts.

The table below demonstrates the sensitivity analysis of the impact (of floating rate borrowings) on the net profit and other comprehensive income after tax when reasonable and possible fluctuations of interest rate occurred, under the assumption that other variables were held constant.

2020

	Increase/(decrease) in basis points	Increase/(decrease) in net profit	Increase/(decrease) in other comprehensive income after tax	Total increase/(decrease) in owners' equity
RMB	100/(100)	(48,194,643)/48,194,643	–	(48,194,643)/48,194,643
USD	100/(100)	(188,590,851)/188,590,851	–	(188,590,851)/188,590,851

2019

	Increase/(decrease) in basis points	Increase/(decrease) in net profit	Increase/(decrease) in other comprehensive income after tax	Total increase/(decrease) in owners' equity
RMB	100/(100)	(16,088,505)/16,088,505	–	(16,088,505)/16,088,505
USD	100/(100)	(107,750,004)/107,750,004	–	(107,750,004)/107,750,004

Currency risk

The operating results of the Group is subject to the change of value in the assets and liabilities held in foreign currencies by the Group, which is caused by the fluctuation of exchange rates. The Group carried out hedging businesses for the exchange rate risk exposure. The Board approved the annual transaction amount, the maximum position quantity, business type and business duration for the foreign currency derivative transaction business. The financial planning team is responsible for the overall management of the Group's foreign currency business and makes adjustment to the foreign currency hedging strategy according to the market. A specialised monetary financial planning team is set up under the financial planning team to carry out the specific transaction business.

Notes to Financial Statements *(continued)*

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*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*VIII. FINANCIAL INSTRUMENTS AND RISKS *(continued)*3. Risk of financial instruments *(continued)*Market risk *(continued)*Currency risk *(continued)*

The table below demonstrates the sensitivity analysis of the impact on the net profit and other comprehensive income after tax when there were reasonable and possible changes in the RMB exchange rates against United States dollar, Great British Pound, Hong Kong dollar, Canadian dollar, Russian ruble, Australian dollar and Euro, under the assumption that other variables were held constant.

2020

	Increase/ (decrease) in exchange rate	Increase/ (decrease) in net profit	Increase/ (decrease) in other comprehensive income after tax	Total increase/ (decrease) in owners' equity
If RMB weakens against USD	10%	(1,554,695,081)	-	(1,554,695,081)
If RMB strengthens against USD	(10%)	1,554,695,081	-	1,554,695,081
If RMB weakens against GBP	10%	941	-	941
If RMB strengthens against GBP	(10%)	(941)	-	(941)
If RMB weakens against HKD	10%	9,712,215	-	9,712,215
If RMB strengthens against HKD	(10%)	(9,712,215)	-	(9,712,215)
If RMB weakens against CAD	10%	31,979,418	592,075,043	642,054,461
If RMB strengthens against CAD	(10%)	(31,979,418)	(592,075,043)	(624,054,461)
If RMB weakens against RUB	10%	754,579	-	754,579
If RMB strengthens against RUB	(10%)	(754,579)	-	(754,579)
If RMB weakens against AUD	10%	37,259,836	-	37,259,836
If RMB strengthens against AUD	(10%)	(37,259,836)	-	(37,259,836)
If RMB weakens against EUR	10%	399,171	-	399,171
If RMB strengthens against EUR	(10%)	(399,171)	-	(399,171)

2019

	Increase/ (decrease) in exchange rate	Increase/ (decrease) in net profit	Increase/ (decrease) in other comprehensive income after tax	Total increase/ (decrease) in owners' equity
If RMB weakens against USD	10%	(990,028,802)	-	(990,028,802)
If RMB strengthens against USD	(10%)	990,028,802	-	990,028,802
If RMB weakens against GBP	10%	1,528,453	-	1,528,453
If RMB strengthens against GBP	(10%)	(1,528,453)	-	(1,528,453)
If RMB weakens against HKD	10%	3,617,750	-	3,617,750
If RMB strengthens against HKD	(10%)	(3,617,750)	-	(3,617,750)
If RMB weakens against CAD	10%	20,479,466	387,978,522	408,457,988
If RMB strengthens against CAD	(10%)	(20,479,466)	(387,978,522)	(408,457,988)
If RMB weakens against RUB	10%	742,609	-	742,609
If RMB strengthens against RUB	(10%)	(742,609)	-	(742,609)
If RMB weakens against AUD	10%	4,377,413	-	4,377,413
If RMB strengthens against AUD	(10%)	(4,377,413)	-	(4,377,413)
If RMB weakens against EUR	10%	(93,197,763)	-	(93,197,763)
If RMB strengthens against EUR	(10%)	93,197,763	-	93,197,763

Notes to Financial Statements (continued)

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

VIII. FINANCIAL INSTRUMENTS AND RISKS (continued)

3. Risk of financial instruments (continued)

Market risk (continued)

Equity instruments price risk

Equity instruments price risk is the risk that the fair values of equity securities change as a result of changes in the levels of equity indices and the value of individual securities. The Group is exposed to equity price risk arising from financial assets at fair value through profit or loss (Note V.2) and other equity instrument investments (Note V.12) as at 31 December 2020. The Group's listed equity instrument investments are listed on the Shanghai, Shenzhen, Hong Kong, Toronto, New York, London, Australian, Johannesburg stock exchanges and NASDAQ, and are valued at quoted market prices at the end of the reporting period.

The 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:

	End of 2020	Highest/lowest 2020	End of 2019	Highest/lowest 2019
Shanghai – SSE Composite Index	3,473	3,473/2,660	3,050	3,271/2,464
Shenzhen – A Share Index	2,438	2,442/1,683	1,802	1,865/1,303
Hong Kong – Hang Seng Index	27,147	29,056/21,696	28,190	30,157/25,064
Toronto TSX Venture Exchange	875	875/339	578	641/522
Toronto Stock Exchange	17,433	17,944/11,228	17,099	17,180/14,213
New York Stock Exchange	14,477	14,517/8,777	13,876	13,944/11,190
London Stock Exchange Index	6,461	7,675/4,994	6,734	7,687/6,693
Australian Securities Exchange Index	6,587	7,017/5,077	6,684	6,846/5,865
Johannesburg Stock Exchange	54,380	55,484/34,239	45,310	53,184/45,310
NASDAQ	12,888	12,888/6,994	6,361	8,778/6,147

The table below shows the sensitivity analysis of the impact on the net profit and other comprehensive income after tax if the fluctuation was 10% on the basis of the carrying amount as at 31 December 2020 towards the fair value of equity instruments, under the assumption that other variables were held constant and any tax impact was excluded.

2020

	Carrying amount of equity investments	Increase/(decrease) in net profit	Increase/(decrease) in other comprehensive income after tax	Total increase/(decrease) in owners' equity
Held for trading financial assets				
Hong Kong Stock Exchange	71,432,864	5,357,465/(5,357,465)	–	5,357,465/(5,357,465)
Toronto Stock Exchange	213,423,602	16,006,770/(16,006,770)	–	16,006,770/(16,006,770)
Toronto TSX Venture Exchange	23,090,756	1,731,807/(1,731,807)	–	1,731,807/(1,731,807)
New York Stock Exchange	151,718,128	11,378,860/(11,378,860)	–	11,378,860/(11,378,860)
NASDAQ	1,881,912	141,143/(141,143)	–	141,143/(141,143)
Australian Securities Exchange	42,347,820	3,176,087/(3,176,087)	–	3,176,087/(3,176,087)
Johannesburg Stock Exchange	1,827,955	137,097/(137,097)	–	137,097/(137,097)
American stock exchange	20,041,919	1,503,144/(1,503,144)	–	1,503,144/(1,503,144)
Other equity instrument investments				
Toronto TSX Exchange	263,123	–	19,734/(19,734)	19,734/(19,734)
Toronto Stock Exchange	5,919,160,213	–	443,937,016/(443,937,016)	443,937,016/(443,937,016)
Johannesburg Stock Exchange	1,005,804	–	75,435/(75,435)	75,435/(75,435)

Notes to Financial Statements *(continued)*

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*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*VIII. FINANCIAL INSTRUMENTS AND RISKS *(continued)*3. Risk of financial instruments *(continued)*Market risk *(continued)*Equity instruments price risk *(continued)*

2019

	Carrying amount of equity investments	Increase/(decrease) in net profit	Increase/(decrease) in other comprehensive income after tax	Total increase/(decrease) in owners' equity
Held for trading financial assets				
Hong Kong Stock Exchange	11,463,369	859,753/(859,753)	–	859,753/(859,753)
Toronto Stock Exchange	50,361,252	3,777,094/(3,777,094)	–	3,777,094/(3,777,094)
Toronto TSX Venture Exchange	116,609,899	8,745,742/(8,745,742)	–	8,745,742/(8,745,742)
New York Stock Exchange	170,972,744	12,822,956/(12,822,956)	–	12,822,956/(12,822,956)
London Stock Exchange	5,328,713	399,653/(399,653)	–	399,653/(399,653)
Australian Securities Exchange	35,961,844	2,697,138/(2,697,138)	–	2,697,138/(2,697,138)
Johannesburg Stock Exchange	2,735,155	205,137/(205,137)	–	205,137/(205,137)
NASDAQ	1,295,984	97,199/(97,199)	–	97,199/(97,199)
Other equity instrument investments				
Toronto TSX Exchange	3,879,486,712	–	290,961,503/(290,961,503)	290,961,503/(290,961,503)
Johannesburg Stock Exchange	3,209,033	–	240,678/(240,677)	240,678/(240,677)

Commodity price risk

The Group's exposure to commodity price risk principally relates to the future market price fluctuation in major metals, such as gold, copper, zinc and silver. The price fluctuation could probably affect the Group's operating results.

The Group has carried out hedging businesses on the future sales of gold, copper, zinc and silver. The board of directors has approved the maximum position quantity of hedging derivative transactions of gold, copper, zinc and silver, and the hedging decision-making team and hedging business team are responsible for the organisation and implementation, and constantly pay attention to the price fluctuation of commodity futures contracts.

4. Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, repurchase shares or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2020 and 31 December 2019.

The Group monitors capital using the debt-to-asset ratio, which is total liabilities divided by total assets. The Group's debt-to-asset ratio at the end of the reporting period was as follows:

	2020	2019
Total assets	182,313,250,403	123,830,947,219
Total liabilities	107,716,808,927	66,751,349,155
Debt-to-asset ratio	59%	54%

Notes to Financial Statements *(continued)*

For the year ended 31 December 2020

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

IX. DISCLOSURE OF FAIR VALUE

1. Assets and liabilities measured at fair value

2020

	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				
Held for trading financial assets				
Held for trading debt investments	4,381,741	–	–	4,381,741
Held for trading equity investments	521,815,633	–	–	521,815,633
Derivative financial assets	331,953,027	14,595,153	–	346,548,180
Funds of co-operative factoring business operation project	–	749,755,657	–	749,755,657
Others	307,640,955	–	–	307,640,955
Receivables financing				
Bills receivable	–	1,584,054,139	–	1,584,054,139
Debt investments				
Large-denomination certificates of deposit with a term of over one year	–	255,811,321	–	255,811,321
Other equity instrument investments				
Listed available-for-sale equity instruments	5,944,331,845	–	537,994,513	6,482,326,358
Other non-current financial assets				
Trust guarantee fund	37,500,000	–	–	37,500,000
Total assets measured at fair value	7,147,623,201	2,604,216,270	537,994,513	10,289,833,984
Held for trading financial liabilities				
Gold leasing	196,350,000	–	–	196,350,000
Derivative financial liabilities – commodity hedging	390,926,507	60,179,706	–	451,106,213
Derivative financial liabilities – foreign exchange derivative instruments	–	52,228	–	52,228
Total liabilities measured at fair value	587,276,507	60,231,934	–	647,508,441

Notes to Financial Statements *(continued)*

For the year ended 31 December 2020

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*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*IX. DISCLOSURE OF FAIR VALUE *(continued)*1. Assets and liabilities measured at fair value *(continued)*

2019

	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				
Held for trading financial assets				
Held for trading debt investments	1,764,856	–	–	1,764,856
Held for trading equity investments	394,728,960	–	–	394,728,960
Derivative financial assets	37,982,042	21,073,375	–	59,055,417
Others	232,402,292	–	–	232,402,292
Receivables financing				
Bills receivable	–	1,318,505,074	–	1,318,505,074
Other equity instrument investments				
Listed available-for-sale equity instruments	3,902,998,905	–	507,442,772	4,410,441,677
Other non-current financial assets				
Funds of co-operative factoring business operation project	–	602,061,526	–	602,061,526
Convertible Bond in Continental Gold	–	349,717,896	–	349,717,896
Total assets measured at fair value	4,569,877,055	2,291,357,871	507,442,772	7,368,677,698
Held for trading financial liabilities				
Gold leasing	32,262,397	–	–	32,262,397
Derivative financial liabilities – commodity hedging	210,899,201	54,482,869	–	265,382,070
Derivative financial liabilities – foreign exchange derivative instruments	–	28,494,587	–	28,494,587
Total liabilities measured at fair value	243,161,598	82,977,456	–	326,139,054

In the years 2020 and 2019, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out from Level 3.

Notes to Financial Statements *(continued)*

For the year ended 31 December 2020

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

IX. DISCLOSURE OF FAIR VALUE *(continued)*

2. Assets and liabilities disclosed at fair value

2020

	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	–	–	8,455,970,594	8,455,970,594
Borrowings	–	49,802,008,352	–	49,802,008,352
Bonds payable	–	16,109,678,619	–	16,109,678,619
Long-term payables	–	–	1,946,237,992	1,946,237,992
Current portion of non-current assets	–	–	40,255,087	40,255,087
Current portion of non-current liabilities	–	7,779,340,528	190,752,073	7,970,092,601

2019

	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	–	–	5,266,987,210	5,266,987,210
Borrowings	–	28,267,139,410	–	28,267,139,410
Bonds payable	–	11,966,468,687	–	11,966,468,687
Long-term payables	–	–	1,201,391,669	1,201,391,669
Current portion of non-current assets	–	–	956,692,852	956,692,852
Current portion of non-current liabilities	–	5,591,385,127	177,454,933	5,768,840,060

3. Estimation of fair value

The net book values of the Group's financial instruments approximate to their fair values.

