



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)

(A Share Stock Code : 601899 H Share Stock Code : 2899)

ANNUAL REPORT 2021

開發礦業 造福社會
Mining for a Better Society

Strategy

To Be a Green, High-tech, Leading Global Mining Company

Mission

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.

Spirit

Working Hard to Break New Ground.

Sustainability

Green, High-quality and Sustainable Development, to Benefit more People.



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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

AUDIT AND INTERNAL CONTROL COMMITTEE

Li Changqing
He Fulong
Li Jian
Zhu Guang
Suen Man Tak
Bo Shao Chuan
Zou Laichang (*Resigned as a committee member on 16 April 2021*)
Lin Hongying (*Resigned as a committee member on 16 April 2021*)

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: 2899
Shanghai Stock Exchange: 601899

Corporate Information *(continued)*

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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
Ashele Copper	Xinjiang Habahe Ashele Copper Co., Ltd., a subsidiary of the Company
AUD	Australian dollar, the lawful currency of the Commonwealth of Australia
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
BNL	Barrick (Niugini) Limited, a company under joint operation of the Company
Board, Board of Directors	The board of Directors of the Company
CAD	Canadian dollar, the lawful currency of Canada
Chemicals Co.	Fujian Zijin Mineral Processing Chemicals Co., Ltd., a subsidiary of the Company
COMMUS	Zijin Musonoie Mining Société par Actions Simplifiée (formerly known as 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
Cross-Strait Gold Jewelry Industrial Park	Xiamen Cross-Strait Gold Jewelry Industrial Park Co., Ltd., a subsidiary of the Company
CSRC	China Securities Regulatory Commission
Čukaru Peki Copper and Gold Mine	The project 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
Duobaoshan Copper Industry	Heilongjiang Duobaoshan Copper Industry Inc., a wholly-owned subsidiary of the Company
Ernst and Young	Ernst & Young Hua Ming LLP
Fujian Zijin Copper	Fujian Zijin Copper Co., Ltd., a wholly-owned subsidiary of the Company
Fuyun Jinshan	Fuyun Jinshan Mining Co., Ltd., a subsidiary of the Company
Gold Mountains (H.K.)	Gold Mountains (H.K.) International Mining Company Limited, a wholly-owned subsidiary of the Company
Guizhou Zijin	Guizhou Zijin Mining Co., Ltd., a subsidiary of the Company
H Share(s)	The overseas-listed foreign invested share(s) in the Company's share capital, with a nominal value of RMB0.10 each, which are listed on the Hong Kong Stock Exchange
Heilongjiang Zijin Copper	Heilongjiang Zijin Copper Co., Ltd., a wholly-owned subsidiary of the Company
HKD	Hong Kong dollar, the lawful currency of Hong Kong
Hong Kong	The Hong Kong Special Administrative Region of the People's Republic of China
Hong Kong Stock Exchange	The Stock Exchange of Hong Kong Limited
Hunchun Zijin	Hunchun Zijin Mining Co., Ltd., a wholly-owned subsidiary of the Company
Ivanhoe	Ivanhoe Mines Ltd.
Jilin Zijin	Jilin Zijin Copper Co., Ltd., a wholly-owned subsidiary of the Company
Julong Copper	Tibet Julong Copper Co., Ltd., a subsidiary of the Company
Kamoa Copper, Kamoa	Kamoa Copper SA
Listing Rules	The Rules Governing the Listing of Securities on the Hong Kong Stock Exchange Limited
Longnan Zijin	Longnan Zijin Mining Co., Ltd., a subsidiary of the Company
Longxing	Longxing Limited Liability Company, a subsidiary of the Company
Luoning Zijin	Luoning Zijin Gold Refinery Co., Ltd., 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

Corporate Information *(continued)*

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

Minxi Xinghang	Minxi Xinghang State-owned Assets Investment Company Limited, a substantial shareholder of the Company
Neo Lithium	Neo Lithium Corp.
Norton	Norton Gold Fields Pty Limited, a wholly-owned subsidiary of the Company
Papua New Guinea, PNG	Independent State of Papua New Guinea
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, 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)
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
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
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
Zeravshan	Joint Venture Zeravshan Limited Liability Company, a subsidiary of the Company
Zijin Capital	Zijin Mining Group Capital Investment Co., Ltd., a wholly-owned subsidiary of the Company
Zijin Construction	Zijin Mining Construction Co., Ltd., a subsidiary of the Company
Zijin Copper	Zijin Copper Co., Ltd., a wholly-owned subsidiary of the Company
Zijin Finance, Finance Company	Zijin Mining Group Finance Co., Ltd., a subsidiary of the Company
Zijin Gold Smelting	Zijin Mining Group Gold Smelting Co., Ltd., a wholly-owned subsidiary of the Company
Zijin International Holdings	Zijin International Holdings Co., Ltd., a wholly-owned subsidiary of the Company
Zijin International Trading	Zijin International Trading 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 Yinhui	Luoyang Zijin Yinhui Gold Refinery Co., Ltd., a 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 considered and approved 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 A Shares under non-public issuance in 2017, issued 2,346,041,055 A Shares under public issuance in 2019, issued 98,490,600 A Shares pursuant to the Restricted A Share Incentive Scheme in 2021, and 854,361,694 A Shares were converted from the convertible corporate bonds issued in 2020 during 2021. As at 31 December 2021, the registered capital of the Company was RMB2,547,324,054.6; the number of total issued shares was 26,330,112,240, comprising 5,736,940,000 H Shares, representing approximately 21.79% of the total issued shares, and 20,593,172,240 A Shares, representing approximately 78.21% 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.

The future operation and financial figures (if any) in this report are stated as goals of the Company and shall not constitute a profit forecast of the Company. There is no guarantee that the Company will be able to achieve such goals or not. In light of the risks and uncertainties, the inclusion of forward-looking statements in this report should not be regarded as or constitute any representations or actual commitment by the Board or the Company to investors that the plans and objectives in this report will be achieved, and investors should not place undue reliance on such statements. The Company undertakes no obligation to update publicly or revise any forward-looking statements or information in this report, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.

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

Financial Highlights

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

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

2017 TO 2021 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

	2021	2020	2019	2018	2017
OPERATING INCOME	225,102,488,592	171,501,338,490	136,097,978,018	105,994,246,123	94,548,619,098
Less: Operating costs	190,351,121,555	151,070,863,441	120,582,627,749	92,651,374,475	81,371,973,684
Taxes and surcharges	3,459,679,898	2,499,195,383	1,874,141,394	1,598,995,649	1,352,340,359
Selling expenses	412,272,620	427,684,618	574,433,782	887,451,338	748,942,449
Administrative expenses	5,308,536,279	3,845,610,597	3,689,326,869	2,964,964,865	2,694,689,753
Research and development expenses	770,661,326	582,514,953	476,341,941	274,380,222	299,380,476
Finance expenses	1,496,475,674	1,784,243,603	1,466,849,459	1,254,241,143	2,012,950,292
Add: Other income	350,771,492	342,312,056	290,839,484	227,613,533	228,882,015
Investment income/(losses)	1,691,601,136	(522,067,721)	34,406,224	1,060,522,923	155,670,082
Including: Share of profits/(losses) of associates and joint ventures	1,627,111,396	209,744,927	96,011,495	373,063,390	(29,259,162)
(Losses)/Gains on changes in fair value	(231,864,044)	342,356,736	(59,752,112)	(135,783,729)	750,200,343
Reversal of credit impairment losses/ (Credit impairment losses)	578,093,599	130,622,540	(65,619,609)	82,017,400	–
Impairment losses on assets	(598,022,432)	(357,114,009)	(368,381,596)	(1,500,399,230)	(2,220,905,893)
(Losses)/Gains on disposal of non-current assets	(7,815,800)	12,407,033	(23,675,053)	84,561,738	44,456,123
OPERATING PROFIT	25,086,505,191	11,239,742,530	7,242,074,162	6,181,371,066	5,026,644,755
Add: Non-operating income	178,088,257	138,757,205	50,080,938	365,953,586	57,610,854
Less: Non-operating expenses	470,782,956	532,472,561	317,876,334	417,144,870	516,295,416
PROFIT BEFORE TAX	24,793,810,492	10,846,027,174	6,974,278,766	6,130,179,782	4,567,960,193
Less: Income tax expenses	5,194,172,140	2,387,988,221	1,913,374,082	1,447,503,229	1,320,410,996
NET PROFIT	19,599,638,352	8,458,038,953	5,060,904,684	4,682,676,553	3,247,549,197
Attributable to owners of the parent	15,672,870,591	6,508,553,913	4,283,957,365	4,093,773,630	3,507,717,627
Attributable to non-controlling interests	3,926,767,761	1,949,485,040	776,947,319	588,902,923	(260,168,430)
Subtotal of net other comprehensive income/(loss) after tax	942,126,558	774,643,629	1,289,614,297	(1,174,485,390)	60,783,965
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	20,541,764,910	9,232,682,582	6,350,518,981	3,508,191,163	3,308,333,162
Attributable to:					
Owners of the parent	17,069,728,215	7,825,158,001	5,488,413,806	2,933,737,518	3,547,511,861
Non-controlling shareholders	3,472,036,695	1,407,524,581	862,105,175	574,453,645	(239,178,699)

Financial Highlights *(continued)*

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As at 31 December

	2021	2020	2019	2018	2017
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Assets and liabilities					
Total assets	208,594,678	182,313,250	123,830,947	112,879,303	89,315,263
Total liabilities	115,697,508	107,716,809	66,751,349	65,605,591	51,672,418
Non-controlling interests	21,862,802	18,057,887	5,893,633	6,818,278	2,643,122
Equity attributable to owners of the parent	71,034,368	56,538,554	51,185,965	40,455,434	34,999,723

LIQUIDITY

	2021	2020	2019	2018	2017
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Cash and cash equivalents	13,631,265	11,786,686	6,085,591	9,932,838	5,754,344
Current ratio (%)	93.6	83.5	85.7	81.8	99.6
Trade receivables turnover (days)	2.95	2.26	2.66	4.00	4.04

Chairman's Statement

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The great era has given us broad space and great opportunities. As an important participant in the global mining market, despite multiple difficulties and challenges, Zijin Mining will be able to achieve leaping growth and break new records, continue to develop and make new contributions, keep improving its global competitiveness and become a green, high-tech, leading global mining company as soon as possible!

Mr. Chen Jinghe is the founder and core leader of the Company, and is presently the chairman of the Company. He is a professor grade senior engineer who is entitled to special allowance from the State Council. He is the head of the State Key Laboratory of Comprehensive Utilisation of Low-grade Refractory Gold Ores; he has been concurrently serving as a vice-president 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.

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!

Mining is the basic pillar industry of the national economy. The world is made by materials, and mineral resources are the most important material basis. As an important participant in the global mining market, Zijin Mining insists on providing high-quality mineral raw materials to support the world economic growth. In 2021, the world faced unprecedented changes and the pandemic of the century. Zijin people around the world responded calmly with their unswerving confidence, upheld the general work directive of "deepening reform, achieving leaping growth and sustainable development" to seize on opportunities from the strong upticks in the metal market, thus realised increases in both the sales volumes and selling prices of major mineral products, and achieved growth in performance indicators. Achievements in production and operations and major project constructions are beyond expectation. The Company has set off with a "good start" to catch up with and surpass the world's top metal mining companies within a decade.

Mining is a tough industry. Chinese people have a long history of their excellent character to endure hardship and are capable of hard work. Thus, mining is one of the most suitable industries for Chinese enterprises and Chinese people. In the past year, the pandemic continued to spread overseas, bringing serious impact on normal production and operation. However, the Zijin warriors overcame multiple challenges in the people flow and logistics, and a number of major world-class flagship projects successively

Chairman's Statement *(continued)*

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completed construction and commenced production, which were ahead of expectations, “Zijin Power” and “Zijin Speed” were vividly illustrated! The formation of a copper mine “growth cluster”, which is comprised mainly of three major copper mines, namely the Kamao-Kakula Copper Mine in the DR Congo, the Čukaru Peki Copper and Gold Mine in Serbia and the Julong Copper Mine in Tibet, has accelerated. Copper production is set to experience an explosive growth in every aspect. Our global mining competitiveness characterised by innovation continues to strengthen. Major overseas mineral resources, output and profit contribution have overtaken domestic volumes or amounts in an all-round way.

Mining remains a meritorious industry that can make achievements and contributions. The new energy revolution triggered by the control of greenhouse gas emissions is changing our world. Mining is still a critical industry promoting the transition from old energy to new energy and the continuous progress of human society. Strategic minerals will play a key role in the new energy transition and upgrade. We firmly founded the cornerstone of Zijin Mining's green and sustainable development, formulated the Outline of Five-Year (2+3) Plan and Development Goals for 2030, and re-positioned the overall strategic goal of the Company to “becoming a green, high-tech, leading global mining company”, marking that green, low-carbon and high-tech will become the main goals pursued by the Company. We fully understand that as a latecomer in the global mining industry, there is still a big gap between the Company and the world's top-tier mining companies. Zijin Mining must learn from these pioneers humbly. Strategically, it has to form a system that is highly adaptable to the global market and the reality of the corporate. Unique skills in management and technology shall be developed. The Company always regards innovation as a powerful driving force for the Company's development, and continues to build its global competitiveness, striving to create more Zijin models and Zijin miracles.

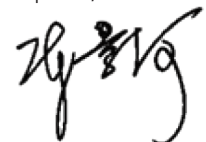
Looking back, we allocated our resources globally and achieved remarkable results in the mergers, acquisitions and development of resources. Among the leading global copper enterprises, we have the fastest growth rate and highest growth in production volume. The Company's gold output also has an obvious growth. Meanwhile, we have entered the field of new energy and new materials, and proposed that attention should be paid to the development of new energy minerals such as lithium, cobalt, and nickel. The Company's successful completion of the acquisition and the commencement of construction of the world-class high-grade 3Q lithium brine project in Argentina marks a key step of us in new energy minerals.

In the future, we will continue to develop globally and seek opportunities to acquire high-quality medium and large-scale mining assets with great strategic significance. Meanwhile, we will further leverage on our traditional advantages in geological exploration, and continuously build up reserves of important mineral resources and new energy minerals. This is also coupled with increased investment in new energy and new material industries such as photovoltaics, wind power and hydrogen energy to significantly raise the proportion of clean energy utilised in Company's production, making due contributions to the goal of global carbon neutrality. We adhere to the vision of “mining for a better society” and the value of “create wealth in harmony, balance development of the corporation, the employees and the society”, so that more people will benefit from the presence of Zijin Mining. We follow international standards to build an “Environmental, Social and Governance (ESG)” system with Zijin characteristics, repay shareholders and the society with exceptional execution and excellent performance indicators, demonstrating Zijin's image and Zijin's value.

In the face of many severe difficulties, challenges and uncertainties, we will attach great importance to risk prevention. We are full of confidence for the future. There is still a growing demand for mineral products in the world and in China. The money flood and concerns over supply have given mining companies important development opportunities. We will continue to deepen reforms, establish a globalised operation and management system that is featured by “streamlining, compliance and efficiency” and high adaptability. Through the comprehensive development of the existing mineral resources, the resource advantage will be transformed into economic and social benefit advantages to achieve leaping growth for the Company. By building the global competitiveness of the enterprise in an all-round way and realising the sustainable development of the enterprise, we will achieve the glorious goal of “becoming a green, high-tech, leading global mining company” as soon as possible!

Zijin Mining Group Co., Ltd.*

Chairman

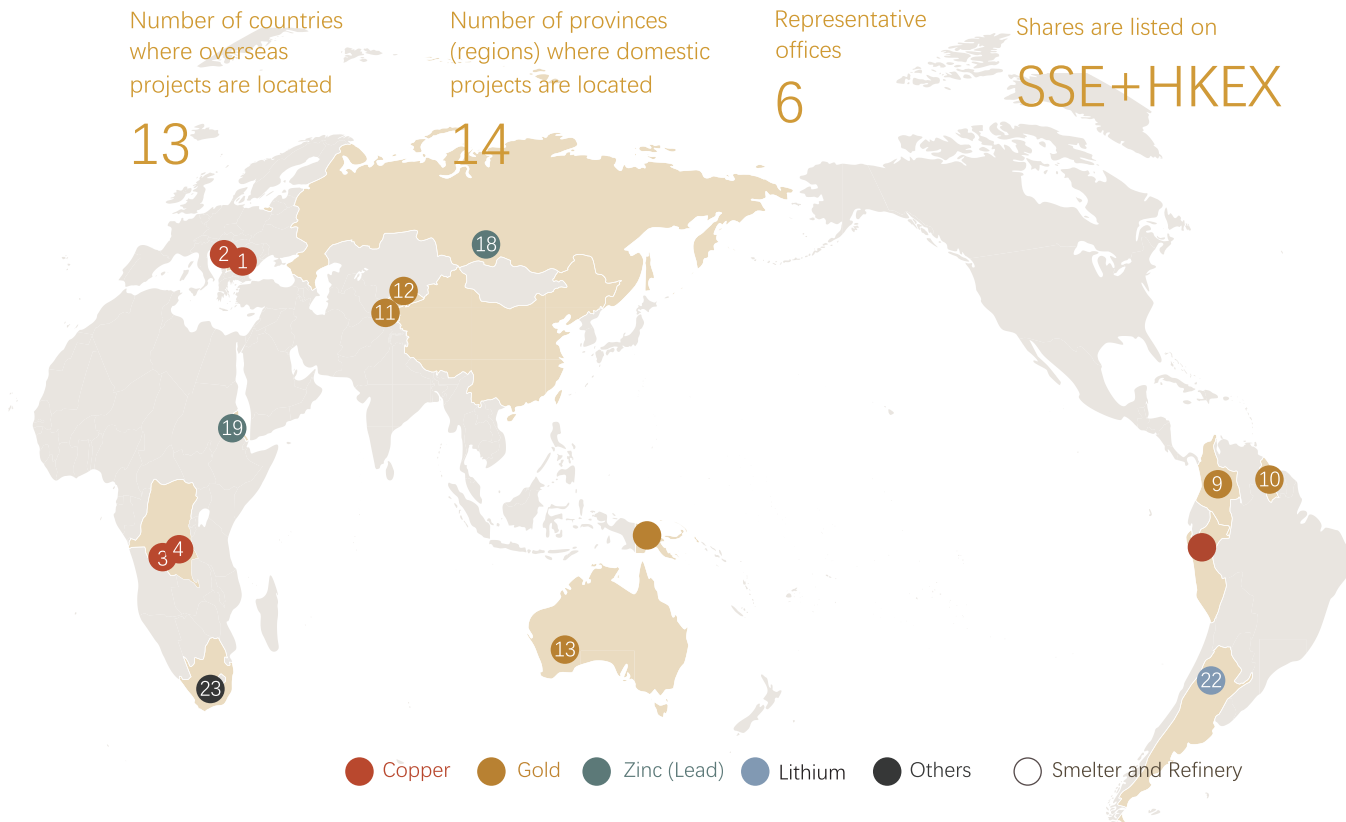


Highlights

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Zijin in the world

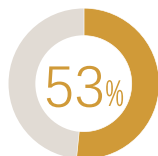
Zijin Mining is a sizeable multinational mining group dedicated to exploration, development and engineering technology application and research, etc., of copper, gold, zinc and other metallic mineral resources and new energy mineral resources globally.



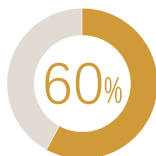
A globalised metal mining company

In 2021, overseas copper and gold mineral resources, output and profits of Zijin Mining overtook the domestic volumes and amounts.

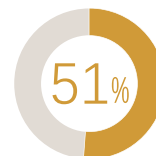
Proportion of overseas mine-produced copper output



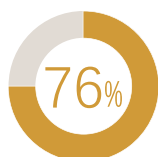
Proportion of overseas mine-produced gold output



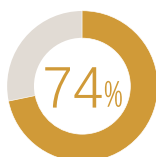
Proportion of profits from overseas production and operation



Proportion of overseas copper resources



Proportion of overseas gold resources



Highlights *(continued)*

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福布斯 Forbes 398th
Forbes' Global 2000 of 2021

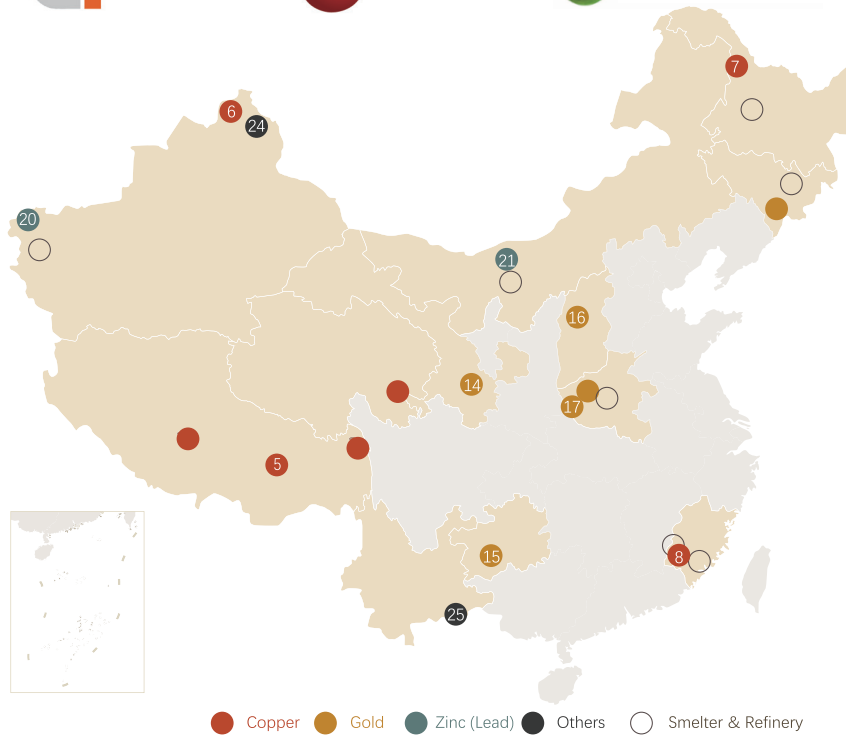
FORTUNE 500 486th
Fortune 500 list in 2021

MSCI 
One of the first batch of 234 large-cap A Share companies included in the MSCI Index

 Constituent of FTSE China A50 Index

 Sample stock of SSE 50 Index

 Constituent of Hang Seng (China A) Corporate Sustainability Benchmark Index, 2021-2022



Cu

Major overseas copper mines

1. Ćukaru Peki Copper and Gold Mine in Serbia
2. Bor Copper Mine in Serbia
3. Kamoia Copper Mine in the DR Congo
4. Kolwezi Copper (Cobalt) Mine in the DR Congo

Major copper mines in China

5. Julong Copper Mine in Tibet
6. Ashele Copper Mine in Xinjiang
7. Duobaoshan Copper Industry/Tongshan Copper Mine in Heilongjiang
8. Zijinshan Gold and Copper Mine in Fujian

Li

Major overseas lithium mine

22. 3Q lithium brine in Argentina

Au

Major overseas gold mines

9. Buriticá Gold Mine in Colombia
10. Aurora Gold Mine in Guyana
11. Jilau/Taror Gold Mines in Tajikistan
12. Taldybulak Levoberezhny Gold Mine in Kyrgyzstan
13. Paddington Operations in Australia

Major gold mines in China

14. Liba Gold Mine of Longnan Zijin in Gansu
15. Shuiyindong Gold Mine in Guizhou
16. Yixingzhai Gold Mine in Shanxi
17. Kunyu Shangong Gold Mine in Henan

Others

Other overseas metal mine

23. Garatau Platinum Group Metals Mine in South Africa

Other metal mines in China

24. Mengku Iron Mine in Xinjiang
25. Malipo Tungsten Mine in Yunnan

Zn

Major overseas zinc (lead) mines

18. Tuva Zinc and Polymetallic Mine in Russia
19. Bisha Zinc (Copper) Mine in Eritrea

Major zinc (lead) mines in China

20. Wulagen Zinc (Lead) Mine in Xinjiang
21. Miaogou-Sanguikou Zinc (Lead) Mine in Inner Mongolia

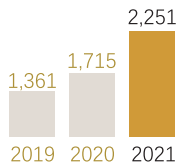
Highlights *(continued)*

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

Key financial performance

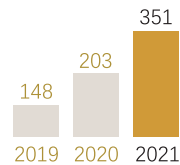
Operating income/
RMB100 million

2,251 ↑31%



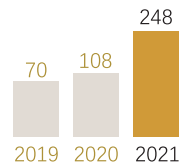
EBITDA/
RMB100 million

351 ↑73%



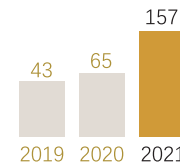
Profit before tax/
RMB100 million

248 ↑129%



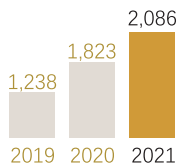
Net profit attributable to
owners of the parent/
RMB100 million

157 ↑141%



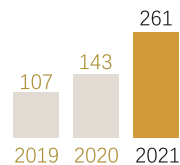
Total assets/
RMB100 million

2,086 ↑14%



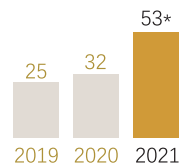
Net cash flows from operating
activities/ RMB100 million

261 ↑83%



Dividend/
RMB100 million

53 ↑67%



Return on equity

24% ↑12 percentage points

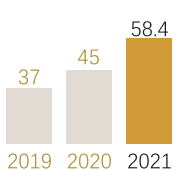
Earnings per share RMB/share

0.6 ↑140%

Production volume of major mineral products

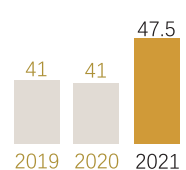
Mine-produced copper/
10 thousand tonnes

58.4 ↑29%



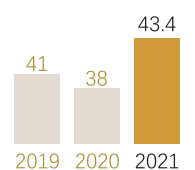
Mine-produced gold/
tonne

47.5 ↑17%



Mine-produced zinc (lead)/
10 thousand tonnes

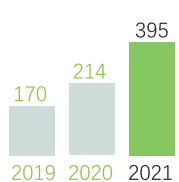
43.4 ↑15%



Environmental and social performance

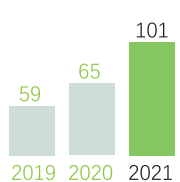
Total social contribution/
RMB100 million

395 ↑84%



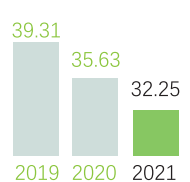
Total amount of tax paid/
RMB100 million

101 ↑55%



Greenhouse gas emission
intensity by revenue
tCO₂e/RMB1 million

32.25 ↓9.5%



Lost time injury rate
per million hours
worked (LTIR)

0.3

Total recordable incident
rate per million hours
worked (TRIR)

0.7

* Note: The profit distribution plan is subject to the approval at the 2021 annual general meeting.

Highlights *(continued)*

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Three world-class copper mines completed construction and commenced production

Major technological upgrades accelerated

May



Phase 1, 3.8 million-tonne-per-annum (Mtpa) concentrator plant of the Kamo-Kakula Copper Mine in the DR Congo completed construction and commenced production. It is expected to produce approximately 200,000 tonnes of copper per year after reaching designated production capacity. The basic engineering design service contract was signed in November for its copper smelter, which has a nameplate capacity of 500,000 tonnes a year.

In December, the 40,000 tonnes/day technological upgrade of the MS Mine of Serbia Zijin Copper commenced trial production; VK Mine's 40,000 tonnes/day processing plant is expected to commence production in the second quarter of 2022.

October



The Upper Zone of the Čukaru Peki Copper and Gold Mine in Serbia commenced formal production. It is expected that 91.4 thousand tonnes of copper and 2.5 tonnes of gold will be produced per annum in average after production commences. In which, the expected peak annual output will be 135 thousand tonnes of copper and 6.1 tonnes of gold.

In December, the technological upgrade project of the 4,000 tonnes/day processing plant of the Buriticá Gold Mine in Colombia was completed and commenced production. The project will achieve an annual gold production of 9.1 tonnes when it reaches designated production capacity in general.

December



Phase 1 of the Julong Copper Mine in Tibet completed construction and commenced production. After reaching designated production capacity, annual copper production volume will be approximately 160 thousand tonnes.

Entered the field of new energy and new materials

October



In October 2021, the Company proposed to acquire 100% equity interest in Neo Lithium Corp. of Canada. The acquisition was completed in January 2022 and received the 3Q lithium brine project in Argentina. Phase 1 of the project, with a designed annual output of 20,000 tonnes of battery-grade lithium carbonate, is planned to complete construction and commence production by the end of 2023.

In January 2022, Katamba Mining, a company jointly established by Zijin and La Congolaise d'Exploitation Minière of the DR Congo, launched the first hard-rock lithium mine exploration project.

Highlights *(continued)*

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Expectation of the future growth

2022 production guidance

	Unit	2020	2021	2022E	2025E
Mine-produced copper	Mt (metal)	0.45	0.584	0.86	1.00-1.10
Mine-produced gold	t (metal)	41	47.5	60	80-90
Mine-produced zinc (lead)	Mt (metal)	0.38	0.434	0.48	
Iron ore	Mt (metal)	3.87	4.25	3.20	
Mine-produced silver	t (metal)	299	309	310	

Major incremental projects

Copper Based on the production volume in 2022, after the completion of construction and commencement of production of the following key copper mine projects of the Company, it is expected that the announced production guidance for copper up to 2025 can be achieved or exceeded.

- ☉ The implementation of caving method in the mining of the four large-scale underground porphyry deposits, including the Tongshan Copper Mine in Heilongjiang, the Zijinshan Luoboling Copper (Molybdenum) Mine in Fujian, the JM Copper Mine of Serbia Zijin Copper and the Lower Zone of the Čukaru Peki Copper and Gold Mine in Serbia, is expected to form an annual copper metal production capacity of more than 200,000 tonnes;
- ☉ Phase 2 of the Julong Copper Mine in Tibet is expected to add 200,000 tonnes of annual copper metal production capacity;
- ☉ Phase 2 and part of the Phase 3 of the Kamoakakula Copper Mine in the DR Congo are expected to add 120,000 tonnes of annual copper metal production capacity (on equity basis).

Lithium By 2025, the Company is expected to have an annual production capacity of 50,000 tonnes of lithium carbonate (LCE).