The management has assessed that the fair values of cash and cash equivalents, trade receivables, other receivables, the current portion of non-current assets, other current assets, bills payable, trade payables, dividends payable, other payables, the current portion of non-current liabilities and other current liabilities approximate to their carrying amounts largely due to the short remaining maturities of these instruments.

The fair values of financial assets and liabilities are the amounts at which the instruments could be exchanged or debts could be settled in an arm's length transaction between knowledgeable and willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values.

The fair values of other non-current assets, short-term and long-term borrowings, long-term payables and bonds payable have been calculated by discounting the expected future cash flows using market rates of return currently available for other financial instruments with similar terms, credit risk and remaining maturities or incremental borrowing rate. As at 31 December 2020, the Group's own non-performance risk for short-term and long-term borrowings was assessed to be insignificant. The fair values of listed equity investments are measured at quoted market prices.

The Group has entered into derivative financial instrument contracts with various counterparties (mainly financial institutions with high credit ratings). Derivative financial instruments include forward contracts of precious metals and foreign currency forward contracts. The models incorporate various market observable inputs including the credit quality of counterparties, spot and forward foreign exchange rates and interest rates curves. The carrying values of forward contracts of precious metals and foreign currency forward contracts are approximate to their fair values.

Notes to Financial Statements *(continued)*

For the year ended 31 December 2020

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*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)***IX. DISCLOSURE OF FAIR VALUE** *(continued)***4. Unobservable inputs**

The overview of the significant unobservable inputs used by Level 3 fair value measurement is as follows:

2020

	Year-end fair value	Valuation technique	Unobservable inputs	Range interval
Other equity instrument investments	537,994,513	Market approach	Price-to-book ratio	0.6-3.6
			Liquidity discount	25%-30%
			Enterprise value/operating income	3.3-4.2
			Price-earnings ratio	26.2
			Price-sales ratio	0.4-2.5

2019

	Year-end fair value	Valuation technique	Unobservable inputs	Range interval
Other equity instrument investments	507,442,772	Market approach	Price-to-book ratio	0.6-3.6
			Liquidity discount	25%-35%
			Enterprise value/operating income	2.6-3.3
			Price-earnings ratio	21.2

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS**1. The largest shareholder of the Company**

Company name	Place of registration	Nature of business	Registered capital	Proportion of the Company's ownership	Proportion of the Company's voting power	Ultimate controlling entity
Minxi Xinghang	Sixth Floor, Tingjiang Building, Beihuan 2nd Road, Linjiang Town, Shanghang County, Longyan City, Fujian Province	Investment in Fujian	RMB368 million	23.97%	23.97%	Minxi Xinghang

2. Subsidiaries of the Company

Information about the subsidiaries of the Company is disclosed in Note VII.1.

3. Joint ventures and associates

Information about the joint ventures and associates of the Company is disclosed in Note VII.3.

Notes to Financial Statements *(continued)*

For the year ended 31 December 2020

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS *(continued)*

4. Joint operation

Information about the joint operation of the Company is disclosed in Note VII.4.

5. Other related parties of the Company

Name of related parties	Relationship between the related parties and the Company
Shanghang County Jinshan Trading	A non-controlling shareholder of the Company
Fujian Shanghang Qilin Mining Construction Co., Ltd. ("Qilin Mining")	A non-controlling shareholder of Zijin Construction
La Générale des Carrières et des Mines (Gécamines)	A non-controlling shareholder of COMMUS
Tech-Resources (Hong Kong) Trading Limited ("Tech-Resources (Hong Kong)")	The parent company of Canoca Investment Limited, a non-controlling shareholder of CARRILU
Libo Heavy Industries Science & Technology Co., Ltd. ("Libo Heavy Industries")	The parent company of Tech-Resources (Hong Kong), a non-controlling shareholder of CARRILU
Tongling Nonferrous Metals	A non-controlling shareholder of Zijin Tongguan
Tongling Nonferrous Metals Group Shanghai Investment and Trade Co., Ltd. (Tongling Nonferrous Metals Shanghai Investment)	A wholly-owned subsidiary of Tongling Nonferrous Metals, a non-controlling shareholder of Zijin Tongguan
Kamoa Copper	A wholly-owned subsidiary of Kamoa, a joint venture of Gold Mountains (H.K.)
C&D Inc.	A non-controlling shareholder of Zijin Tongguan
Xiamen Minxing Investment Company Limited ("Xiamen Minxing")	A non-controlling shareholder of Yunnan Zixing Mining Investment Co., Ltd.
Mr. Zhu	A non-controlling shareholder of Huanmin Mining
Guizhou Geological and Mineral Resources Development Co., Ltd. ("Guizhou Geological and Mineral Resources")	A non-controlling shareholder of Guizhou Zijin
Guizhou Province Geological and Mineral Resources Exploration and Development Bureau Team 105	A non-controlling shareholder of Guizhou Zijin
CLAI Gilding (BVI) Investment Limited	A non-controlling shareholder of Zijin America
ZLCFL-Cayman International Investment Cooperation Limited	A non-controlling shareholder of Zijin America
Kyrgyzaltyn OJSC	A non-controlling shareholder of Altynken
Tibet Zangge Venture Capital Group Co., Ltd.	An actual controller of a non-controlling shareholder of Julong Copper
Sichuan Yonghong Industrial Co., Ltd.	An actual controller of a non-controlling shareholder of Julong Copper
Qinghai Zhonghao Natural Gas Chemical Engineering Co., Ltd.	An actual controller of a non-controlling shareholder of Julong Copper

Notes to Financial Statements *(continued)*

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS *(continued)*

6. Related party transactions

(A) Sales and purchases of products, and rendering and receipt of services to and from related parties

Purchases of products and receipt of services from related parties

	Nature of transaction	Pricing method and decision-making procedures of the related party transaction	2020	2019
Zisen Supply Chain	Purchase of raw materials	Market price	704,536,878	923,045,027
Southwest Zijin Gold	Purchase of low-purity gold	Market price	522,242,969	259,397,056
Libo Heavy Industries	Construction equipment	Market price	291,468,229	–
Guizhou Geological and Mineral Resources	Purchase of low-purity gold	Market price	275,674,684	143,861,412
Wancheng Commercial	Purchase of zinc concentrates	Market price	238,509,653	184,919,227
Makeng Mining	Purchase of iron ore	Market price	62,378,453	297,005,778
China Gezhoubu Group Explosive Co., Ltd. Maizhokunggar Branch	Construction services	Market price	34,947,516	–
Qilin Mining	Transportation and construction services	Market price	29,420,335	22,174,285
Shanghang County Jinshan Trading	Purchase of raw materials	Market price	18,024,483	21,699,505
			2,177,203,200	1,852,102,290

Sales of products and rendering of services to related parties

	Nature of transaction	Pricing method and decision-making procedures of the related party transaction	2020	2019
Tongling Nonferrous Metals Shanghai Investment	Sale of copper cathodes	Market price	2,136,620,495	–
Kyrgyzaltyn OJSC	Sale of gold bullion	Market price	1,648,195,903	1,157,330,268
Wuxin Copper*	Sale of copper concentrates	Market price	912,770,336	879,194,502
Zisen Supply Chain	Sale of zinc concentrates and copper cathodes	Market price	233,821,021	75,589,112
Evergreen New Energy	Sale of cobalt hydroxide	Market price	237,596,937	595,065
Kamoa Copper	Sale of materials	Market price	182,460,712	23,489,622
Xinjiang Tianlong	Sale of calcined coke and petroleum coke	Market price	51,445,976	5,785,689
Wengfu Zijin	Sale of sulphuric acid	Market price	9,877,469	85,935,269
Southwest Zijin Gold	Sale of gold material	Market price	6,008,593	214,857
			5,418,797,442	2,228,134,384

* Continuing connected transaction disclosed under the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

Notes to Financial Statements *(continued)*

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS *(continued)*

6. Related party transactions *(continued)*

(B) Related party guarantees

- (1) Provision of guarantees by related parties for bank loans of the Group

In 2020 and 2019, there were no related party guarantees provided for bank loans of the Group.

- (2) The Group's provision of guarantees for bank loans of related parties

2020

Guarantor	Guaranteed party	Amount of guarantee	Inception date of guarantee	Expiry date of guarantee	Whether performance of guarantee has been completed
The Company	Wengfu Zijin (Note XI.2 (Note 3))	91,581,000	18 February 2020	30 November 2021	No
The Company	Yulong Copper (Note XI.2 (Note 1))	1,320,000,000	9 September 2019	8 September 2034	No
The Company	Evergreen New Energy (Note XI.2 (Note 4))	39,200,000	1 January 2020	20 November 2025	No
Julong Copper	Tibet Zangge Venture Capital Group Co., Ltd. (Note V.37)	1,594,500,741	26 July 2017	N/A	No
Julong Copper	Sichuan Yonghong Industrial Company Ltd. (Note V.37)	1,766,611,295	26 July 2017	N/A	No
Julong Copper	Qinghai Zhonghao Natural Gas Chemical Engineering Co., Ltd. (Note V.37)	227,324,802	22 June 2017	N/A	No

2019

Guarantor	Guaranteed party	Amount of guarantee	Inception date of guarantee	Expiry date of guarantee	Whether performance of guarantee has been completed
The Company	Wengfu Zijin (Note XI.2 (Note 3))	139,780,000	28 April 2011	27 April 2019	Yes
The Company	Wengfu Zijin (Note XI.2 (Note 3))	201,478,200	27 March 2019	31 December 2020	No
The Company	Yulong Copper (Note XI.2 (Note 1))	682,488,400	9 September 2019	8 September 2034	No

Notes to Financial Statements *(continued)*

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*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)***X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS** *(continued)*6. Related party transactions *(continued)***(C) Borrowings from/Loans to related parties**

Borrowings from related parties

2020

Lender	Note	Amount of borrowings	Inception date	Due date	Annual interest rate	Nature
Minxi Xinghang	Note 1	14,860,000	11 December 2015	9 December 2027	1.20%	Loan
CLAI Gilding (BVI) Investment Limited	Note 2	113,533,226	22 April 2020	22 April 2022	10%	Loan
ZLCFL-Cayman International Investment Cooperation Limited	Note 3	130,497,960	22 December 2020	22 December 2025	10%	Loan
ZLCFL-Cayman International Investment Cooperation Limited	Note 3	195,746,941	22 December 2020	22 December 2022	5.50%	Loan
Xiamen Zijin Zhonghang	Note 4	125,000,000	28 October 2020	11 January 2021	Interest-free	Loan
		579,638,127				

2019

Lender	Note	Amount of borrowings	Inception date	Due date	Annual interest rate
Minxi Xinghang	Note 1	22,200,000	11 December 2015	9 December 2027	1.20%