Note: In light of the complexity and volatility in market environment, the production guidance is the Company's guiding indicators, which is uncertain and does not constitute any commitment. The Company may adjust the plans based on changes in actual circumstances. Investors are advised to pay attention to the relevant risks.

Resources and reserves

The newly added resources from self-initiated exploration over the years

Copper resources
/million tonnes



Gold resources
/tonne



Zinc (lead) resources
/million tonnes



Retained resources and reserves of major minerals

	Unit	Resources (including reserves)	Reserves	Reserves of Zijin/Total reserves in China
Copper	Mt (metal)	62.77	20.33	75.25%
Gold	t (metal)	2,373	792	41.10%
Zinc	Mt (metal)	9.62	4.55	14.71%
Lithium carbonate	LCE Mt	7.63	1.67	—

Note: According to the China Mineral Resources Report 2021 disclosed by the Ministry of Natural Resources, the national reserves of copper, gold and zinc were 27.0130 million tonnes, 1,927.37 tonnes and 30.9483 million tonnes, respectively.

Brief Biography of Directors, Supervisors and Senior Management

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Mr. Chen Jinghe

Executive Director, chairman of the Board, chief officer 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 65

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 is entitled to 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 abroad 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 58

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 member of the Strategic and Sustainable Development (ESG) Committee and deputy officer of the Execution and Investment Committee of the Board.

Aged 54

Mr. Zou graduated from the Fujian Forestry 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 48

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.



Ms. Lin Hongying

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

Aged 54

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 operation and financial capital operation.



Mr. Xie Xionghui

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

Aged 48

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).

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

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Mr. Li Jian

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

Aged 46

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 member 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 65

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.



Mr. Mao Jingwen

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

Aged 66

Mr. Mao 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 54

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-doctoral 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, and he is a practical financial expert.



Mr. He Fulong

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

Aged 67

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 member of the Audit and Internal Control Committee and Nomination and Remuneration Committee of the Board.

Aged 64

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 member of the Strategic and Sustainable Development (ESG) Committee and Audit and Internal Control Committee of the Board.

Aged 57

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 58

Mr. Lin graduated from the Central Communist Party School. He is a part-time postgraduate.

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 54

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 for a long time.



Mr. Xu Qiang

Supervisor.

Aged 70

Mr. Xu obtained a tertiary degree. 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.



Mr. Liu Wenhong

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

Aged 52

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 46

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.

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

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Mr. Shen Shaoyang

Vice-president.

Aged 53

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 46

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 mining enterprises and large-scale mining project development.



Mr. Que Chaoyang

Vice-president.

Aged 52

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 mining enterprises and cross-cultural management.



Mr. Wu Honghui

Financial controller.

Aged 46

Mr. Wu obtained a bachelor's degree. He 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 59

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. He is entitled to 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 54

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 is a senior engineer.

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 61, 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)*

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POSITION HELD BY CURRENT DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT AND THOSE RESIGNED DURING THE REPORTING PERIOD

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 Hongying	Fujian Shanghang Rural Commercial Bank Company Limited	Director	May 2021	May 2024
Li Jian	Shanghang County 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	September 2023
Li Jian	Shanghang Agricultural Financing and Guarantee Company Limited	Chairman	June 2021	
Zhu Guang	HOPU Jinghua (Beijing) Investment Consultancy Co., Ltd.	Vice-chairman		
Zhu Guang	Zhejiang Huayou Cobalt Co., Ltd.	Independent director	April 2020	April 2023
Zhu Guang	Xiamen Houde Zhixiang Investment Management Co., Ltd.	Chairman		
Zhu Guang	Yangzhou Longtou Houde Fund Management Co., Ltd.	Chairman		
Zhu Guang	Ningbo Meishan Bonded Area Guopuxing Investment Management Co., Ltd.	Director		
Zhu Guang	Xiamen Minglu Yuhui Investment Co., Ltd.	Supervisor		
Zhu Guang	Erlian Longming Railway Maintenance Development Co., Ltd.	Director		
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		
Mao Jingwen	Chifeng Jilong Gold Mining Co., Ltd.	Independent director	January 2022	January 2025
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	
Suen Man Tak	Inception Growth Acquisition Limited	Independent director	March 2021	
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	Fujian Supertech Advanced Material Co., Ltd.,	Supervisor	April 2017	June 2023
Shen Shaoyang	Barrick (Niugini) Limited	Director	August 2015	

Management Discussion and Analysis

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The management of the Group hereby reports the discussion and analysis on 2021 operating results.

OVERVIEW OF THE COMPANY'S OPERATION

I. Discussion and analysis of operating conditions

In 2021, Zijin Mining blew the clarion call to build a world-class leading metal mining company with a “three-step process” in a decade. In the face of multiple challenges such as the global pandemic, the Company upheld “deepening reform, achieving leaping growth and sustainable development” as the general work directive, comprehensively strengthened pandemic prevention and control, vaccination and humanistic care. Zijin people all over the world maintained in their positions with braveness and perseverance and battled against hard-work. As a result, the growth of operating results, production and operation and construction of major projects all exceeded expectations. Both the sales volumes and selling prices of major mineral products increased, and the key economic indicators hit a record high. The Company ranked top of the list among the industry in China and the top ten in the world, the global competitiveness was significantly enhanced. The Company deeply adhered to the goals of “carbon peak and carbon neutrality”, seized the significant strategic opportunities from global transition and upgrade to clean energy, and re-positioned its overall strategic goal to “becoming a green, high-tech, leading global mining company”, opening a new chapter of development!

The Company's key economic indicators hit a new record high again

During the reporting period, the Group realised an operating income of RMB225.102 billion, representing an increase of 31.25% compared with the same period last year (same period last year: RMB171.501 billion); profit before tax was RMB24.794 billion, representing an increase of 128.60% compared with the same period last year (same period last year: RMB10.846 billion); net profit attributable to owners of the listed company was RMB15.673 billion, representing an increase of 140.80% compared with the same period last year (same period last year: RMB6.509 billion). As at the end of the reporting period, the Group's total assets amounted to RMB208.595 billion, representing an increase of 14.42% compared with the same period last year (same period last year: RMB182.313 billion). Resources and reserves as well as output of major mineral products continued to be the top in the Chinese metal mining industry. In 2021, the output of mine-produced copper was 584,000 tonnes, representing an increase of 28.83% compared with the same period last year; mined-produced gold was 47.5 tonnes, representing an increase of 17.16% compared with the same period last year; mine-produced zinc (lead) was 434,000 tonnes, representing an increase of 14.86% compared with the same period last year; mine-produced silver was 309 tonnes, representing an increase of 3.38% compared with the same period last year; iron ore was 4.25 million tonnes, representing an increase of 9.82% compared with the same period last year. The resources owned by the Company included 62.77 million tonnes of copper, 2,373 tonnes of gold, 9.62 million tonnes of zinc and the newly added 7.63 million tonnes of lithium carbonate.

Industry status of the Company has been greatly improved. In Forbes' Global 2000 of 2021, the Company ranked 398th among the global listed companies, 3rd among the global gold corporations and 9th among the global metal corporations on the list. It also ranked 486th in Fortune 500 list of companies in 2021 and 67th in Fortune China 500 in the same year.

Formed a “growth-cluster” with economic of scale to face the global development

A batch of important flagship projects completed construction and commenced production, which were ahead of expectation. The commencement of production of the three world-class copper mines, namely the Kamo-a-Kakula Copper Mine in the DR Congo, the Čukaru Peki Copper and Gold Mine in Serbia and the Julong Copper Mine in Tibet were ahead of expectation, supporting the Company to become the major global copper enterprise with the fastest growth rate and highest growth in production volume, and enter into the top tier in the global metal mining industry. Phase 2 construction of the Kamo-a-Kakula Copper Mine in the DR Congo has a chance to commission earlier than expected in April 2022. Construction of the copper smelter of Kamo-a Copper, which has a nameplate capacity of 500,000 tonnes a year, has been accelerated. Upon the completion of construction, the smelter will become the largest copper smelter in Africa. The ten-million-tonne technological upgrade project of the MS Mine of Serbia Zijin Copper completed construction and commenced production successfully; the VK Mine of Serbia Zijin Copper, which has completed technological upgrade to add a 40,000 t/d capacity, will commence production in the second quarter of 2022; the heap leaching project of the Binduli Gold Mine of Norton in Australia, the hot-pressurised oxidation project of Zeravshan's gold mine in Tajikistan and other projects were progressing in an orderly manner.

Management Discussion and Analysis *(continued)*

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

The Company's autonomous construction capacity has been further enhanced. It has become the core force for the construction of major domestic and overseas projects such as the Julong Copper Mine in Tibet and the Kamo-Kakula Copper Mine in the DR Congo. The mining engineering management model of "integrating five ore treatment processes into one" has been further promoted and applied, the efficiencies of self-operated production, operation, construction and management were significantly improved. The research and application of large-scale caving methods for mining at underground mines such as the JM Copper Mine and the Lower Zone of the Čukaru Peki Copper and Gold Mine in Serbia, the Tongshan Copper Mine in Heilongjiang and the Zijinshan Luoboling Copper Mine in Fujian have made new progress.

Became a globalised enterprise in the metal mining industry

The internationalised development of the Company entered a new turning point. The Company has projects spanning 13 countries around the world, with 21,695 overseas employees. Its 2021 transnationality index reached 51.06%. Overseas copper and gold mineral resources, reserves, output and profit contribution have already fully overtaken the domestic amounts. Among which, the overseas copper and gold resources accounted for 76% and 74%, respectively. Overseas copper and gold production accounted for 53% and 60%, respectively; and overseas production and operation profit contribution reached 51%. The divisional management system was strengthened, the authority and responsibilities of the "small groups" were brought into full play. As the centre of overseas operation and management, the Overseas Operations Department significantly enhanced its management and control capabilities of overseas projects in terms of corporate governance, production and operation, project construction, etc. Internationalised talents gained practical experience in overseas projects.

Development of the new energy and new material industries

The Company has entered into the fields of new energy and new materials. Development in copper, lithium, cobalt, nickel and other metallic minerals are prioritised. The Company completed the acquisition of high-grade 3Q lithium brine project in Argentina and commenced the project construction. Meanwhile, the Company also started the exploration and partnership to develop hard rock lithium in the DR Congo. A new energy and material research institute was established to accelerate the implementation of new material research projects such as lithium iron phosphate, electrolytic copper foil and high-performance alloy materials. The industrialisation of ammonia-hydrogen energy, which is a cooperation with Fuzhou University and others, was fully launched. Clean energy projects which are mainly composed of photovoltaic power generation, hydropower and wind power are being implemented in an orderly manner from local to domestic and overseas projects. The Company was the first company in the Chinese precious metal industry and the first state-owned enterprise in Fujian Province to issue "carbon neutral" bonds, all of the proceeds raised would be used for the development of green and low-carbon industries.

Development of the global operation management system obtained initial achievements

The Company comprehensively promoted deepening reforms characterised by internationalisation and the principle of "streamlining, compliance and efficiency", and actively promoted the realisation of the goal of the first stage of the globalised operation and management system. The Company insisted on following international standards and guidelines, the authorisation system and organisational structure were further optimised, the professional service capabilities of the divisional system and functional departments were effectively enhanced. A digitalised and informationalised platform was effectively built and continuously integrated with the business. The standardisation level of operation management and business development efficiency were further improved, bringing continuous improvement on the process-oriented organisation. During the reporting period, the Company made a strategic investment in Jiayou International Logistics Co., Ltd., which could support the development of global logistics system. The development of the internationalised talent system was accelerated, and a diversified talent structure was gradually formed. A specialised talent training mechanism for senior reserves, outstanding youths and outstanding craftsmen has been continuously consolidated and developed.

Management Discussion and Analysis *(continued)*

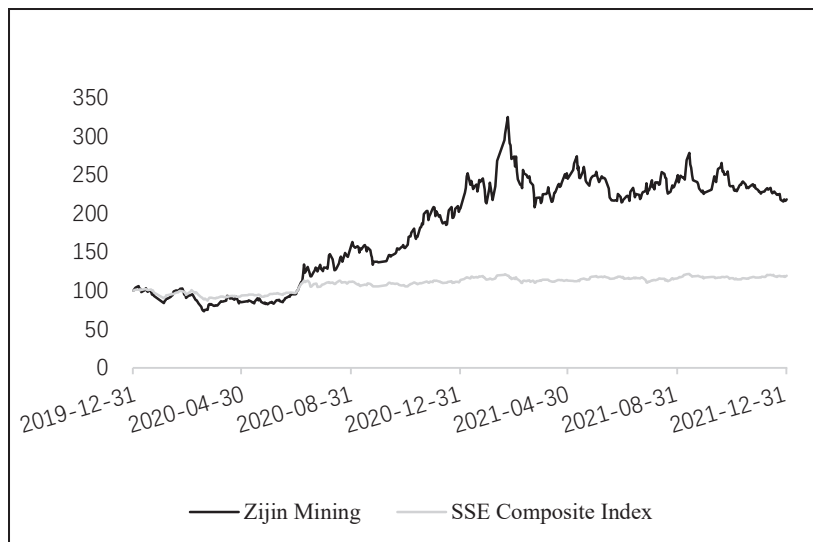
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The co-development and green and sustainable development concepts were promoted around the world

Following the United Nations Sustainable Development Goals, the Company's environmental, social and governance (ESG) system was significantly improved. Safety, environmental protection and occupational health maintained high-hand posture, and pandemic prevention and control were stable and in an orderly manner. The development of green ecological mines became a brilliant business card for global development, "energy consumption and carbon emission" indicator per unit of production value continued to decline. Adhering to the co-development concept of "mining for a better society", the Company continuously contributed to the social and economic development of the local communities and host countries where its projects are located. The ability of cross-cultural exchange and mutual learning was further enhanced. The Company's image as a responsible large-scale multinational enterprise was further improved. The Company's ESG rating scored A- in the Hang Seng (China A) Corporate Sustainability Index.

Recognition from and influence on the capital market significantly improved

The Company's A Shares are included in the FTSE China A50 Index and the SSE 50 Index. Market capitalisation of the Company increased by 8.2% compared with the end of 2020, with the highest record of RMB358.4 billion. At the end of 2021, the Company's market value ranked 9th among global metal mining companies. Basic earnings per share of the Company reached RMB0.60 per share, representing an increase of 140% compared with the same period last year. During the reporting period, the Company completed the conversion of RMB6 billion Zijin Convertible Bonds into shares and implemented the restricted A Share incentive scheme. The Company attaches great importance to investor relations. Its results briefing was selected as the best practice case for the 2020 annual report briefing of listed companies. The Company received the titles of "New Fortune Top 50 Best Listed Companies 2021", "2020 Golden Bull Most Investment Value Award, Best Social Responsibility Award", "China Listed Company Summit Forum Top 100 Enterprise Award and High Growth Enterprise Award", "Xue Qiu Valued Listed Company to be Focused", etc.



2021:

Opening price : RMB9.42

Highest price : RMB15

Lowest price : RMB9.3

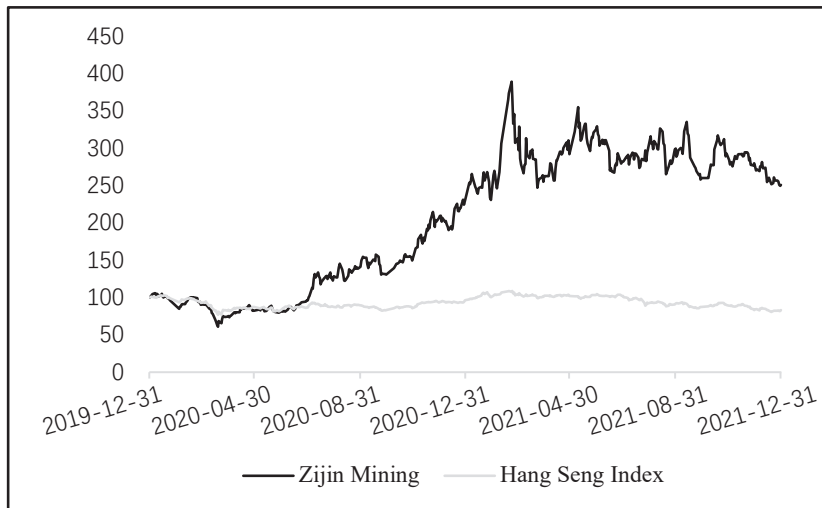
Closing price : RMB9.7

Note: Baseline reset to 100

Trend of Zijin Mining A Shares and comparable index (fixed base)
2019.12.31 – 2021.12.31

Management Discussion and Analysis *(continued)*

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



2021:

Opening price : HKD8.77
 Highest price : HKD16.24
 Lowest price : HKD8.47
 Closing price : HKD9.28

Note: Baseline reset to 100

Trend of Zijin Mining H Shares and comparable index (fixed base)
 2019.12.31 – 2021.12.31

II. Information on the conditions of the industry to which the Company belongs during the reporting period

During the reporting period, the COVID-19 pandemic situation remained volatile, the global economic recovery advanced in twists and turns. Supply chain disruptions became the norm, and the Federal Reserve of the United States released a signal of monetary tightening, despite a rather cautious tone. Against the backdrop of the impact of the energy crisis, the rise of resource nationalism and the surge in demand for new energy, the mismatch of supply and demand was on-going. The prices of major mineral products of the non-ferrous metal industry were rising in general. Among the main mineral products of the Company's operation, except the gold price slightly dropped by 3%, copper price and zinc price increased by 24% and 27%, respectively.

During the reporting period, mining policies around the world changed drastically. Governments of some resource-rich countries in South America such as Peru and Chile changed, raising the concerns over the nationalisation of mining projects. Developed countries in Europe and America, such as the United States and Canada, revised and issued the new version of lists of critical minerals, drawing more attention to the safe supply of key minerals. Other countries such as the Philippines and Uzbekistan newly introduced mining-friendly policies to promote the development of certain mining projects. During the reporting period, mergers and acquisitions in the global mining sector rebounded significantly. S&P data showed that the transaction amount of mergers and acquisitions of major fixed mineral assets reached USD51.1 billion, representing an increase of 43% compared with 2020. Merger and acquisition transactions for gold, copper, and zinc were robust and had not reached its peak. For strategic emerging minerals (lithium, cobalt, nickel), merger and acquisition transactions were unprecedented. Global capital market was paying more attention to mining companies.

Management Discussion and Analysis *(continued)*

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

Gold purchased by global central banks

+82%

compared with the same period last year

China's raw material gold production

-9.95%

compared with the same period last year

During the reporting period, due to the shrinkage of Fed's balance sheet and expectation of raising interest rates, international gold price fell slightly. The highest gold spot price in the London market reached USD1,959/ounce, while the lowest price hit USD1,676/ounce. According to data from the World Gold Council, global gold demand in 2021 rebounded 10% to 4,021 tonnes. During 2021, central banks of different countries increased reserves of 463 tonnes of gold in total, which were 82% higher than that of 2020, pushing the gold reserves of global central banks to its highest level in recent 30 years. Markets of merger and acquisition in gold were robust and did not reach its peak. Data from S&P Global Market Intelligence showed that merger and acquisition transaction amount of global major precious metals in 2021 was USD27.54 billion, representing an increase of 41.7% compared with the same period last year and exceeding the level in 2019 before the pandemic. However, the number of mergers and acquisitions of gold mine decreased, while large-scale mergers and acquisitions increased.

Global gold demand

+10%

compared with the same period last year

Global merger and acquisition transaction amount of major precious metals (gold, silver and palladium)

+41.7%

compared with the same period last year

Copper price hit an all-time record

USD4.89/pound

The number of days available for consumption corresponding to the observable global copper inventories as at the end of 2021

5 days

During the reporting period, affected by the global economic recovery and limited resume of supply, international copper price hit an all-time record of USD4.89/pound (USD10,745/tonne). Woodmac data showed that in 2021, the supply of mine-produced copper only increased by 2.5% compared with the same period last year. The supply and demand of refined copper increased by 2.7% and 4.1% compared with the same period last year, respectively. As at the end of 2021, the observable global copper inventories (three major exchanges + domestic bonded areas) were only about 340,000 tonnes, which was a historically extreme low level. The copper demand from new energy grew rapidly. According to Citibank's report, copper demand from the decarbonisation field (new energy vehicles, charging piles, photovoltaics and wind power generation) was expected to reach 1.8 million tonnes in 2021, representing an increase of 19% compared with the same period last year and accounted for 7% of the total copper demand.

Global refined copper demand

+4.1%

compared with the same period last year

Proportion of demand from the decarbonisation sector

7%

Management Discussion and Analysis *(continued)*

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

<p>Supply shortage in the global zinc market</p> <p>192,000 tonnes</p>	<p>Global zinc supply</p> <p>+4.5%</p> <p>compared with the same period last year</p>	<p>During the reporting period, affected by the global economic recovery and the disturbance in supply induced by energy crisis, international zinc price hit a record high since September 2008. According to the data from International Lead and Zinc Research Group (ILZG), in 2021, the global mine-produced zinc supply, refined zinc supply and refined zinc demand increased by 4.5%, 0.6% and 5.8% compared with the same period last year, respectively. There was a shortage of 192,000 tonnes of zinc for the whole year of 2021. In the fourth quarter of 2021, Trafigura and Glencore both announced plans to halt the production of their smelters in Europe, pushing up zinc price. According to statistics, the current zinc smelting capacity in Europe is about 2.3 million tonnes, accounting for about 18% of the total global smelting capacity. The energy crisis and geopolitics in Europe had affected the refined zinc supply in Europe, which had a relatively large impact on the global refined zinc supply.</p>
<p>Zinc smelting capacity announced to be reduced in Europe due to the energy crisis</p> <p>450,000 tonnes</p>	<p>Global refined zinc demand</p> <p>+5.8%</p> <p>compared with the same period last year</p>	

III. Information about the businesses the Company engaged in during the reporting period

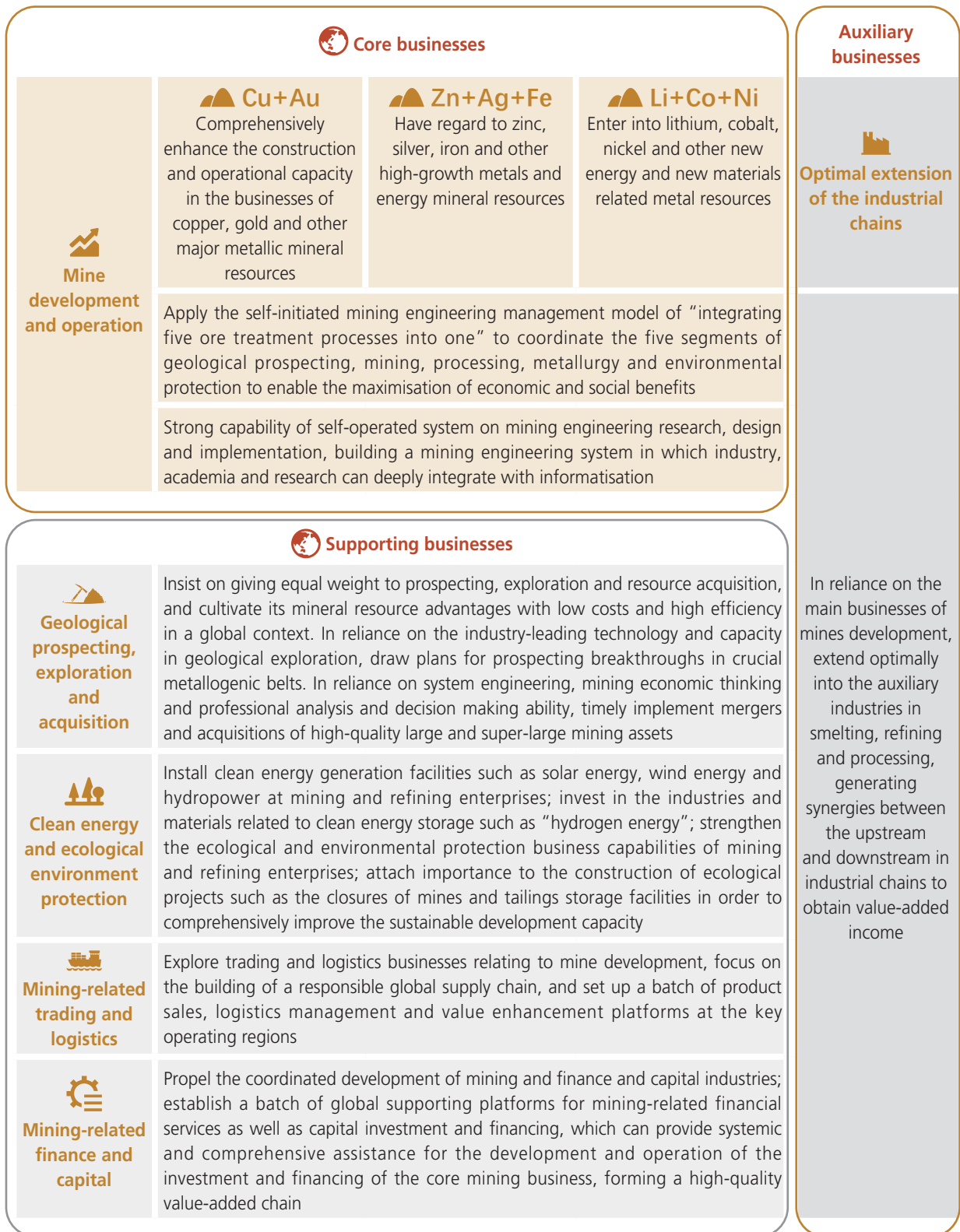
The Company dedicates to exploration and development of copper, gold, zinc and other base metal mineral resources and new energy mineral resources globally, and covers refining, processing, trading, financing and other businesses to an optimal extent. It has a relatively complete industrial chain.

The Company upholds innovations in system and mechanism, technology management and mining engineering, and has established a model with Zijin characteristics in the aspects of resource exploration, engineering design, autonomous construction, production, operation, green and sustainable development, etc. The strategic value, social value, investment value and brand value of the Company are highly acknowledged within the industry.

Management Discussion and Analysis *(continued)*

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1. Ecosystem of Zijin



Management Discussion and Analysis *(continued)*

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2. Core businesses review

Copper business

– A world-class enterprise, the enterprise with the largest mine-produced copper production in China, and the enterprise with the largest copper resources/reserves in China

- Highlights: During the reporting period, the three world-class super-large copper mines, namely the Kamoakakula Copper Mine in the DR Congo, the Čukaru Peki Copper and Gold Mine in Serbia and the Julong Copper Mine in Tibet (the largest porphyry copper mine in China), completed construction and commenced production, which were ahead of expectations.

According to the China Mineral Resources Report 2021 disclosed by the Ministry of Natural Resources of the PRC, the national copper reserves were 27.0130 million tonnes, while the copper reserves of the Company were 20.3283 million tonnes, representing approximately 75.25% of the total volume in China. In accordance with the statistics disclosed by China Nonferrous Metals Industry Association, the national mine-produced copper production volume in 2021 was 1.8547 million tonnes, while the Company's mine-produced copper production volume was 584 thousand tonnes, representing approximately 31.49% of the total volume in China.

- Resources: Copper resources continued to grow, stood at 62.7705 million tonnes, copper reserves stood at 20.3283 million tonnes.
- Production volume: The Group produced 1,205,499 tonnes of copper, representing an increase of 17.14% compared with the same period last year (same period last year: 1,029,090 tonnes).

Among which: 584,165 tonnes of mine-produced copper were produced, representing an increase of 28.83% compared with the same period last year (same period last year: 453,447 tonnes).

621,334 tonnes of refined copper were produced, representing an increase of 7.94% compared with the same period last year (same period last year: 575,643 tonnes).

- Costs: The costs of mine-produced copper had a comparative advantage. During the reporting period, the unit cost of sales of mine-produced copper was RMB18,194/tonne, representing a decrease of 9.46% compared with the same period last year (same period last year: RMB20,095/tonne).
- Contribution: Sales income from the copper business represented 24.28% (after elimination) of the total operating income during the reporting period. Gross profit of the copper business represented 52.63% of the gross profit of the Group.
- Growth potential: The Company is the world's fastest growing major copper mining company in terms of speed and volume. A batch of world-class major projects had completed construction, commenced production and reached designated production capacity. Rich resources have become the direct driving force for the high growth of copper business. In reliance on subsequent mergers and acquisitions and self-initiated exploration, resources/reserves are expected to have a continuous growth.

Management Discussion and Analysis *(continued)*

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Cu Major mines or enterprises	Name	Interest held by the Group	Mine- produced copper (tonne)	Mine-produced copper on equity basis (tonne)	Note
	Kolwezi Copper Mine in the DR Congo	72%	121,072	87,172	Including: 59,928 tonnes of electrodeposited copper
	Duobaoshan Copper Industry in Heilongjiang	100%	109,490	109,490	
	Zijinshan Gold and Copper Mine in Fujian	100%	85,061	85,061	Including: 21,592 tonnes of electrodeposited copper
	Serbia Zijin Copper	63%	66,031	41,599	Including: 58,344 tonnes of electrolytic copper
	Serbia Zijin Mining	100%	55,119	55,119	
	Kaoia Copper (on equity basis)	39.6%	41,930	41,930	The Company also holds 13.67% equity interest in Ivanhoe. The Company's aggregate copper production on equity basis is 47,662 tonnes
	Ashele Copper in Xinjiang	51%	45,124	23,013	
	Bisha in Eritrea	55%	20,224	11,123	
	Hunchun Zijin in Jilin	100%	13,338	13,338	
Julong Copper	50.1%	15,690	7,861		
Total of other mines			11,086	9,037	
Total			584,165	484,743	

Cu Major refineries	Name	Interest held by the Group	Refined copper (tonne)	Refined copper on equity basis (tonne)
	Zijin Copper	100%	345,284	345,284
	Jilin Zijin Copper	100%	110,767	110,767
	Heilongjiang Zijin Copper	100%	155,005	155,005
	Serbia Zijin Copper	63%	7,317	4,609
Total from other copper refineries			2,961	2,388
Total			621,334	618,053

Management Discussion and Analysis *(continued)*

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Gold business

– An important player in the global gold market, the largest listed mine-produced gold company in China

- Highlights: During the reporting period, the Company's technological upgrade and expansion projects including the Binduli Gold Mine of Norton in Australia, the Buriticá Gold Mine in Colombia, Shanxi Zijin, Guizhou Zijin and Zeravshan in Tajikistan were progressing in an orderly manner, laying the foundation for the growth in 2022.

According to the China Mineral Resources Report 2021 disclosed by the Ministry of Natural Resources of the PRC, the national gold reserves were 1,927.37 tonnes, while the gold reserves of the Company were 792.15 tonnes, representing approximately 41.10% of the total volume in China. According to the statistics disclosed by the China Gold Association, the national mine-produced gold production volume in 2021 was 258.09 tonnes, while the Company's mine-produced gold production volume was 47.5 tonnes, representing approximately 18.40% of the total volume in China.

- Resources: Gold resources and reserves were 2,372.90 tonnes and 792.15 tonnes, respectively.
- Production volume: The Group produced 319,348kg (10,267,275 ounces) of gold, representing an increase of 1.35% compared with the same period last year (same period last year: 315,084kg).

Among which: 47,459kg (1,525,827 ounces) was mine-produced gold, representing an increase of 17.16% compared with the same period last year (same period last year: 40,509kg);

271,890kg (8,741,448 ounces) of refined, processed and trading gold was produced, representing a decrease of 0.98% compared with the same period last year (same period last year: 274,576kg).

- Costs: The costs of gold mines were relatively low in general. During the reporting period, the unit cost of sales of mine-produced gold was RMB176.22/gramme, representing a decrease of 0.66% compared with the same period last year (same period last year: RMB177.38/gramme).
- Contribution: Gold business is an important source of revenue and profit contribution of the Company. Sales income generated from the gold business represented 45.12% (after elimination) of the operating income during the reporting period, and the gross profit of the gold business represented 21.31% of the gross profit of the Group. (1 troy ounce = 31.1035 grammes).
- Growth potential: The Company has accelerated the technological upgrade and expansion for gold incremental projects. In reliance on subsequent mergers and acquisitions and self-initiated exploration, resources/reserves are expected to increase.

Management Discussion and Analysis *(continued)*

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Au Major mines or enterprises	Name	Interest held by the Group	Mine-produced gold (kg)	Mine-produced gold on equity basis (kg)
	Zeravshan in Tajikistan	70%	6,588	4,612
	Buriticá Gold Mine in Colombia	69.28%	6,106	4,230
	Longnan Zijin	84.22%	4,936	4,157
	Norton in Australia	100%	4,374	4,374
	Altynken in Kyrgyzstan	60%	4,319	2,591
	Serbia Zijin Mining	100%	3,138	3,138
	Hunchun Zijin in Jilin	100%	2,524	2,524
	Guizhou Zijin	56%	2,401	1,344
	Duobaoshan Copper Industry in Heilongjiang	100%	2,346	2,346
	Zijinshan Gold and Copper Mine in Fujian	100%	2,112	2,112
	Luoyang Kunyu	70%	1,576	1,103
	Serbia Zijin Copper	63%	1,656	1,043
Aurora in Guyana	100%	1,393	1,393	
Total of other mines			3,990	3,070
Total			47,459	38,037

Au Major refineries	Name	Interest held by the Group	Refined gold (kg)	Refined gold on equity basis (kg)
	Zijin Gold Smelting	100%	139,600	139,600
	Zijin Yinhui	70%	53,415	37,390
	Cross-Strait Gold Jewelry Industrial Park	50.3487%	46,000	28,060
Total from other gold refineries			32,875	29,791
Total			271,890	234,841

Zinc (Lead) business

– The largest mine-produced zinc (lead) producer in China

- Highlights: During the reporting period, Phase 4 of Zijin Zinc's flotation processing system commenced commissioning and trial production. Bayannur Zijin's 50,000 tonnes per year zinc alloy technological upgrade project was completed.

According to the China Mineral Resources Report 2021 disclosed by the Ministry of Natural Resources of the PRC, the national zinc reserves were 30.9483 million tonnes, while the zinc reserves of the Company were 4.5540 million tonnes, representing approximately 14.71% of the total volume in China. According to the statistics disclosed by China Nonferrous Metals Industry Association, the national mine-produced zinc production volume in 2021 was 3.1595 million tonnes, while the Company's mine-produced zinc production volume was 396 thousand tonnes, representing approximately 12.53% of the total volume in China.

Management Discussion and Analysis *(continued)*

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- Resources: Zinc resources and reserves were 9.6182 million tonnes and 4.5540 million tonnes, respectively; lead resources and reserves were 1.2640 million tonnes and 696.5 thousand tonnes, respectively.
- Production volume: The Group produced 718,883 tonnes of zinc, representing an increase of 28.15% compared with the same period last year (same period last year: 560,964 tonnes).

Among which, the Group produced 396,443 tonnes of mine-produced zinc in concentrate form, representing an increase of 15.87% compared with the same period last year (same period last year: 342,131 tonnes);

322,440 tonnes of zinc bullion were produced from refineries, representing an increase of 47.34% compared with the same period last year (same period last year: 218,834 tonnes).

37,942 tonnes of lead in concentrate form were produced, representing an increase of 5.18% compared with the same period last year (same period last year: 36,072 tonnes).

- Costs: Profitability from the development of low-grade resources is a clear edge of the zinc (lead) business. The main economic indicators outperformed other domestic zinc enterprises. During the reporting period, the unit cost of sales of mine-produced zinc was RMB7,369/tonne, representing an increase of 12.16% compared with the same period last year (same period last year: RMB6,570/tonne).
- Contribution: Sales income generated from the zinc (lead) business represented 5.01% (after elimination) of the operating income during the reporting period, and the gross profit from the zinc (lead) business represented 8.37% of the gross profit of the Group.

Zn/Pb Major mines or enterprises	Name	Interest held by the Group	Mine-produced zinc (tonne)	Mine-produced lead (tonne)	Total of mine-produced zinc + mine-produced lead (tonne)	Total of mine-produced zinc + mine-produced lead on equity basis (tonne)
	Bisha in Eritrea	55%	129,641	–	129,641	71,303
	Zijin Zinc in Xinjiang	100%	142,084	20,188	162,272	162,272
	Urad Rear Banner Zijin	95%	50,432	10,662	61,094	58,040
	Longxing in Russia	70%	62,183	4,398	66,581	46,607
	Ashele Copper in Xinjiang	51%	11,397	–	11,397	5,812
Total of other mines			706	2,694	3,400	3,105
Total			396,443	37,942	434,385	347,139

Zn/Pb Major refineries	Name	Interest held by the Group	Zinc bullion (tonne)	Zinc bullion on equity basis (tonne)
	Bayannur Zijin	87.2%	230,009	200,568
	Xinjiang Zijin Non-ferrous	100%	92,431	92,431
Total			322,440	292,999

Management Discussion and Analysis *(continued)*

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Silver, iron, cobalt, sulphuric acid and other businesses

– The largest mine-produced silver producer in China

- Silver resources (including associated resources) were 11,535.76 tonnes, which was in the top rank in China.

Iron business has significant growth potential, with iron ore resources of 179 million tonnes.

- Production volume: The Group produced 911,649kg of silver, representing an increase of 13.74% compared with the same period last year (same period last year: 801,503kg).

Among which, 602,842kg of silver was produced from refineries as by-product, representing an increase of 19.90% compared with the same period last year (same period last year: 502,787kg).

308,806kg of mine-produced silver was produced, representing an increase of 3.38% compared with the same period last year (same period last year: 298,715kg).

4.25 million tonnes of iron ore were produced, representing an increase of 9.82% compared with the same period last year (same period last year: 3.87 million tonnes).

1,607 tonnes of mine-produced cobalt metal were produced, representing an increase of 12.91% compared with the same period last year (same period last year: 1,423 tonnes).

Certain copper, zinc and gold refineries produced 2,952,731 tonnes of sulphuric acid as by-product, representing an increase of 12.73% compared with the same period last year (same period last year: 2,619,205 tonnes).

- Costs: During the reporting period, the unit cost of sales of mine-produced silver was RMB1.57/gramme, representing an increase of 8.11% compared with the same period last year (same period last year: RMB1.45/gramme). The unit cost of sales of iron ore was RMB209.08/tonne, representing an increase of 19.53% compared with the same period last year (same period last year: RMB174.91/tonne).
- Contribution: Sales income from silver, iron ore and other products represented 25.59% (after elimination) of total operating income during the reporting period, the gross profit of which represented 17.69% of the gross profit of the Group.

Ag Major mines or enterprises	Name	Interest held by the Group	Mine-produced silver (kg)	Mine-produced silver on equity basis (kg)
	Bisha in Eritrea	55%	68,624	37,743
	Duobaoshan Copper Industry in Heilongjiang	100%	39,101	39,101
	Luoyang Kunyu	70%	34,537	24,176
	Ashelle Copper in Xinjiang	51%	33,593	17,132
	Zijinshan Gold and Copper Mine in Fujian	100%	30,990	30,990
	Longxing in Russia	70%	21,449	15,015
	Shanxi Zijin	100%	18,571	18,571
	Julong Copper in Tibet	50.1%	13,981	7,004
Total of other mines			47,960	34,941
Total			308,806	224,673

Management Discussion and Analysis *(continued)*

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Fe Major mines or enterprises	Name	Interest held by the Group	Iron ore (million tonnes)	Iron ore on equity basis (million tonnes)
	Xinjiang Jinbao	56%	3.18	1.78
	Makeng Mining	41.5%	0.91 (on equity basis)	0.91
Total of other mines			0.16	0.09
Total			4.25	2.78

H₂SO₄ Sulphuric acid	Name	Interest held by the Group	Sulphuric acid (tonne)	Sulphuric acid on equity basis (tonne)
	Zijin Copper	100%	1,024,611	1,024,611
	Heilongjiang Zijin Copper	100%	601,752	601,752
	Jilin Zijin Copper	100%	359,300	359,300
	Bayannur Zijin	87.2%	386,410	336,950
	Serbia Zijin Copper	63%	339,194	213,692
	Xinjiang Zijin Non-ferrous	100%	172,770	172,770
	Luoning Zijin	70%	68,694	48,086
	Total			2,952,731

Management Discussion and Analysis *(continued)*

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

OVERVIEW OF THE KEY MINES

	01	02	03
			
Project name	Čukaru Peki Copper and Gold Mine in Serbia	Bor Copper Mine	Kamoa-Kakula Copper Mine
Types of minerals	Copper, gold	Copper, gold	Copper
Geographical location	Bor District, Serbia	Bor District, Serbia	Lualaba Province, the DR Congo
Shareholding proportion	100%	63%	45% (including interest held through Ivanhoe)
Project status	Upper Zone: in production Lower Zone: under construction	In production + technological upgrade and expansion	In production + technological upgrade and expansion
Deposit type	High-sulphidation epithermal + porphyry	High-sulphidation epithermal + porphyry	Sedimento-metamorphic and transformation
Resources	<ul style="list-style-type: none"> Upper Zone: 1.54 million tonnes of copper @2.45%, and 86 tonnes of gold @1.37 grammes/tonne Lower Zone: 14.28 million tonnes of copper @0.83%, and 295 tonnes of gold @0.17 gramme/tonne 	<ul style="list-style-type: none"> 10.44 million tonnes of copper @0.43% 389 tonnes of gold @0.16 gramme/tonne 	<ul style="list-style-type: none"> 43.59 million tonnes of copper @2.53%
Mining and processing method	Underground mining + flotation processing	Open-pit mining, underground mining + flotation processing	Underground mining + flotation processing
Production volume in 2021	<ul style="list-style-type: none"> 55,000 tonnes of copper 3.14 tonnes of gold 	<ul style="list-style-type: none"> 66,000 tonnes of copper 1.66 tonnes of gold 	42,000 tonnes of copper (on equity basis)
Production plan in 2022	<ul style="list-style-type: none"> 103,000 tonnes of copper 5.3 tonnes of gold 	<ul style="list-style-type: none"> 111,000 tonnes of copper 2.36 tonnes of gold 	290,000-340,000 tonnes of copper (on 100% equity interest)
Technological upgrade and production expansion of the project	<ul style="list-style-type: none"> The Upper Zone was officially put into production in October 2021. There is super-high grade copper ore at the Upper Zone. The caving method will be adopted in the large-scale development of the Lower Zone. At present, pre-feasibility study and design had been completed. Preliminary land acquisition, vertical shaft construction survey, and mine shaft and drift engineering are being promoted. 	<ul style="list-style-type: none"> The ten-million-tonne technological upgrade project of the MS Mine completed construction and commenced production in October 2021. The construction of the main body and facilities of the processing plant under the technological upgrade of the VK Mine, which can add an additional 40,000t/d capacity, was completed in the end of December 2021. It is expected that the production will commence in the second quarter of 2022. The mining method of the JM Mine was changed from the filling method to the caving method, striving to complete construction and commence production by the end of 2024. 	<ul style="list-style-type: none"> Phase 1 concentrator plant completed construction and commenced production in May 2021; hot commissioning of the Phase 2 concentrator plant is on track for April 2022. By one year of technological upgrade, the annual copper output will exceed 450,000 tonnes, positioning Kamoa-Kakula as the world's fourth largest copper producer. Phase 3 expansion and the early works on a smelter with a nameplate capacity of 500,000 tonnes a year is progressing quickly. Phase 3 is expected to be commissioned in the fourth quarter of 2024. When the project's production capacity increases to 19 million-tonne-per-annum (Mtpa), it will become the world's second-largest copper mining complex, with annual copper production of more than 800,000 tonnes.

Management Discussion and Analysis *(continued)*

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




			
Project name	Kolwezi Copper (Cobalt) Mine	Julong Copper Mine	Duobaoshan/Tongshan Copper Mines
Types of minerals	Copper, cobalt	Copper	Copper, gold
Geographical location	Lualaba Province, the DR Congo	Lhasa City, Tibet Autonomous Region	Nenjiang County, Heihe City, Heilongjiang Province
Shareholding proportion	72%	50.10%	100%
Project status	In production + technological upgrade and expansion	In production + expansion	In production
Deposit type	Sedimento-metamorphic and transformation	Porphyry + skarn	Porphyry
Resources	<ul style="list-style-type: none"> 1.69 million tonnes of copper @2.88% 48,000 tonnes of cobalt @0.08% 	<ul style="list-style-type: none"> 13.77 million tonnes of copper @0.38% 	<ul style="list-style-type: none"> 2.28 million tonnes of copper @0.41% 70 tonnes of gold @0.12gramme/tonne
Mining and processing method	Open-pit mining + flotation processing, hydrometallurgy	Open-pit mining + flotation processing	Open-pit mining, underground mining + flotation processing
Production volume in 2021	<ul style="list-style-type: none"> 120,000 tonnes of copper 1,607 tonnes of cobalt 	<ul style="list-style-type: none"> 16,000 tonnes of copper 	<ul style="list-style-type: none"> 109,000 tonnes of copper 2.3 tonnes of gold
Production plan in 2022	<ul style="list-style-type: none"> 127,000 tonnes of copper 1,973 tonnes of cobalt 	<ul style="list-style-type: none"> 127,000 tonnes of copper 	<ul style="list-style-type: none"> 110,000 tonnes of copper 2.3 tonnes of gold
Technological upgrade and production expansion of the project	<ul style="list-style-type: none"> Phase 1 of the low-grade ore comprehensive utilisation project successfully commenced trial production in December 2021, which can increase the ore processing capacity by 2,500 tonnes/day, and the additional annual cathode copper output is expected to exceed 10,000 tonnes. 	<ul style="list-style-type: none"> Phase 1 of the project completed construction in December 2021. It is planned to implement Phase 2 and Phase 3 in stages, and it is expected to achieve a final annual mining and processing volume of about 200 million tonnes of ore and annual output of 600,000 tonnes of copper. 	<ul style="list-style-type: none"> Caving method will be applied at the Tongshan Copper Mine. Production is planned to commence in 2024.



Photo | Julong Copper Mine in Tibet

Management Discussion and Analysis *(continued)*

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




	07	08	09
			
Project name	Zijinshan Copper and Gold Mine	Buriticá Gold Mine	Aurora Gold Mine
Types of minerals	Copper, gold	Gold, silver	Gold
Geographical location	Shanghang County, Longyan City, Fujian Province	Municipality of Buriticá, Colombia	Cuyuni-Mazaruni Region, Guyana
Shareholding proportion	100%	69.28%	100%
Project status	In production	In production + expansion	In production
Deposit type	Porphyry	Epithermal	Ductile shear and porphyry
Resources	<ul style="list-style-type: none"> 1,250,000 tonnes of copper @0.43% 	<ul style="list-style-type: none"> 320 tonnes of gold @6.93 grammes/tonne 	<ul style="list-style-type: none"> 191 tonnes of gold @2.53 grammes/tonne
Mining and processing method	Open-pit mining, underground mining + floating procession, hydrometallurgy	Underground mining + gravity concentration processing, flotation processing, cyanide leaching	Open-pit mining + gravity concentration processing, cyanide leaching
Production volume in 2021	<ul style="list-style-type: none"> 85,000 tonnes of copper 2.1 tonnes of gold 	<ul style="list-style-type: none"> 6.1 tonnes of gold 	<ul style="list-style-type: none"> 1.4 tonnes of gold
Production plan in 2022	<ul style="list-style-type: none"> 85,000 tonnes of copper 	<ul style="list-style-type: none"> 7.6 tonnes of gold 	<ul style="list-style-type: none"> 3.3 tonnes of gold
Technological upgrade and production expansion of the project	<ul style="list-style-type: none"> Research on caving method at the periphery of the Luoboling Copper Mine is being carried out. 	<ul style="list-style-type: none"> Technological upgrade of the 4,000 tonnes/day processing plant was completed and commenced production in December 2021. The development of engineering excavation is accelerating under mining technological upgrade, striving to achieve a mining capacity of 4,000 tonnes/day in the first half of 2022. The project will achieve an annual gold production of 9.1 tonnes when it reaches designated production capacity. 	<ul style="list-style-type: none"> Technological upgrade and optimisation of the project are in full swing. After reaching designated production capacity, the project will produce over 4 tonnes of gold per annum.



Photo | Zijinshan Copper and Gold Mine in Fujian

Management Discussion and Analysis *(continued)*

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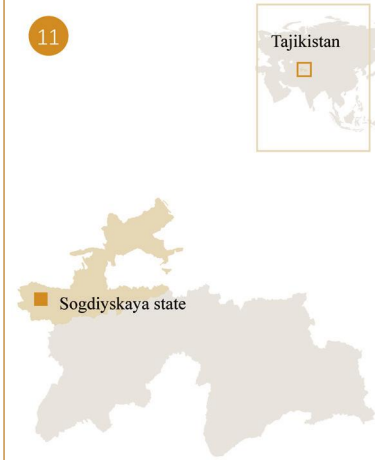
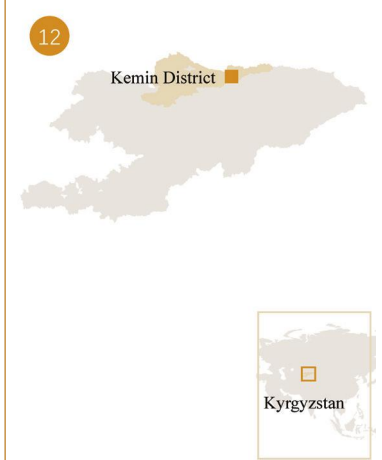
	10	11	12
			
Project name	Norton	Zeravshan	Altynten
Types of minerals	Gold	Gold	Gold
Geographical location	Western Australia, Australia	Sogdiyskaya state, Tajikistan	Kemin District, Kyrgyzstan
Shareholding proportion	100%	70%	60%
Project status	In production + technological upgrade and expansion	In production + technological upgrade and expansion	In production
Deposit type	Greenstone ductile shear belt	Porphyry-skarn	Tectonic altered rock
Resources	<ul style="list-style-type: none"> • 364 tonnes of gold @0.91 gramme/tonne 	<ul style="list-style-type: none"> • 108 tonnes of gold @1.89 grammes/tonne 	<ul style="list-style-type: none"> • 55 tonnes of gold @4.39 grammes/tonne
Mining and processing method	Open-pit mining, underground mining + cyanide leaching	Open-pit mining + flotation processing, cyanide leaching	Underground mining + flotation processing, cyanide leaching
Production volume in 2021	<ul style="list-style-type: none"> • 4.4 tonnes of gold 	<ul style="list-style-type: none"> • 6.6 tonnes of gold 	<ul style="list-style-type: none"> • 4.3 tonnes of gold
Production plan in 2022	<ul style="list-style-type: none"> • 6.0 tonnes of gold 	<ul style="list-style-type: none"> • 6.0 tonnes of gold 	<ul style="list-style-type: none"> • 3.9 tonnes of gold
Technological upgrade and production expansion of the project	<ul style="list-style-type: none"> • Construction of the 5 million tonnes/year low-grade gold mine heap leaching project is expected to complete and commence production by the end of June 2022. After reaching designated production capacity, the extra gold metal production will be approximately 2.5 tonnes. • In December 2021, the construction of the refractory gold mine had started, and it is expected that the construction will complete and the production will commence by the end of December 2022, which can extend the service life of the Paddington processing plant. 	<ul style="list-style-type: none"> • Construction of the 500 tonnes/day pressurised oxidation project, which started in December 2021, is underway, and strives to complete construction and commence production by the end of 2023. 	



Photo | Norton in Australia

Management Discussion and Analysis *(continued)*

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







	13	14	15
			
Project name	Longnan Zijin	Shanxi Zijin	Guizhou Zijin
Types of minerals	Gold	Gold	Gold
Geographical location	Luoba Town, Li County, Gansu Province	Shahe Town, Fanshi County, Shanxi Province	Zhenfeng County, Guizhou Province
Shareholding proportion	84.22%	100%	56%
Project status	In production	In production + expansion	In production + technological upgrade and expansion
Deposit type	Para-Carlin	Mid-low temperature hydrothermal + porphyry	Carlin
Resources	• 153 tonnes of gold @2.07 grammes/tonne	• 118 tonnes of gold @1.82 grammes/tonne	• 190 tonnes of gold @5.15 grammes/tonne
Mining and processing method	Open-pit mining + flotation processing	Underground mining + gravity concentration processing, flotation processing	Underground mining + flotation processing, pressurised pre-oxidation – cyanide process
Production volume in 2021	• 4.9 tonnes of gold	• 0.9 tonne of gold	• 2.4 tonnes of gold
Production plan in 2022	• 5.2 tonnes of gold	• 3.9 tonnes of gold	• 2.5 tonnes of gold
Technological upgrade and production expansion of the project	• Application of the mining right permit of the Jinshan Gold Mine and the preparatory work for the construction of the 2,000 tonnes/day mining and processing project are underway.	• The new 6,000 tonnes/day mine intellectualised mining and processing upgrade and expansion construction is expected to complete and commence production in the second quarter of 2022, with an additional annual production of 3 to 4 tonnes of gold after reaching designated production capacity.	• The technological upgrade and capacity expansion of the Shuiyindong Gold Mine and the Bojitian Gold Mine is accelerating.



Photo | 3Q Lithium Brine in Argentina

Management Discussion and Analysis *(continued)*

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

	16	17	18
			
Project name	Bisha	Zijin Zinc	Xinjiang Jinbao/Fuyun Jinshan
Types of minerals	Zinc, copper	Zinc, lead	Iron
Geographical location	Gash-Barka Region, Eritrea	Wuqia County, Xinjiang	Fuyun County, Xinjiang
Shareholding proportion	55%	100%	56%
Project status	In production	In production	In production
Deposit type	VMS volcanogenic massive sulphide ore deposit	Sedimentary exhalative epithermal – hydrothermal transformation	Submarine volcanic exhalative sedimentary – magmatic hydrothermal superimposed metamorphic transformation
Resources	<ul style="list-style-type: none"> • 3.13 million tonnes of zinc @3.82% • 820,000 tonnes of copper @0.96% 	<ul style="list-style-type: none"> • 4.74 million tonnes of zinc @1.67% • 830,000 tonnes of lead @0.29% 	<ul style="list-style-type: none"> • 58.76 million tonnes of iron ore
Mining and processing method	Open-pit mining + flotation processing	Open-pit mining + flotation processing	Open-pit mining, underground mining + magnetic separation
Production volume in 2021	<ul style="list-style-type: none"> • 130,000 tonnes of zinc • 20,000 tonnes of copper 	<ul style="list-style-type: none"> • 142,000 tonnes of zinc • 20,000 tonnes of lead 	<ul style="list-style-type: none"> • 3.18 million tonnes of iron concentrate
Production plan in 2022	<ul style="list-style-type: none"> • 118,000 tonnes of zinc • 20,000 tonnes of copper 	<ul style="list-style-type: none"> • 147,000 tonnes of zinc • 25,000 tonnes of lead 	<ul style="list-style-type: none"> • 2.29 million tonnes of iron concentrate
Technological upgrade and production expansion of the project		<ul style="list-style-type: none"> • In October 2021, the additional 7,000t/d flotation processing system of Phase 4 technological upgrade successfully commenced commissioning and trial production. 	

Note: In light of the complexity and volatility in market environment, the production plans in 2022 of the above key mines are the Company's guiding indicators for such mines, which are uncertain and do not constitute any commitment. The Company may adjust the plans based on changes in actual circumstances. Investors are advised to pay attention to the relevant risks.



Photo | Xinjiang Jinbao


Management Discussion and Analysis *(continued)*

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New energy mineral products and new materials business

The fields of new energy and new materials are the strategic development direction of the Company to expand the incremental space. During the reporting period, the Company completed the acquisition of the world-class high-grade 3Q lithium brine project in Argentina, and at the same time, the Company owns the PE12453 and PE13427 greenfield exploration and mining rights project at the periphery of the Manono Lithium Mine in the DR Congo.

The Company further leveraged on the important role of the institute of new energy materials, accelerated the projects of lithium iron phosphate, electrolytic copper foil, and high-performance alloy materials. The progress of the industrialisation of ammonia-hydrogen energy in cooperation with Fuzhou University and other companies was delighted.

	Project name	3Q lithium brine
	Types of minerals	Lithium
	Geographical location	Catamarca Province, Argentina
	Shareholding proportion	100%
	Project status	Under construction
	Deposit type	Brine
	Resources	Approximately 7.63 million tonnes of LCE (cut-off of lithium ion concentration at 400 mg/L)
	Mining and processing method	Precipitation method
	Designed capacity	Phase 1 of the project, with an annual output of 20,000 tonnes of battery-grade lithium carbonate, is planned to complete construction and commence production by the end of 2023
	Project highlights	<ul style="list-style-type: none"> • Located in the renowned "Lithium Triangle" in South America. It is one of the largest and highest-grade projects of its kind in the world. • Total area of the mining claims of the project is 353 square kilometres, covering the entire salar surface and brine lake. It is rich in resources, relatively high-grade, low-impurity, and has favourable development conditions. It has a relatively good exploration prospect and large potential for production expansion.

Clean energy business

The Company has made efforts to develop the auxiliary clean energy business in domestic and overseas projects, vigorously replaces the use of diesel with electricity, significantly increases the level of electrification, and continuously raises the proportion of the use of clean energy. Substantial reduction in carbon emissions and energy consumption per unit of production value has become an action guideline of the enterprise. The Company has fully utilised the idle lands and the factories' roof of existing mines and refining enterprises to promote the development of clean energy projects such as photovoltaics and wind power, while promoting the use of hydropower energy in the project areas which meet the relevant conditions.

During the reporting period, the total installed capacity of the photovoltaic projects which the Company had commenced construction was 32 MW, and capacity of 20 MW had been connected to the grid. There are 9 domestic hydropower stations with an installed hydropower capacity of 97.32 MW. During the reporting period, power generated from clean energy of the Company was 136.55 million kWh; among which, the total power generated from clean energy on equity basis was 113.26 million kWh, equivalent to a reduction of 116,300 tonnes of carbon dioxide emission, or the outcome of planting 63,442 trees. During the reporting period, the adoption of clean energy in the Company's overseas projects was also accelerated. The Inga hydropower plant of the Kamo-Kakula Copper Mine in the DR Congo was successfully connected to the local electrical grid, which will significantly increase the proportion of clean energy supplied to the mine.



Management Discussion and Analysis *(continued)*

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Self-initiated geological exploration business

Self-initiated geological exploration is a business of the Company with competitiveness within the industry and traditional advantage.

During the reporting period, the Company continued to strengthen the efforts in mines' geological exploration and prospecting. The amount invested in geological exploration amounted to RMB213 million (on equity basis). Inferred, indicated and measured resources (on equity basis and estimated based on metal volume) added by exploration: 71 tonnes of gold, 2.43 million tonnes of copper, 50,000 tonnes of lead and zinc, 25,000 tonnes of tungsten, 2,500 tonnes of molybdenum and 600 tonnes of silver.

Total newly added resources of major mineral products from self-initiated exploration by the Company over the years			
Type of mineral	Copper/million tonnes	Gold/tonne	Zinc (lead)/million tonnes
Resources obtained from self-initiated exploration	31.16	1,295	8.19

Mineral resources/reserves classified and modified according to the new national standard

In March 2020, China issued a new national standard, Classifications for mineral resources and mineral reserves (GB/T 17766-2020). This standard is consistent with the classification standards of resources/reserves of the Committee for Mineral Reserves International Reporting Standards (CRIRSCO), and is also similar to the internationally accepted standards including NI 43-101 of Canada and JORC of Australia.

In order to promote the standardisation and internationalisation of the Company's mineral resource management and enhance the independence and objectivity of resources and reserves information disclosure, the Company entrusted the Beijing China Mining Association Consulting Center under the China Mining Association to organise industry authoritative experts to conduct revision and review on the mineral resources/reserves of the Company's key mines at home and abroad. The Company also classified and modified its resources/reserves in accordance with the new national standard and prepared separate resources/reserves report for each mine, which were internally reviewed by the Beijing China Mining Association Consultation Center.

According to the statistics, as at 31 December 2021, the retained inferred, indicated and measured resources of the Company consisted of: 62.7705 million tonnes of copper, 2,372.90 tonnes of gold, 10.8822 million tonnes of zinc (lead), 11,535.76 tonnes of silver, and 7.63 million tonnes of lithium resources (lithium carbonate) newly obtained from the acquisition (which was completed in January 2022). Retained probable and proved reserves of the Company consisted of: 20.3283 million tonnes of copper, 792.15 tonnes of gold, 5.2505 million tonnes of zinc (lead), 1,630.31 tonnes of silver, and 1.6719 million tonnes of lithium reserves (lithium carbonate) newly obtained from the acquisition.

The Company will engage industry authoritative institutions and experts to verify and announce the updated resources and reserves data every year according to the new national standard, and basically realised the alignment with the resource and reserve standards used in the international mining industry.