Notes to Financial Statements *(continued)*

For the year ended 31 December 2020

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS *(continued)*

6. Related party transactions *(continued)*

(C) Borrowings from/Loans to related parties *(continued)*

Loans to related parties

2020

Borrowers	Notes	Amount of loans	Inception date	Due date	Annual interest rate
Gold Eagle Mining	Note 5	233,729,731	30 June 2015	30 June 2023	LIBOR+2.60%
Gold Eagle Mining	Note 5	397,972,246	15 May 2017	31 August 2023	LIBOR+2.60%
Longyan Zijin AVIC	Note 6	438,131,323	18 March 2016	16 March 2023	6.50%
Kamoa	Note 7	1,182,031,181	8 December 2015	-	LIBOR+7%
Kamoa	Note 7	32,624,490	2 January 2016	-	LIBOR+7%
Kamoa	Note 7	50,405,333	15 March 2016	-	LIBOR+7%
Kamoa	Note 7	133,714,735	15 August 2016	-	LIBOR+7%
Kamoa	Note 7	122,881,539	14 October 2016	-	LIBOR+7%
Kamoa	Note 7	74,037,809	21 December 2016	-	LIBOR+7%
Kamoa	Note 7	22,916,120	24 January 2017	-	LIBOR+7%
Kamoa	Note 7	22,916,120	22 February 2017	-	LIBOR+7%
Kamoa	Note 7	29,728,453	24 March 2017	-	LIBOR+7%
Kamoa	Note 7	12,593,073	31 March 2017	-	LIBOR+7%
Kamoa	Note 7	27,049,904	24 April 2017	-	LIBOR+7%
Kamoa	Note 7	73,600,589	24 May 2017	-	LIBOR+7%
Kamoa	Note 7	32,021,772	31 July 2017	-	LIBOR+7%
Kamoa	Note 7	86,141,769	31 August 2017	-	LIBOR+7%
Kamoa	Note 7	48,708,057	31 August 2017	-	LIBOR+7%
Kamoa	Note 7	54,673,295	30 September 2017	-	LIBOR+7%
Kamoa	Note 7	47,374,949	31 October 2017	-	LIBOR+7%
Kamoa	Note 7	53,488,687	30 November 2017	-	LIBOR+7%
Kamoa	Note 7	9,007,550	25 January 2018	-	LIBOR+7%
Kamoa	Note 7	31,680,031	23 February 2018	-	LIBOR+7%
Kamoa	Note 7	35,828,006	6 April 2018	-	LIBOR+7%
Kamoa	Note 7	17,326,338	23 April 2018	-	LIBOR+7%
Kamoa	Note 7	45,534,999	24 May 2018	-	LIBOR+7%
Kamoa	Note 7	23,362,991	6 August 2018	-	LIBOR+7%
Kamoa	Note 7	54,495,009	23 August 2018	-	LIBOR+7%
Kamoa	Note 7	30,317,469	25 September 2018	-	LIBOR+7%
Kamoa	Note 7	129,905,885	25 October 2018	-	LIBOR+7%
Kamoa	Note 7	77,863,925	23 November 2018	-	LIBOR+7%
Kamoa	Note 7	92,626,180	21 February 2019	-	LIBOR+7%
Kamoa	Note 7	44,464,929	11 April 2019	-	LIBOR+7%
Kamoa	Note 7	110,036,657	26 April 2019	-	LIBOR+7%
Kamoa	Note 7	106,272,489	23 May 2019	-	LIBOR+7%
Kamoa	Note 7	138,438,938	26 July 2019	-	LIBOR+7%
Kamoa	Note 7	115,390,597	6 August 2019	-	LIBOR+7%
Kamoa	Note 7	132,500,909	22 August 2019	-	LIBOR+7%
Kamoa	Note 7	49,130,362	25 September 2019	-	LIBOR+7%
Kamoa	Note 7	70,153,420	25 October 2019	-	LIBOR+7%
Kamoa	Note 7	214,305,924	22 November 2019	-	LIBOR+7%
Kamoa	Note 7	246,480,764	30 December 2019	-	LIBOR+7%
Kamoa	Note 7	221,474,744	23 January 2020	-	LIBOR+7%
Kamoa	Note 7	24,997,491	28 February 2020	-	LIBOR+7%
Kamoa	Note 7	163,667,365	25 March 2020	-	LIBOR+7%
Kamoa	Note 7	89,850,293	24 April 2020	-	LIBOR+7%
Kamoa	Note 7	205,858,843	22 May 2020	-	LIBOR+7%
Kamoa	Note 7	227,342,559	23 June 2020	-	LIBOR+7%
Kamoa	Note 7	261,148,637	23 July 2020	-	LIBOR+7%
Kamoa	Note 7	167,491,209	24 August 2020	-	LIBOR+7%
Kamoa	Note 7	187,118,351	25 September 2020	-	LIBOR+7%
Kamoa	Note 7	148,504,630	23 October 2020	-	LIBOR+7%
Kamoa	Note 7	326,244,902	20 November 2020	-	LIBOR+7%
Kamoa	Note 7	151,160,845	28 December 2020	-	LIBOR+7%
Kamoa	Note 7	1,371,441,470	-	-	-
Makeng Mining	Note 8	50,062,028	14 September 2020	8 October 2021	4.52%
Wengfu Zijin	Note 9	19,018,608	1 September 2020	31 August 2021	4.79%
		8,567,246,522			

Notes to Financial Statements *(continued)*

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*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)***X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS** *(continued)***6. Related party transactions** *(continued)***(C) Borrowings from/Loans to related parties** *(continued)*Loans to related parties *(continued)*

2019

Borrowers	Notes	Amount of loans	Inception date	Due date	Annual interest rate
Gold Eagle Mining	Note 5	240,921,183	30 June 2015	30 June 2020	LIBOR+2.60%
Gold Eagle Mining	Note 5	410,217,148	15 May 2017	31 August 2020	LIBOR+2.60%
Longyan Zijin AVIC	Note 6	440,754,485	18 March 2016	16 March 2020	6.50%
Kamoa	Note 7	1,263,787,707	8 December 2015	–	LIBOR+7%
Kamoa	Note 7	34,881,000	2 January 2016	–	LIBOR+7%
Kamoa	Note 7	53,891,675	15 March 2016	–	LIBOR+7%
Kamoa	Note 7	142,963,267	15 August 2016	–	LIBOR+7%
Kamoa	Note 7	131,380,779	14 October 2016	–	LIBOR+7%
Kamoa	Note 7	79,158,718	21 December 2016	–	LIBOR+7%
Kamoa	Note 7	24,501,140	24 January 2017	–	LIBOR+7%
Kamoa	Note 7	24,501,140	22 February 2017	–	LIBOR+7%
Kamoa	Note 7	31,784,655	24 March 2017	–	LIBOR+7%
Kamoa	Note 7	13,464,087	31 March 2017	–	LIBOR+7%
Kamoa	Note 7	28,920,842	24 April 2017	–	LIBOR+7%
Kamoa	Note 7	78,691,257	24 May 2017	–	LIBOR+7%
Kamoa	Note 7	34,236,594	31 July 2017	–	LIBOR+7%
Kamoa	Note 7	92,099,862	31 August 2017	–	LIBOR+7%
Kamoa	Note 7	52,077,005	31 August 2017	–	LIBOR+7%
Kamoa	Note 7	58,454,836	30 September 2017	–	LIBOR+7%
Kamoa	Note 7	50,651,691	31 October 2017	–	LIBOR+7%
Kamoa	Note 7	57,188,292	30 November 2017	–	LIBOR+7%
Kamoa	Note 7	9,630,567	25 January 2018	–	LIBOR+7%
Kamoa	Note 7	33,871,216	23 February 2018	–	LIBOR+7%
Kamoa	Note 7	38,306,091	6 April 2018	–	LIBOR+7%
Kamoa	Note 7	18,524,734	23 April 2018	–	LIBOR+7%
Kamoa	Note 7	48,684,479	24 May 2018	–	LIBOR+7%
Kamoa	Note 7	24,978,919	6 August 2018	–	LIBOR+7%
Kamoa	Note 7	58,264,218	23 August 2018	–	LIBOR+7%
Kamoa	Note 7	32,414,411	25 September 2018	–	LIBOR+7%
Kamoa	Note 7	138,890,973	25 October 2018	–	LIBOR+7%
Kamoa	Note 7	83,249,471	23 November 2018	–	LIBOR+7%
Kamoa	Note 7	99,032,775	21 February 2019	–	LIBOR+7%
Kamoa	Note 7	47,540,396	11 April 2019	–	LIBOR+7%
Kamoa	Note 7	117,647,467	26 April 2019	–	LIBOR+7%
Kamoa	Note 7	113,622,946	23 May 2019	–	LIBOR+7%
Kamoa	Note 7	148,014,224	26 July 2019	–	LIBOR+7%
Kamoa	Note 7	123,371,718	6 August 2019	–	LIBOR+7%
Kamoa	Note 7	141,665,484	22 August 2019	–	LIBOR+7%
Kamoa	Note 7	52,528,519	25 September 2019	–	LIBOR+7%
Kamoa	Note 7	75,005,661	25 October 2019	–	LIBOR+7%
Kamoa	Note 7	229,128,636	22 November 2019	–	LIBOR+7%
Kamoa	Note 7	263,528,885	30 December 2019	–	LIBOR+7%
Kamoa	Note 7	974,974,425	–	–	–
Makeng Mining	Note 8	50,069,781	5 September 2019	4 September 2020	4.52%
Wengfu Zijin	Note 9	14,020,469	29 August 2019	28 August 2020	4.79%

6,281,493,828

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X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS *(continued)*

6. Related party transactions *(continued)*

(C) Borrowings from/Loans to related parties *(continued)*

Loans to related parties *(continued)*

Note 1: Minxi Xinghang, a shareholder of the Company, provided the Company with an unsecured loan of RMB30,000,000 with an annual interest rate of 1.2% on 11 December 2015. As at 31 December 2020, the Company had repaid RMB15,140,000. The outstanding balance of the loan was RMB14,860,000.

Note 2: CLAI Gilding (BVI) Investment Limited entered into an agreement with Zijin America, a subsidiary of the Group, to provide Zijin America with a loan with principal of USD17,400,000. The total amount of the principal and interest was USD17,443,500, equivalent to RMB113,533,226. The loan term is from 22 April 2020 to 22 April 2022. The loan is interest-bearing at 10% interest rate and unsecured.

Note 3: ZLCFL-Cayman International Investment Cooperation Limited and Zijin America, a subsidiary of the Group, signed two loan agreements: one is to provide Zijin America with a loan with principal of USD20,000,000, equivalent to RMB130,497,960. The loan period is from 22 December 2020 to 22 December 2025. The loan is unsecured with an interest rate of 10%; the other was to provide Zijin America with a loan with principal of USD30,000,000, equivalent to RMB195,746,941, and the loan period is from 22 December 2020 to 22 December 2022. The loan is unsecured with an interest rate of 5.5%.

Note 4: Fujian Zijin Commerce Services Co., Ltd. ("Zijin Commercial Services"), a subsidiary of the Group, entered into a loan agreement with Xiamen Zijin Zhonghang for an unsecured, interest-free loan in the principal amount of RMB125,000,000, and the loan period is from 28 October 2020 to 11 January 2021.

Note 5: In 2012, Jin Jian Global Mining Limited ("Jin Jian Global"), a subsidiary of the Group, entered into an agreement with Gold Eagle Mining. Pursuant to the agreement, Jin Jian Global provided a loan of USD22,680,000 to Gold Eagle Mining which was extended to 30 June 2023. As at 31 December 2020, the total amount of the loan principal and the interest receivable was USD35,821,208, equivalent to RMB233,729,731 (31 December 2019: USD34,534,730, equivalent to RMB240,921,183). In 2014, Jin Jian Global provided an additional loan of USD51,750,000 to Gold Eagle Mining which was extended to 31 August 2023. As at 31 December 2020, the total amount of the loan principals and the interest receivables was USD60,992,868, equivalent to RMB397,972,246 (31 December 2019: USD58,802,378, equivalent to RMB410,217,148). On 30 December 2020, the creditor of the two loans was changed from Jin Jian Global to the Company's wholly-owned subsidiary, Jinyu (H.K.) International Mining Co., Ltd. ("Jinyu (H.K.)"). Gold Eagle Mining directly paid Jinyu (H.K.) on schedule all the payments under the loan and fulfilled all its obligations related to the loan. The above loans were both unsecured with an interest rate of the one-year LIBOR+2.60%.

Note 6: In 2016, the Company provided a loan of RMB419,440,000 to an associate, Longyan Zijin AVIC. The loan was unsecured with an interest rate of 6.50% per annum and the maturity date of the loan had been extended to 16 March 2023 in year 2020. As at 31 December 2020, the principal and interest receivable was RMB438,131,323 in total. In 2017, the Company accrued bad debt provision of RMB153,203,515 for the loan provided to Longyan Zijin AVIC.

Note 7: Pursuant to the equity transfer agreement, part of the original shareholders' loans to Kamo in the amount of USD181,157,035 was transferred to the Group's subsidiary, Gold Mountains (H.K.). As at 31 December 2020, the amount was equivalent to RMB1,182,031,181 (31 December 2019: RMB1,263,787,707). These loans were unsecured with an interest rate of the one-year LIBOR+7%. The Company and Kamo agreed that these loans would be repaid with Kamo's future operating cash flows. Starting from 2016, Kamo's working capital has been funded by each of its shareholders in proportion to their respective shareholdings. As at 31 December 2020, Gold Mountains (H.K.) provided loans of USD747,116,646 in aggregate to Kamo, equivalent to RMB4,874,859,935. These loans were unsecured with an interest rate of the one-year LIBOR+7%. The Company and Kamo agreed that these loans would be repaid with Kamo's future operating cash flows. As at 31 December 2020, the total principal receivable from Kamo was USD928,273,681, equivalent to RMB6,056,891,116. The total interest receivable from Kamo was USD210,185,885, equivalent to RMB1,371,441,470 (31 December 2019: the total principal receivable from Kamo was USD594,956,615, equivalent to RMB4,150,536,337. The total interest receivable from Kamo was USD139,757,235, equivalent to RMB974,974,425).

Note 8: In September 2020, Finance Company, a subsidiary of the Group, provided loans of RMB50,000,000 to Makeng Mining, an associate of the Group. As at 31 December 2020, the total amount of principal and interest receivable was RMB50,062,028. The loan will mature in October 2021.

Note 9: In September 2020, Finance Company, a subsidiary of the Group, provided loans of RMB19,000,000 to Wengfu Zijin, an associate of the Group. As at 31 December 2020, the total amount of principal and interest receivable was RMB19,018,608. The loan will mature in August 2021.

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*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)***X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS** *(continued)*6. Related party transactions *(continued)***(D) Other major related party transactions**

- (1) Compensation of key management and remuneration of directors accrued during the year

	2020	2019
Remuneration of directors	33,593,819	26,705,318
Compensation of key management	14,963,568	12,544,040
	48,557,387	39,249,358

Details of remuneration of directors are disclosed in Note XIII.3.

- (2) Commitments between the Group and related parties

Commitments between the Group and related parties are disclosed in Note XI.1.

- (3) Joint external investments between the Group and related parties

In 2020, there was no joint external investment between the Group and related parties.

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS *(continued)*

7. Amounts due from related parties

	31 December 2020		31 December 2019	
	Carrying amount	Bad debt provision	Carrying amount	Bad debt provision
Trade receivables				
Kamoa Copper	49,499,465	–	–	–
Wengfu Zijin	2,229,222	–	1,842,805	–
	51,728,687	–	1,842,805	–
Receivables financing				
Wengfu Zijin	40,000,000	–	8,000,000	–
Prepayments				
Xiamen Zijin Zhonghang	–	–	3,086,207	–
Wancheng Commercial	21,867,831	–	40,877,128	–
Haixia Technology	5,914	–	6,811,242	–
Zisen Supply Chain	51,175,604	–	4,663,147	–
	73,049,349	–	55,437,724	–
Other receivables				
Makeng Mining	50,062,028	–	50,069,781	–
Wengfu Zijin	14,050,000	–	14,020,469	–
Xiamen Minxing	11,083,478	11,083,478	30,683,478	11,083,478
Xiamen Modern Terminals	–	–	3,500,000	–
	75,195,506	11,083,478	98,273,728	11,083,478
Current portion of non-current assets				
Gold Eagle Mining	–	–	651,138,331	–
Longyan Zijin AVIC	18,691,323	–	440,754,485	153,203,515
	18,691,323	–	1,091,892,816	153,203,515
Other non-current assets				
Longyan Zijin AVIC	419,440,000	153,203,515	–	–
Gold Eagle Mining	631,701,977	–	–	–
Kamoa	7,428,332,586	–	5,125,510,762	–
	8,479,474,563	153,203,515	5,125,510,762	–

Notes to Financial Statements *(continued)*

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*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)***X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS** *(continued)***8. Amounts due to related parties**

	31 December 2020	31 December 2019
Trade payables		
China Gezhouba Group Explosive Co., Ltd. Maizhokunggar Branch	106,498,330	–
Libo Heavy Industries	70,377,559	–
	176,875,889	–
Other payables		
Tech-Resources (Hong Kong)	367,078,651	593,468,207
Tongling Nonferrous Metals	212,299,899	202,902,291
C&D Inc.	84,919,960	81,211,727
Xiamen Zijin Zhonghang	125,000,000	–
Zisen Supply Chain	160,032,989	37,268,139
Mr. Zhu	29,672,233	29,672,233
Haixia Technology	–	6,988,854
Guizhou Province Geological and Mineral Resources Exploration and Development Bureau Team 105	4,062,721	14,852,837
	983,066,453	966,364,288
Current portion of non-current liabilities		
Gécamines	35,234,449	37,671,480
Minxi Xinghang	2,800,000	2,600,000
	38,034,449	40,271,480
Long-term payables		
ZLCFL-Cayman International Investment Cooperation Limited	326,244,902	–
CLAI Gilding (BVI) Investment Limited	113,533,226	–
Minxi Xinghang	12,060,000	19,600,000
Gécamines	–	37,671,480
	451,838,128	57,271,480

Except for the amounts due from Gold Eagle Mining, Makeng Mining, Longyan Zijin AVIC and Wengfu Zijin which were interest-bearing with a fixed term of repayment, the amount due from Kamo which was interest-bearing without a fixed term of repayment, the amount of entrance fee due to Gécamines which was interest-free with a fixed term of repayment; and the amounts due to Minxi Xinghang, ZLCFL-Cayman International Investment Cooperation Limited and CLAI Gilding (BVI) Investment Limited which were interest-bearing with a fixed term of repayment, other amounts due from/to related parties were interest-free, unsecured with no fixed terms of repayment.

There was no loan provided by the Group to the directors as at 31 December 2020.

Notes to Financial Statements *(continued)*

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

XI. COMMITMENTS AND CONTINGENCIES

1. Commitments

	2020	2019
Contracted, but not provided		
Capital commitments (Note 1)	7,960,424,166	7,897,773,409
Investment commitments (Note 2)	2,234,031,828	2,477,098,785
	10,194,455,994	10,374,872,194

Note 1: As at 31 December 2020, the amount of capital commitments relating to the acquisition and construction of property, plant, machinery and equipment and mining assets was RMB7,959,934,366 (31 December 2019: RMB7,023,690,748), among which the amount of capital commitments relating to the acquisition and construction of property, plant, machinery and equipment and mining assets of Julong Copper was RMB709,254,010; the amount of the capital commitments relating to the acquisition and construction of property, plant, machinery and equipment and mining assets of Duobaoshan Copper Industry was RMB363,362,077; the amount of capital commitments of Serbia Zijin Copper, one of the overseas subsidiaries, was RMB5,389,067,400.

Note 2: As at 31 December 2020, the amount of the investment commitments was RMB2,234,031,828 (31 December 2019: RMB2,477,098,785).

2. Contingencies

Guarantees provided to third parties

	2020	2019
Guarantees provided to third parties		
Yulong Copper (Note 1)	1,320,000,000	682,488,400
Fujian Rare Earth (Group) Company Limited ("Fujian Rare Earth") (Note 2)	524,103,500	487,909,275
Wengfu Zijin (Note 3)	91,581,000	201,478,200
Evergreen New Energy (Note 4)	39,200,000	-
	1,974,884,500	1,371,875,875

Note 1: As at 31 December 2020, the Company's associate, Yulong Copper, had a syndicated loan with an outstanding balance (within the scope of guarantees provided by the Company) of RMB6,000,000,000. The Company provided a guarantee based on its 22% shareholding interest in Yulong Copper, i.e. RMB1,320,000,000.

Note 2: As at 31 December 2020, the outstanding balance of the bank loans of Makeng Mining (within the scope of guarantees provided by the Company), an associate of the Company, was RMB1,262,900,000. Makeng Mining's controlling shareholder, Fujian Rare Earth (Group) Company Limited (including Fujian Yejin (Holding) Co., Ltd.), provided a guarantee for its financing. The Company pledged its 41.5% equity interest in Makeng Mining and the interest derived from such shareholdings to provide a counter guarantee for Fujian Rare Earth (Group) Company Limited (including Fujian Yejin (Holding) Co., Ltd.). As at 31 December 2020, the guarantee provided by the Company amounted to RMB524,103,500.

Note 3: As at 31 December 2020, the Company provided a guarantee to Wengfu Zijin, an associate of the Group, for the outstanding balance of its bank loan in the amount of RMB245,000,000. The proportion of debt guaranteed by the Group was 37.38%. As at 31 December 2020, the guarantee balance provided by the Company amounted to RMB91,581,000.

Note 4: As at 31 December 2020, the outstanding balance of the loan from Industrial Bank Shanghai Sub-branch to Evergreen New Energy, an associate of the Company, was RMB39,200,000. The Company provided a 100% guarantee on the debt in favour of Industrial Bank Shanghai Sub-branch. As at 31 December 2020, the guarantee provided by the Company amounted to RMB39,200,000.

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

XI. COMMITMENTS AND CONTINGENCIES *(continued)*

2. Contingencies *(continued)*

Extension of the special mining lease of the Porgera Gold Mine

The special mining lease (the "Mining Lease") of the Porgera Gold Mine in Papua New Guinea ("PNG") operated jointly by the Group and Barrick (PD) Australia Pty Limited expired on 16 August 2019. BNL (50% owned by the Group and 50% owned by Barrick), the principal owner (holding 95% interest of the mine) and operator of the Porgera Joint Venture, filed an application for the extension of the Mining Lease for 20 years before its expiry on 29 June 2017. On 2 August 2019, the National Court of PNG issued a ruling declaring that the Mining Lease of the Porgera Gold Mine should be subject to the Mining Act 1992 of PNG, i.e., the Porgera Gold Mine could continue the production until the relevant PNG authorities made a decision on the extension of the Mining Lease.

On 24 April 2020, the PNG Government made the decision to reject the application for the extension of the Mining Lease of Porgera. BNL believed that the decision made by the PNG Government had not gone through due process and violated its legal obligations to BNL, thus BNL decided to proactively take legal actions to safeguard its legitimate rights and interests.

BNL filed a judicial review lawsuit with the National Court of PNG on 28 April 2020, requesting the court to revoke the government's administrative decision of refusal to extend the Mining Lease to BNL. On 1 September 2020, the National Court dismissed the judicial review proceedings on the ground of abuse of process by BNL. Afterwards, BNL filed an appeal to the Supreme Court of PNG on 8 September 2020. The Supreme Court allowed to hear the appeal on 6 October 2020, but hearing of the appeal is still pending.

On 9 July 2020, BNL initiated international conciliation proceedings before the World Bank's International Centre for Settlement of Investment Dispute ("ICSID"). It hoped to reach a fair and reasonable extension agreement with the PNG stakeholders through ICSID conciliation process. The ICSID registered and accepted the application on 22 July 2020, and a conciliation commission was established in January 2021, with the first meeting scheduled in March 2021.

While defending its rights and interests through judicial means, BNL has actively used every available opportunity to engage and negotiate with the PNG Government. In September 2020, BNL negotiators held substantive negotiations with the Prime Minister of PNG. According to a press release dated 15 October 2020, the Prime Minister of PNG stated that negotiations between the PNG Government and BNL regarding Porgera are progressing well and that under the new arrangement, the PNG Government will take a major share of equity and BNL will retain operationship, and there will be fair sharing of the economic benefits from the mine. BNL and the PNG Government are still engaged in active negotiations with a perspective of reaching a framework agreement or arrangement as soon as possible.

BNL tax audit

In April 2020, BNL received a notice of assessment from the PNG Inland Revenue Commission, which required BNL to pay USD191 million of taxes for the period from the years 2006 to 2015. On 30 June 2020, BNL responded with an objection. On 2 October 2020, BNL received an adjusted notice of assessment from the Inland Revenue Commission, which required BNL to pay a total of USD485 million of taxes and penalties for the period from the years 2006 to 2015. BNL considered the tax audit adjustment issued by the PNG Inland Revenue Commission to be unwarranted, and it opposed to the adjusted tax assessment again on 30 November 2020.

The Group completed the acquisition of 50% equity interest in BNL at the end of August 2015, and a substantial part of the abovementioned tax audit period precedes the Group's acquisition of shares in BNL. In accordance with the relevant agreements between the Group and Barrick at the time of the acquisition, potential tax liabilities incurred prior to the acquisition shall be borne by Barrick.

The exact amount of the tax audit could not be estimated at this moment due to ongoing negotiations with the PNG Government.

Notes to Financial Statements *(continued)*

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

XII. EVENTS AFTER THE REPORTING PERIOD

1. On 29 December 2020, the proposal in relation to the Restricted A Share Incentive Scheme for 2020 (Revised Draft) and its summary of the Company, the proposal in relation to the Administrative Measures for Implementation of Appraisal for the Restricted A Share Incentive Scheme for 2020 of the Company and the proposal in relation to the authorisation to the Board of Directors to handle all the matters relating to the Restricted A Share Incentive Scheme for 2020 of the Company were considered and approved at the Company's third extraordinary general meeting in 2020 and third A Shareholders' class meeting in 2020. On 11 January 2021, the abovementioned proposals were considered and approved at the Company's third H Shareholders' class meeting in 2020.

Pursuant to the authorisation to the Board under the proposal in relation to the authorisation to the Board of Directors to handle all the matters relating to the Restricted A Share Incentive Scheme for 2020 of the Company which was considered and approved at the Company's third extraordinary general meeting in 2020, third A Shareholders' class meeting in 2020 and third H Shareholders' class meeting in 2020, the proposal in relation to the grant of restricted A Shares to the participants under the first grant was considered and approved at the Company's first extraordinary meeting in 2021 of the Board of the seventh term and the first extraordinary meeting in 2021 of the Supervisory Committee of the seventh term on 13 January 2021. The grant date of the Company's restricted A Shares granted under the incentive scheme was determined to be 13 January 2021. It was proposed that 97,490,000 restricted A Shares shall be granted to 697 participants at a grant price of RMB4.95 per A Share.

On 28 January 2021, the Company completed the registration of shares at China Securities Depository and Clearing Company Limited Shanghai Branch. 95.9806 million restricted A Shares were granted to 686 participants, and the listing date of such shares was 29 January 2021.

2. In March 2021, Julong Copper (as the borrower) entered into a syndicated loan agreement with a syndicate comprising the Bank of China Tibet Autonomous Region Branch (both as the lead manager and agent bank) and 6 other banks, pursuant to which the principal amount of the loan shall not be more than RMB10.3 billion and shall be used in the mining and processing project of the Qulong Copper and Polymetallic Mine. The term of the loan is 12 years from the first drawdown date of the loan and the interest rate is the quoted rate in the loan market for loans of 5 years or longer term minus 200 basis points. The abovementioned loan was secured by the following assets: not more than 50% of the assessed values of the mining rights of the Qulong Copper and Polymetallic Mine, Zhibula Copper and Polymetallic Mine, not more than 50% of the assessed values of the exploration rights of Rongmucuola, as well as not more than 30% of the assessed values of machinery and equipment. The Company also acted as a surety of joint and several liabilities for a surety amount that will be above the loan balance at all times.
3. On 19 March 2021, pursuant to the profit distribution plan proposed by the Board, a final cash dividend of RMB1.2 per 10 shares (tax included) is proposed to be paid to the qualified shareholders of the Company as at the date specified in the announcement in relation to the implementation of the profit distribution proposal. If, within the period of the date of this report to the record date for implementing the distribution of entitlement, the Company's total share capital changes as a result of the conversion of convertible corporate bonds into shares or repurchase and cancellation of the A Shares granted under the restricted A Share incentive scheme, it is proposed that the amount of cash dividend per share shall remain unchanged and that the total amount of distribution shall be adjusted accordingly. The Company will also make separate announcements regarding the details of adjustment. The aforesaid matters are subject to consideration and approval at the shareholders' general meeting.

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall 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, refined and trading gold segment engages in the production of gold bullion by processing gold concentrates produced by the Group or purchased from external suppliers and gold bullion in the business of physical gold trading;
- (3) the gold concentrates segment engages in the production of gold concentrates that are up to smelting standard by processing gold ore produced by the Group;
- (4) the copper cathodes segment engages in the production of copper cathodes through the Group's integrated processes, i.e., mining, processing and refining;
- (5) the refined copper segment engages in the production of copper cathodes by processing copper concentrates produced by the Group or purchased from external suppliers;
- (6) the copper concentrates segment engages in the production of copper concentrates that are up to smelting standard by processing copper ore produced by the Group;
- (7) the 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, sales income from sulphuric acid, copperplate, silver, iron, etc. and trading income from copper cathodes.

The management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit, which is a measure of adjusted operating profit before tax. The adjusted operating profit before tax is measured consistently with the Group's operating profit before tax except that interest income, finance costs, dividend income, gains or losses from changes in fair value of 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 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.

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall 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

In 2020, 84% (2019: 85%) of the Group's operating income was derived from customers of Mainland China, and 56% (2019: 51%) of the Group's assets were located in Mainland China.