Photo 1: Underground mining at the Kamoa Copper Mine in the DR Congo

Management Discussion and Analysis *(continued)*

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

Please refer to tables 1 and 2 for the summary table of retained resources and reserves of the Company's mines and each major mine, and the relevant explanation.

Table 1: Summary table of retained resources and reserves of the Company's mines (on equity basis)

Mineral	Unit	Reserves			Resources (including reserves)					Proportion of reserves to resources	Retained resources in 2020	Percentage change
		Proved	Probable	Total	Measured	Indicated	+ Indicated	Inferred	Total			
Gold	t (metal)	206.17	585.98	792.15	397.31	1,010.68	1,407.99	964.91	2,372.90	33%	2,333.64	1.68%
Independent gold	t (metal)	137.07	551.48	688.55	283.95	895.39	1,179.33	835.03	2,014.36	34%	1,958.70	2.84%
Gold associated with other metals	t (metal)	69.10	34.50	103.60	113.36	115.29	228.65	129.89	358.54	29%	374.93	-4.37%
Copper	Mt (metal)	7.7756	12.5527	20.3283	10.8180	32.3029	43.1208	19.6497	62.7705	32%	62.0558	1.15%
Zinc	Mt (metal)	2.0254	2.5286	4.5540	2.2716	4.0230	6.2946	3.3236	9.6182	47%	10.3270	-6.86%
Lithium carbonate	LCE Mt	1.0843	0.5876	1.6719	1.8970	3.4720	5.3690	2.2610	7.6300	22%	-	Not applicable
Silver (including associated)	t (metal)	696.61	933.70	1,630.31	4,059.03	3,595.58	7,654.61	3,881.15	11,535.76	14%	2,923.55	294.58%
Molybdenum (including associated)	Mt (metal)	0.2976	0.1758	0.4733	0.3666	0.3128	0.6794	0.2359	0.9153	52%	0.6490	41.04%
Lead	Mt (metal)	0.3508	0.3457	0.6965	0.4070	0.5342	0.9412	0.3228	1.2640	55%	1.5353	-17.67%
Tungsten	WO ₃ thousand tonnes	0.00	12.8	12.8	0.00	16.8	16.8	42.4	59.2	22%	67.7	-12.62%
Iron	Mt (ore)	16	95	111	17	108	126	53	179	62%	180	-0.53%
Coal	Mt	0.00	0.00	0.00	39	48	87	157	244	0%	69	253.20%
Platinum	t (metal)	0.00	21.56	21.56	113.92	233.43	347.35	293.52	640.88	3%	527.84	21.41%
Palladium	t (metal)	0.00	22.11	22.11	94.02	154.34	248.36	241.99	490.35	5%	378.14	29.67%

Notes: 1. Retained resources/reserves of the current year are calculated based on equity method; all projects/mines are accounted for according to the Company's actual shareholding ratio; resources include reserves.

2. The Company completed the acquisition of the 3Q lithium brine project in January 2022 and obtained lithium resources (lithium carbonate).

Management Discussion and Analysis (continued)

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

Table 2: Retained resources/reserves of the Company's major mines and relevant explanations

Mine name	Major element	Resources (metal volume)		Reserves (metal volume)		Remaining life of mine (year)	Valid period of exploration licence/mining permit	Criteria on resources/reserves estimation	Risks	Note
		Measured + Indicated	Inferred	Proved	Total					
Porgera Gold Mine	Gold	255,331	75,294	16,041	154,072	9 Open-pit mining; 11 Underground mining	Mining permit (17 August 2019)	Cut-off grade of resources: gold price of USD1,500/ounce Open-pit mine: Au:0.98g/t Underground mine: Au:0.03g/t Cut-off grade of reserves: gold price of USD1,200/ounce Estimated by software	Mining permit expired and is currently under negotiation	
Paddington Operations	Gold	239,267	124,445	0	363,712	10	168 mining permits and 10 exploration licences (all within effective period)	Cut-off grades Open-pit mining: 0.3-0.8g/t Underground mining: 1.5-3.0g/t Estimated by software		
Taldybulaik Levoberezhny Gold Mine	Gold	44,515	10,031	25,843	54,546	12	Mining permit (5 January 2026)	Cut-off grade: 0.5g/t Industrial grade: 2g/t Estimated by software		Including marginal economic gold of 6 tonnes
Jilau, Taror Gold Mines	Gold	82,106	25,870	19,729	107,976	3 (Jilau), 17 (Taror)	1 mining permit (27 January 2021), 2 mining permits (25 February 2023)	Jilau: Cut-off grade: 0.5g/t Industrial grade: 0.8g/t Taror: Cut-off grade: 1g/t Industrial grade: 2.5g/t Estimated by software	Mining permit expired and is currently under application for extension	Including associated silver of 294.5 tonnes and marginal economic gold of 21.55 tonnes
Buritica Gold Mine	Gold	209,200	110,600	37,000	319,800	14	Mining permit (19 March 2043)	Assumed market price of gold metal is USD1,700/ounce, gold equivalent (Aue) = Au+Ag=80; Industrial grade: Au:3.0g/t Estimated by Datamine software		Including associated silver of 1,138 tonnes

Management Discussion and Analysis *(continued)*

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Table 2: Retained resources/reserves of the Company's major mines and relevant explanations

Mine name	Major element	Resources (metal volume)			Reserves (metal volume)			Remaining life of mine (year)	Valid period of exploration licence/mining permit	Criteria on resources/reserves estimation	Risks	Note		
		Measured + Indicated	Inferred	Total	Grade	Proved	Probable						Total	Grade
Aurora Gold Mine	Gold	127,070	63,610	190,680	2.53	8,010	78,490	86,500	2.36	Open-pit mining: 7 Underground mining: 17	Mining permit (18 November 2031)	Cut-off grade: gold price of USD1,800/ounce Oxide ore in open-pit mining: 0.46g/t Primary ore: 0.63g/t Main orebody: 1.03g/t Others: 1.52g/t Reserves: gold price of USD1,600/ounce Estimated by Leapfrog and Datamine software		
Guizhou Zijin	Gold	102,685	86,941	189,626	5.15	2,960	1,507	4,466	4.84	Bojitian: 25 Shuiyindong: 10 Taipingdong: 16	2 mining permits (13 December 2032) (April 2034) 2 exploration licences (3 May 2026) (30 December 2021)	Shuiyindong Cut-off grade: 1.0g/t Industrial grade: 2.5g/t Bojitian Gold Mine No. 1 and 2 Cut-off grade: 1.0g/t Industrial grade: 2.5g/t Estimated by geometrical method		
Longnan Zijin	Gold	61,707	90,864	152,571	2.07	19,285	23,849	43,134	2.01	Liba: 25 Dujiaogou: 3	2 mining permits (17 February 2047) (20 October 2024) 4 exploration licences (3 November 2021) (27 December 2025) (25 March 2022) (7 January 2021)	Liba Open-pit mining: Cut-off grade: 0.5g/t Industrial grade: 1g/t Underground mining: Cut-off grade: 1.0g/t Industrial grade: 1.5g/t Dujiaogou Open-pit mining: Cut-off grade: 0.5g/t Industrial grade: 1g/t Underground mining: Cut-off grade: 1.0g/t Estimated by software		

Management Discussion and Analysis (continued)

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Table 2: Retained resources/reserves of the Company's major mines and relevant explanations

Mine name	Major element	Resources (metal volume)		Reserves (metal volume)		Remaining life of mine (year)	Valid period of exploration licence/mining permit	Criteria on resources/reserves estimation	Risks	Note				
		Measured + Indicated	Inferred	Proved	Probable						Total	Total	Grade	Grade
Shanxi Zijin	Gold	61,244	56,812	118,056	15,193	40,184	55,377	2.00	1.82	20	2 mining permits (28 October 2033) (14 November 2024) 1 exploration licence (14 April 2026)	Quartz vein gold deposit Cut-off grade: 1.0g/t Industrial grade: 3.0g/t Porphyry gold deposit Cut-off grade: 0.5g/t Industrial grade: 2.0g/t Estimated by software		
		15,039	3,596	18,635	8,086	615	8,702	0.30	0.29	4	Mining permit (August 2025) Mining permit (May 2023)	Pursuant to the prevailing market price and actual production costs, the lowest industrial grade is adjusted to gold equivalent $\geq 0.33\text{g/t}$ Gold and copper equivalent coefficient adjusted to 1:1.8 Estimated by software	Including marginal economic gold and copper of 7.91 tonnes and 50.5 thousand tonnes, respectively	
Zijinshan Gold and Copper Mine	Gold	498	551	1,050	205	210	414	0.32	0.37	20	Mining permit (13 June 2043)	Cut-off grade within open-pit mining boundary: Au $\geq 0.15\text{g/t}$ Cut-off grade outside open-pit mining boundary: Au $\geq 1.0\text{g/t}$ Cut-off grade within open-pit mining boundary: Cu $\geq 0.15\%$ Cut-off grade outside open-pit mining boundary: Cu $\geq 0.5\%$ Cut-off grade of underground mining of copper within designed circular mining lane: Cu $\geq 0.5\%$ Estimated by software	Including marginal economic gold and copper of 5.96 tonnes and 186.3 thousand tonnes, respectively	
		1,044,115	210,740	1,254,855	272,749	645,518	918,268	0.35	0.43					

Management Discussion and Analysis *(continued)*

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Table 2: Retained resources/reserves of the Company's major mines and relevant explanations

Mine name	Major element	Resources (metal volume)			Grade	Reserves (metal volume)			Remaining life of mine (year)	Valid period of exploration licence/mining permit	Criteria on resources/reserves estimation	Risks	Note
		Measured + Indicated	Inferred	Total		Proved	Probable	Total					
Asheli Copper Mine	Copper	578,273	24,772	603,045	1.98	273,640	79,278	352,918	1.91	Mining permit (3 February 2031)	Cut-off grade: 0.3% Industrial grade: 0.5% Estimated by software		Including associated silver of 412.4 tonnes and marginal economic copper of 11.5 thousand tonnes
Duobaoshan - Tongshan Copper Mine	Copper	1,652,749	631,219	2,283,967	0.41	746,809	483,829	1,230,638	0.38	Mining permit (10 April 2026) Mining permit (26 February 2029) Mining permit (6 January 2039)	Cut-off grade within boundary: Cu≥0.2% Cut-off grade outside boundary: Cu≥0.4% Estimated by software		Including associated silver of 1,050.2 tonnes and marginal economic copper of 488.7 thousand tonnes
Qulong Copper Mine + Zhibula Copper Mine	Copper	13,028,726	744,224	13,772,950	0.38	7,708,946	2,650,161	10,359,108	0.34	Mining permit (29 September 2037) Exploration licence (29 September 2037) Mining permit (6 January 2041)	Qulong Copper Mine: Cut-off grade within open-pit mining boundary: Cu0.2% Cut-off grade outside open-pit mining boundary: Cu0.4% Zhibula: Cut-off grade within open-pit mining boundary: Cu0.3% Cut-off grade outside open-pit mining boundary: Cu0.5% Estimated by software		Qulong Copper Mine has associated silver of 9,123.1 tonnes and marginal economic copper of 11,5735 million tonnes
Kolwezi Copper Mine	Copper	850,220	836,040	1,686,260	2.88	30,231	643,282	673,513	2.90	2 mining permits (4 March 2024)	Cu ore cut-off grade: 1% Co ore cut-off grade: 0.1% Estimated by software		

Management Discussion and Analysis *(continued)*

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Table 2: Retained resources/reserves of the Company's major mines and relevant explanations

Mine name	Major element	Resources (metal volume)		Grade	Reserves (metal volume)		Remaining life of mine (year)	Valid period of exploration licence/mining permit	Criteria on resources/reserves estimation	Risks	Note	
		Measured + Indicated	Inferred		Total	Proved						Probable
Bor Copper Mine in Serbia	Copper	8,769,224	1,665,829	10,435,052	2,848,656	1,084,693	3,933,348	0.43	0.39	3 mining permits (effective indefinitely with no fixed period)	JM Copper Mine: Cut-off grade Cu 0.3%, T3 copper cut-off grade 0.5% MS Mine: Cut-off grade within open-pit mining boundary: Cu0.15% NC Mine: Cut-off grade of open-pit mining: Cu0.15%, Cut-off grade outside open-pit mining boundary: Cu0.3% VK Mine: Cut-off grade of open-pit mining: Cu0.15% Cut-off grade outside open-pit mining boundary: Cu0.3%	Including associated silver of 2,820 tonnes
		355,172	53,491	388,663	104,941	44,479	149,420	0.16	0.15	Southern pit of MS: 18 Northern pit of MS: 21 VK: 18 NC: 20 JM: 18		
Kamoja Copper Mine	Copper	37,900,000	5,690,000	43,590,000	0	10,387,000	10,387,000	2.53	4.46	Mining permit (19 August 2042)	Cut-off grade: 1% Estimated by software	
Upper Zone of the Čukaru Peki Copper and Gold Mine	Copper	1,189,361	346,002	1,535,363	241,132	647,263	888,395	2.45	3.22	Mining permit (7 June 2033)	Industrial indicator: D Cu:0.7%	
	Gold	68,547	17,199	85,747	17,827	38,247	56,074	1.37	2.04			
Lower Zone of the Čukaru Peki Copper and Gold Mine	Copper	3,400,200	10,885,762	14,285,962	0	3,138,649	3,138,649	0.83	0.80		Industrial indicator: Cu:0.3%	
	Gold	51,090	243,912	295,002	0	46,923	46,923	0.17	0.12			

Management Discussion and Analysis *(continued)*

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Table 2: Retained resources/reserves of the Company's major mines and relevant explanations

Mine name	Major element	Resources (metal volume)		Grade	Reserves (metal volume)		Remaining life of mine (year)	Valid period of exploration licence/mining permit	Criteria on resources/reserves estimation	Risks	Note
		Measured + Indicated	Inferred		Total	Proved					
Bisha Copper and Zinc Mine	Zinc	1,381,500	1,752,300	3,133,800	128,000	508,000	636,000	4.24	NSR is the value of one per tonne after deduction of refining costs, mining areas with different resources based on USD31/tonne, USD32/tonne, USD33/tonne, USD34/tonne, USD100/tonne, Mining areas with different reserves based on USD42.24/tonne, USD42.56/tonne, USD42.92/tonne, USD43.22/tonne, USD44.32/tonne, USD44.63/tonne	The application process for extension of the mining permit that will expire soon has commenced	Including associated silver of 1,920 tonnes
		465,500	352,800	818,300	24,000	107,000	131,000	0.87			
Kyzyl-Tash Turk Zinc Polymetallic Mine	Zinc	699,985	204,270	904,255	268,755	284,315	553,070	5.98	Industrial grade: $DZ \geq 5\%$ $(DZ) = Zn + 0.47 \times Pb + 1.19 \times Cu + Au + 0.01 \times Ag$ Estimated by software		Including associated silver of 483.2 tonnes
Miaogou - Sangui Kou Lead and Zinc Mine	Zinc	1,525,731	465,618	1,991,349	368,584	792,776	1,161,360	2.28	Cut-off grade: 0.5% Industrial grade: 1.6% Estimated by software	The application process for extension of the mining permit expired has commenced	Including associated silver of 350.7 tonnes
		3,058,974	1,679,826	4,738,800	1,239,189	1,050,193	2,289,382	1.87			
Wulagen Lead and Zinc Mine	Zinc	3,058,974	1,679,826	4,738,800	1,239,189	1,050,193	2,289,382	1.87	Cur-off grade of resources: Open-pit mining: $Pb+Zn \geq 0.6\%$ Underground mining: Pb 0.7%, Zn 1% Cur-off grade of reserves: Open-pit mining: $Pb+Zn \geq 0.6\%$ Underground mining: Pb 1%, Zn 2%	The application process for extension of the mining permit that will be expired soon has commenced	Including marginal economic zinc and lead of 1,901 million tonnes and 43.5 tonnes, respectively

Management Discussion and Analysis *(continued)*

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Table 2: Retained resources/reserves of the Company's major mines and relevant explanations

Mine name	Major element	Resources (metal volume)		Reserves (metal volume)		Remaining life of mine (year)	Valid period of exploration/licence/mining permit	Criteria on resources/reserves estimation	Risks	Note
		Measured + Indicated	Inferred	Proved	Total					
3Q Lithium Mine	Lithium carbonate	5,369,000	2,261,000	1,084,300	7,630,000	50	1 exploration licence and 12 mining permits (all within valid period)	Cut-off grade of lithium ion concentration: 400mg/L		
Fuyun Jinshan-Jinbao Iron Mines	Iron	2,654	3,222	0	5,876	Jinshan: 19 Jinbao: 4.6	2 mining permits (12 July 2023) (23 August 2023) 3 exploration licences (30 September 2023) (21 January 2023) (13 December 2026)	Jinbao: Cut-off grade: mFe≥10% Lowest industrial grade: mFe≥15% Jinshan: Cut-off grade: mFe≥15% Lowest industrial grade: mFe≥20%		

Explanations:

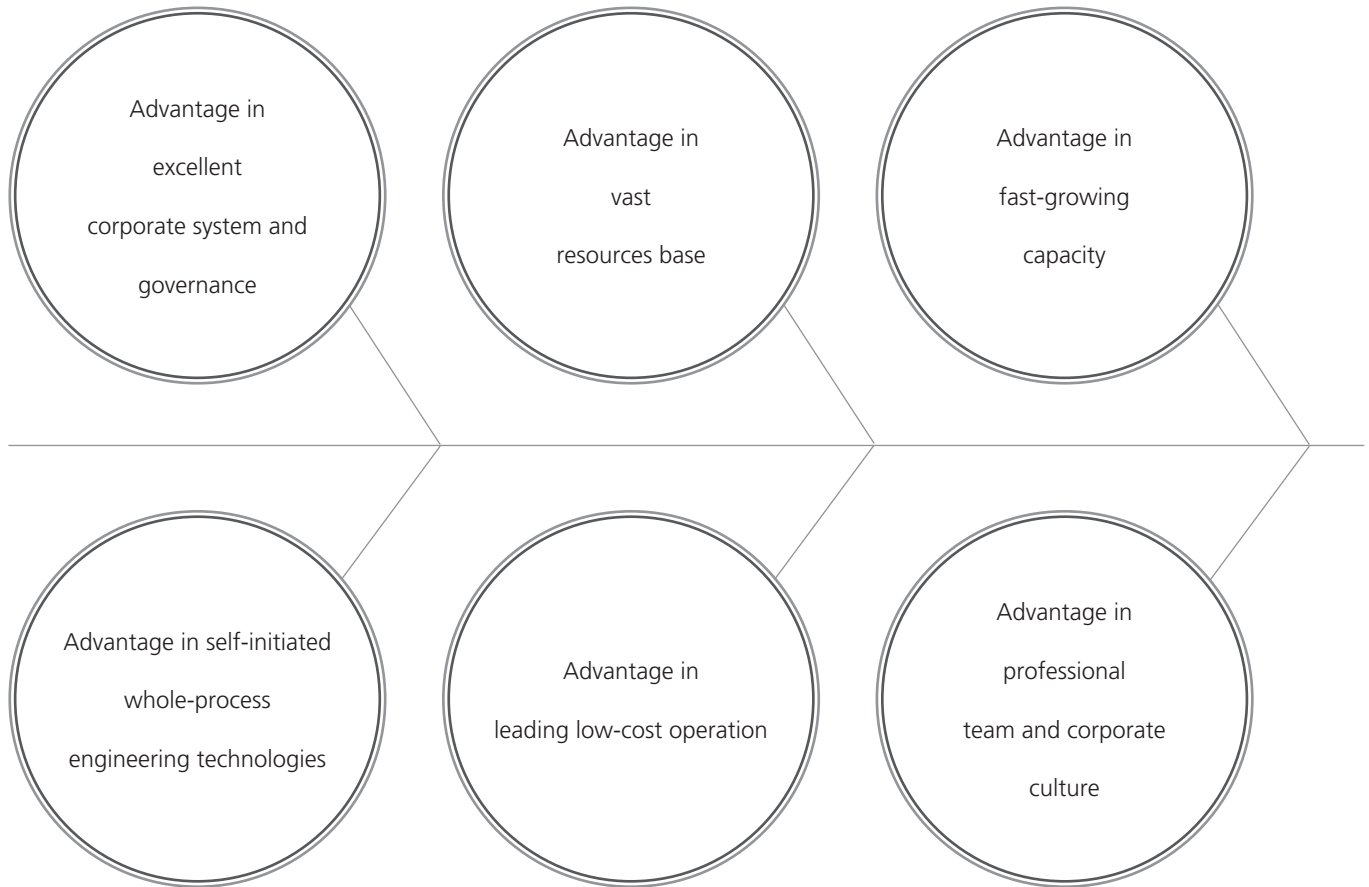
- Unit of gold metal: kg; unit of copper, zinc and lithium carbonate: tonne; unit of iron ore: 10,000 tonnes; unit of grade of gold: g/t; unit of grade of copper, zinc and mFe: %; unit of grade of lithium: lithium ion concentration mg/L.
- Classification and conversion work of all projects were completed based on Classifications for mineral resources/reserves (GB/T 17766-2020), the new national standard for classifying mineral resources and reserves.
- Retained resources/reserves are the total volume before accounting for equity interest.

Management Discussion and Analysis *(continued)*

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IV. Analysis of the core competitiveness during the reporting period

The Company regards innovation, especially scientific and technological innovation, as its core competitiveness, and has formed a realistic and distinctive innovative development concept: Innovation is the fine combination of universal scientific theory and objective reality. Innovation is the process of persistent self-denial. The most suitable innovation is the best innovation, and innovation in the new era must form autonomous global competitiveness.



Advantage in excellent 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. The Company's Party Committee, Board, 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 Company's management team has a reasonable composition, in which the majority of the management personnel are industry experts who can view from a higher perspective with wider horizon. They have strong senses of responsibility and mission and are dedicated, professional and loyal when discharging their duties. The Company continues to deepen reforms and optimise the operation management and governance systems which are highly adaptable.

Management Discussion and Analysis *(continued)*

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Advantage in vast resources base

Resources of the Company consisted of 62.77 million tonnes of copper, 2,373 tonnes of gold, 9.62 million tonnes of zinc and 7.63 million tonnes of lithium carbonate equivalent, in which its copper reserves represent around 75% of the total volume in China. The Company possesses a batch of world-class, high-quality mineral resources around the world. For example, the Kamoa Copper Mine in the DR Congo, with a copper resources of 43.59 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 prospective resources of over 20 million tonnes; the Čukaru Peki Copper (Gold) Mine in Serbia has about 16 million tonnes of copper resources; and the Buriticá Gold Mine in Colombia has about 320 tonnes of gold resources grading 6.93 grammes/tonne in average, which is much higher than the average grade of primary gold ores in the world. The 3Q lithium brine project in Argentina is one of the highest quality lithium salt lake resources in the world.

Advantage in fast-growing capacity

The Company operates around 30 key mining projects and a batch of world-class volume increment projects across the globe, which are primarily designed, constructed, operated and managed by itself. A highly efficient, highly profitable and low-cost "Zijin Model" is hereby created. There is an explosive growth momentum in the Company's copper production capacity. The gold production capacity is continuously rising, the mine-produced zinc and mine-produced silver segments possess a leading advantage in the domestic market, while the production capacity of iron ore and other minerals are growing. The constructions of the new energy and new material projects fully and substantively commence, the production capacity of battery-grade lithium carbonate may be formed within a comparatively short time. The Company's diversified product portfolio comprising copper, gold, zinc and the lithium carbonate in the new energy segment offers effective protection against fluctuations of metal prices in different cycles and enhances the Company's risk-proof capability and profitability.

Advantage in the self-initiated whole-process engineering technologies

The Company pioneers and continuously deepens the application of 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 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 Company founded the only State Key Laboratory of Comprehensive Utilisation of Low-grade Refractory Gold Ores in the domestic gold industry, and established institutions 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.

Advantage in leading low-cost operation

The Company generally obtains mineral resources at a relatively low cost. On one hand, relying on industry-leading geological exploration technology and capability, the Company steps up self-initiated exploration and prospecting globally and laid out geological prospecting breakthroughs in important metallogenic belts, as a result of which around 50% of the Company's resources are obtained from self-initiated exploration; on the other hand, with systematic engineering, mining economic concept and professional analysis and decision-making ability, the Company promotes timely implementation of high-quality medium and large-scale mining assets mergers and acquisitions, which has consolidated the Company's mineral resources advantages in a low-cost and high-efficiency way. Relying on 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, the Company has optimised the development plans of crucial construction projects, reduced investment costs, shortened construction cycles and realised favourable overall efficacy. The Company has formulated a development strategy of "one policy for one entity", effectively pushed for comprehensive utilisation of low-grade, refractory resources, which further increase its competitiveness in production and operational costs. Furthermore, the Company has relatively low financing costs and sufficient lines of credit.

Management Discussion and Analysis *(continued)*

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Advantage in professional team and corporate culture

The Company has a highly loyal and responsible team of professional management and technical personnel. From their years of practice, the Zijin spirit of “founding business by overcoming hardships with exploratory and innovative spirits” has been developed, providing strong support to the Company’s leaping development. The Company actively ushers in the principles of global operation and management, continuously promotes cross-cultural integration, upholds the value of “create wealth in harmony, balance development of the corporation, the employees and the society” and the co-development concept of “mining for a better society”, upholds green, high-quality and sustainable development as the guiding spirits and action standards for the enterprise.

V. Status of main businesses during the reporting period

During the reporting period, the Company realised an operating income of RMB225.102 billion, representing an increase of 31.25% compared with the same period last year (same period last year: RMB171.501 billion).

(I) Analysis on main businesses

1. Operating results

The table below sets out the sales by product during January to December 2021 and 2020:

Item Product name	January – December 2021				January – December 2020				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	348.69	RMB/g	45,662	kg	15,921.74	364.98	RMB/g	38,213	kg	13,661.41	-4.46%
Including: Gold bullion	371.10	RMB/g	26,507	kg	9,836.93	379.23	RMB/g	25,421	kg	9,344.05	-2.14%
Gold concentrate	317.66	RMB/g	19,155	kg	6,084.81	337.51	RMB/g	12,792	kg	4,317.36	-5.88%
Mine-produced copper	53,583	RMB/t	528,686	t	28,328.52	37,316	RMB/t	449,943	t	16,790.26	43.59%
Including: Copper concentrate (excluding Kamao)	51,002	RMB/t	388,851	t	19,832.03	35,691	RMB/t	325,758	t	11,626.70	42.90%
Electrodeposited copper	60,327	RMB/t	81,491	t	4,916.07	40,984	RMB/t	77,248	t	3,165.93	47.20%
Electrolytic copper	61,368	RMB/t	58,344	t	3,580.42	42,560	RMB/t	46,937	t	1,997.63	44.19%
Mine-produced zinc	14,136	RMB/t	399,261	t	5,643.76	9,621	RMB/t	347,604	t	3,344.24	46.93%
Mine-produced silver	3.43	RMB/g	305,763	kg	1,048.99	3.17	RMB/g	286,943	kg	905.19	8.20%
Iron ore (excluding non-subsidiaries of the Company)	822	RMB/t	3,333	Mt	2,738.65	624	RMB/t	3,048	Mt	1,901.76	31.73%
Refined and processed gold	368.00	RMB/g	271,873	kg	100,048.34	387.37	RMB/g	274,317	kg	106,263.45	-4.86%
Refined copper	60,514	RMB/t	620,721	t	37,562.32	42,984	RMB/t	576,367	t	24,774.42	40.78%
Refined zinc	19,966	RMB/t	322,647	t	6,442.05	16,295	RMB/t	218,133	t	3,554.41	22.53%
Trading income					84,543.76					26,246.85	
Others (Note 2)					42,239.92					27,200.52	
Less: Internal elimination					-99,415.56					-53,141.17	
Total					225,102.49					171,501.34	

Other sales income mainly included: RMB2.784 billion from refined silver, RMB955 million from copper pipe, RMB1.486 billion from copperplate, RMB428 million from lead concentrate, RMB358 million from molybdenum concentrate, RMB381 million from cobalt concentrate, RMB2.919 billion from gold products etc., and RMB32.929 billion from other products, intermediate services and other services.

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

Management Discussion and Analysis *(continued)*

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Due to the year-on-year increase in the sales volume of mineral products, the gross profit increased by RMB6.451 billion, accounted for 44.49% 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 RMB9.068 billion, accounted for 62.54% of the increase in gross profit of the mine-produced products; however, due to the increase in the costs of raw materials caused by the rise in commodity prices and the increase in transportation distance, the costs of mineral products increased, and the gross profit decreased by RMB1.020 billion, accounted for -7.03%.

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, 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 2021 and 2020 (Note 1).

Item	Unit cost of sales				Gross profit margin (%)	
	2021	2020	Unit	Compared with the same period last year (%)	2021	2020
Product name	2021	2020	Unit	Compared with the same period last year (%)	2021	2020
Mine-produced gold	176.22	177.38	RMB/g	-0.66	49.46	51.4
Including: Gold bullion	196.85	181.86	RMB/g	8.25	46.95	52.05
Gold concentrate	147.67	168.77	RMB/g	-12.50	53.51	50.00
Mine-produced copper	18,194	20,095	RMB/t	-9.46	66.05	46.15
Including: Copper concentrate	16,789	19,077	RMB/t	-11.99	67.08	46.55
Electrodeposited copper	18,517	19,194	RMB/t	-3.53	69.31	53.17
Electrolytic copper	27,102	28,642	RMB/t	-5.38	55.84	32.7
Mine-produced zinc	7,369	6,570	RMB/t	12.16	47.87	31.71
Mine-produced silver	1.57	1.45	RMB/g	8.11	54.30	54.19
Iron ore (excluding non-subsidiaries of the Company)	209.08	174.91	RMB/t	19.53	74.55	71.97
Refined and processed gold	367.55	385.05	RMB/g	-4.55	0.12	0.6
Refined copper	58,841	41,360	RMB/t	42.26	2.77	3.78
Refined zinc	19,076	14,655	RMB/t	30.17	4.46	10.06
Overall gross profit margin (Note 2)					15.44	11.91
Overall gross profit margin (excluding refining and processing enterprises)					58.98	47.71

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 15.44%, representing an increase of 3.53 percentage points compared with the same period last year. The overall gross profit margin of mine-produced products (excluding refined and processed products) was 58.98%, representing an increase of 11.27 percentage points compared with the same period last year, which was mainly owing to the increase in the prices of mine-produced products (except mine-produced gold).