Information about a major customer

In the year 2020, the Group's income from the Shanghai Gold Exchange was RMB91,397,165,531 (2019: RMB70,320,301,855), which was mainly derived from the gold bullion segment, and the processed, refined and trading gold segment.

2. Leases

(1) As lessor

Operating leases

The Group has entered into operating leases on some of its buildings, plant, machinery and equipment and motor vehicles and the lease term is 5 years. The underlying assets are classified as investment properties and fixed assets, details are disclosed in Note V.14 and Note V.15.

The profit or loss relating to operating leases is as follows:

	2020	2019
Lease income	73,628,316	52,911,237

Pursuant to the operating lease agreements entered into with lessees, the minimum lease receipts under irrevocable operating leases are as follows:

	2020	2019
Within 1 year (1 year inclusive)	28,425,699	28,225,084
Over 1 year but within 2 years (2 years inclusive)	21,258,213	19,202,933
Over 2 years but within 3 years (3 years inclusive)	20,957,641	18,575,695
Over 3 years but within 4 years (4 years inclusive)	20,909,908	13,714,014
Over 4 years but within 5 years (5 years inclusive)	21,821,427	13,712,993
Over 5 years	41,105,909	47,296,403
	154,478,797	140,727,122

(2) As lessee

	2020	2019
Interest expenses on lease liabilities	32,458,050	33,423,162
Expenses relating to short-term leases accounting for applying practical expedients	13,045,688	19,064,618
Total cash outflow for leases	184,235,335	107,641,592

The Group has lease contracts for various items of buildings, plant, machinery and equipment, motor vehicles and other equipment used in its operations. Leases of these assets generally have lease terms of 3 to 5 years. The lease contracts for power generation and transmission equipment include extension options and purchase options of which the lease term is assessed to be 8 years.

Notes to Financial Statements *(continued)*

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*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)***XIII. OTHER SIGNIFICANT EVENTS** *(continued)***2. Leases** *(continued)*

Other information relating to leases

For right-of-use assets, please refer to Note V.17; for practical expedients of short-term leases and leases of low-value assets, please refer to Note III.29; and for lease liabilities, please refer to Note V.35.

3. Directors' and supervisors' remuneration

Remuneration of directors accrued during the year is as follows:

	2020	2019
Fees	930,000	630,000
Other emoluments:		
Basic salaries	14,880,000	13,977,337
Discretionary bonuses [#]	12,878,046	6,604,376
Pension scheme contributions	73,066	140,721
Enterprise annuities	4,832,707	–
	32,663,819	20,722,434
	33,593,819	21,352,434

[#] The discretionary bonuses were determined by a certain percentage of the increased amount of the Group's net assets.

There were no emoluments paid by the Group to a director or a supervisor as an inducement to join or upon joining the Group or as compensation for loss of office during the year (2019: Nil).

(a) Independent non-executive directors/non-executive director

The fees accrued for and paid to the independent non-executive directors/non-executive director during the year are as follows:

	2020	2019
Mr. Sit Hoi Wah, Kenneth (Note 1)	–	180,000
Mr. Li Jian	150,000	150,000
Mr. Zhu Guang	150,000	150,000
Mr. Cai Meifeng (Note 1)	–	150,000
Mr. Mao Jingwen (Note 2)	150,000	–
Mr. Li Changqing (Note 2)	150,000	–
Mr. He Fulong (Note 2)	150,000	–
Mr. Suen Man Tak (Note 2)	180,000	–
	930,000	630,000

Note 1: Resigned as independent non-executive director of the Company on 30 December 2019.

Note 2: Appointed as independent non-executive director of the Company on 30 December 2019.

Notes to Financial Statements *(continued)*

For the year ended 31 December 2020

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

XIII. OTHER SIGNIFICANT EVENTS *(continued)*

3. Directors' and supervisors' remuneration *(continued)*

(b) Executive directors

The remuneration accrued for executive directors during the year is as follows:

	Basic salaries	Discretionary bonuses	Pension scheme contributions	Enterprise annuities	Total
2020					
Mr. Chen Jinghe	3,000,000	2,895,474	31,748	1,378,891	7,306,113
Mr. Lan Fusheng	2,400,000	2,813,282	3,880	971,134	6,188,296
Mr. Zou Laichang	3,000,000	1,973,507	25,798	953,544	5,952,849
Mr. Lin Hongfu	2,160,000	1,977,127	3,880	872,316	5,013,323
Mr. Xie Xionghui	2,160,000	1,258,943	3,880	–	3,422,823
Ms. Lin Hongying	2,160,000	1,959,713	3,880	656,822	4,780,415
	14,880,000	12,878,046	73,066	4,832,707	32,663,819

	Basic salaries	Discretionary bonuses	Pension scheme contributions	Enterprise annuities	Total
2019					
Mr. Chen Jinghe	2,880,000	1,284,606	33,148	–	4,197,754
Mr. Lan Fusheng	2,880,000	1,280,531	27,941	–	4,188,472
Mr. Zou Laichang	1,800,000	888,027	32,656	–	2,720,683
Mr. Lin Hongfu	1,800,000	898,027	23,447	–	2,721,474
Mr. Fang Qixue	2,817,337	1,375,762	–	–	4,193,099
Ms. Lin Hongying	1,800,000	877,423	23,529	–	2,700,952
	13,977,337	6,604,376	140,721	–	20,722,434

Pursuant to the remuneration policy of the Company, the remuneration, allowances, benefits in kind and discretionary bonuses accrued for the executive directors are subject to the approval of the remuneration committee and shareholders at the annual general meeting.

There was no agreement pursuant to which a director waived or agreed to waive any remuneration during the year.

Notes to Financial Statements *(continued)*

For the year ended 31 December 2020

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*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)***XIII. OTHER SIGNIFICANT EVENTS** *(continued)***3. Directors' and supervisors' remuneration** *(continued)***(c) Supervisors**

The remuneration accrued for supervisors during the year is as follows:

	Basic salaries	Discretionary bonus	Pension scheme contributions	Fees	Enterprise annuities	Total
2020						
Mr. Lin Shuiqing	2,160,000	1,966,788	16,986	–	628,318	4,772,092
Mr. Xu Qiang	–	–	–	120,000	–	120,000
Mr. Fan Wensheng	–	–	–	120,000	–	120,000
Mr. Liu Wenhong	–	–	–	72,000	–	72,000
Mr. Cao Sanxing (Note 1)	–	–	–	72,000	–	72,000
	2,160,000	1,966,788	16,986	384,000	628,318	5,156,092

	Basic salaries	Discretionary bonus	Pension scheme contributions	Fees	Enterprise annuities	Total
2019						
Mr. Lin Shuiqing	1,800,000	888,027	17,599	–	–	2,705,626
Mr. Xu Qiang	–	–	–	120,000	–	120,000
Mr. Fan Wensheng	–	–	–	72,000	–	72,000
Mr. Liu Wenhong	–	–	–	72,000	–	72,000
Mr. Cao Sanxing (Note 1)	–	–	–	–	–	–
Ms. Lan Liying (Note 2)	–	–	–	72,000	–	72,000
	1,800,000	888,027	17,599	336,000	–	3,041,626

Note 1: Appointed as supervisor representing workers and staff of the Company on 30 December 2019.

Note 2: Resigned as supervisor representing workers and staff of the Company on 30 December 2019.

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 (2019: five directors). Details of the remuneration are as follows:

	2020	2019
Basic salaries	12,720,000	12,177,337
Discretionary bonuses	11,619,103	5,726,953
Pension scheme contributions	69,186	117,192
	24,408,289	18,021,482

Notes to Financial Statements *(continued)*

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

XIII. OTHER SIGNIFICANT EVENTS *(continued)*

4. The five highest paid employees of the Group during the year *(continued)*

The number of highest paid employees whose pre-tax remuneration fell within the following bands is as follows:

	2020	2019
RMB1,000,001 – RMB2,000,000	–	–
RMB2,000,001 – RMB4,000,000	–	2
RMB4,000,001 – RMB6,000,000	3	3
RMB6,000,001 – RMB8,000,000	2	–
RMB8,000,001 – RMB10,000,000	–	–
	5	5

5. Pension scheme contributions

	2020	2019
Net payment of pension scheme contributions	118,993	209,203

In 2020, the Group had no forfeited contributions available to reduce its contributions to the pension scheme in future years (2019: Nil).

6. Net current assets/(liabilities)

	31 December 2020 Group	31 December 2019 Group	31 December 2020 Company	31 December 2019 Company
Current assets	39,262,403,933	28,594,396,116	15,460,750,185	13,801,433,844
Less: Current liabilities	47,035,701,043	33,362,656,029	14,553,548,437	13,216,595,877
Net current assets/(liabilities)	(7,773,297,110)	(4,768,259,913)	907,201,748	584,837,967

7. Total assets less current liabilities

	31 December 2020 Group	31 December 2019 Group	31 December 2020 Company	31 December 2019 Company
Total assets	182,313,250,403	123,830,947,219	78,044,803,845	65,408,509,522
Less: Current liabilities	47,035,701,043	33,362,656,029	14,553,548,437	13,216,595,877
Total assets less current liabilities	135,277,549,360	90,468,291,190	63,491,255,408	52,191,913,645

Notes to Financial Statements *(continued)*

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

XIV. NOTES TO FINANCIAL STATEMENTS OF THE COMPANY

1. 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:

	2020	2019
Within 1 year	530,212,772	556,083,306
Over 1 year but within 2 years	42,482,074	13,584,762
Over 2 years but within 3 years	3,537,132	641,460
Over 3 years	1,096,875	1,710,850
	577,328,853	572,020,378
Less: Bad debt provision for trade receivables	158,251	516,709
	577,170,602	571,503,669

Details of the Company's trade receivables for which bad debt provision has been made are as follows:

	2020				
	Carrying amount		Bad debt provision		Net book value
	Amount	Proportion (%)	Amount	Proportion (%)	
For which bad debt provision has been made individually	-	-	-	-	-
Provision for bad debts based on credit risk characteristics					
Group 1: Related parties group	567,850,378	98.36	-	-	567,850,378
Group 2: Ageing analysis group	9,478,475	1.64	158,251	1.67	9,320,224
	577,328,853	100.00	158,251	0.03	577,170,602
	2019				
	Carrying amount		Bad debt provision		Net book value
	Amount	Proportion (%)	Amount	Proportion (%)	
For which bad debt provision has been made individually	146,441	0.03	146,441	100.00	-
Provision for bad debts based on credit risk characteristics					
Group 1: Related parties group	565,307,099	98.82	-	-	565,307,099
Group 2: Ageing analysis group	6,566,838	1.15	370,268	5.64	6,196,570
	572,020,378	100.00	516,709	0.09	571,503,669

Notes to Financial Statements *(continued)*

For the year ended 31 December 2020

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

XIV. NOTES TO FINANCIAL STATEMENTS OF THE COMPANY *(continued)*

1. Trade receivables *(continued)*

The Company's trade receivables with bad debt provision based on credit risk characteristics are as follows:

	2020			2019		
	Carrying amount with estimated default	Expected credit loss rate (%)	Entire lifetime expected credit losses	Carrying amount with estimated default	Expected credit loss rate (%)	Entire lifetime expected credit losses
Within 1 year	8,855,150	0.30	26,565	5,177,696	0.30	15,533
Over 1 year but within 2 years	219,646	6.00	13,179	240,280	6.00	14,417
Over 2 years but within 3 years	17,309	15.00	2,596	28,938	15.00	4,341
Over 3 years	386,370	30.00	115,911	1,119,924	30.00	335,977
	9,478,475		158,251	6,566,838		370,268

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

	At 1 January	Additions	Recovery or reversal	Write-off	At 31 December
2020	516,709	16,977	(212,017)	(163,418)	158,251
2019	350,815	385,894	–	(220,000)	516,709

In 2020, provision for bad debt was RMB16,977 (2019: RMB385,894), and provision for bad debt of RMB212,017 was recovered or reversed (2019: Nil).

In 2020, the trade receivables written off amounted to RMB163,418 (2019: RMB220,000).