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	225,102,488,592	171,501,338,490	31.25
Operating costs	190,351,121,555	151,070,863,441	26.00
Taxes and surcharges	3,459,679,898	2,499,195,383	38.43
Selling expenses	412,272,620	427,684,618	-3.60
Administrative expenses	5,308,536,279	3,845,610,597	38.04
Research and development expenses	770,661,326	582,514,953	32.30
Finance expenses	1,496,475,674	1,784,243,603	-16.13
Investment income/(losses)	1,691,601,136	-522,067,721	Not applicable
(Losses)/Gains on changes in fair value	-231,864,044	342,356,736	Not applicable
Reversal of credit impairment losses	578,093,599	130,622,540	342.57
Impairment losses on assets	-598,022,432	-357,114,009	Not applicable
(Losses)/Gains on disposal of non-current assets	-7,815,800	12,407,033	Not applicable
Income tax expenses	5,194,172,140	2,387,988,221	117.51
Net profit attributable to non-controlling interests	3,926,767,761	1,949,485,040	101.43
Changes in fair value of other equity instrument investments	2,891,407,259	2,183,173,385	32.44
Hedging costs – forward elements	-21,942,636	5,617,436	Not applicable
Exchange differences arising from translation of financial statements denominated in foreign currencies	-1,428,038,238	-872,186,733	Not applicable
Net cash flows from operating activities	26,072,237,601	14,268,403,423	82.73
Net cash flows used in investing activities	-23,764,951,478	-29,174,439,163	Not applicable
Net cash flows from financing activities	23,320,387	20,928,195,130	-99.89

- (1) Operating income: Please refer to the previous analysis;
- (2) Operating costs: Please refer to the previous analysis;
- (3) Taxes and surcharges: Mainly due to the increase in income from mineral products which increased the amount of resource tax;
- (4) Selling expenses: Please refer to the analysis in “Expenses”;

Management Discussion and Analysis *(continued)*

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- (5) Administrative expenses: Please refer to the analysis in “Expenses”;
- (6) Finance expenses: Please refer to the analysis in “Expenses”;
- (7) Research and development expenses: Please refer to the analysis in “Expenses”;
- (8) Investment income/(losses): Please refer to the analysis in “Expenses”;
- (9) (Losses)/Gains on changes in fair value: Please refer to the analysis in “Expenses”;
- (10) Reversal of credit impairment losses: Please refer to the analysis in “Expenses”;
- (11) Impairment losses on assets: Please refer to the analysis in “Expenses”;
- (12) (Losses)/Gains on disposal of non-current assets: Mainly due to the losses on disposal of fixed assets during the reporting period, while there were gains on disposal of fixed assets during the same period last year;
- (13) Income tax expenses: Mainly due to the increase in corporate income tax as a result of increase in profit;
- (14) Net profit attributable to non-controlling interests: Mainly due to the increase in profitability of certain non-wholly owned subsidiaries;
- (15) 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;
- (16) Hedging costs – forward elements: Due to the implementation of fair value hedge accounting, forward elements were initially recognised in other comprehensive income, and was subsequently amortised and transferred into profit or loss for the period in which hedging relationship affects the profit or loss;
- (17) Exchange differences arising from translation of financial statements denominated in foreign currencies: Due to the fluctuation of exchange rate of Renminbi to foreign currencies;
- (18) Net cash flows from operating activities: Please refer to the analysis in “Cash Flows”;
- (19) Net cash flows used in investing activities: Please refer to the analysis in “Cash Flows”;
- (20) Net cash flows from 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.

Status of the main businesses by industry, product and region

Unit: RMB million

By product	Status of main businesses by product					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 (%)	
Mine-produced gold	15,921.74	8,046.64	49.46	16.55	21.19	Decreased by 1.94 percentage points
Mine-produced copper concentrate	19,832.03	6,528.50	67.08	70.57	5.05	Increased by 20.53 percentage points
Mine-produced electrodeposited copper	4,916.07	1,508.93	69.31	55.28	1.77	Increased by 16.14 percentage points
Mine-produced electrolytic copper	3,580.43	1,581.23	55.84	79.23	17.62	Increased by 23.14 percentage points
Mine-produced zinc	5,643.76	2,942.12	47.87	68.76	28.83	Increased by 16.16 percentage points
Mine-produced silver	1,048.99	479.40	54.30	15.89	15.60	Increased by 0.11 percentage point
Iron ore	2,738.65	696.90	74.55	44.01	30.72	Increased by 2.58 percentage points
Refined, processed and trading gold	100,048.34	99,926.50	0.12	-5.85	-5.40	Decreased by 0.48 percentage point
Refined copper	37,562.32	36,523.70	2.77	51.62	53.21	Decreased by 1.01 percentage points
Refined zinc	6,442.05	6,154.90	4.46	81.24	92.54	Decreased by 5.60 percentage points
Others	126,783.67	122,609.01	3.29	137.21	141.34	Decreased by 1.64 percentage points
Less: Internal elimination	-99,415.56	-96,646.71				
Total	225,102.49	190,351.12	15.44	31.25	26.00	Increased by 3.53 percentage points

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	257,102.15	236,503.59	8.01	35.07	33.95	Increased by 0.77 percentage point
Outside Mainland China	67,415.90	50,494.24	25.10	96.61	95.60	Increased by 0.38 percentage point
Less: Internal elimination	-99,415.56	-96,646.71				
Total	225,102.49	190,351.12	15.44	31.25	26.00	Increased by 3.53 percentage points

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

Approximately 79% of the Company's operating income was generated from customers in Mainland China, among which 36.47% was from the Shanghai Gold Exchange. Therefore, the Company was unable to sort customers in Mainland China by region.

Explanations on the main businesses by sales model:

The Company's main products are gold, copper, zinc and other related products, among which: gold products mainly include gold concentrates and standard gold bullion; copper products mainly include copper concentrates, blister copper and copper cathode; zinc products mainly include zinc concentrates and electrolytic zinc.

The "ZIJIN" brand gold bullion is a registered delivery brand of the Shanghai Gold Exchange and Shanghai Futures Exchange. Zijin Mining Group Gold Smelting Co., Ltd. is a qualified gold deliverer of the London Bullion Market Association, and Zijin Copper is a qualified silver deliverer of the London Bullion Market Association.

The "ZIJIN" brand electrolytic copper and zinc bullion are registered brands of the Shanghai Futures Exchange and London Metal Exchange.

During the reporting period, the standard gold bullion sales business has established two sets of sales support systems for domestic and overseas sales. For domestic sales, it mainly involves direct sale to the Shanghai Gold Exchange under the Group's comprehensive membership qualification at the Shanghai Gold Exchange. For overseas sales, it mainly conducts sales in overseas gold markets through its wholly-owned subsidiary, Gold Mountains (H.K.), realising the overall management of trading channels and trading positions.

Sales of gold, copper, zinc concentrates, blister copper, copper cathode, zinc bullion and other products are mainly organised by Zijin International Trading or its subsidiaries to realise the integration of the Group's sales resources to obtain better sales benefits.

Management Discussion and Analysis *(continued)*

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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	47,459	45,662	8,070	17.16	19.49	28.63
Mine-produced copper (including Kamo a on equity basis)	t	584,165	567,157	26,991	28.83	26.05	169.77
Mine-produced zinc	t	396,443	399,262	4,781	15.87	14.86	-37.09
Mine-produced silver	kg	308,806	305,763	27,671	3.38	6.56	12.36
Iron ore (excluding non-subsidiaries of the Company)	Mt	3.3395	3.3332	0.02	9.20	9.36	50.44
Refined, processed and trading gold	kg	271,890	271,873	319	-0.98	-0.89	5.63
Refined copper	t	621,334	620,721	1,279	7.94	7.70	50.39
Refined zinc	t	322,440	322,647	927	47.34	47.91	-18.27

Explanations on production and sales volumes:

The production and sales volumes of mine-produced copper, mine-produced gold, mine-produced zinc and iron ore increased by different extents compared with the same period last year. It 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.

The production and sales volumes of refined zinc increased compared with the same period last year mainly because Xinjiang Zijin Non-ferrous reached the designated production capacity; inventory volume of mine-produced copper concentrate increased mainly because Zeravshan could not sell as many as it produced as the formalities before the sales had not been completed.

Management Discussion and Analysis *(continued)*

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Table of cost analysis

Unit: RMB million

Product	Cost structure	Status by product				Changes in amount for the current period compared with the same period last year (%)	Explanations
		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	3,426.83	42.58	2,588.07	38.98	32.41	
	Salary	843.25	10.48	1,030.62	15.52	-18.18	
	Depreciation	1,973.56	24.53	1,485.10	22.37	32.89	
	Energy consumption	795.48	9.89	618.21	9.31	28.67	
	Others	1,007.52	12.52	917.65	13.82	9.79	
Mine-produced silver	Raw materials	197.87	41.28	174.52	42.08	13.38	
	Salary	57.66	12.03	46.83	11.29	23.13	
	Depreciation	116.77	24.36	100.74	24.29	15.91	
	Energy consumption	52.01	10.85	44.68	10.77	16.41	
	Others	55.09	11.48	47.93	11.57	14.94	
Mine-produced copper	Raw materials	4,662.31	48.47	3,834.03	42.40	21.60	
	Salary	1,259.23	13.09	1,122.49	12.41	12.18	
	Depreciation	1,652.37	17.18	1,710.18	18.91	-3.38	
	Energy consumption	1,102.86	11.47	1,279.94	14.16	-13.84	
	Others	941.89	9.80	1,094.98	12.12	-13.98	
Mine-produced zinc	Raw materials	1,174.84	39.93	897.94	39.32	30.84	
	Salary	245.33	8.34	181.68	7.96	35.03	
	Depreciation	835.94	28.41	640.35	28.04	30.54	
	Energy consumption	343.04	11.66	288.95	12.65	18.72	
	Others	342.97	11.66	274.74	12.03	24.83	
Iron ore	Raw materials	180.09	25.84	258.05	48.40	-30.21	
	Salary	64.30	9.23	58.23	10.92	10.42	
	Depreciation	83.07	11.92	58.46	10.97	42.10	
	Energy consumption	40.53	5.82	48.64	9.12	-16.67	
	Others	328.91	47.21	109.74	20.59	199.72	
Refined copper	Raw materials	35,258.11	96.53	22,619.60	94.89	55.87	
	Salary	209.40	0.57	219.13	0.92	-4.44	
	Depreciation	396.12	1.08	375.71	1.58	5.43	
	Energy consumption	381.93	1.05	384.73	1.61	-0.73	
	Others	278.14	0.76	239.66	1.00	16.06	
Refined zinc	Raw materials	5,161.02	83.85	2,537.92	79.39	103.36	
	Salary	248.19	4.03	155.71	4.87	59.39	
	Depreciation	192.85	3.13	110.31	3.45	74.83	
	Energy consumption	499.09	8.11	344.12	10.76	45.03	
	Others	53.75	0.86	48.68	1.53	10.39	

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 petrol.
- 2) The Group's mining enterprises mostly adopted outsourcing of work. Such outsourcing costs were included in raw materials.

Information of major customers and suppliers

A. Information of major customers of the Company

The sales income from the top five customers amounted to RMB110.804 billion, representing 49.22% 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 36.47% of the total sales income of the year.

The top 5 customers of the Company are mainly Shanghai Gold Exchange and downstream copper and zinc refining and processing enterprises. Due to the characteristics of the industry, there is no market sales risk of relying on a small number of customers.

B. Information of major suppliers of the Company

The procurement amount from the top five suppliers amounted to RMB49.475 billion, representing 25.99% 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 16.05% of the total procurement amount of the year.

In addition to purchasing raw materials from the Group's mines, the Group's refining and processing enterprises also purchase raw materials from the Shanghai Gold Exchange and other mineral producing or trading enterprises. Due to the characteristics of the industry, there is no market risk of relying on a small number of suppliers for procurement.

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.

Management Discussion and Analysis *(continued)*

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5. Expenses

Selling expenses

During the reporting period, the Group's selling expenses amounted to RMB412.27 million, representing a decrease of 3.60% compared with the same period last year (same period last year: RMB427.68 million). It was mainly due to the decrease in service expenses related to sales during the reporting period.

Administrative expenses (including research and development expenses)

During the reporting period, the Group's administrative expenses amounted to RMB6.07920 billion, representing an increase of 37.29% compared with the same period last year (same period last year: RMB4.42813 billion). It was mainly due to the increase in salaries and employee benefits, enterprise annuity and amortisation of the costs of share-based payment.

Finance expenses

During the reporting period, the Group's finance expenses amounted to RMB1.49648 billion, representing a decrease of 16.13% compared with the same period last year (same period last year: RMB1.78424 billion). It was mainly due to the decrease in exchange losses compared with the same period last year.

Impairment losses on assets/Credit impairment losses

During the reporting period, the Group's provided total net impairment losses on assets/credit impairment losses of RMB19.93 million (same period last year: net impairment losses of RMB226.49 million). The details of the provision for impairment losses in 2021 are as follows: net reversal of credit impairment losses of RMB578.09 million, impairment losses for prepayments of RMB10.48 million, provision for decline in value of inventories of RMB58.98 million, impairment losses for fixed assets of RMB350.37 million and impairment losses for construction in progress of RMB178.19 million.

Investment income

During the reporting period, the investment income of the Group was RMB1.69160 billion, representing an increase of RMB2.21367 billion compared with the same period last year (same period last year: -RMB522.07 million). It was mainly due to the increase in profitability of certain associates during the reporting period compared with the same period last year.

(Losses)/Gains on changes in fair value

During the reporting period, the Group's unrealised losses from stocks, funds, futures, foreign currency forward contracts, etc. amounted to RMB231.86 million (same period last year: unrealised gains of RMB342.36 million). It was mainly because the Group used foreign currency derivatives to hedge the risks caused by foreign exchange rate fluctuation. During the reporting period, the settlement and purchase of foreign currency forward contracts resulted in realised loss in fair value, while there was a realised investment income, there was an overall gains after offsetting the two items.

Management Discussion and Analysis *(continued)*

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6. Research and development expenditure

Table of research and development expenditure

Unit: RMB

Expensed research and development expenditure of the reporting period	770,661,326
Capitalised research and development expenditure of the reporting period	24,259,040
Total research and development expenditure	794,920,366
Percentage of total research and development expenditure to operating income (%)	0.35
Percentage of capitalised research and development expenditure (%)	3.05

Information table on staff engaged in research and development

Number of staff engaged in research and development of the Company	4,474
Number of staff engaged in research and development to total number of staff of the Company (%)	10.25

Education level of staff engaged in research and development

Education level	Number of staff
Doctoral degree	42
Master's degree	420
Bachelor's degree	1,968
Vocational education	1,634
Secondary school or below	410

Age structure of staff engaged in research and development

Age structure	Number of staff
Below 30 (excluding 30)	1,173
30-40 (including 30, excluding 40)	1,959
40-50 (including 40, excluding 50)	829
50-60 (including 50, excluding 60)	493
60 and above	20

Explanation

The Company regards innovation, especially scientific and technological innovation, as its core competitiveness. The Company possesses rich practical experience and strong technology in geological prospecting, hydrometallurgy, comprehensive recovery and utilisation of low-grade refractory resources, large-scale engineering development and so on. The Company pioneers the mining engineering management model of "integrating five ore treatment processes into one", vigorously promotes digitalisation, informatisation and intelligentisation to empower its systems. The Company also establishes a complete science and technology structure of geological prospecting, mining, processing, metallurgy and environmental protection, forming self-initiated technology and engineering capabilities for the whole process and building global competitiveness of Chinese mining enterprises.

Management Discussion and Analysis *(continued)*

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Research and information platform

The Company owns the only State Key Laboratory of Comprehensive Utilisation of Low-grade Refractory Gold Ores in the domestic gold industry. It owns enterprise technology centre at national level, workstation for fellows' and experts' research, workstation for post-doctoral's research, Zijin Institute of Geology and Mineral Exploration, Sino-Zijin Resources (Beijing) Ltd., Zijin Mining and Metallurgy Research and Design Institute, Xiamen Zijin Mining and Metallurgy Technology Co., Ltd., Fujian Zijin Mining and Metallurgy Testing Technology Co., Ltd. and other R&D innovation platforms and entities. A total of 16 units of the Company are recognised as national high and new technology enterprise (including the parent company of the Group).

During the reporting period, the Company has newly established the Zijin (Changsha) Engineering Technology Co., Ltd. and Zijin (Xiamen) Engineering Company Limited Changsha Branch to comprehensively improve the level of mining technology research and development and technological innovation. The establishment of Zijin New Energy and New Material Design and Research Institute and Xiamen Zijin New Energy New Material Technology Co., Ltd. can accelerate the cultivation of self-operated technical capabilities in the new energy and new material industries. Besides, the establishment of Zijin Zhixin (Xiamen) Technology Co., Ltd. and Zijin Zhikong (Xiamen) Technology Co., Ltd. can accelerate the transformation and upgrade of key mines and plants to the direction of automation, intelligentisation and informatisation.

Research team and personnel

The Company's management team is mainly comprised of experts in specific industries. At the same time, the Company has introduced a group of high-end technical talents who have global perspectives and cultivated a large number of young technical personnel, whose expertise covers geological prospecting, mining, processing, metallurgy, environmental protection, design, information technology and so on. During the reporting period, the core technical team of the Company was generally stable. There was no change in personnel which may substantially affect the Company's core competitiveness. Meanwhile, in order to accelerate the seizing of opportunities in the new energy and new material industries, the Company has comprehensively increased the introduction and cultivation of key technical talents in the related fields.

The Company continuously increases its commitment to the funding for scientific research to ensure the sense of gain of scientific and technological personnel. In 2021, research and development expenses at the company level was RMB339 million, accounting for about 4.98% of the sales revenue for the year at company level.

Scientific research achievements and scientific and technology awards

As at the end of 2021, the Company had 161 scientific research achievements with independent intellectual property rights, 83 scientific and technological awards at provincial level or above, and 107 invention patents.

During the reporting period, the Company carried out 145 scientific research projects, including 2 new national and 1 new provincial scientific and technological projects, respectively. The Company obtained 7 scientific and technology awards at provincial level, applied 32 new patents, obtained 26 authorised invention patents and was granted 6 utility model patents; presided over or participated in the completion of 37 standard revisions, including 11 national standards and 26 industry standards; conducted 9 transformations of major scientific and technological achievements, which contributed more than RMB230 million to production benefits. The Company also organised 8 scientific research projects and carried out achievement evaluation through the China Nonferrous Metals Industry Association, among which 3 projects were evaluated as international leading level, and 5 projects were evaluated as international advanced level.

Management Discussion and Analysis *(continued)*

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Informatisation and intelligentisation of mine construction

The Company steadily promotes the development of digitalisation and informatisation to establish safe, efficient, economical and green intelligent mines and intelligent plants.

During the reporting period, the mineral processing system of Julong Copper in Tibet successfully achieved 90% automation for processing operations. The development of various projects, including the business and financial integrated dynamic management and control platform of the Zijinshan Gold and Copper Mine, autonomous vehicle project of Julong Copper in Tibet, underground mechanisation transformation and upgrade of Shanxi Zijin and Guizhou Zijin, were progressed in an orderly manner. The three-dimensional geological system was adopted and promoted at 16 domestic and overseas geological exploration projects.

During the reporting period, the Company obtained 31 software copyrights, 3 national projects, and 1 key scientific and technological innovation project at provincial level. The information security construction pilot construction plan of the Zijinshan Gold and Copper Mine was awarded “outstanding prize of application plan” in the China Industrial Internet Network Security Competition, and was designated as a pilot unit of the “pilot management of the categorisation and classification of industrial internet and enterprise cybersecurity of the Ministry of Industry and Information Technology”. The intelligent plant production information system of Heilongjiang Zijin Copper was awarded first prize for outstanding achievement in computer software in the national metallurgical industry.

Progress update of major scientific research projects

During the reporting period, the Company newly commenced 142 science and technology projects. These included the Application Demonstration of Online Intelligent Inspection, Monitoring and Security System for Quality in Processing and Metallurgy Production Process and the Remote Service Cloud Platform for the Intelligence Optimisation in Processing and Metallurgy Process at national level; the Research and Industrial Application of the Pressurised Oxidation of Refractory Gold Mines with High Copper and Arsenic Level, which is a scientific research project at provincial level; and established and approved scientific research projects such as the Key Mining Technology Research and Engineering Practice of Natural Caving Method at Super-large Scale Hard Rock Deposits, and the Research on the Development and Application of the Safety Management System with Zijin Characteristics at the company level.

7. Cash flows

As at 31 December 2021, the Group’s cash and cash equivalents amounted to RMB13.631 billion, representing an increase of RMB1.845 billion or 15.65% compared with the same period last year.

During the reporting period, the net cash inflows generated from the Group’s operating activities amounted to RMB26.072 billion, representing an increase in inflows of RMB11.804 billion compared with the same period last year, among which, the cash inflows generated from operating activities was RMB237.007 billion, representing an increase of RMB58.096 billion compared with the same period last year; cash outflows used in operating activities was RMB210.935 billion, representing an increase of RMB46.292 billion compared with the same period last year. The increase in net cash flows from operating activities was mainly attributable to the increase in gross profit due to the increase in both sales volume and sales price of major mineral projects.

During the reporting period, net cash outflows used in the Group’s investing activities amounted to RMB23.765 billion, representing a decrease of outflows of RMB5.409 billion compared with the same period last year. The main investment expenditures in 2021 included: (1) RMB20.149 billion of cash payment for purchase and construction of fixed assets, intangible assets and other long-term assets; and (2) RMB4.528 billion of cash payment for investments.

Management Discussion and Analysis *(continued)*

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During the reporting period, the Group's net cash flows generated from financing activities amounted to RMB23 million, while the net cash flows generated from financing activities during the same period last year was RMB20.928 billion. It was mainly due to significant decrease in financing scale compared with the same period last year.

As at 31 December 2021, the Group's total borrowings amounted to RMB76.995 billion (31 December 2020: RMB73.003 billion). Among which, the amount repayable within one year was approximately RMB22.949 billion, the amount repayable within one to two years was approximately RMB9.157 billion, the amount repayable within two to five years was approximately RMB32.618 billion, and the amount repayable in more than five years was approximately RMB12.271 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 RMB193.808 billion provided by banks.

As at 31 December 2021, the Group's total amount of monetary assets denominated in foreign currencies was equivalent to RMB21.758 billion in total, representing an increase of RMB8.322 billion compared with the same period last year; the total amount of monetary liabilities denominated in foreign currencies was equivalent to RMB34.580 billion, representing an increase of RMB5.915 billion compared with the same period last year.

The Company's strong ability to obtain cash from operations can help the Company maintain a strong solvency, sufficient external lines of credit and a variety of smooth financing channels, providing strong support for the improvement of the Company's overall solvency. From 2020 to 2021, the Company's overall debt-to-asset ratio dropped from 59.08% to 55.47%, net current liabilities dropped from RMB7.8 billion to RMB3.2 billion, EBITDA to total debts increased from 0.19 to 0.30, and cash interest coverage ratio increased from 8.25 to 13.14. EBITDA to interest coverage ratio increased from 8.78 to 13.53. The Company's current ratio increased from 83.47% to 93.56%, and the quick ratio increased from 45.07% to 55.18%. At the same time, because the Company's inventories are mainly precious metals or non-ferrous metals such as gold and copper which have a good short-term liquidity, the Company's substantial quick ratio (about 90%) is much higher than the statement ratio.

The Company is a headquarter-level key customer of many large state-owned banks, policy banks and joint-stock banks with a total of over RMB190 billion comprehensive bank credit. With sufficient and good credit, the Company has smooth financing channels in domestic and overseas capital markets. The Company has registered RMB10 billion shelf corporate bonds on the exchange, and has registered DFI financing products in the inter-bank market. At the same time, the Company uses various financing tools including direct and indirect financing, such as long-term and short-term corporate bonds, trade financing, working capital loans, project loans, M&A loans, gold lease financing, domestic and overseas syndicated loans, etc., together with appropriate mix of periodic structure and varieties to control the costs and risks. From 2020 to 2021, the proportion of the Company's interest-bearing short-term liabilities dropped from 35.26% to 29.74%.

Gearing ratio

Gearing ratio is defined as the ratio of consolidated total liabilities to consolidated total equity. As at 31 December 2021, the Group's consolidated total liabilities was RMB115,697,507,579 (RMB107,716,808,927 as at 31 December 2020), and the Group's consolidated total equity was RMB92,897,170,544 (RMB74,596,441,476 as at 31 December 2020). As at 31 December 2021, the Group's gearing ratio was 1.245 (1.444 as at 31 December 2020).

Management Discussion and Analysis *(continued)*

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Key quarterly financial data for the year 2021

Unit: RMB

	First quarter (Jan-Mar)	Second quarter (Apr-Jun)	Third quarter (Jul-Sep)	Fourth quarter (Oct-Dec)
Operating income	47,502,179,195	62,361,182,499	59,112,176,250	56,126,950,648
Profit before tax	4,350,754,739	7,118,853,098	6,971,050,083	6,353,152,572
Net profit	3,416,647,580	5,493,853,626	5,622,429,644	5,066,707,502
Net profit attributable to owners of the listed company	2,510,984,311	4,138,044,087	4,653,389,976	4,370,452,217
Net profit attributable to owners of the listed company after non-recurring profit or loss	2,476,535,355	3,636,064,915	4,376,718,184	4,191,215,729
Net cash flows from operating activities	5,248,175,316	6,776,880,037	5,789,488,905	8,257,693,343

Non-recurring profit or loss items and their amounts

Unit: RMB

Non-recurring profit or loss items	Amount in 2021	Amount in 2020
Losses on disposal of non-current assets	-119,558,603	-195,078,118
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	354,291,492	345,880,945
Capital utilisation fee received from non-financial enterprises recognised in profit or loss for the current period	687,511,134	501,149,355
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 and 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	-59,836,500	-569,805,362
Non-operating income and expenses other than the aforesaid items	-180,951,896	-193,367,982
Other profit or loss items which meet the definition of non-recurring profit or loss	585,319,905	139,533,892
Less: Impact on income tax	23,933,491	-185,199,782
Impact on the non-controlling interests (after tax)	250,505,633	26,925,027
Total	992,336,408	186,587,485

Management Discussion and Analysis *(continued)*

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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 current period	Impact on the profit for the current period
Held for trading financial assets (excluding derivative financial assets)	1,583,593,986	2,782,580,338	1,198,986,352	126,733,496
Derivative financial assets	346,548,180	152,644,244	-193,903,936	321,497,688
Held for trading financial liabilities (excluding derivative financial liabilities)	-196,350,000	–	196,350,000	14,901,540
Derivative financial liabilities	-451,158,441	-156,812,356	294,346,085	-657,703,114
Total	1,282,633,725	2,778,412,226	1,495,778,501	-194,570,390

Analysis on assets and liabilities

1. Status on assets and liabilities

Unit: RMB

Item	Amount at the end of 2021	Proportion to total assets as at the end of 2021 (%)	Amount at the end of 2020	Proportion to total assets as at the end of 2020 (%)	Percentage change in the amount at the end of 2021 compared with the amount at the end of 2020 (%)	Explanation
Held for trading financial assets	2,935,224,582	1.41	1,930,142,166	1.06	52.07	Mainly due to the increase in equity instrument investments
Trade receivables	2,445,223,101	1.17	1,141,449,611	0.63	114.22	Mainly due to the increase in operating income which increased trade receivables
Current portion of non-current assets	8,923,967	0.00	40,255,087	0.02	-77.83	Mainly due to the settlement of long-term receivables due within one year during the reporting period
Other current assets	3,017,948,117	1.45	1,941,901,571	1.07	55.41	Mainly due to the increase in VAT recoverable of infrastructure projects
Debt investments	468,136,162	0.22	255,811,321	0.14	83.00	Mainly due to the increase in time deposits with maturity over one year

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 2021	Proportion to total assets as at the end of 2021 (%)	Amount at the end of 2020	Proportion to total assets as at the end of 2020 (%)	Percentage change in the amount at the end of 2021 compared with the amount at the end of 2020 (%)	Explanation
Long-term equity investments	9,628,231,895	4.62	7,099,654,913	3.89	35.62	Mainly due to the year-on-year increase in the profitability of certain associates
Other equity instrument investments	9,415,646,061	4.51	6,482,326,358	3.56	45.25	Mainly due to unrealised gains on the stocks at fair value through other comprehensive income held by the Group during the reporting period
Other non-current financial assets	62,500,000	0.03	37,500,000	0.02	66.67	Mainly due to the increase in trust protection fund
Long-term deferred assets	1,724,516,259	0.83	1,301,906,634	0.71	32.46	Mainly due to the increase in compensations relating to projects
Held for trading financial liabilities	156,812,356	0.08	647,508,441	0.36	-75.78	Mainly due to changes in hedging instruments
Bills payable	394,380,588	0.19	955,561,056	0.52	-58.73	Mainly due to the expiry of bills and decrease in procurements of goods to be settled by bills
Trade payables	7,442,318,423	3.57	5,542,998,831	3.04	34.27	Mainly due to the increase in payables for procurements of goods due to expansion of enterprise scale
Contract liabilities	671,955,151	0.32	452,695,891	0.25	48.43	Mainly due to the increase in advances from sales of goods
Taxes payable	4,040,386,486	1.94	1,880,291,712	1.03	114.88	Mainly due to the increase in profit which resulted in increase in corporate income tax
Other current liabilities	678,088,310	0.33	172,904,917	0.09	292.17	Mainly due to the increase in issuance of ultra short-term financing bonds during the reporting period
Long-term employee benefits payable	79,059,540	0.04	57,886,910	0.03	36.58	Mainly due to the increase in defined benefit plans
Other equity instruments	0	-	5,355,681,209	2.94	Not applicable	Mainly due to the settlement at the maturity of the renewable corporate bonds

Management Discussion and Analysis *(continued)*

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Unit: RMB

Item	Amount at the end of 2021	Proportion to total assets as at the end of 2021 (%)	Amount at the end of 2020	Proportion to total assets as at the end of 2020 (%)	Percentage change in the amount at the end of 2021 compared with the amount at the end of 2020 (%)	Explanation
Capital reserve	25,205,642,523	12.08	18,610,084,074	10.21	35.44	Mainly due to the conversion of A Share convertible corporate bonds publicly issued by the Company into shares
Treasury shares	475,709,598	0.23	–	–	Not applicable	Mainly due to the recognition of the repurchase obligation for restricted shares
Other comprehensive income	2,209,428,323	1.06	812,570,699	0.45	171.91	Mainly due to unrealised gains on the stocks at fair value through other comprehensive income held by the Group during the reporting period

2. Information of overseas assets

(1) Scale of assets

Among which, overseas assets amounted to RMB100.005 billion, representing 47.94% of the consolidated total assets.

(2) Relevant explanations on the overseas assets with a relatively high proportion

Unit: RMB million

Name of overseas asset	Source of formation	Operation mode	Operating income for the reporting period	Net profit for the reporting period
Jilau, Taror Gold Mines	Acquisition	Self-operated	1,880.05	752.87
Paddington Operations	Acquisition	Self-operated	1,639.02	123.93
Taldybulak Levoberezhny Gold Mine	Acquisition	Self-operated	1,661.92	629.64
Porgera Gold Mine	Acquisition	Jointly operated	-3.26	-464.31
Kolwezi Copper Mine	Acquisition	Self-operated	7,221.37	2,843.76
Bor Copper Mine	Acquisition	Self-operated	7,789.82	1,871.24
Čukaru Peki Copper and Gold Mine	Acquisition	Self-operated	3,357.75	2,372.04
Bisha Copper and Zinc Mine	Acquisition	Self-operated	3,488.15	640.88
Tuva Zinc and Polymetallic Mine	Acquisition	Self-operated	1,240.30	332.87

Management Discussion and Analysis *(continued)*

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

- 1) The Company acquired 50.10% equity interest in Julong Copper in Tibet in 2020. In March 2021, Julong Copper in Tibet used the mining rights of the Qulong Copper and Polymetallic Mine and the Zhibula Copper and Polymetallic Mine, the exploration right of Rongmucuola, and certain machinery, equipment and other movable properties as collaterals for a secured syndicated loan from a syndicate formed by seven financial institutions (including the Bank of China Tibet Autonomous Region Branch, Agricultural Bank of China Tibet Autonomous Region Branch, Industrial and Commercial Bank of China Tibet Autonomous Region Branch, China Construction Bank Tibet Autonomous Region Branch, Bank of Tibet Co., Ltd., Industrial Bank Lhasa Branch and Zijin Finance) in replace of the pre-acquisition secured syndicated loan obtained in 2017. As at 31 December 2021, the outstanding balance of the abovementioned secured loan was RMB9.067 billion, and the total assessed value of the assets provided as collaterals was RMB10.123 billion (including fixed assets of RMB607 million and intangible assets of RMB9.516 billion).
- 2) Gold Mountains (H.K.) International Mining Company Limited (“Gold Mountains (H.K.)”), a wholly-owned subsidiary of the Company, pledged the equity interest in Zijin (America) Gold Mining Company Limited (“Zijin America”) as a security for a syndicated loan amounting to USD568 million (equivalent to approximately RMB3.621 billion) from China CITIC Bank Fuzhou Branch, China Minsheng Bank Fuzhou Branch, Bank of China Hungarian Branch and China Merchants Bank Hong Kong Branch. As at 31 December 2021, the outstanding balance of the abovementioned pledged loan was RMB3.6 billion. The major asset of Zijin America is the Buriticá Gold Mine in Colombia.

Analysis on the operating information of the industry

1. Material changes in industrial policies during the reporting period

On 18 January 2021, the “Catalogue of Encouraged Industries in the Western Region (2020 Version)” (Order No. 40 of the National Development and Reform Commission) was considered and approved at the 11th executive meeting of the National Development and Reform Commission convened on 5 November 2020. With the approval for issuance of the State Council, it has become effective since 1 March 2021. The “Catalogue of Encouraged Industries in the Western Region” issued by the National Development and Reform Commission in 2014 (Order No. 15 [2014] of the National Development and Reform Commission) shall be repealed at the same time.

On 2 July 2021, the third revision of “Regulations on Implementation of the Land Administration Law of the People’s Republic of China” (Order No. 743 of the State Council) was promulgated, and it has become effective since 1 September 2021. In the implementation regulations, the procedures for land expropriation are detailed, the rules for collectively-owned commercial construction land entering the market are clarified, the approval process for construction land is optimised, and the management of temporary land use is improved.

On 4 November 2021, the Ministry of Natural Resources issued the “Notice on Regulating the Management of Temporary Land Use” (Zi Ran Zi Gui [2021] No. 2). The “Notice” put forward specific requirements for temporary land use and detailed of the specific scope of temporary land use for construction projects and geological exploration; and clarified the site selection requirements and period of temporary land use; standardised the approval of temporary land use; implemented the responsibility for restoration of the land under temporary land use; and strictly supervised temporary land use. In particular, the implementation of systematic number allocation, suspension of regional approval policy, etc. may have larger impacts on the mining projects which need to use more temporary land.

On 30 November 2021, the National Development and Reform Commission, the Ministry of Science and Technology, the Ministry of Industry and Information Technology, the Ministry of Natural Resources and the China Development Bank issued the “14th Five-Year Quality Development Implementation Plan on the Support of Industrial Transformation and Upgrading of Old Industrial Cities and Resource-based Cities”. This document plays a guiding role in the subsequent and long-term development plan of mining enterprises in old industrial cities and resource-based cities.

Management Discussion and Analysis *(continued)*

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2. Material changes in tax policies during the reporting period

There were no significant tax policy changes in 2021.

3. Resource tax and environmental protection tax

In 2021, the total amount of resource tax and environmental protection tax payable by the Group's domestic and overseas subsidiaries and the payment status are as follows: environmental protection tax payable amounted to RMB36.22 million, and RMB36.63 million was paid; resource tax payable amounted to RMB2.57321 billion, and RMB2.33814 billion was paid.

4. Resource tax rates and tax incentives

(1) Within the PRC

During the reporting period, the resource tax rates for various metals of the Company differed among domestic provinces. The tax rate applicable to copper metal of domestic mining enterprises was 3%-7%, and the tax rate applicable to gold metal products was 3%-5%, the tax rate applicable to silver metal was 2%-5%; the tax rate applicable to lead and zinc metal was 5%-6%; and the tax rate applicable to iron metal was 2%-5%.

During the reporting period, the main resource tax incentives of the subsidiaries are as follows: Hunchun Zijin enjoyed the preferential resource tax policy for low-grade ore in 2021, and was exempted from resource tax.

During the reporting period, the main corporate income tax incentives for subsidiaries are as follows: Xinjiang Zijin Non-ferrous was entitled to preferential policies for industrial enterprises engaging in key encouraged industries in the impoverished areas in Xinjiang, and was exempted from corporate income tax in 2021; Zijin International Holdings was entitled to a tax concession of Hainan Free Trade Port's encouraged industrial enterprises at a reduced corporate income tax rate of 15% in 2021; Xiamen Engineering Technology Co., Ltd. was entitled to a tax concession of technologically advanced service enterprises at a reduced corporate income tax rate of 15% in 2021; Julong Copper in Tibet, Ashele Copper in Xinjiang, Xinjiang Zijin Zinc, Xinjiang Jinbao, Hunchun Zijin, Urad Rear Banner Zijin, West Copper in Qinghai and Longnan Zijin were entitled to a tax concession of Western Development preferential tax policy at a reduced corporate income tax rate of 15% in 2021. The Company, Zijin Mining & Metallurgy Technology, Guizhou Zijin, Zijin Jiabo, Fujian Zijin Copper 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 2021.

(2) Outside the PRC

During the reporting period, resource tax rates for gold of major overseas enterprises: 2.5% for Norton (Australia), 4% for Continental Gold (Colombia), 5% for Alтынken (Kyrgyzstan), 6% for Zeravshan (Tajikistan) and 8% for Aurora (Guyana).

During the reporting period, resource tax rates for copper of major overseas enterprises: 3.5% for COMMUS (the DR Congo) and 5% for Serbia Zijin Copper and Serbia Zijin Mining (Serbia).

During the reporting period, the main tax incentives for overseas subsidiaries' corporate income tax are as follows: Serbia Zijin Copper and Serbia Zijin Mining fulfilled the conditions for tax concession of corporate income tax for fixed asset investment, and were entitled to partial corporate income tax exemption and tax concession of corporate income tax for fixed asset investment under the local preferential policies in 2021; Longxing in Russia was entitled to the preferential policies for local regional investment projects at a reduced corporate income tax rate of 10% in 2021.

Management Discussion and Analysis *(continued)*

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5. Situation of external market

- (1) Affected by market factors, the market prices of commodities such as pyrotechnics, diesel fuel, steel balls and mineral processing chemicals required for mining and processing of the Company's mines rose, resulting in an increase in the material costs of mineral products.

The Company reduced the impact of rising raw materials price on product costs through measures such as increasing production volume and carrying out full-process cost control continuously. During the reporting period, the costs of mine-produced gold and mine-produced copper decreased by approximately 0.66% and 9% compared with the same period last year, respectively.

- (2) As the global supply chain was disrupted by the pandemic, the Company mobilised various resources and channels and made every effort to secure the supply of materials required for the production and construction of each enterprise and product sales. However, there were still some cases where the logistics of some overseas projects were restricted, such as the Kamo copper concentrates under off-take agreement with the Company, which failed to achieve all normal sales at the end of the reporting period and affected the Company's realised net profit due to the shortage of inland transportation and shipping in Africa.

In accordance with its internationalised development strategy, the Company accelerated the development of a global logistics management information system to improve the management capabilities of global sales and operations; actively sought out large domestic and overseas logistics groups for channel cooperation to explore logistics resources. The Company invested in Jiayou International, a listed logistics company to generate synergy between the two companies in terms of business layout and industry advantages, which will help improve the Company's logistics efficiency, establish a more flexible and agile supply chain, and provide strong global logistics service guarantee capabilities.

- (3) Upon continuous communication and negotiation with the Tajikistani government, concentrates retained by Zeravshan (containing approximately 6.6 tonnes of gold and approximately 10,000 tonnes of copper) obtained export sales approval in November 2021, and began to realise external sales.
- (4) In 2021, the global copper concentrates were generally in a tight balance. The Group rationally coordinated the purchase and sales of mineral resources. When copper refining subsidiaries purchased raw materials, they gave priority to the self-produced copper concentrates under the same conditions. At the same time, the Company actively expanded external procurement channels, focusing on the mines newly put into production or about to be put into production to increase the supply source of raw materials.

Analysis on operating information of non-ferrous metal industry

1. Costs of ore raw materials

Unit: RMB billion

Type and source of ore raw materials	Total costs of raw materials	Proportion (%)	Increase or decrease in total costs of raw materials compared with the same period last year (%)
Self-owned mines	14.73778	31.79	58.64
Domestic procurement	14.91541	32.18	44.91
Overseas procurement	16.69938	36.03	37.86
Total	46.35257	100.00	46.24

Note: The figures represent procurement of ore raw materials of the Group's refining subsidiaries.

Management Discussion and Analysis *(continued)*

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2. Basic information of self-owned mines (if any)

Please refer to “2. Core businesses review in Information about the businesses the Company engaged in during the reporting period”.

Analysis on investments

Overall analysis of external equity investments

During the reporting period, the Company entered the fields of new energy and new materials, completed the acquisition of the high-grade 3Q lithium brine project in Argentina and accelerated the materialisation of the research projects on new materials such as electrolytic copper foil. Meanwhile, the Company acquired the shares of TF Futures Co., Ltd. and Jiayou International Logistics Co., Ltd., which can generate synergy with the Company’s existing business.

1. Key equity investments

- (1) The Company entered into an arrangement agreement with Neo Lithium on 8 October 2021, time in Toronto, Canada. The Company, through a wholly-owned subsidiary, acquired all of the issued and outstanding common shares of Neo Lithium for consideration of CAD6.5 per share in cash. The consideration for the transaction was approximately CAD960 million.

The acquisition completed on 25 January 2022, time in Toronto, Canada. After the completion of the transaction, the Company holds 100% equity interest in Neo Lithium. Neo Lithium was delisted from the Toronto Stock Exchange.

The successful acquisition of the project is consistent with the Company’s new energy strategic priorities and favourable to building a foundation for the new energy industry.

- (2) The Company invested no more than RMB351.54 million through capital increase and share expansion and other ways to hold 44.0503% equity interest in TF Futures Co., Ltd. (“TF Futures”). Zijin Mining Zifeng (Xiamen) Investment Partnership Enterprise (Limited Partnership) (“Zifeng Investment”), a private equity investment fund initiated by the Company’s wholly-owned subsidiary, invested RMB13.86 million to hold 2.0976% equity interest in TF Futures through capital increase and share expansion. Subsequent to completion of the transaction, the Company and Zifeng Investment hold an aggregate of 46.1479% equity interest in TF Futures.

The board of directors of TF Futures consists of 7 directors. The Company can nominate 2 non-independent directors and 1 independent director. According to the articles of association of TF Futures, board resolutions can only be passed when approved by more than half of the directors. Based on the shareholding proportion of the Company and other shareholders of TF Futures as well as the number of directors in the board of directors of TF Futures, the Company has only significant influence on TF Futures but not controlling power. The investment in TF Futures is accounted for as long-term equity investment using equity method.

The Company’s investment in TF Futures is beneficial to realise the integration of production and financing. It also enhances the Company’s investment, research and trading capacities in bulk commodities and supports the building of internationalised talents and teams of the Company.

Management Discussion and Analysis *(continued)*

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- (3) Zijin International Trading, a wholly-owned subsidiary of the Company, acquired the shares of Jiayou International Logistics Co., Ltd. (“Jiayou International”) through the method of agreement of transfer at a consideration of RMB18.873 per share (tax inclusive). The total amount of the investment was RMB850,228,650, and the total number of Jiayou International’s shares acquired was 45,050,000.

Zijin Mining Equity Investment Management (Xiamen) Co., Ltd. (“Zijin Investment”), a wholly-owned subsidiary of the Company, had previously acquired 1,249,900 shares of Jiayou International in the secondary market; Zijin Mining Ziniu (Xiamen) Industry Investment Fund Partnership Enterprise (Limited Partnership) (the Company holds 92.3318% interest in the partnership enterprise) and Zijin Mining Zibao (Xiamen) Investment Partnership Enterprise (Limited Partnership) (the Company holds 100% interest in the partnership enterprise) invested RMB387,830,043 to participate in the non-public issuance of shares in 2021 of Jiayou International at a consideration of RMB18.49 per share and acquired 20,975,124 shares.

The Company holds a total of 67,275,024 shares of Jiayou International, representing approximately 21.23% of the total share capital of Jiayou International. Jiayou International’s business layout and the Company’s overseas projects will have a relatively strong synergy. The investment in the shares of Jiayou International allows the Company to leverage Jiayou International’s strengths within the industry, which is beneficial for enhancing the efficiency of the Company’s logistics system and reducing the Company’s transportation costs.

- (4) On 15 November 2021, the Company established Fujian Zijin Liyuan Material Technology Co., Ltd. (“Liyuan Material Co.”) in Shanghang County, Longyan City, Fujian Province. The registered capital is RMB200 million. Zijin Mining Group South Investment Co., Ltd., a wholly-owned subsidiary of the Company, owns 100% of its equity interest. Its business scope includes new material technology promotion services and research and development, manufacturing and sales of specialised electronic materials. Liyuan Material Co. has planned a new lithium iron phosphate anode material project with annual production of 20,000 tonnes. The construction of the project has commenced, and the levelling of the ground has been completed.

Management Discussion and Analysis *(continued)*

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2. Key non-equity investments

Project name	Project amount	Progress of project	Investment during the reporting period (RMB billion)	Actual accumulated investment (RMB billion)	Project return status
Serbia Zijin Copper technological upgrade (mine + smelter plant)	USD1.778 billion (including USD484 million capital increment)	<ul style="list-style-type: none"> MS Mine technological upgrade project completed construction and commenced production in October 2021. Construction of the main body and facilities of VK Mine's processing plant under technological upgrade was completed in the end of December. It is expected that the production will commence in the second quarter of 2022. The mining method of the JM Mine was changed from the filling method to the caving method. Ramps and shaft constructions under the technological upgrade were launched, striving to complete construction and commence production by the end of 2024. The expansion and technological upgrade project of the smelter is expected to be completed and to commence production in the second half of 2022. 	3.306	7.784	After the completion of technological upgrade and expansion as well as reaching designated production capacity, the mine is expected to produce 150,000 to 160,000 tonnes of copper metal annually, and the smelter plant is expected to produce 180 thousand tonnes of refined copper metal (with rooms to increase to 200 thousand tonnes)
The leaching project of the Binduli Gold Mine of Norton	AUD462 million	<ul style="list-style-type: none"> The application for permits and licences of the Binduli North project had completed, project construction had been fully started. It is expected the project will complete construction and commence production in the second half of 2022. The Binduli South project had completed the general study. It is now further upgrading the resource reserves and optimising the construction plan. 	0.592	0.757	After completion of all the construction work and upon reaching designated production capacity, approximately 7 tonnes of gold can be produced in peak years
Refractory gold mine project of Norton	AUD92.56 million	<ul style="list-style-type: none"> Optimisation of the project construction plan, the signing of the EPC contract and long-term equipment procurement were completed. Construction of the earthwork project has started, and strives to complete construction and commence production by the end of 2022. 	0.139	0.155	Extended service life at Paddington processing plant

Management Discussion and Analysis *(continued)*

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Project name	Project amount	Progress of project	Investment during the reporting period (RMB billion)	Actual accumulated investment (RMB billion)	Project return status
Additional 1,000 tonnes/day mining, processing and metallurgy technological upgrade project of Buriticá, Continental Gold	USD107 million	<ul style="list-style-type: none"> Technological upgrade and construction were completed, and linkage test with the old system was realised. 	0.337	0.372	After completion of technological upgrade and expansion, the annual production volume of gold will be raised from 7.8 tonnes to 9.1 tonnes.
500t/d pressurised oxidation project of the Taror Gold Mine of Zeravshan	USD117 million	<ul style="list-style-type: none"> Preliminary design was completed. Tender for medium and long-term equipment procurement was basically completed. Construction has started in December 2021, striving to complete construction and commence production by the end of 2023. 	0.101	0.110	The processing scale of the project is 165,000 tonnes per year. After the project is completed, the annual output of gold, copper and silver will be 2.3 tonnes, 7,600 tonnes and 11.48 tonnes, respectively.
Technological upgrade and expansion project for Shanxi Zijin's mine intellectualised mining and processing	RMB1.442 billion	<ul style="list-style-type: none"> For shaft and lane development, 75% of the ramps had been completed, the crushed ore slipping system was basically formed, and equipment installation conditions were met; for surface facilities, the main process line of the processing plant was 90% completed, the filling system was 80% completed, the tailings storage facility was 85% completed, and the electricity facility was fully completed. It is expected that the commencement of production will begin by the end of April 2022. 	1.04	1.23	After construction is completed and designated production capacity is reached, an extra 3 to 4 tonnes of gold metal can be produced annually.
Julong Copper	RMB16.79 billion	<ul style="list-style-type: none"> Overall appearance work of Qulong project's infrastructure was completed. Production was officially commenced on 27 December 2021. 	5.576	15.2	After construction of Phase 1 of Qulong project is completed and the designated production capacity is reached, an average of approximately 160 thousand tonnes of copper can be produced annually.

Description of overseas projects: the exchange rate is based on USD1: RMB6.6 and AUD1: RMB4.77 (guiding foreign exchange rates for compilation of the Company's 2021 mining and excavation plan).

Management Discussion and Analysis *(continued)*

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3. 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	2,128,366,065	165,412,636	8,543,144,486	2,737,264,129
GAU	Galiano Gold (formerly known as Asanko Gold)	82,528,581	15,300,000	69,649,422	-42,261,095
Jiayou International	Jiayou International	408,404,093	22,225,024	462,280,499	53,876,406

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%	2,708.84	328.34	1,880.05	752.87
Norton Gold Fields Pty Limited	Paddington Operations	100%	3,811.32	1,859.35	1,639.02	123.93
Altynken Limited Liability Company	Taldybulak Levoberezhny Gold Mine	60%	1,733.42	1,172.89	1,661.92	629.64
Hunchun Zijin Mining Co., Ltd.	Shuguang Gold Mine	100%	1,158.70	826.60	1,536.34	571.58
Barrick (Niugini) Limited (Note)	Porgera Gold Mine	50%	2,464.54	999.84	-3.26	-464.31

Company name	Mine	Copper segment				
		Interest held by the Group	Total assets	Net assets	Operating income	Net profit
Zijin Musonoie Mining Société par Actions Simplifiée	Kolwezi Copper Mine	72%	5,875.81	3,634.22	7,221.37	2,843.76
Heilongjiang Duobaoshan Copper Industry Inc.	Duobaoshan Copper Mine	100%	9,178.72	2,907.96	6,785.19	2,616.62
Serbia Zijin Copper Doo	MS/VK/NC/JM	63%	13,072.77	5,338.38	7,789.82	1,871.24
Serbia Zijin Mining Doo	Čukaru Peki Copper and Gold Mine	100%	4,528.51	1,950.99	3,357.75	2,372.04
Xinjiang Ashele Copper Co., Ltd.	Ashele Copper Mine	51%	3,586.13	2,303.55	2,788.77	1,341.14

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

		Zinc segment				
Company name	Mine	Interest held by the Group	Total assets	Net assets	Operating income	Net profit
Bisha Mining Share Company	Bisha Copper and Zinc Mine	55%	3,977.46	2,961.79	3,488.15	640.88
Xinjiang Zijin Zinc Co., Ltd.	Wulagen Lead and Zinc Mine	100%	4,769.26	2,858.91	2,104.72	784.72
Urad Rear Banner Zijin Mining Co., Ltd.	Miaogou-Sanguikou Lead and Zinc Mine	95%	2,274.99	1,178.88	904.06	87.44
Longxing Limited Liability Company in Russia	Tuva Zinc and Polymetallic Mine	70%	2,979.63	1,563.31	1,240.30	332.87

		Refining segment				
Company name	Main product	Interest held by the Group	Total assets	Net assets	Operating income	Net profit
Zijin Copper Co., Ltd.	Refined copper	100%	10,377.24	3,777.63	28,262.59	441.18
Bayannur Zijin Non-ferrous Metals Co., Ltd.	Zinc bullion	87.20%	2,722.16	1,509.76	4,960.62	253.59
Jilin Zijin Copper Co., Ltd.	Refined copper	100%	3,268.28	1,283.50	9,505.50	39.00
Heilongjiang Zijin Copper Co., Ltd.	Refined copper	100%	3,720.73	1,681.94	10,871.46	241.94

		Other segments				
Company name	Main product	Interest held by the Group	Total assets	Net assets	Operating income	Net profit
Xinjiang Jinbao Mining Co., Ltd.	Iron ore	56%	2,549.47	1,540.04	2,645.64	1,391.24
Fujian Makeng Mining Co., Ltd.	Iron ore	41.50%	4,550.50	2,123.25	2,610.50	996.21

Note: The data of Barrick (Niugini) Limited is on equity basis, and data contained in the financial statements is based on 50% interest.

Management Discussion and Analysis *(continued)*

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

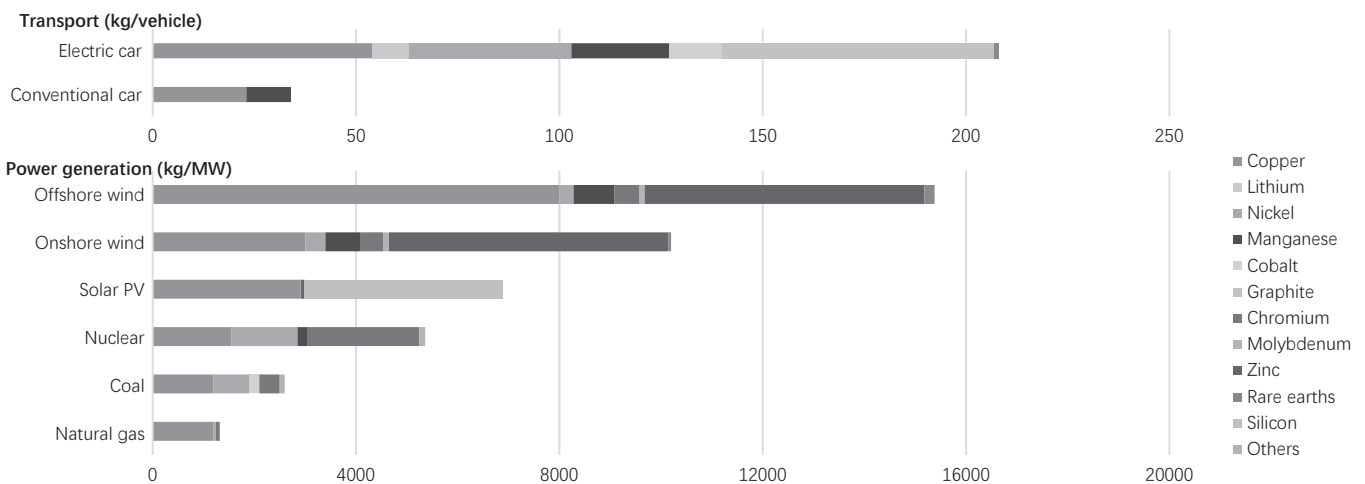
(I) Landscape and development trend in the industry

Since the outbreak of the pandemic, the prices of non-ferrous metal products have generally risen. The main reasons are as follows: firstly, the monetary policy of the global central banks represented by the United States Federal Reserve has been easing to a large extent; secondly, mismatch in post-pandemic economic recovery between resource-supplying and resource-demanding countries resulted in the mismatch in supply and demand of resources; thirdly, the continually emerging energy crisis, geopolitical wars and resource nationalism have intensified the supply disturbance frequency. Although these factors will be gradually relieved on the surface due to fading of the pandemic, mid to long-term structural changes in the global economy are emerging. The energy revolution is the central theme of this long-term change and will profoundly affect the non-ferrous metal mining industry.

1. The accelerated development of new energy opens up broad demand space for key metals such as copper

The transition from fuel-intensive to material-intensive is the underlying logic for the growth of key metal demand in the energy transition era. The enrichment, extraction and storage of renewable energy require a large number of metal materials. Data from the International Energy Agency shows that the demand for metallic mineral resources in photovoltaic and wind power generation units installed in the power generation field is 3 to 6 times that of traditional coal power generation; in the field of transportation, the demand for mineral resources of a single electric car is about 6 times that of a conventional fossil fuel car. In particular, the demand for key metals such as copper and lithium will experience a rapid growth. Lithium is considered as the fastest growing and most certain energy metal in the future. Minmetals Securities predicts that the global demand for lithium carbonate will reach 3.92 million tonnes in 2030, approximately 10 times that of 2020. Copper is praised by some industry business practitioners as “the metal of the future” and “new oil”. Citibank forecasts that the copper demand in the decarbonisation field (new energy power generation + new energy vehicles) will reach 6.35 million tonnes in 2030, 4 times that of 2020, and the increase in copper demand in the decarbonisation field will account for more than 60% of the increase in copper demand in the next decade.

Mineral resource usage volume required in the clean energy industry



Source of data: International Energy Agency

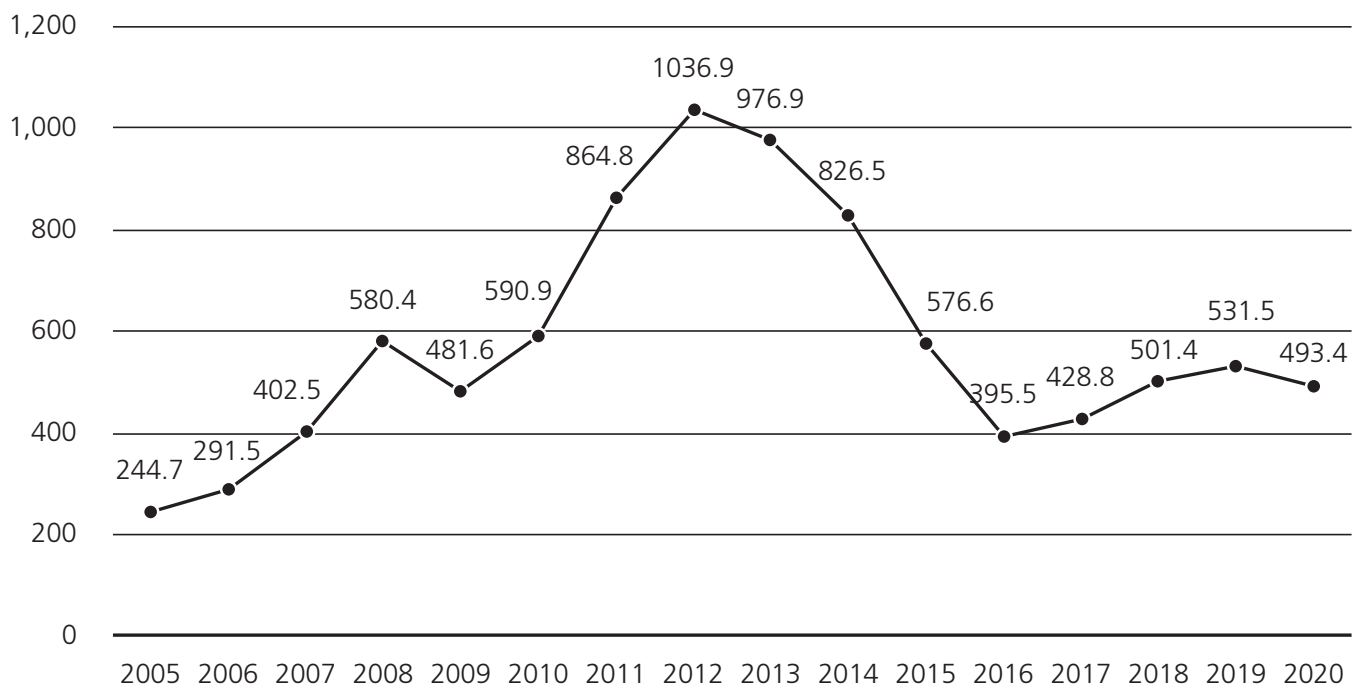
Management Discussion and Analysis *(continued)*

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

2. Energy transition may exacerbate the rigid resources supply and increase supply costs

Mining industry, as a pillar industry of the national economy, is being re-recognised, and the global supply and demand pattern of mineral resources is being reshaped. During the last ten years, the newly discovered metal resources in the world become scarcer, there was a rise of resource nationalism, mining development conditions became worse, and rigidity characters of resources supply restricted the growth potential of medium to long-term supply. Energy crisis happened frequently. Some analysts considered that the European energy crisis is a pain during the new energy transition, and the world ignored the stableness of energy structure during the transition of energy structure. It may further intensify the rigidity of supply of non-ferrous metals. Under the current technology conditions, the problem of discontinuity and instability of electricity generated by renewable energy is difficult to solve within a short period of time. In addition, the shrinking of traditional energies may raise the costs of energy supply, exerting pressure on the costs of non-ferrous metal industry which heavily relies on energy. The requirements of eco-friendliness, environmental protection and low carbon emissions become more and more stringent. Mining enterprises need to bear heavier environmental protection expenses and costs of generating green electricity. The state juxtaposes mineral security and energy security, and for the first time incorporates mineral security into the national security system. At the same time, the state proposed to “enhance the country’s capability on securing resource production, require the acceleration of exploration and development of oil, gas, minerals and other resources, improve strategic material reserves system and guarantee the supply of primary products”.