The five entities with the largest balances of trade receivables at 31 December 2020 are as follows:

Name of entity	Relationship	Amount	Proportion of trade receivables (%)	Ageing	Closing balance of bad debt provision
Fujian Zijin Copper Co., Ltd.	Subsidiary	463,657,930	80.31	Within 1 year/ Over 1 year but within 2 years	–
Urad Rear Banner Zijin	Subsidiary	26,169,808	4.53	Within 1 year/ Over 1 year but within 2 years	–
Zijin Copper	Subsidiary	19,608,396	3.40	Within 1 year/ Over 1 year but within 2 years	–
Zijin Mining Group Gold Smelting Co., Ltd.	Subsidiary	13,207,900	2.29	Within 1 year	–
West Copper	Subsidiary	7,145,650	1.24	Within 1 year/ Over 1 year but within 2 years	–
		529,789,684	91.77		–

Notes to Financial Statements *(continued)*

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*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*XIV. NOTES TO FINANCIAL STATEMENTS OF THE COMPANY *(continued)*1. Trade receivables *(continued)*

The five entities with the largest balances of trade receivables at 31 December 2019 are as follows:

Name of entity	Relationship	Amount	Proportion of trade receivables (%)	Ageing	Closing balance of bad debt provision
Fujian Zijin Copper Co., Ltd.	Subsidiary	417,028,598	72.90	Within 1 year	–
Duobaoshan Copper Industry	Subsidiary	27,802,574	4.86	Within 1 year	–
Zijin Copper	Subsidiary	26,083,028	4.27	Within 1 year/ Over 1 year but within 2 years	–
Zijin Zinc	Subsidiary	24,440,730	4.56	Within 1 year/ Over 1 year but within 2 years	–
Urad Rear Banner Zijin	Subsidiary	20,926,163	3.66	Within 1 year	–
		516,281,093	90.25		–

2. Other receivables

	2020	2019
Dividend receivables	177,294,000	103,600,001
Other receivables	9,171,349,976	10,289,372,217
	9,348,643,976	10,392,972,218

An ageing analysis of other receivables is as follows:

	2020	2019
Within 1 year	7,386,410,432	7,341,790,677
Over 1 year but within 2 years	962,304,631	280,621,846
Over 2 years but within 3 years	220,578,794	1,120,952,426
Over 3 years	607,901,882	1,551,641,184
	9,177,195,739	10,295,006,133
Less: Bad debt provision for other receivables	5,845,763	5,633,916
	9,171,349,976	10,289,372,217

Notes to Financial Statements *(continued)*

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

XIV. NOTES TO FINANCIAL STATEMENTS OF THE COMPANY *(continued)*

2. Other receivables *(continued)*

The changes in bad debt provision for other receivables based on 12-month expected credit losses and the entire lifetime expected credit losses are as follows:

2020

	Stage 1 12-month expected credit losses	Stage 2 Entire lifetime expected credit losses	Stage 3 Financial assets with credit impairment occurred (entire lifetime)	Total
Balance at 1 January	459,111	–	5,174,805	5,633,916
Balance at 1 January during the year				
– Transferred to Stage 2	–	–	–	–
– Transferred to Stage 3	–	–	–	–
– Reversed to Stage 2	–	–	–	–
– Reversed to Stage 1	–	–	–	–
Provision during the year	–	–	–	–
Reversal during the year	–	–	–	–
Write-back during the year	–	–	–	–
Write-off during the year	–	–	211,847	211,847
Other changes	–	–	–	–
	459,111	–	5,386,652	5,845,763

2019

	Stage 1 12-month expected credit losses	Stage 2 Entire lifetime expected credit losses	Stage 3 Financial assets with credit impairment occurred (entire lifetime)	Total
Balance at 1 January	467,255	–	5,174,805	5,642,060
Balance at 1 January during the year				
– Transferred to Stage 2	–	–	–	–
– Transferred to Stage 3	–	–	–	–
– Reversed to Stage 2	–	–	–	–
– Reversed to Stage 1	–	–	–	–
Provision during the year	–	–	91,941,619	91,941,619
Reversal during the year	(8,144)	–	–	(8,144)
Write-back during the year	–	–	–	–
Write-off during the year	–	–	(91,941,619)	(91,941,619)
Other changes	–	–	–	–
	459,111	–	5,174,805	5,633,916

In 2020, there was no provision for bad debt (2019: RMB91,941,619), and no provision was recovered or reversed (2019: RMB8,144). In 2020, other receivables written off amounted to RMB211,847 (2019: RMB91,941,619).

Notes to Financial Statements *(continued)*

For the year ended 31 December 2020

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*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*XIV. NOTES TO FINANCIAL STATEMENTS OF THE COMPANY *(continued)*2. Other receivables *(continued)*

The category of other receivables by nature is as follows:

	2020	2019
Due from subsidiaries	8,878,034,382	9,682,056,699
Due from associates and joint ventures	20,064,785	294,431,613
Receivables from disposal of assets	14,000,000	–
Advanced material costs	20,598,095	71,614,724
Guarantees and deposits	13,901,364	20,576,769
Deferred expenses	41,305,764	51,410,684
Receivables from settlement of futures	39,709,966	52,460,962
Staff advances and reserve funds	6,062,432	1,598,220
Others	143,518,951	120,856,462
	9,177,195,739	10,295,006,133
Less: Bad debt provision for other receivables	5,845,763	5,633,916
	9,171,349,976	10,289,372,217

The five entities with the largest balances of other receivables at 31 December 2020 are as follows:

	Closing balance of other receivables	Proportion of other receivables (%)	Nature	Ageing	Closing balance of bad debt provision
Tibet Zijin	4,897,328,494	53.36	Due from subsidiary	Within 1 year	–
Gold Mountains (H.K.)	812,831,031	8.86	Due from subsidiary	Within 1 year/ Over 1 year but within 2 years	–
Zeravshan	634,625,665	6.92	Due from subsidiary	Within 1 year/ Over 1 year but within 2 years	–
Jinhao Iron	479,151,437	5.22	Due from subsidiary	Within 1 year/ Over 1 year but within 2 years/ Over 2 years but within 3 years/ Over 3 years	–
Zijin Zinc	413,526,433	4.50	Due from subsidiary	Within 1 year/ Over 1 year but within 2 years	–
	7,237,463,060	78.86			–

Notes to Financial Statements *(continued)*

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

XIV. NOTES TO FINANCIAL STATEMENTS OF THE COMPANY *(continued)*

2. Other receivables *(continued)*

The five entities with the largest balances of other receivables at 31 December 2019 are as follows:

	Closing balance of other receivables	Proportion of other receivables (%)	Nature	Ageing	Closing balance of bad debt provision
Gold Mountains (H.K.)	1,837,670,675	17.85	Due from subsidiary	Within 1 year/ Over 1 year but within 2 years/ Over 2 years but within 3 years/ Over 3 years	–
South Investment	1,292,057,733	12.55	Due from subsidiary	Within 1 year	–
Zijin Copper	971,389,012	9.44	Due from subsidiary	Within 1 year/ Over 1 year but within 2 years/ Over 2 years but within 3 years/ Over 3 years	–
Xinyi Zijin	675,452,650	6.56	Due from subsidiary	Within 1 year	–
Fuyun Jinshan	594,354,417	5.77	Due from subsidiary	Within 1 year	–
	5,370,924,487	52.17			–

3. Long-term equity investments

	Carrying amount	2020		Carrying amount	2019	
		Impairment provision	Net book value		Impairment provision	Net book value
Investments in subsidiaries	43,889,704,196	(603,556,935)	43,286,147,261	35,104,330,359	(603,556,935)	34,500,773,424
Investments in associates	2,093,166,090	–	2,093,166,090	1,667,151,881	–	1,667,151,881
	45,982,870,286	(603,556,935)	45,379,313,351	36,771,482,240	(603,556,935)	36,167,925,305

Notes to Financial Statements *(continued)*

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*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*XIV. NOTES TO FINANCIAL STATEMENTS OF THE COMPANY *(continued)*3. Long-term equity investments *(continued)*

(i) Investments in subsidiaries

	At			At			Provision for	
	1 January 2019	Additions	Reductions	31 December 2019	Additions	Reductions	At 31 December 2020	losses at 31 December 2020
Zijin Copper	2,225,749,543	-	-	2,225,749,543	-	(2,225,749,543)	-	-
Zijin Mining Group Southwest Co., Ltd.	1,191,584,140	5,929,530	-	1,197,513,670	4,280,000	-	1,201,793,670	-
West Copper	936,000,000	-	-	936,000,000	-	-	936,000,000	-
Gold Mountains (H.K.)	10,422,108,205	7,190,644,594	(720,349,962)	16,892,402,837	5,757,554,337	-	22,649,957,174	-
Luoyang Kunyu	676,742,845	86,634	-	676,829,479	-	-	676,829,479	-
Finance Company	475,000,000	130,186,575	-	605,186,575	-	-	605,186,575	-
Xiamen Investment	397,061,613	-	-	397,061,613	-	-	397,061,613	-
Longnan Zijin Mining Co., Ltd.	370,811,854	2,727,295	-	373,539,149	2,750,000	-	376,289,149	(43,019,351)
Bayannur Zijin	579,027,464	-	-	579,027,464	-	-	579,027,464	-
Northwest Company	1,127,869,475	13,843,404	-	1,141,712,879	9,170,225	(350,000,000)	800,883,104	-
South Investment	1,255,451,400	14,868	-	1,255,466,268	2,906,334,175	-	4,161,800,443	-
Huanmin Mining Co., Ltd.	306,000,000	-	-	306,000,000	-	-	306,000,000	-
Zijin Commercial Services	500,000,000	-	-	500,000,000	-	-	500,000,000	-
Shanghang Jinshan Mining Co., Ltd.	275,785,150	-	-	275,785,150	18,000,000	-	293,785,150	-
Xinyi Zijin	243,900,000	-	-	243,900,000	-	-	243,900,000	(243,900,000)
Zijin Capital	600,000,000	200,000,000	-	800,000,000	-	-	800,000,000	-
Zijin International Mining Co., Ltd.	2,289,301,932	17,056,503	-	2,306,358,435	8,319,273	(200,000,000)	2,114,677,708	-
Hunchun Zijin	139,189,081	-	-	139,189,081	-	(139,189,081)	-	-
Jilin Zijin Copper Co., Ltd.	62,397,005	4,050,728	-	66,447,733	3,000,000	-	69,447,733	-
Fujian Zijin Copper Co., Ltd.	146,222,366	-	-	146,222,366	-	-	146,222,366	-
Ashele Copper	139,335,849	-	-	139,335,849	-	(139,335,849)	-	-
Henan Jinda	129,880,000	-	-	129,880,000	-	-	129,880,000	(129,880,000)
Shanxi Zijin	127,284,118	-	-	127,284,118	-	-	127,284,118	-

Notes to Financial Statements (continued)

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

XIV. NOTES TO FINANCIAL STATEMENTS OF THE COMPANY (continued)

3. Long-term equity investments (continued)

(i) Investments in subsidiaries (continued)

	At 1 January 2019			At 31 December 2019			At 31 December 2020		Provision for impairment losses at 31 December 2020
	Additions	Reductions	Additions	Reductions	Additions	Reductions			
Zijin Yinhuai	-	-	105,000,000	-	-	-	105,000,000	-	
Yunnan Huaxi	-	-	86,830,000	-	-	-	86,830,000	-	
Ankang Zijin Mining Co., Ltd.	-	-	87,787,471	-	311,000,000	-	398,787,471	-	
Longsheng Dexin Mining Co., Ltd.	-	-	53,550,000	-	-	-	53,550,000	-	
Xiamen Zijin Mining and Metallurgy Technology Co., Ltd.	-	-	50,000,000	-	-	-	50,000,000	-	
Shenzhen Zijin Metals Trading Co., Ltd.	-	-	46,000,000	-	-	(46,000,000)	-	-	
Guizhou Zijin	811,275	-	32,744,793	-	1,100,000	-	33,844,793	-	
Zijin Mining Group (Xiamen) Metallic Materials Co., Ltd.	20,735	-	25,883,651	-	-	-	25,883,651	-	
Sichuan Ganzhi Zijin Mining Co., Ltd.	-	-	24,000,000	-	-	-	24,000,000	(24,000,000)	
Zijin Mining Group Gold Jewellery Company Limited	113,000,000	-	430,000,000	-	400,000	-	430,400,000	-	
Wuping Zijin	-	-	20,429,287	-	-	-	20,429,287	-	
Zijin Logistics	-	-	251,539,700	-	-	(251,539,700)	-	-	
Fujian Zijin Hotel Property Management Co., Ltd.	-	-	10,000,000	-	-	-	10,000,000	-	
Fujian Zijin Mining and Metallurgy Testing Technology Co., Ltd.	5,000,000	-	10,000,000	-	-	-	10,000,000	-	
Nkwe Platinum Limited	-	(3,272,490)	-	-	-	-	-	-	
Heilong Mining Group Co., Ltd.	-	-	1,561,220,000	-	-	(35,000,000)	1,526,220,000	-	
Zijin Tongguan	-	-	848,453,248	-	-	-	848,453,248	(162,757,584)	
Fujian Zijin Trade Co., Ltd.	-	-	-	-	4,000,000	-	4,000,000	-	
Liancheng Jiuxin Mining Co., Ltd.	-	-	-	-	5,000,000	-	5,000,000	-	
Zixin No.1	-	-	-	-	750,000,000	-	750,000,000	-	
Tibet Zijin	-	-	-	-	2,000,000,000	-	2,000,000,000	-	
Zijin International Holding Co., Ltd.	-	-	-	-	300,000,000	-	300,000,000	-	
Zijin International Trading Co., Ltd.	-	-	-	-	20,000,000	-	20,000,000	-	
Zijin Environmental Technology Co., Ltd.	-	-	-	-	30,000,000	-	30,000,000	-	
Tongli Trading	-	-	-	-	41,280,000	-	41,280,000	-	
	28,144,580,670	7,683,372,141	(723,622,452)	35,104,330,359	12,172,188,010	(3,386,814,173)	43,889,704,196	(603,556,935)	

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

XIV. NOTES TO FINANCIAL STATEMENTS OF THE COMPANY (continued)

3. Long-term equity investments (continued)

(ii) Investments in associates

2020

Investee	Movements during the year									
	At 1 January	Additions	Reductions	Investment income/ (losses) under the equity method	Other comprehensive income	Other changes in equity	Cash dividends declared by investee	Provision for impairment losses in subsidiaries	Additional investment and becoming investments	Provision for impairment losses at 31 December
Makeng Mining	877,501,833	-	-	118,869,572	-	-	-	-	-	996,371,405
Yulong Copper	677,621,434	-	-	83,100,841	-	-	-	-	-	760,722,275
Songpan Zijin	39,249,785	-	-	-	-	-	-	-	-	39,249,785
Wancheng Commercial	41,500,998	-	-	12,208,811	-	-	(6,500,000)	-	-	47,209,809
Fujian Kingkop	1,154,565	-	(1,036,085)	(118,480)	-	-	-	-	-	-
Evergreen New Energy	27,123,266	-	-	1,807,061	-	-	-	-	-	28,930,327
Caixi Cultural	3,000,000	-	-	-	-	-	-	-	-	3,000,000
Sino-Zijin Resources	-	217,810,400	-	(127,911)	-	-	-	-	-	217,682,489
	1,667,151,881	217,810,400	(1,036,085)	215,739,894	-	-	(6,500,000)	-	-	2,093,166,090