Total capex of global representative copper companies (USD100 million)



Source of data: Bloomberg

Management Discussion and Analysis *(continued)*

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

3. Mining enterprises will inevitably face more sophisticated competitive pressure

The transition from old energy to new energy is accompanied by the changes in the competition landscape among industries or even countries and profit redistribution. The developed countries have been promoting a quick energy transition, and attached greater importance to the safety of the local supply of relevant key metals. There is a rising trend of resource nationalism in the resource-rich underdeveloped and developing countries. The above factors make international acquisition and multinational operation more difficult for mining enterprises. The pursuit of green and low-carbon of the capital market constrains the financing rate and valuation of mining enterprises. Listed mining enterprises need to optimise their own mine composition to enhance the accessibility to financing. The realisation of the goal of “Double Carbon” will be an essential path for the development of mining enterprises. Striking the right balance between growth and “Double Carbon” is crucial for outstanding mining enterprises. Mining enterprises will face more sophisticated competitive pressure.

Projections for the trends of key metal products:

Metal	Gold	Copper	Zinc	Lithium
Demand structure				
Projection	<p>The pace of global monetary easing has become slower. However, under the energy crisis and rise in labour costs, the inflation in Europe and the United States keeps increasing, and the economic recovery lacks momentum. Geopolitics raises risk aversion sentiment, providing support to the gold price to stay at the higher ranges.</p>	<p>There is a release of new supply from copper mines. However, there is a rise in resource nationalism again, which has an increasing disturbance on the supply. The new energy field has opened up a new space for the rise of demand, which will worsen the problem of lack of supply of copper mine projects in the medium to long-term. A higher copper price is needed to solve the problem.</p>	<p>The European energy crisis has become a core factor affecting the zinc market for a short to medium-term. It still needs time for the energy prices to drop. There is no need to be too pessimistic for infrastructure and real estate sector in the medium-term under the tone of maintaining steady growth in the PRC. The zinc market will maintain a tight balance situation.</p>	<p>There is an erupting growth momentum in the demand of lithium electricity, and the actual demand is further magnified due to the need of reserving stocks along the industry chain. The long development period of lithium ore projects and salt lake projects makes the medium-term supply fail to cope with the rapid growth in demand. It is expected that lithium price will maintain at a high range.</p>

Development strategies of the Company

The Company has established the Outline of Five-Year (2+3) Plan and Development Goals for 2030, pursuant to which the Company shall 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 global and domestic mining industry.

Management Discussion and Analysis *(continued)*

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

During the reporting period, the Company re-positioned its overall strategic development goal as “to be a green, high-tech, leading global mining company”, further affirmed that the Company’s development shall be in a green, high-quality and sustainable manner; the Company shall comprehensively enter the new energy mining sector, set the sustainable development path of using high-quality metallic mineral raw materials to help the world achieve “carbon emission peak and carbon neutrality” and realise the economic goal. The Company clarified the leading path of developing Zijin by leveraging technology, and high technology shall be the priority. A development momentum characterised by self-initiated whole-process system research, design and implementation by the Company had been formed. The Company insists on mining as its main business, participates in global development and determines to develop itself to be a leading global mining company.

Business plan

1. The planned production volumes of the Company’s key mineral products for 2022

2022 marks an important year for the Company to complete the first stage (2021-2022) of the 10-year strategic development plan. The Company expects that in 2022, it will produce 860 thousand tonnes of mine-produced copper, 60 tonnes of mine-produced gold, 480 thousand tonnes of mine-produced zinc (lead), 310 tonnes of mine-produced silver and 3.20 million tonnes of iron ore; investment expenditure for project construction (including technological upgrade) is expected to be RMB20.0 billion. The relevant capital expenditure will be supported by 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 to 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.

2. Key work measures for 2022

Deepen reform

– Preliminarily complete a globalised operation and management system with Zijin characteristics

- Follow the requirements of “streamlining, compliance and efficiency” to realise the preliminary transition from the domestic operation and management system to the globalised operation and management system.
- Complete a comparatively enhanced matrix management organisational structure, promote the transformation of the achievements in system development to operation and management effectiveness.
- Insist on value orientation, face the challenge of marketisation and promote more in-depth marketised reform.
- Set up globalised information platforms, empower the transformation and upgrade of the production and management system through digitalisation and intelligentisation.

– Proactively promote the new energy and new material industries which are driven by the “Double Carbon” policy

- Issue Zijin’s goals for energy consumption and carbon emission controls, formulate the development plan for new material and new energy segments.
- Prioritise the acquisition and development of metallic mineral resources related to new energy and new materials, and consider lithium, cobalt and nickel as the breakthroughs to expand the new space for development. Strive to become a representative of the industry with Zijin characteristics.

Management Discussion and Analysis *(continued)*

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

- Expand the natural carbon sink, speed up the replacement of diesel equipment to electric equipment, install suitable clean energy generation system powered by solar energy, wind energy, hydropower, hydrogen energy, etc.
- Take the lead to promote the Zijinshan Copper and Gold Mine in Fujian and Zijin Copper as a “carbon neutral” demonstration mine and enterprise.

– Speed up the development of the highly-adaptable internationalised ESG governance system

- Enhance key performances in environmental and ecological protection, occupational health and safety, monitoring and management of tailings dams, protection of human rights, anti-corruption and supervision, responsible supply chain, social responsibility and contribution, etc.
- Develop international level green mines, carry out water reuse and utilisation at the mines and production systems, and establish online monitoring systems at the downstream waterbodies in an all-round manner.
- Follow the concepts of “green mountains and clear water are as good as mountains of gold and silver” and “life comes first, give priority to safety”, endeavour to achieve the development of internationally advanced safety and environmental protection management system and performance.
- Uphold compliance with laws and regulations, proactively speed up the establishment of global legal system.

Leaping growth

– Strive to realise “beyond expectation” production and operation indicators

- Seize the favourable opportunities of high key metal prices, adopt firm and effective measures to maintain the Company’s eruptive growth momentum.
- Give full play to the leading position of the copper mine projects, ensure that the well-established mines can maintain stable and high production volume, and the mines recently commenced production shall meet the designated production volume and indicators as soon as possible.
- Promote gold projects to become the new growth drivers, accelerate the technological upgrade and expansion of key domestic and overseas mines so that they can complete construction, commence production and reach designated production capacity at a speed that is ahead of expectation.
- The zinc segment shall strive to outperform the production plan and indicators amid the current market backdrop of high zinc price.
- Stimulate the advantage of industry chain extension, consolidate segments including refining, processing, construction, technology, finance and trading to form greater synergy.

– Vigorously promote the fast transition of resource advantage into economic and social benefits

- A batch of newly constructed key copper mine and gold mine projects shall strive to achieve “beyond expectation” construction, and achieve the quality and effectiveness enhancement of a batch of mining projects under technological upgrade and expansion.
- The construction of the 3Q lithium brine project in Argentina, which is an important project, shall be accelerated and achieve breakthroughs. Investment projects in electrolytic copper foil, lithium iron phosphate and hydrogen energy shall contribute to the increase in production volume and generate synergies.

Management Discussion and Analysis *(continued)*

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

- Continuously promote the application of the self-initiated “integrating five ore treatment processes into one” mining engineering management model which can generate high synergy, speed up the substantial engineering breakthroughs in the adoption of large-scale underground caving method.
- Strive for breakthroughs in science and technology development, explore the cooperation opportunities with units having technological advantages and the possibility of undergoing industrialisation. Achieve breakthroughs in new energy, new materials, mine informatisation technology and industrialisation, raise the quality and efficiency in production and operation.

Sustainable development

– Foster the resource base for globalised development

- Allocate resources globally, seek acquisition opportunities of strategic significance.
- Focus on minerals with tight supply like copper and gold, minerals with high potential like zinc, and acquisition of new energy minerals like lithium, cobalt and nickel.
- Increase the input in mineral exploration at current mines, green fields and preliminary prospecting. Start the new round of mineral exploration at Zijinshan and other key mines to strive for breakthroughs.
- Pay attention to the recycle and reuse of mineral resources of the huge “urban mine”, explore new ways to obtain resources.

– Establish high-level capital, financing and trading systems for the mining industry

- Regulate information disclosure, protect the interests of investors, respect the stakeholders and share with them the results of development.
- Value the function of capital market and the concern of investors, make good use of the international and domestic markets, strive to achieve new breakthroughs in key projects, significant resource increment and capital operation.
- Strengthen the highly-effective integration of “mining + financing and trading” with mining as the main business, build up the location advantage of domestic and overseas platforms including Shanghai Capital Company, Hainan International Operation Centre and Singapore International Capital Company.

– Nurture the internationalised high-quality talent teams

- Enhance the introduction, nurture and use of talents who are innovative, practical and have high technical skills, especially foreign talents. Nurture and reserve talents for promoting overseas development.
- Formulate localised talent strategies, strengthen training, nurture and use of local employees.
- Strengthen the introduction and nurture of young internationalised talents, enhance the nurture of talent teams which can practically solve the technical problems.
- Speed up the optimisation of employee structure, fully promote the realisation of the “Double 50s” goal of internationalised management and technical talents.

– Raise the soft power for Zijin’s globalised competition

- Insist to treat the co-development concept of “mining for a better society” as the basic logic for the Company’s globalised development, further improve the characterised development model of mutual sharing between employees and enterprise, enterprise and communities, and enterprise and the localities.

Management Discussion and Analysis *(continued)*

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

- Inherit and promote the excellent Zijin culture, continuously carry out cross-cultural integration, timely commence upgrade work to enrich Zijin's culture.
- Strengthen the supervision and anti-corruption tasks, build an interdependent and co-existent "close and clean" ecology with related parties. Strengthen internal control and management, and improve the ability to prevent and resolve various kinds of risks.

Possible risks

Risk management mechanism of the Company

The Company optimises the risk governance system and risk management mechanism to meet global development standards, establishes a top-down risk management and control system which consists of the Board and its specialised committees, the Supervisory Committee, management and the subsidiaries, 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.

Possible risks in 2022

The Company maintains high-level dynamic management and control on risk identification. Currently, the basis of overall economic recovery is unstable. The Russo-Ukrainian Conflict exerts certain pressure on the Company's projects in Central Asia. The bottlenecks in supply chain aggravate the inflation pressure, and pandemic keeps mutating and spreading globally. The supply and demand landscape of mineral resources is re-shaping, and the supply of key minerals with strategical importance is receiving high attention from major countries, which may become the subject of geopolitical competition, and increase the uncertainties in the development of relevant mineral resources.

Risk identification	Risk assessments	Countermeasures
Metal prices	Copper, gold 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 price fluctuation of mineral products 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.	<ul style="list-style-type: none"> • 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 significant market opportunities, substantially increase the production capacity and efficiency of major metal products. • Enhance market tracking study, implement specific stress testing beforehand, optimise product portfolio, use financial derivatives in a scientific, rational and prudent manner to respond to and prevent price fluctuation risks.

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
COVID-19 pandemic	The pandemic continues spreading worldwide, challenging the safety and health protection of the Company's employees (especially employees in overseas projects), tight supply chain, travel restrictions, etc. Different countries are subject to different level of pandemic. In some regions, economic and social crisis have intensified due to the pandemic.	<ul style="list-style-type: none"> • The pandemic prevention and control ability and response capacity of the Company and overseas subsidiaries shall be fully raised. Daily testing shall be strengthened, anti-epidemic supplies shall be abundant and emergency response measures shall be formulated in order to lower the adverse effects on production and operation brought by the pandemic. • Great importance shall be attached to the research on the pandemic policies of the countries and regions where the projects are located. The Company shall actively provide assistance to the pandemic prevention and control work at the localities.
Geopolitics	The Company's overseas projects have a wide geographic presence. As the Russo-Ukrainian Conflict intensifies, certain countries or regions where the overseas projects are located have certain instability in politics and social structure. At the same time, the potential impact of resource nationalism is being intensified.	<ul style="list-style-type: none"> • Uphold operation compliance with laws and regulations. Follow the laws, ethics, social, economic and human rights standards of the host countries and regions, ensure the assets are under safe and reliable operation. • Proactively maintain constructive relationship with the governments, supervisory institutions and other stakeholders in the localities of the projects and the overseas organisations of the PRC to ensure that the production and operation can be carried out orderly. • Continue to purchase master insurance policy for the overseas projects and assets to provide security to a certain extent.
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 operation may be under certain pressure.	<ul style="list-style-type: none"> • Establish a highly adaptable globalised operation and management system, conduct in-depth research on international rules, standards, practices and political environment; optimise the global legal system. • As the management centre for overseas production and operation, the Overseas Operations Department shall continuously strengthen the business management and control for the overseas projects. The compliance risks of overseas projects shall be guided by the Company's Strategic and Sustainable Development (ESG) Committee and managed and controlled by the Overseas Operations Department, while the relevant operation departments and Legal Department shall provide coordination management.

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
<p>Cross-cultural management and stakeholders</p>	<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 countries or regions may have certain geopolitical risks, policy and law adjustment risks, and community risks.</p>	<ul style="list-style-type: none"> • Adhere to the concept of “co-development”, enhance multi- and cross-cultural governance ability; 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. • 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 warning 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 covering politics, public security, environmental protection, community, public opinion, etc.
<p>Safety, environmental protection and climate change initiatives</p>	<p>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 due to climate change such as rainstorms, mudslides, earthquakes, etc. occur.</p>	<ul style="list-style-type: none"> • Adhere to the concept of eco-friendly, high-quality and sustainable development, follow international standards and norms, establish and optimise governance system for safety, environmental protection, occupational health and ecological environment, 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 countermeasures to address climate change challenges, effectively reduce carbon emissions, raise water use efficiency, strengthen biodiversity conservation and develop environmental protection business in an orderly manner.

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
Financial market	The Company carries out investing and operating activities globally, and holds 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>Improve and optimise the financial management system, establish a finance committee to coordinate and manage, 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>

Others

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. As the PNG Government announced that it did not approve the extension application, production of the Porgera Gold Mine has been suspended since April 2020.

On 9 April 2021, Barrick (Niugini) Limited ("BNL") and the PNG Government entered into a binding framework agreement for the future ownership and operation of the Porgera Gold Mine. On 15 October 2021, BNL and the PNG Government entered into a more detailed Porgera Project Commencement Agreement (the "PPCA"). The Commencement Agreement came into force on 3 February 2022 after being signed by Mineral Resources Enga Limited ("MRE"), which holds the remaining 5% interest in the Porgera Joint Venture. According to the stipulations in the PPCA, 51% ownership of the Porgera Gold Mine will be held by PNG stakeholders (PNG Government, Kumul Minerals and MRE), while BNL will hold the remaining 49%. BNL remains the operator of the Porgera Gold Mine. PNG stakeholders and BNL will share the economic benefits generated over the life of mine on a 53/47% basis. The PNG Government will retain the right to acquire the remaining 49% of the mine from BNL at fair market value after 10 years.

The PPCA is subject to certain specific conditions, including: the signing of the shareholders' agreement of the new Porgera Joint Venture, the signing of the Porgera Gold Mine operatorship agreement, etc.

BNL and PNG stakeholders are actively advancing the negotiation process in order to work towards the signing of definitive agreements as soon as possible. The Porgera Gold Mine is expected to resume operation in 2022.

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 2021.

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 2021 are set out in the financial statements on pages 176 to 428.

Profit distribution plan or plan for conversion of capital reserve into share capital of the Company

(I) 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 “No. 3 Guideline for the Supervision of Listed Companies – Cash Dividend Distribution 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 and optimise 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.

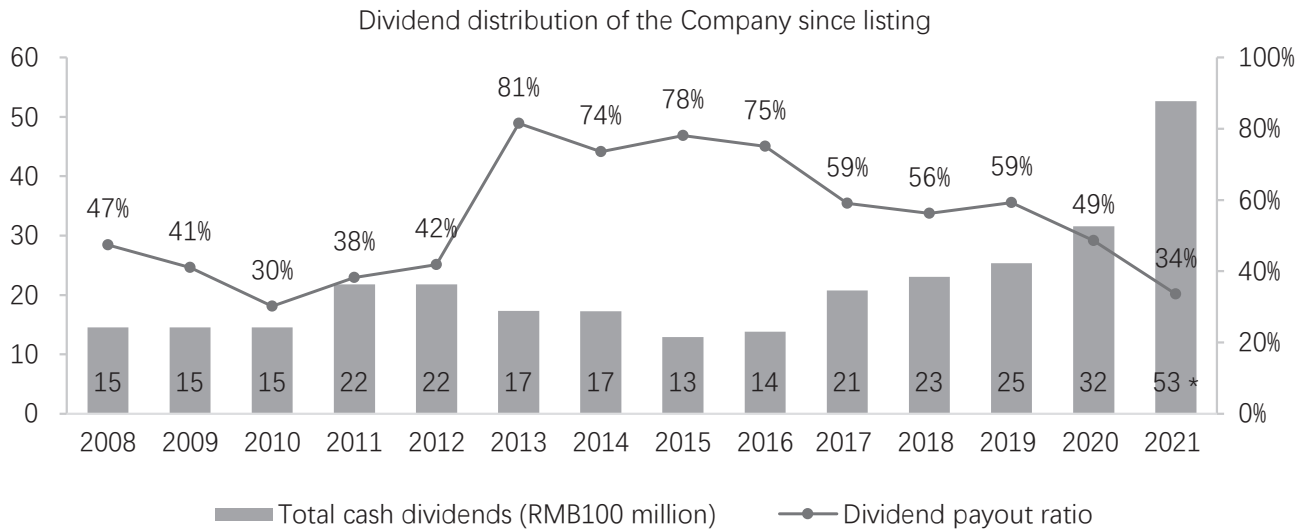
The new profit distribution and return plan for the next three years stipulates that unless there is a special circumstance, the Company’s accumulative profit distribution in cash for the last 3 years shall not be less than 90% of the average annual distributable profits realised for the last 3 years. 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 2021 prepared in accordance with CAS was RMB15,672,870,591. The Board proposed the profit distribution plan for the year ended 31 December 2021 as follows: the Company proposes to pay a final cash dividend of RMB2 per 10 shares (tax included) to its shareholders on the record date 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 2021. The profit distribution proposal for the year ended 31 December 2021 is subject to the approval at the shareholders’ general meeting.

Report of the Directors *(continued)*

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

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.



* Note: The profit distribution plan for the year ended 31 December 2021 is subject to the approval at the 2021 annual general meeting.

(II) Special explanation of cash dividend distribution policy

Whether it complies with the provisions of the Company's articles of association or the requirements of the resolution of the shareholders' general meeting	√ Yes <input type="checkbox"/> No
Whether the dividend distribution standard and proportion are clear	√ Yes <input type="checkbox"/> No
Whether the relevant decision-making procedures and mechanisms are complete	√ Yes <input type="checkbox"/> No
Whether the independent directors discharge their duties and play their due role	√ Yes <input type="checkbox"/> No
Whether minority investors have the opportunity to fully express their opinions and demands, and whether their legitimate rights and interests have been fully protected	√ Yes <input type="checkbox"/> No

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 of the Company and their impacts

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

Summary of event

The Company completed the registration of shares under the first grant and the reserved grant of the restricted A Share incentive scheme at China Securities Depository and Clearing Company Limited Shanghai Branch on 28 January 2021 and 8 December 2021, respectively. The total number of restricted 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. The grant price was RMB4.95 per A Share. Under the reserved grant, the actual total number of restricted A Shares granted was 2,510,000 and the number of participants who were granted the restricted A Shares was 39. The grant price was RMB4.83 per A Share.

As certain participants under the restricted A Share incentive scheme no longer satisfied the stipulations relating to the participants in the conditions of grant, on 16 November 2021, the Company decided to conduct repurchase and cancellation of the restricted A Shares granted but not yet unlocked held by the abovementioned participants. The repurchase and cancellation of shares were completed at the China Securities Depository and Clearing Company Limited Shanghai Branch on 17 January 2022. The total number of A Shares repurchased and cancelled was 800,000, and the repurchase price was RMB4.83 per A Share.

The lock-up period of the A Shares held by Phase 1 of the employee stock ownership scheme of the Company (the "Employee Stock Ownership Scheme") expired, and those A Shares were listed and became tradable on 8 June 2020. 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., extended to 6 June 2023.

Index for details

- (1) For details about the grant, please refer to the Company's announcements disclosed on HKEXnews website (<http://www.hkexnews.hk>) dated 11 January 2021, 13 January 2021, 1 February 2021, 15 November 2021 and 9 December 2021.
- (2) For details about the repurchase, please refer to the Company's announcements disclosed on HKEXnews website (<http://www.hkexnews.hk>) dated 15 November 2021 and 12 January 2022.

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)*

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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 party	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	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 that business segment 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

Significant litigation and arbitration matters

The Company had no significant litigation and arbitration matters during the year.

Other information

In January 2019, Guyana Goldfields Inc. ("Guyana Goldfields") and Maxit Capital LP ("Maxit") entered into a financial advisor agreement for the sale of Guyana Goldfields, which was terminated in July 2019 with the trailing clause: if Guyana Goldfields completes the transaction within 1 year after the termination of the agreement, Maxit can still receive the full financial advisory fee, which includes the basic fee and bonus.

The Company signed an agreement with Guyana Goldfields on 11 June 2020 to acquire 100% of its equity interest in cash, and the transaction was completed on 25 August 2020. Maxit required Guyana Goldfields to settle the financial advisory fee and sued Guyana Goldfield in July 2020 due to disputes over the financial advisory fee. Since the lawsuit occurred before the acquisition date, Guyana Goldfields accrued an estimated liability of RMB65.16 million for the estimated litigation compensation amount pursuant to the advice from the legal advisor on the acquisition date, which was reflected in the acquired net assets of Guyana Goldfields at the time of acquisition.

The lawsuit was concluded in June 2021 with an actual compensation amount of CAD10.35 million. Guyana Goldfields had settled the amount.

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

The Company's subsidiary, Ashele Copper, entered into a copper concentrates supply contract with Xinjiang Wuxin Copper Co., Ltd. ("Wuxin Copper"), a subsidiary of Ashele Copper's substantial shareholder, Xinjiang Nonferrous Metal Industry (Group) Co., Ltd. ("Xinjiang Nonferrous"), on 29 January 2021. Wuxin Copper's controlling shareholder is Xinjiang Nonferrous and its ultimate beneficial owner is Xinjiang Uygur Autonomous Region State-owned Assets Supervision and Administration Commission. Sales of copper concentrates is one of Ashele Copper's ordinary businesses 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 RMB1.45 billion (tax excluded).

Index for details

For details, please refer to the Company's announcement disclosed on HKEXnews website (<http://www.hkexnews.hk>) dated 29 January 2021.

The contract of the abovementioned transaction has a term effective from 1 January 2021 to 31 December 2021, with an annual cap of RMB1.7 billion.

The copper concentrates supply contract for the year 2021 in relation to the continuing connected transaction between Xinjiang Ashele and Wuxin Copper expired on 31 December 2021. On 28 February 2022, Xinjiang Ashele, as the seller, entered into a copper concentrates supply contract (the "Copper Concentrates Supply Contract") with Wuxin Copper, as the buyer, for a term effective from 1 January 2022 to 31 December 2022. Pursuant to the terms of the Copper Concentrates Supply Contract, Xinjiang Ashele agreed to sell copper concentrates to Wuxin Copper. The maximum amount of the Copper Concentrates Supply Contract for the year ending 31 December 2022 is RMB2.1 billion. Xinjiang Nonferrous, the controlling shareholder of Wuxin Copper, is a state-owned company.

Other connected transaction

For the purposes of further establishing and enhancing the Company's long-term incentive mechanism, attracting and retaining outstanding talents, fully mobilising the enthusiasm of the Company's employees, effectively aligning the interests of the shareholders, the Company and the operators, and keeping all parties focused on the Company's long-term development, the Company issued a total of 95,980,600 restricted A Shares at a grant price of RMB4.95/A Share to the participants pursuant to the restricted A Share incentive scheme on 28 January 2021. Among which, the Company issued 5,950,000 A Shares in aggregate to the Company's connected persons (including the executive Directors and a director of a Company's significant subsidiary). Pursuant to Chapter 14A of the Listing Rules, grant of restricted A Shares to the connected persons constitutes a connected transaction of the Company. For details, please refer to the Company's announcements dated 17 November 2020, 11 December 2020, 29 December 2020, 11 January 2021, 13 January 2021 and 1 February 2021 and circular dated 11 December 2020 disclosed on HKEXnews website (<http://www.hkexnews.hk>).

On 15 November 2021, Zijin Mining Group South Investment Co., Ltd. ("South Investment", a wholly-owned subsidiary of the Company) and Minxi Xinghang, the substantial shareholder of the Company, jointly established Fujian Zijin Copper Foil Technology Co., Ltd. in Shanghang County, Longyan City, which is responsible for the construction and operation of the 20,000 tonnes high-performance electrolytic copper foil project, in which South Investment invested RMB140 million in cash to hold 70% equity interest, and Minxi Xinghang invested RMB60 million in cash to hold 30% equity interest. The transaction constitutes a fully exempted de minimis connected transaction under Chapter 14A of the Listing Rules.

Report of the Directors *(continued)*

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

Except for the 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.
- (c) Independent non-executive Directors of the Company have reviewed and confirmed that all the continuing connected transactions of the Company or its subsidiaries involved in the year 2021 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 not inferior to those available from or to independent third parties of the Group; and
 3. entered into according to the terms of the agreement governing such transactions; on terms that are fair and reasonable and in the interest of the shareholders as a whole.
- (d) The Group's auditor has reviewed the continuing connected transactions (details of which are set out in Note X.6 to the financial statements), and confirmed to the Board that:
 1. the transactions have been approved by the Board;
 2. terms of the agreement of the relevant transactions are attached to the connected transactions;
 3. the transactions were, in all material respects, in accordance with the pricing policies of the Group; and
 4. 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.

Except 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.

Saved 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.)

CHANGES IN SHARE CAPITAL

Table on changes in the number of shares

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	0	0	+98,490,600	0	0	0	+98,490,600	98,490,600	0.37
1. Shares held by other domestic shareholders	0	0	+98,490,600	0	0	0	+98,490,600	98,490,600	0.37
Including: Shares held by domestic non-state owned legal persons	0	0	0	0	0	0	0	0	0
Shares held by domestic natural persons	0	0	+98,490,600	0	0	0	+98,490,600	98,490,600	0.37
II. Shares not subject to trading moratorium	25,377,259,946	100	0	0	0	+854,361,694	+854,361,694	26,231,621,640	99.63
1. Renminbi-denominated ordinary shares	19,640,319,946	77.39	0	0	0	+854,361,694	+854,361,694	20,494,681,640	77.84
2. Overseas-listed foreign invested shares	5,736,940,000	22.61	0	0	0	0	0	5,736,940,000	21.79
III. Total number of shares	25,377,259,946	100	+98,490,600	0	0	+854,361,694	+952,852,294	26,330,112,240	100

Information on changes in shares

- (1) The Company implemented the restricted A Share incentive scheme for 2020 and issued a total of 98.4906 million restricted A Shares to participants under the incentive scheme. Registration of shares at China Securities Depository and Clearing Company Limited Shanghai Branch was completed on 28 January 2021 and 8 December 2021, respectively. For details, please refer to the Company's announcements disclosed on HKEXnews website (<http://www.hkexnews.hk>) dated 1 February 2021 and 9 December 2021.
- (2) The Company publicly issued RMB6 billion of A Share convertible corporate bonds on 3 November 2020, and the A Share convertible corporate bonds became convertible beginning from 10 May 2021. As the terms of redemption of the convertible corporate bonds had been triggered, the Company implemented early redemption and the abovementioned A Share convertible corporate bonds had been delisted from the Shanghai Stock Exchange starting from 28 June 2021. The cumulative number of A Shares converted was 854,361,694. For details, please refer to the Company's announcement disclosed on HKEXnews website (<http://www.hkexnews.hk>) dated 28 June 2021.

Report of the Directors *(continued)*

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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
Participants of restricted A Share incentive scheme under the first grant	0	0	95,980,600	95,980,600	Restricted A Share incentive scheme	Please refer to the note
Participants of restricted A Share incentive scheme under the reserved grant	0	0	2,510,000	2,510,000	Restricted A Share incentive scheme	Please refer to the note
Total	0	0	98,490,600	98,490,600	/	/

Note: Registrations for the first grant and the reserved grant of the restricted A Shares held by the participants were completed on 28 January 2021 and 8 December 2021, respectively (the "Registration Dates"). Provided that conditions for unlocking the restricted A Shares are satisfied, the restricted A Shares granted may be unlocked according to the following schedule:

1. The first unlocking period commences from the first trading day after the expiry of the 24-month period from the Registration Dates and ends on the last trading day of the 36-month period from the Registration Dates. The percentage of restricted A Shares to be unlocked is 33%;
2. The second unlocking period commences from the first trading day after the expiry of the 36-month period from the Registration Dates and ends on the last trading day of the 48-month period from the Registration Dates. The percentage of restricted A Shares to be unlocked is 33%;
3. The third unlocking period commences from the first trading day after the expiry of the 48-month period from the Registration Dates and ends on the last trading day of the 60-month period from the Registration Dates. The percentage of restricted A Shares to be unlocked is 34%.

For details regarding the lock-up periods, unlocking periods and conditions for unlocking the restricted A Shares, please refer to the Restricted A Share Incentive Scheme for 2020 (Revised Draft) and Announcement on Summary of the Restricted A Share Incentive Scheme for 2020 (Revised Draft) dated 11 December 2020 disclosed by the Company on HKEXnews website.