2019

Investee	Movements during the year									
	At 1 January	Additions	Reductions	Investment income/ (losses) under the equity method	Other comprehensive income	Other changes in equity	Cash dividends declared by investee	Provision for impairment losses	Additional investment and becoming investments in subsidiaries	Provision for impairment losses at 31 December
Makeng Mining	876,938,160	-	-	42,063,673	-	-	(41,500,000)	-	-	877,501,833
Yulong Copper	596,152,412	-	-	81,469,022	-	-	-	-	-	677,621,434
Songpan Zijin	39,249,785	-	-	-	-	-	-	-	-	39,249,785
Wancheng Commercial	58,496,914	-	-	16,678,607	-	-	(33,674,523)	-	-	41,500,998
Fujian Kingkop	1,061,597	-	-	92,968	-	-	-	-	-	1,154,565
Evergreen New Energy	7,022,447	22,500,000	-	(2,399,181)	-	-	-	-	-	27,123,266
Caixi Cultural	-	3,000,000	-	-	-	-	-	-	-	3,000,000
	1,578,921,315	25,500,000	-	137,905,089	-	-	(75,174,523)	-	-	1,667,151,881

Notes to Financial Statements *(continued)*

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

XIV. NOTES TO FINANCIAL STATEMENTS OF THE COMPANY *(continued)*

4. Fixed assets

2020

	Buildings	Mining assets	Power generation and transmission equipment	Plant, machinery and equipment	Motor vehicles	Furniture and fixtures and others	Total
Cost							
At 1 January 2020	806,517,255	4,829,561,070	55,766,308	1,106,256,151	82,674,273	110,375,846	6,991,150,903
Purchases	876,022	132,962,207	334,396	54,345,123	8,640,122	14,033,456	211,191,326
Transfers from construction in progress	4,105,151	176,723,690	-	10,298,886	-	647,863	191,775,590
Disposals or write-off	(206,491)	(17,286,220)	(283,445)	(7,294,376)	(7,404,677)	(4,431,368)	(36,906,577)
At 31 December 2020	811,291,937	5,121,960,747	55,817,259	1,163,605,784	83,909,718	120,625,797	7,357,211,242
Accumulated depreciation							
At 1 January 2020	287,910,266	2,472,561,267	33,885,928	666,534,968	69,572,843	75,104,202	3,605,569,474
Depreciation for the year	37,826,285	346,711,583	2,173,119	88,710,224	5,628,734	7,260,957	488,310,902
Disposals or write-off	(206,491)	(11,669,922)	(80,191)	(4,404,775)	(7,174,850)	(3,628,120)	(27,164,349)
At 31 December 2020	325,530,060	2,807,602,928	35,978,856	750,840,417	68,026,727	78,737,039	4,066,716,027
Impairment provision							
At 1 January 2020	-	285,118	13,157	2,091,878	-	1,632	2,391,785
Impairment provided for the year	-	-	-	-	-	-	-
Disposals or write-off	-	-	-	(63,239)	-	-	(63,239)
At 31 December 2020	-	285,118	13,157	2,028,639	-	1,632	2,328,546
Net book value							
At 31 December 2020	485,761,877	2,314,072,701	19,825,246	410,736,728	15,882,991	41,887,126	3,288,166,669
At 1 January 2020	518,606,989	2,356,714,685	21,867,223	437,629,305	13,101,430	35,270,012	3,383,189,644

Notes to Financial Statements (continued)

For the year ended 31 December 2020

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

XIV. NOTES TO FINANCIAL STATEMENTS OF THE COMPANY (continued)

4. Fixed assets (continued)

2019

	Buildings	Mining assets	Power generation and transmission equipment	Plant, machinery and equipment	Motor vehicles	Furniture and fixtures and others	Total
Cost							
At 1 January 2019	808,988,374	4,452,467,192	54,362,169	1,069,914,011	83,472,191	96,904,715	6,566,108,652
Purchases	-	11,918,781	1,404,139	39,203,559	4,403,057	14,088,325	71,017,861
Transfers from construction in progress	675,524	59,517,396	-	14,650,744	-	-	74,843,664
Disposals or write-off	(3,146,643)	(12,506,620)	-	(17,512,163)	(5,200,975)	(617,194)	(38,983,595)
Others	-	318,164,321	-	-	-	-	318,164,321
At 31 December 2019	806,517,255	4,829,561,070	55,766,308	1,106,256,151	82,674,273	110,375,846	6,991,150,903
Accumulated depreciation							
At 1 January 2019	248,825,250	2,134,611,774	31,668,123	585,730,089	69,678,086	69,805,032	3,140,318,354
Depreciation for the year	39,713,915	339,692,842	2,217,805	91,368,052	4,839,109	5,875,597	483,707,320
Disposals or write-off	(628,899)	(1,743,349)	-	(10,563,173)	(4,944,352)	(576,427)	(18,456,200)
At 31 December 2019	287,910,266	2,472,561,267	33,885,928	666,534,968	69,572,843	75,104,202	3,605,569,474
Impairment provision							
At 1 January 2020	-	285,118	13,157	2,094,253	-	1,632	2,394,160
Impairment provided for the year	-	-	-	-	-	-	-
Disposals or write-off	-	-	-	(2,375)	-	-	(2,375)
At 31 December 2019	-	285,118	13,157	2,091,878	-	1,632	2,391,785
Net book value							
At 31 December 2019	518,606,989	2,356,714,685	21,867,223	437,629,305	13,101,430	35,270,012	3,383,189,644
At 1 January 2019	560,163,124	2,317,570,300	22,680,889	482,089,669	13,794,105	27,098,051	3,423,396,138

Fixed assets that are temporarily idle are as follows:

2020

	Cost	Accumulated depreciation	Impairment provision	Net book value
Mining assets	395,591	(383,724)	-	11,867
Plant, machinery and equipment	21,427,090	(17,997,808)	(362,282)	3,067,000
Furniture and fixtures and others	336,498	(326,403)	-	10,095
	22,159,179	(18,707,935)	(362,282)	3,088,962

Notes to Financial Statements *(continued)*

For the year ended 31 December 2020

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

XIV. NOTES TO FINANCIAL STATEMENTS OF THE COMPANY *(continued)*

4. Fixed assets *(continued)*

Fixed assets that are temporarily idle are as follows: *(continued)*

2019

	Cost	Accumulated depreciation	Impairment provision	Net book value
Mining assets	395,591	(377,533)	–	18,058
Plant, machinery and equipment	20,930,246	(16,949,039)	(380,272)	3,600,935
	21,325,837	(17,326,572)	(380,272)	3,618,993

As at 31 December 2020, fixed assets of which certificates of title have not been obtained are as follows:

	Net book value	Reason why certificates of title have not been obtained
Buildings	7,020,956	In the process of application

As at 31 December 2019, fixed assets of which certificates of title have not been obtained are as follows:

	Net book value	Reason why certificates of title have not been obtained
Buildings	118,553,633	In the process of application

5. Construction in progress

	2020	2019
Construction in progress	422,579,942	347,311,523
Construction materials	2,381,508	2,471,985
	424,961,450	349,783,508

Construction in progress

Carrying amount	2020		Carrying amount	2019	
	Impairment provision	Net book value		Impairment provision	Net book value
422,579,942	–	422,579,942	347,311,523	–	347,311,523

Notes to Financial Statements (continued)

For the year ended 31 December 2020

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

XIV. NOTES TO FINANCIAL STATEMENTS OF THE COMPANY (continued)

5. Construction in progress (continued)

Construction in progress (continued)

The movements of important construction in progress in 2020 are as follows:

	Budget	At 1 January 2020	Additions	Transferred to fixed assets	Other reductions	At 31 December 2020	Contribution in budget	Progress of projects	Balance of capitalised interest as at 31 December 2020	Including: capitalised interest for the year	Interest rate of capitalisation (%)	Source of funds
Zijinshan Copper Mine infrastructure project	644,071,000	299,291,094	164,220,588	(191,005,947)	(5,069,342)	267,486,393	42%	56%	-	-	Not applicable	Equity fund
Zijinshan Gold Mine infrastructure project	10,379,235	-	7,867,982	(430,519)	(587,168)	6,850,295	66%	70%	-	-	Not applicable	Equity fund
Others	-	48,020,429	100,611,949	(339,124)	-	148,293,254	-	-	-	-	Not applicable	Equity fund
Subtotal	654,450,235	347,311,523	272,700,519	(191,775,590)	(5,656,510)	422,579,942	-	-	-	-	-	-
Impairment provision for construction in progress	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	347,311,523	-	-	-	422,579,942	-	-	-	-	-	-

The movements of important construction in progress in 2019 are as follows:

	Budget	At 1 January 2019	Additions	Transferred to fixed assets	Other reductions	At 31 December 2019	Contribution in budget	Progress of projects	Balance of capitalised interest as at 31 December 2019	Including: capitalised interest for the year	Interest rate of capitalisation (%)	Source of funds
Zijinshan Gold and Copper Mine infrastructure project	538,080,000	160,383,177	259,121,152	(73,885,074)	(582,273)	345,096,982	88%	85%	-	-	Not applicable	Equity fund
Others	-	-	3,233,131	(958,590)	-	2,274,541	-	-	-	-	Not applicable	Equity fund
Subtotal	538,080,000	160,383,177	262,354,283	(74,843,664)	(582,273)	347,311,523	-	-	-	-	-	-
Impairment provision for construction in progress	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	160,383,177	-	-	-	347,311,523	-	-	-	-	-	-

For the years ended 31 December 2020 and 31 December 2019, there were no borrowing costs eligible for capitalisation of the Company.

As at 31 December 2020 and 31 December 2019, there was no impairment provision for construction in progress of the Company.

Notes to Financial Statements *(continued)*

For the year ended 31 December 2020

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

XIV. NOTES TO FINANCIAL STATEMENTS OF THE COMPANY *(continued)*

6. Intangible assets

2020

	Exploration and mining rights	Land use rights	Membership of Shanghai Gold Exchange and others	Total
Cost				
At 1 January 2020	388,144,802	94,547,535	32,225,351	514,917,688
Purchases	–	–	4,005,262	4,005,262
Disposals or write-off	–	–	–	–
At 31 December 2020	388,144,802	94,547,535	36,230,613	518,922,950
Accumulated amortisation				
At 1 January 2020	206,204,585	26,087,667	12,699,039	244,991,291
Amortisation provided for the year	4,512,300	2,740,172	4,421,224	11,673,696
Disposals or write-off	–	–	–	–
At 31 December 2020	210,716,885	28,827,839	17,120,263	256,664,987
Impairment provision				
At 1 January 2020	–	–	–	–
Impairment provided for the year	–	–	–	–
Disposals or write-off	–	–	–	–
At 31 December 2020	–	–	–	–
Net book value				
At 31 December 2020	177,427,917	65,719,696	19,110,350	262,257,963
At 1 January 2020	181,940,217	68,459,868	19,526,312	269,926,397

Notes to Financial Statements *(continued)*

For the year ended 31 December 2020

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

XIV. NOTES TO FINANCIAL STATEMENTS OF THE COMPANY *(continued)*

6. Intangible assets *(continued)*

2019

	Exploration and mining rights	Land use rights	Membership of Shanghai Gold Exchange and others	Total
Cost				
At 1 January 2019	388,144,802	94,547,535	31,666,483	514,358,820
Purchases	–	–	558,868	558,868
Disposals or write-off	–	–	–	–
At 31 December 2019	388,144,802	94,547,535	32,225,351	514,917,688
Accumulated amortisation				
At 1 January 2019	201,692,285	23,347,495	8,823,789	233,863,569
Amortisation provided for the year	4,512,300	2,740,172	3,875,250	11,127,722
Disposals or write-off	–	–	–	–
At 31 December 2019	206,204,585	26,087,667	12,699,039	244,991,291
Impairment provision				
At 1 January 2019	–	–	–	–
Impairment provided for the year	–	–	–	–
Disposals or write-off	–	–	–	–
At 31 December 2019	–	–	–	–
Net book value				
At 31 December 2019	181,940,217	68,459,868	19,526,312	269,926,397
At 1 January 2019	186,452,517	71,200,040	22,842,694	280,495,251

7. Long-term deferred assets

2020

	At 1 January	Additions	Amortisation	Other reductions	At 31 December
Forest compensation expenditure (Note 1)	57,419,851	8,827,500	(11,640,632)	–	54,606,719
Land compensation costs (Note 2)	27,394,689	–	(2,428,693)	–	24,965,996
Other	137,675,872	45,598,183	(60,467,267)	(2,440,550)	120,366,238
	222,490,412	54,425,683	(74,536,592)	(2,440,550)	199,938,953

Notes to Financial Statements *(continued)*

For the year ended 31 December 2020

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

XIV. NOTES TO FINANCIAL STATEMENTS OF THE COMPANY *(continued)*

7. Long-term deferred assets *(continued)*

2019

	At 1 January	Additions	Amortisation	Other reductions	At 31 December
Forest compensation expenditure (Note 1)	67,368,854	–	(9,949,003)	–	57,419,851
Land compensation costs (Note 2)	30,979,397	–	(3,584,708)	–	27,394,689
Other	103,792,062	75,749,913	(41,866,103)	–	137,675,872
	202,140,313	75,749,913	(55,399,814)	–	222,490,412

Note 1: The forest compensation expenditure relates to the compensation for the damage to forests at the mining sites for production and construction needs. The amortisation period is 10 years.

Note 2: The land compensation costs relate to the compensation for the occupation of forest lands at the mining sites for production and construction needs. The amortisation period ranges from 5 to 50 years.

8. Other non-current assets

	2020	2019
Long-term receivables	11,203,406,277	9,549,169,108
Exploration and development costs	138,143,778	144,713,032
Prepaid investment costs, prepayments for exploration and mining rights and others	1,102,618,473	990,919,792
	12,444,168,528	10,684,801,932

9. Trade payables

Trade payables are interest-free and normally settled within four months.

As at 31 December 2020 and 31 December 2019, the Company had no significant trade payables aged more than one year.

Notes to Financial Statements *(continued)*

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

XIV. NOTES TO FINANCIAL STATEMENTS OF THE COMPANY *(continued)*

10. Bonds payable

The Company, through the National Association of Financial Market Institutional Investors, issued medium-term notes with face values of RMB2.5 billion on 5 September 2014 and RMB3.3 billion on 11 September 2015, respectively, with a maturity of 5 years and coupon rates of 5.5% and 4.4%, respectively. Interest of the notes shall be paid annually. Among them, the 5-year medium-term notes issued on 5 September 2014 matured and were settled, and the 5-year medium-term notes issued on 11 September 2015 matured and were settled during this year.

Pursuant to the approval of the CSRC on 17 February 2016, the Company issued corporate bonds with a face value of RMB2 billion on the Shanghai Stock Exchange on 18 March 2016. The bonds have a maturity of five years and an annual interest rate of 3.37%. On 18 March 2016, the Company issued corporate bonds with a face value of RMB3 billion on the Shanghai Stock Exchange. The bonds have a maturity of five years, and an annual interest rate of 2.99%, with terms that the issuer has an option to adjust the interest rate and investors have a sell-back option at the end of the third year. The Company exercised the sell-back option in 2019. On 15 July 2016, the Company issued corporate bonds with a face value of RMB1.8 billion on the Shanghai Stock Exchange. The bonds have a maturity of five years, and an annual interest rate of 3.05%, with terms that the issuer has an option to adjust the interest rate and investors have a sell-back option at the end of the third year. The Company exercised the sell-back option in 2019. On 15 July 2016, the Company issued corporate bonds with a face value of RMB1.2 billion on the Shanghai Stock Exchange. The bonds have a maturity of five years, and an annual interest rate of 3.45%. The interest of the above bonds shall be settled annually and the principal shall be repaid in full upon their maturities. The above corporate bonds will mature in 2021. Therefore, the Company classified them as the current portion of bonds payable.

In 2019, the Company, through the National Association of Financial Market Institutional Investors, issued medium-term notes with a face value of RMB1.5 billion, a maturity of 3 years and an annual interest rate of 3.80% on 11 March 2019; issued medium-term notes with a face value of RMB1.0 billion, a maturity of 5 years and an annual interest rate of 4.30% on 11 March 2019; issued medium-term notes with a face value of RMB1.0 billion, a maturity of 5 years and an annual interest rate of 3.70% on 8 July 2019; issued medium-term notes with a face value of RMB2.5 billion, a maturity of 5 years and an annual interest rate of 3.95% on 30 August 2019; on 21 February 2020, the Company issued medium-term notes with a face value of RMB1.0 billion, a maturity of 3 years and an annual interest rate of 3.10%, and medium-term notes with a face value of RMB1.0 billion, a maturity of 5 years and an annual interest rate of 3.51%; on 23 November 2020, the Company issued medium-term notes with a face value of RMB2.0 billion, a maturity of 3 years and an annual interest rate of 4.20%. The interest payments of the above medium-term notes shall be settled annually and the principals shall be repaid in full upon their maturities.

Pursuant to the Approval for Public Issuance of Convertible Corporate Bonds of Zijin Mining Group Co., Ltd.* issued by the CSRC (Zheng Jian Xu Ke [2020] No. 2613), the Company issued 60,000,000 convertible corporate bonds with a face value of RMB100 each on 3 November 2020, and raised RMB6,000,000,000 in total. After deducting the underwriting and sponsor fees of RMB25,471,698 (tax excluded) and other issuance costs of RMB4,243,235 (tax excluded), the actual net amount raised was RMB5,970,285,067, among which the value of the liability component of the issued convertible corporate bonds of RMB5,101,553,858 was accounted for as bonds payable, and the value of the equity component of RMB868,731,209 was accounted for as other equity instruments.

Notes to Financial Statements *(continued)*

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

XIV. NOTES TO FINANCIAL STATEMENTS OF THE COMPANY *(continued)*

11. Long-term payables

	2020	2019
Entrusted investments	201,368,782	220,748,782
Loans from a shareholder	14,860,000	22,200,000
Other loans	3,750,000,000	–
	3,966,228,782	242,948,782
Including: Current portion of long-term payables	(2,800,000)	(2,600,000)
	3,963,428,782	240,348,782

* Maturity analysis of long-term payables is as follows:

	2020	2019
Within 1 year or repayable on demand	2,800,000	2,600,000
Over 1 year but within 2 years	2,800,000	2,600,000
Over 2 years but within 5 years	3,758,400,000	8,400,000
Over 5 years	202,228,782	229,348,782
	3,966,228,782	242,948,782

12. Operating income and operating costs

	2020		2019	
	Operating income	Operating costs	Operating income	Operating costs
Principal operations	3,855,501,180	1,947,384,327	3,765,822,217	2,285,058,941
Other operations	406,893,279	151,942,286	415,852,390	166,661,214
	4,262,394,459	2,099,326,613	4,181,674,607	2,451,720,155

13. Financial expenses

	2020	2019
Interest expenses	1,142,005,369	1,009,578,109
Including: Bank borrowings	553,457,934	463,909,619
Bonds payable	537,668,050	541,303,212
Ultra short-term financing bonds	50,879,385	4,365,278
Less: Interest income	747,685,460	833,540,091
Exchange differences	128,028,671	(42,382,748)
Bank charges	24,352,418	11,216,546
Amortisation of unrecognised finance expenses (Note 1)	29,604,753	15,551,242
Unearned finance income (Note 2)	(22,268,402)	(7,515,291)
	554,037,349	152,907,767

Notes to Financial Statements *(continued)*

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*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*XIV. NOTES TO FINANCIAL STATEMENTS OF THE COMPANY *(continued)*13. Financial expenses *(continued)*

Note 1: Unrecognised finance expenses consisted of amortisation of unrecognised interest expenses of provisions of RMB14,332,865 and amortisation of interest expenses of lease liabilities of RMB15,271,888.

Note 2: Unearned finance income was the amortisation of unrecognised financing income from long-term receivables.

In 2020 and 2019, the Company incurred no capitalised interest expenses, and there was no interest income arising from impaired financial assets.

14. Impairment losses on assets and credit impairment gains/(losses)

Credit impairment gains/(losses)	2020	2019
Bad debt reversal/(provision) for trade receivables	195,040	(385,894)
Bad debt provision for other receivables	–	(91,933,475)
	195,040	(92,319,369)
Impairment losses on assets	2020	2019
Provision for decline in value of inventories	(2,861,192)	–
Impairment provision for long-term equity investments	–	(153,880,000)
	(2,861,192)	(153,880,000)

15. Investment income

	2020	2019
Income from long-term equity investments under the cost method	970,581,500	1,059,525,000
Income from long-term equity investments under the equity method	215,739,894	137,905,089
Losses on disposal of subsidiaries	(17,376,531)	(8,558,860)
Gains on disposal of associates	363,915	–
Losses on disposal of financial assets and financial liabilities at fair value through profit or loss (Note 1)	(19,831,938)	(2,383,481)
Dividend income from other equity instrument investments during the holding period	16,200,000	6,100,000
	1,165,676,840	1,192,587,748

Note 1: The investment income from disposal of held for trading financial assets included the investment losses from derivative instruments amounting to RMB35,010,200 (2019: gains of RMB112,449), and other investment income amounting to RMB15,178,262 (2019: losses of RMB2,495,930).

Notes to Financial Statements *(continued)*

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(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

XIV. NOTES TO FINANCIAL STATEMENTS OF THE COMPANY *(continued)*

16. 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:

	2020	2019
Net profit	1,642,226,245	1,419,503,407
Add: Provisions for asset impairment	2,666,152	246,199,369
Depreciation of fixed assets	488,310,904	483,707,320
Depreciation of right-of-use assets	1,350,771	1,350,771
Amortisation of intangible assets	11,673,697	11,127,722
Amortisation of long-term deferred assets	87,285,609	55,399,814
Gains on disposal of fixed assets, intangible assets and other long-term assets	(608,601)	(401,573)
Losses on write-off of fixed assets	2,546,208	2,710,331
(Gains)/Losses on changes in fair value	(165,584,277)	5,772,264
Financial expenses	523,856,395	192,399,774
Investment income	(1,164,206,421)	(1,193,816,680)
Increase in deferred tax assets	(2,288,802)	(60,117,445)
Increase in deferred tax liabilities	16,546,440	27,096,829
Decrease in inventories	144,796,074	77,468,743
(Increase)/Decrease in receivables from operating activities	(82,733,384)	156,356,740
Decrease in payables from operating activities	(14,658,076)	(28,873,287)
Net cash flows from operating activities	1,491,178,934	1,395,884,099

Net changes in cash and cash equivalents:

	2020	2019
Closing balance of cash	4,639,641,199	1,445,704,014
Less: Opening balance of cash	1,445,704,014	2,305,622,601
Add: Closing balance of cash equivalents	67,586,111	111,083,410
Less: Opening balance of cash equivalents	111,083,410	820,712,582
Increase/(Decrease) in cash and cash equivalents	3,150,439,886	(1,569,547,759)

(2) Cash and cash equivalents

	2020	2019
Cash	4,639,641,199	1,445,704,014
Including: Cash on hand	27,530	82,501
Cash at banks that can be readily drawn on demand	4,639,613,669	1,445,621,513
Cash equivalents	67,586,111	111,083,410
Closing balance of cash and cash equivalents at the end of the year	4,707,227,310	1,556,787,424

Notes to Financial Statements *(continued)*

For the year ended 31 December 2020

RMB

*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)*XIV. NOTES TO FINANCIAL STATEMENTS OF THE COMPANY *(continued)*

17. Commitments

	2020	2019
Capital commitments (Note 1)	14,301,007	24,848,403

Note 1: As at 31 December 2020, the amount of capital commitments relating to acquisition and construction of property, plant, machinery and equipment and mining assets totalled RMB14,301,007 (31 December 2019: RMB21,736,652).

XV. SUPPLEMENTARY INFORMATION

1. SUMMARY OF NON-RECURRING PROFIT OR LOSS

Item	2020
Net profit attributable to owners of the parent	6,508,553,913
Add/(Less): Net losses on disposal of non-current assets	195,078,118
Government grants recognised in the statement of profit or loss	(345,880,945)
Gains or losses on changes in fair value arising from held for trading financial assets and financial liabilities, investment income or loss on disposal of held for trading financial assets and financial liabilities except for the effective hedging business and gold leasing relating to the Group's normal business operations (Note 1)	569,805,362
Capital utilisation fee received from non-financial enterprises which is included in profit or loss for the current period	(501,149,355)
Investment income from disposal of long-term equity investments	(1,093,075)
Other non-operating income and expenses other than the aforesaid items	193,367,982
Other profit or loss items that meet the definition of non-recurring profit or loss (Note 2)	(138,440,817)
	6,480,241,183
Impact on income tax	(185,199,782)
	6,295,041,401
Impact on the non-controlling interests (after tax)	26,925,027
	6,321,966,428

The non-recurring profit or loss of the Group was recognised under the CSRC Announcement [2008] No. 43, Explanatory Announcement No.1 on Information Disclosure and Presentation Rules for Companies Making Public Offering of Securities – Non-recurring Profit or Loss. The effective hedging business and gold leasing transactions of the Group are directly related to the normal business operations, 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 normal business operations in light of price fluctuation. Effective hedging business and gold leasing transactions are frequent and the Group has continued and will continue to engage in such transactions in the foreseeable future. For the above-mentioned reasons, the profit or loss on effective hedging business and gold leasing transactions is not classified as non-recurring profit or loss.

Notes to Financial Statements *(continued)*

For the year ended 31 December 2020

RMB

(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)

XV. SUPPLEMENTARY INFORMATION *(continued)*

1. SUMMARY OF NON-RECURRING PROFIT OR LOSS *(continued)*

Note 1: Including the gains on changes in fair value of trading stocks, funds and foreign currency forward contracts amounting to RMB255,988,483 and losses on disposal of stocks, funds, foreign currency forward contracts and wealth management products amounting to RMB825,793,845.

Note 2: Including the provisions related to the exposures at default of Julong Copper, which is calculated as expected total guarantee risk exposures less the value of the pledged shares and the estimated value of the secured equipment. The reversal of credit impairment loss this year was RMB138,440,817.

2. RETURN ON NET ASSETS AND EARNINGS PER SHARE

2020	Return on net assets (%)			Earnings per share	
		Fully diluted	Weighted average	Basic	Diluted
Net profit attributable to ordinary shareholders of the parent	6,508,553,913	11.51	12.19	0.25	0.25
Net profit after non-recurring profit or loss attributable to ordinary shareholders of the parent	6,321,966,428	11.18	11.84	0.25	0.25

2019	Return on net assets (%)			Earnings per share	
		Fully diluted	Weighted average	Basic	Diluted
Net profit attributable to ordinary shareholders of the parent	4,283,957,365	9.27	11.38	0.18	0.18
Net profit after non-recurring profit or loss attributable to ordinary shareholders of the parent	3,996,757,237	8.65	10.61	0.17	0.17

The abovementioned return on net assets and earnings per share were calculated according to the Information Disclosure and Presentation Rules for Companies Making Public Offering of Securities No. 9 – Calculation and Disclosure of Return on Net Assets and Earnings Per Share (2010 revision) issued by the CSRC.

As at 31 December 2020, the total nominal value of the unconverted A Share convertible corporate bonds of the Company was RMB6,000,000,000. When calculating diluted earnings per share, it is assumed that all of the A Share convertible corporate bonds were converted at the price of RMB7.01 per A Share, hence there were 855,920,114 diluted shares.

There were no potential dilutive ordinary shares for the year ended 31 December 2019.