Report of the Directors *(continued)*

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

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.* issued by the CSRC (Zhengjian Xuke [2020] No. 2613), the Company publicly issued A Share convertible corporate bonds with a total face value of RMB6,000,000,000.00 to the public. 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 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

RMB4.5449383 billion of the proceeds raised from the issuance of the A Share convertible corporate bonds in 2020 had been applied in projects to be invested by proceeds raised. The outstanding balance of the unutilised proceeds raised amounted to RMB1.4629642 billion (including the bank interest generated from the proceeds deposited in bank accounts and after deducting bank charges).

During the reporting period, the proceeds raised were used according to the intentions previously disclosed by the Company.

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

	Whether changes (including partial changes) have been made to the project	Total amount of proceeds raised during the reporting period	Adjusted total investment amount	Amount of committed investment as at the end of the reporting period (1)	Amount of proceeds invested in the current year	Accumulated amount of proceeds invested as at the end of the reporting period (2)	Difference between accumulated amount of proceeds invested as at the end of the reporting period and amount of committed for investment (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	Expected timeline for unutilised proceeds	Realised efficacy in 2021	Whether the expected efficacy is attained	Whether there is a substantial change in the feasibility of the project
Total amount of proceeds raised from the public issuance of A Share convertible corporate bonds in 2020		3,110,285	3,110,285	3,110,285	0,996,231	2,348,786	(0,761,495)	75.52	End of May 2021	The remaining balance is expected to be fully utilised by 30 June 2022	1,761,593	Yes (Note 2)	No
Total amount of proceeds raised with change in usage during the reporting period													
Total accumulated amount of proceeds raised with change in usage													
Proportion of total accumulated amount of proceeds raised with change in usage													
Committed investment project													
I. The Kamao-Kakula Copper Mine project of Kamao Holding Limited in the DR Congo	No	3,110,285	3,110,285	3,110,285	0,996,231	2,348,786	(0,761,495)	75.52	End of May 2021	The remaining balance is expected to be fully utilised by 30 June 2022	1,761,593	Yes (Note 2)	No
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 (Note 1)	No	2.18	2.18	2.18	1,652,604	2,119,130	(0,060,695)	97.21	Mid-October 2021	The remaining balance is expected to be fully utilised by 30 June 2022	2,372,058	Yes (Note 3)	No
III. Mining project in the Tongshan Mine of Heilongjiang Tongshan Mining Co., Ltd.	No	0.68	0.68	0.68	0,053,674	0,077,021	(0,602,978)	11.33	End of the first quarter of 2024	The remaining balance is expected to be fully utilised by 31 December 2023	Not applicable	Not applicable (Note 4)	No
Total		5,970,285	5,970,285	5,970,285	2,702,165	4,544,938	(1,425,346)	76.13					

Note 1: Rakita Exploration d.o.o. Bor in Serbia was renamed Serbia Zijin Mining Doo.

Note 2: The Kamao-Kakula Copper Mine project of Kamao Holding Limited in the DR Congo has been in the intended usable condition since May 2021. The project produced 105 thousand tonnes of copper in 2021.

Note 3: The mining and processing project in the Upper Zone of the Timok Copper and Gold Mine of Serbia Zijin Mining Doo has been in the intended usable condition since October 2021. The project produced 55 thousand tonnes of copper and 3.1 tonnes of gold in 2021.

Note 4: The mining project in the Tongshan Mine of Heilongjiang Tongshan Mining Co., Ltd. is currently under construction. The project is expected to be ready for intended use by the end of the first quarter of 2024.

Report of the Directors *(continued)*

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STAFF OF THE COMPANY AND ITS MAJOR SUBSIDIARIES AS AT THE END OF THE REPORTING PERIOD

(I) Staff

Number of current staff of the Company	2,156
Number of current staff of the major subsidiaries	41,720
Total number of current staff	43,876
Including: Staff of domestic enterprises	22,181
Staff of overseas enterprises	21,695
Including: Chinese staff of overseas enterprises	1,280
Number of retired staff at the Company and major subsidiaries' expense	601

Profession structure

Classification by specialisation	Number of specialised staff
Production	10,367
Sales	499
Technical	6,605
Finance	601
Administration	5,389
Total	23,461

Education level

Classification by education level	Number of staff
Doctoral degree	78
Master's degree	955
Bachelor's degree	5,333
Other tertiary education	8,078
Secondary school or below	9,017
Total	23,461

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 2021, the Company comprehensively modified the basic human resources management system, repositioned the function of the Human Resources Department at the headquarters, arranged and promoted a uniform human resources system for globalised operation, vigorously reduced the administrative work, transitioned to a strategic and service-oriented platform, and accelerated the development of internationalised human resources system.

Report of the Directors *(continued)*

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The Company also made efforts to build up an internationalised work team. During the year, the Company introduced 262 internationalised and middle-to-high grade management and technical talents. Among which, 55% of them were internationalised talents. The total number of new hires and the number of internationalised talents in 2021 were the highest in history. The Company further upgraded the outstanding graduate employment programme to the “Thousand Talents Programme”. 1,500 outstanding graduates were employed, including more than 200 overseas students and international students, exceeding the total number employed over the past five years. The Company also rolled out the “300 Craftsmen” recruitment programme for the first time, which employed graduates from the professional and vocational institutions in professional fields of electrical and mechanical engineering, mining and other related subjects. The talents in urgent need were also introduced. The Company employed high-end talents in the fields of new energy, new materials, ESG, finance, trading, etc., and with a particular focus on the introduction of talents in the fields of electrical and mechanical engineering, mining, etc.

The Company steadily promoted “Double 50” programme (internationalised talents and talents from provinces other than Fujian each account for 50%) at the departments of the headquarters. Four departments including the Board Office, Overseas Operations Department, Human Resources Department and Corporate Development Department had already achieved the goal set for the first stage of “Double 50” programme which was ahead of schedule.

The structure of cadres was adjusted according to the vigorous implementation of “four transformations” (more international, younger, more knowledgeable and more localised). The proportion of the “four transformations” among cadres was evidently improved. Certain post-90 cadres started to show their talents. The talents reserve which can cope with the future was gradually formed. For localisation development, 11 local senior management staff in total were hired in 7 overseas projects.

(II) Remuneration policy

As the operating results of the Group substantially improved, for the purpose of further sharing the development results among the enterprise and the employees, the basic salary of all employees were raised by one level in general. Enterprise annuity was resumed, and maternity benefits were promoted. Special subsidy policy for employees during the pandemic was introduced, including the rise in the total remuneration of overseas employees, special festival leave allowances and other preferential benefit policies. The Company insisted on market orientation and optimised the incentive measures. For the Julong Copper construction team which works in high attitudes after the construction targets are met, a portion of the profit for the first three years after production commencement will be reserved as special reward for team during the construction period; annual special reward system was implemented to reward teams and individuals with outstanding contributions.

In order to actively respond to the national policy of promoting childbirths and protect the employee rights during maternity leave, employee benefits during the leave period were improved. It was specified the employees are entitled to full amount of basic salary and allowances throughout the maternity leave period, and the development opportunities of female employees shall be reasonably protected. Male employees are also entitled to standard paternity leave, and enjoy other lawful benefits.

(III) Training programme

The Company has formed organisational training system by different categories, such as company level, series, and targets. A “8 groups” top-down nurturing model was established, which includes senior management of the Group, management of the enterprises, internationalised talents, outstanding youth talents, professional and technical talents, core staff at base level, industrial workers and new comers. The input in training was continuously increased. Mechanism was established to roll out regular training programmes, including quarterly seminars for the Group’s senior management, trainings for outstanding youth talents, trainings at the headquarters for outstanding graduates and new comers as well as the Zijin Lecture, etc. In 2021, the general manager qualification trainings, which was tailor-made for managements of the enterprises; symposium for mining technologies and management, which was tailor-made for professional and technical talents; rotational trainings for deputy factory and departments heads, which was tailor-made for core staff at base level; and full-day foreign language training camps, which was tailor-made for internationalised talents, were carried out. The average satisfactory rate for the training programmes for the whole year scored over 90.

In order to accumulate and inherit the Zijin experience well, learning materials for each internal professional segment of the Group were systematically and continuously compiled. 45 books of learning materials were compiled, which contained more than 5.3 million Chinese characters and covered major professional categories and all mining positions of the Group.

Report of the Directors *(continued)*

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

(IV) Outsourcing status

	The mine engineering work of the Group is outsourced and is measured by the unit of work performed.
Total working hours of outsourcing services	
Total outsourcing payment	RMB5,564,155,904

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

As at 31 December 2021, 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 Stock Exchange are as follows:

Shareholdings of the Directors, Supervisors and chief executive of the Company as at 31 December 2021 are as follows:

Director	Class of shares	Number of shares	Nature of interest	Long/Short positions	Approximate percentage of shareholding in the same class of securities	Approximate percentage of shareholding in the total number of issued shares
Chen Jinghe	Domestic shares	63,100,000	Personal	Long position	0.31%	0.24%
	H Shares	20,000,000	Personal	Long position	0.35%	0.08%
	Total	83,100,000	Personal	Long position		0.32%
Lan Fusheng	Domestic shares	8,480,510	Personal	Long position	0.04%	0.03%
Zou Laichang	Domestic shares	2,723,050	Personal	Long position	0.01%	0.01%
Lin Hongfu	Domestic shares	1,728,938	Personal	Long position	0.01%	0.01%
Lin Hongying	Domestic shares	977,000	Personal	Long position	0.01%	0.01%
Xie Xionghui	Domestic shares	905,571	Personal	Long position	0.01%	0.01%

Supervisor	Class of shares	Number of shares	Nature of interest	Long/Short positions	Approximate percentage of shareholding in the same class of securities	Approximate percentage of shareholding in the total number of issued shares
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)*

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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, which 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, required to be recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code. 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 in this report, 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 2021 are set out in Note V.41 to the financial statements.

SHAREHOLDINGS OF TOP TEN SHAREHOLDERS

As at 31 December 2021, the Company has a total of 829,115 shareholders, of which 599 are H Shareholders and 828,516 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:

				Approximate percentage of shareholding in the total number of issued shares
	Name of shareholders	Class of shares	Number of shares held	
1.	Minxi Xinghang State-owned Assets Investment Co., Ltd. (Note 1)	Domestic shares	6,083,517,704	23.10%
2.	HKSCC Nominees Limited (Note 2)	H Shares	5,720,967,580	21.73%
3.	Hong Kong Securities Clearing Company Limited (Note 3)	Domestic shares	1,238,080,493	4.70%
4.	China Securities Finance Corporation Limited	Domestic shares	691,190,770	2.63%
5.	Perseverance Asset Management L.L.P. - Gaoyi Xiaofeng No. 2 Zhixin Fund	Domestic shares	483,117,154	1.83%
6.	China Foreign Economy and Trade Trust Co., Ltd. - Foreign Trade Trust - Gaoyi Xiaofeng Hongyuan Collective Fund Trust Scheme	Domestic shares	290,202,276	1.10%
7.	National Social Security Fund 103	Domestic shares	215,000,079	0.82%
8.	National Social Security Fund 114	Domestic shares	186,342,875	0.71%
9.	Perseverance Asset Management L.L.P. - Gaoyi - Xiaofeng No. 1 Foresight Securities Investment Fund	Domestic shares	167,559,099	0.64%
10.	Abu Dhabi Investment Authority	Domestic shares	141,038,343	0.54%

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 5,720,967,580 H Shares as a nominee, representing an aggregate of approximately 21.73% 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 1,238,080,493 domestic shares in the Company as a nominee, representing an aggregate of approximately 4.70% 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)*

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

SUBSTANTIAL SHAREHOLDERS

So far as the Directors are aware, as at 31 December 2021, 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	23.10%	29.54%	–	Long
Citigroup Inc.	H Shares	423,632,492 (Note 1)	1.61%	–	7.38%	Long
Citigroup Inc.	H Shares	9,846,367 (Note 1)	0.04%	–	0.17%	Short
Citigroup Inc.	H Shares	415,275,984 (Note 1)	1.58%	–	7.23%	Lending Pool
BlackRock, Inc.	H Shares	407,082,917 (Note 2)	1.55%	–	7.10%	Long
BlackRock, Inc.	H Shares	1,044,000 (Note 2)	0.01%	–	0.02%	Short
State Street Bank & Trust Company	H Shares	380,193,165 (Note 3)	1.44%	–	6.63%	Lending Pool
GIC Private Limited	H Shares	345,534,000 (Note 4)	1.31%	–	6.02%	Long
Brown Brothers Harriman & Co.	H Shares	291,299,586 (Note 5)	1.11%	–	5.08%	Long
Brown Brothers Harriman & Co.	H Shares	291,299,586 (Note 5)	1.11%	–	5.08%	Lending Pool

Notes:

- (1) Citigroup Inc. held 423,632,492 H Shares (long position) (representing approximately 7.38% of the total issued H Shares), 9,846,367 H Shares (short position) (representing approximately 0.17% of the total issued H Shares) and 415,275,984 H Shares (lending pool) (representing approximately 7.23% of the total issued H Shares).

According to the disclosure of interest notice filed by Citigroup Inc. on 19 October 2021, the following interests were held by Citigroup Inc. in the following capacity:

Capacity		Number of shares
Interest of corporation controlled by Citigroup Inc.	Long position	8,356,508
	Short position	9,846,367
Approved lending agent	Long position	415,275,984

Report of the Directors *(continued)*

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

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

Name of controlled corporation	Address and place of incorporation	Name of controlling person	% control	Direct interest (Y/N)	Number of shares
Citicorp LLC	388 Greenwich Street, New York, NY 10013, USA	Citigroup Inc.	100.00	N Long position Short position	415,275,984 0
Citibank, N.A.	701 East 60th Street North, Sioux Falls, SD 57104, USA	Citicorp LLC	100.00	Y Long position Short position	415,275,984 0
Citigroup Global Markets Holdings Inc.	388 Greenwich Street, New York, NY 10013, USA	Citigroup Inc.	100.00	N Long position Short position	8,356,508 9,846,367
Citigroup Financial Products Inc.	388 Greenwich Street, New York, NY 10013, USA	Citigroup Global Markets Holdings Inc.	100.00	N Long position Short position	8,356,508 9,846,367
Citigroup Global Markets Hong Kong Limited	50/F, Champion Tower, Three Garden Road, Central, Hong Kong	Citigroup Financial Products Inc.	100.00	Y Long position Short position	4,939,993 9,304,367
Citigroup Global Markets Inc.	388 Greenwich Street, New York, NY 10013, USA	Citigroup Financial Products Inc.	100.00	Y Long position Short position	170,000 0
Citigroup Global Markets Holdings Bahamas Limited	Citibank Building, 110 Thompson Blvd., Nassau, New Providence, Bahamas	Citigroup Financial Products Inc.	90.00	N Long position Short position	3,246,515 542,000
Citigroup Global Markets Limited	Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, England	Citigroup Global Markets Holdings Bahamas Limited	100.00	Y Long position Short position	3,246,515 542,000

Further information in respect of derivative interests:

		Number of shares
Unlisted derivatives – Physically settled	Long position	4,939,993
	Short position	3,590,372
Unlisted derivatives – Cash settled	Short position	6,255,995

Report of the Directors *(continued)*

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- (2) BlackRock, Inc. held 407,082,917 H Shares (long position) (representing approximately 7.10% of the total issued H Shares) and 1,044,000 H Shares (short position) (representing approximately 0.02% of the total issued H Shares).

According to the disclosure of interest notice filed by BlackRock, Inc. on 31 December 2021, 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	407,082,917
	Short position	1,044,000

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	251 Little Falls Dr, Wilmington, DE 19808-1674	BlackRock, Inc.	100.00	N Long position	4,160,250
BlackRock Investment Management, LLC	251 Little Falls Dr, Wilmington, DE 19808-1674	Trident Merger, LLC	100.00	N Long position	88,000
BlackRock Investment Management, LLC	251 Little Falls Dr, Wilmington, DE 19808-1674	Trident Merger, LLC	100.00	Y Long position	4,072,250
BlackRock Holdco 2, Inc.	251 Little Falls Dr, Wilmington, DE 19808-1674	BlackRock, Inc.	100.00	N Long position Short position	402,922,667 1,044,000
BlackRock Financial Management, Inc.	251 Little Falls Dr, Wilmington, DE 19808-1674	BlackRock Holdco 2, Inc.	100.00	N Long position Short position	381,151,667 830,000
BlackRock Financial Management, Inc.	251 Little Falls Dr, Wilmington, DE 19808-1674	BlackRock Holdco 2, Inc.	100.00	Y Long position Short position	21,771,000 214,000
BlackRock Holdco 4, LLC	251 Little Falls Dr, Wilmington, DE 19808-1674	BlackRock Financial Management, Inc.	100.00	N Long position Short position	216,027,337 830,000
BlackRock Holdco 6, LLC	251 Little Falls Dr, Wilmington, DE 19808-1674	BlackRock Holdco 4, LLC	90.00	N Long position Short position	216,027,337 830,000
BlackRock Delaware Holdings Inc.	251 Little Falls Dr, Wilmington, DE 19808-1674	BlackRock Holdco 6, LLC	100.00	N Long position Short position	216,027,337 830,000
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	81,108,337 830,000
BlackRock Fund Advisors	400 Howard Street San Francisco, CA 94105, United States (California, USA)	BlackRock Delaware Holdings Inc.	100.00	Y Long position	134,919,000
BlackRock Capital Holdings, Inc.	251 Little Falls Dr, Wilmington, DE 19808-1674	BlackRock Financial Management, Inc.	100.00	N Long position	258,000
BlackRock Advisors, LLC	251 Little Falls Dr, Wilmington, DE 19808-1674	BlackRock Capital Holdings, Inc.	100.00	Y Long position	258,000
BlackRock International Holdings, Inc.	251 Little Falls Dr, Wilmington, DE 19808-1674	BlackRock Financial Management, Inc.	100.00	N Long position	164,866,330
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	164,866,330

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 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	25,649,685
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	25,649,685
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	25,649,685
BlackRock Holdco 3, LLC	251 Little Falls Dr, Wilmington, DE 19808-1674	BR Jersey International Holdings L.P.	100.00	N Long position	122,850,690
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	710,000
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	710,000
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	710,000
BlackRock Australia Holdco Pty. Ltd.	Level 37 Chifley Tower, 2 Chifley Square, Sydney NSW 2000	BR Jersey International Holdings L.P.	100.00	N Long position	4,702,000
BlackRock Investment Management (Australia) Limited	Level 37 Chifley Tower, 2 Chifley Square, Sydney NSW 2000	BlackRock Australia Holdco Pty. Ltd.	100.00	Y Long position	4,702,000
BlackRock (Singapore) Holdco Pte. Ltd.	20 Anson Road #18-01 079912 Singapore (Singapore)	BR Jersey International Holdings L.P.	100.00	N Long position	37,313,640
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	35,879,640
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	10,229,955
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	122,140,690
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	122,140,690
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	122,140,690
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	122,140,690
BlackRock Finance Europe Limited	12 Throgmorton Avenue. London, EC2N 2DL, United Kingdom (England & Wales, United Kingdom)	BlackRock Group Limited	100.00	N Long position	38,411,235

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 (Netherlands) B.V.	Rembrandt Tower, 17th floor, Amstelplein, Amsterdam Netherlands (Amsterdam, Netherlands)	BlackRock Finance Europe Limited	100.00	Y Long position	22,843,980
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	1,508,000
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	2,086,052
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	596,000
BlackRock Group Limited-Luxembourg Branch	35 A, avenue J.F. Kennedy L-1855 Luxembourg	BlackRock Group Limited	100.00	N Long position	81,047,403
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	81,047,403
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	76,011,403
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	76,011,403
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	5,012,000
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	9,321,879
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	4,737,376
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	9,321,879
BlackRock Life Limited	12 Throgmorton Avenue. London, EC2N 2DL, United Kingdom (England & Wales, United Kingdom)	BlackRock International Limited	100.00	Y Long position	2,086,052
BlackRock (Singapore) Limited	20 Anson Road #18-01 079912 Singapore (Singapore)	BlackRock (Singapore) Holdco Pte. Ltd.	100.00	Y Long position	1,434,000
BlackRock UK Holdco Limited	12 Throgmorton Avenue. London, EC2N 2DL, United Kingdom (England & Wales, United Kingdom)	BlackRock Luxembourg Holdco S.à r.l.	100.00	N Long position	24,000
BlackRock Asset Management Schweiz AG	Bahnhofstrasse 39 8001 Zurich, Switzerland (Switzerland)	BlackRock UK Holdco Limited	100.00	Y Long position	24,000

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
EG Holdings Blocker, LLC	251 Little Falls Dr, Wilmington, DE 19808-1674	BlackRock Investment Management, LLC	100.00	N Long position	88,000
Amethyst Intermediate, LLC	251 Little Falls Dr, Wilmington, DE 19808-1674	BlackRock Investment Management, LLC	100.00	N Long position	88,000
Aperio Holdings, LLC	251 Little Falls Dr, Wilmington, DE 19808-1674	Amethyst Intermediate, LLC	60.00	N Long position	88,000
Aperio Holdings, LLC	251 Little Falls Dr, Wilmington, DE 19808-1674	EG Holdings Blocker, LLC	40.00	N Long position	88,000
Aperio Group, LLC	2710 Gateway Oaks Drive, Suite 150N, Sacramento, CA 95833-3505	Aperio Holdings, LLC	100.00	Y Long position	88,000

Further information in respect of derivative interests:

	Number of shares
Unlisted derivatives - Cash settled	Long position 5,182,000 Short position 334,000

- (3) State Street Bank & Trust Company held 380,193,165 H Shares (lending pool) (representing approximately 6.63% of the total issued H Shares).

According to the disclosure of interest notice filed by State Street Bank & Trust Company on 23 March 2021, the following interests were held by State Street Bank & Trust Company in the following capacity:

Capacity	Number of shares
Approved lending agent	Long position 380,193,165

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	380,193,165

- (4) GIC Private Limited held 345,534,000 H Shares (long position) (representing approximately 6.02% of the total issued H Shares).

According to the disclosure of interest notice filed by GIC Private Limited on 1 October 2021, the following interests were held by GIC Private Limited in the following capacity:

Capacity	Number of shares
Investment manager	Long position 345,534,000

Report of the Directors *(continued)*

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- (5) Brown Brothers Harriman & Co. held 291,299,586 H Shares (long position) (representing approximately 5.08% of the total issued H Shares) and 291,299,586 H Shares (lending pool) (representing approximately 5.08% of the total issued H Shares).

According to the disclosure of interest notice filed by Brown Brothers Harriman & Co., Inc. on 15 December 2021, the following interests were held by Brown Brothers Harriman & Co. in the following capacity:

Capacity		Number of shares
Approved lending agent	Long position	291,299,586

Save as disclosed above and so far as the Directors are aware, as at 31 December 2021, 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 requirement of minimum public shareholding.

DETAILS OF SHARE INCENTIVES GRANTED TO THE DIRECTORS AND SUPERVISORS DURING THE REPORTING PERIOD

Unit: Share

Name	Position	Number of restricted A Shares held as at the beginning of the reporting period	Number of restricted A Shares newly granted during the reporting period	Grant price of the restricted A Shares (RMB)	Shares unlocked	Shares not yet unlocked	Number of restricted A Shares held as at the end of the reporting period	Market price as at the end of the reporting period (RMB)
Chen Jinghe	Director	0	1,100,000	4.95	0	1,100,000	1,100,000	9.70
Lan Fusheng	Director	0	750,000	4.95	0	750,000	750,000	9.70
Zou Laichang	Director	0	1,100,000	4.95	0	1,100,000	1,100,000	9.70
Lin Hongfu	Director	0	750,000	4.95	0	750,000	750,000	9.70
Lin Hongying	Director	0	750,000	4.95	0	750,000	750,000	9.70
Xie Xionghui	Director	0	750,000	4.95	0	750,000	750,000	9.70

Report of the Directors *(continued)*

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CHANGES IN SHAREHOLDING AND REMUNERATION OF CURRENT AND RESIGNED DIRECTORS DURING THE REPORTING PERIOD

Unit: Share

Name	Position (Note)	Number of shares held at the beginning of the year	Number of shares held at the end of the year	Increase/Decrease in shares during the year	Reasons for changes	Total pre-tax remuneration received from the Company during the reporting period (RMB million)	Any remuneration received from connected persons of the Company
Chen Jinghe	Chairman	82,000,000	83,100,000	+1,100,000	Implementation of share incentive scheme	5.1618	No
Lan Fusheng	Vice-chairman	7,730,510	8,480,510	+750,000	Implementation of share incentive scheme	4.0171	No
Zou Laichang	Director, president	1,623,050	2,723,050	+1,100,000	Implementation of share incentive scheme	5.2281	No
Lin Hongfu	Director, standing vice-president	978,938	1,728,938	+750,000	Implementation of share incentive scheme	3.7770	No
Lin Hongying	Director, vice-president	227,000	977,000	+750,000	Implementation of share incentive scheme	3.7670	No
Xie Xionghui	Director, vice-president	149,000	905,571	+756,571	Implementation of share incentive scheme, conversion of convertible corporate bonds to shares	3.5492	No

Note: Deferred incentive salaries (before tax) for 2017 to 2020 additionally received by the executive Directors and chairman of the Supervisory Committee during 2021 were as follows: Mr. Chen Jinghe: RMB7.6283 million; Mr. Lan Fusheng: RMB7.6283 million; Mr. Zou Laichang: RMB5.3398 million; Mr. Lin Hongfu: RMB5.3398 million; Ms. Lin Hongying: RMB5.3398 million; Mr. Xie Xionghui: RMB3.9465 million, Mr. Lin Shuiqing: RMB5.3398 million. The aggregate amount was RMB40.5623 million.

ISSUANCE AND LISTING OF SECURITIES DURING THE REPORTING PERIOD

Issuance of securities during the reporting period

Unit: Share Currency: 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
Type of ordinary shares						
Restricted A Shares	28 January 2021	RMB4.95/share	95,980,600	/	/	/
Restricted A Shares	8 December 2021	RMB4.83/share	2,510,000	/	/	/
Bonds (including enterprise bonds, corporate bonds, and non-financial corporate debt financing instruments)						
Corporate bonds (21 Zijin 01)	3 June 2021	3.46%	15,000,000	8 June 2021	15,000,000	3 June 2024
Corporate bonds (21 Zijin 02)	3 June 2021	3.87%	5,000,000	8 June 2021	5,000,000	3 June 2026
Corporate bonds (21 Zijin 03)	3 August 2021	3.10%	20,000,000	6 August 2021	20,000,000	3 August 2026

Report of the Directors (continued)

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CORPORATE BONDS

Basic information of corporate bonds

Unit: RMB billion

Name of bond	Abbreviation	Code	Date of issuance	Date of value	Date of maturity	Outstanding balance	Interest rate (%)	Payment of principal and interest	Listing place	Investor suitability arrangements (if any)	Transaction mechanism	Whether there is a risk of termination of listing and trading
2021 Corporate Bonds (the First Tranche) (Type One) of Zijin Mining Group Co., Ltd.* publicly issued to professional investors	21 Zijin 01	188161	3 June 2021	3 June 2021	3 June 2024	1.5	3.46	Interest to be paid annually, principal to be repaid in full at maturity	Shanghai Stock Exchange	Professional investor	Publicly traded	No
2021 Corporate Bonds (the First Tranche) (Type Two) of Zijin Mining Group Co., Ltd.* publicly issued to professional investors	21 Zijin 02	188162	3 June 2021	3 June 2021	3 June 2026	0.5	3.87	Interest to be paid annually, principal to be repaid in full at maturity	Shanghai Stock Exchange	Professional investor	Publicly traded	No
2021 Corporate Bonds (the Second Tranche) of Zijin Mining Group Co., Ltd.* publicly issued to professional investors	21 Zijin 03	188495	3 August 2021	3 August 2021	3 August 2026	2.0	3.10	Interest to be paid annually, principal to be repaid in full at maturity	Shanghai Stock Exchange	Professional investor	Publicly traded	No

Settlement of interests and principals of bonds during reporting period

Name of bond	Explanations on the settlement of interests and principals
2016 Corporate Bonds (the First Tranche) (Type One) of Zijin Mining Group Co., Ltd.*	Matured on 18 March 2021, the interest and principal were paid on schedule
2016 Corporate Bonds (the First Tranche) (Type Two) of Zijin Mining Group Co., Ltd.*	Matured on 18 March 2021, the interest and principal were paid on schedule
2016 Corporate Bonds (the Second Tranche) (Type One) of Zijin Mining Group Co., Ltd.*	Matured on 15 July 2021, the interest and principal were paid on schedule
2016 Corporate Bonds (the Second Tranche) (Type Two) of Zijin Mining Group Co., Ltd.*	Matured on 15 July 2021, the interest and principal were paid on schedule
2018 Renewable Corporate Bonds (the First Tranche) of Zijin Mining Group Co., Ltd.* (publicly issued)	The renewal option was not exercised on 17 October 2021, and the interest and principal were paid on schedule

Report of the Directors *(continued)*

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

"Zijin Convertible Bonds" could be converted into the Company's ordinary A Shares beginning from 10 May 2021. The conversion price was RMB7.00 per A Share. The conversion period was from 10 May 2021 to 2 November 2025.

From 10 May 2021 to 28 May 2021, the closing prices of the Company's A Shares were no less than 130% of the prevailing conversion price of "Zijin Convertible Bonds" for 15 consecutive trading days (i.e., RMB9.10 per A Share). Pursuant to the terms set out in the Offering Document for Public Issuance of A Share Convertible Corporate Bonds in 2020 of the Company, the terms of redemption of the A Share Convertible Corporate Bonds had been triggered. At the third extraordinary meeting in 2021 of the seventh term of the Board held on 28 May 2021, it was determined that the early redemption right of the A Share convertible corporate bonds would be exercised to redeem all the outstanding "Zijin Convertible Bonds" which appeared on the register of bonds on the record date for redemption (25 June 2021).

As at the record date for redemption after market closed, "Zijin Convertible Bonds" with a cumulative amount of RMB5,980,568,000 were converted into the Company's A Shares, accounting for 99.68% of the total issuance amount of "Zijin Convertible Bonds"; the cumulative number of shares converted was 854,361,694 A Shares; the outstanding balance of "Zijin Convertible Bonds" redeemed by the Company was RMB19,432,000, accounting for 0.32% of the total issuance amount of RMB6 billion of "Zijin Convertible Bonds". Starting from 28 June 2021, "Zijin Convertible Bonds" (bond code: 113041) had been delisted from the Shanghai Stock Exchange.

Changes in convertible corporate bonds during the reporting period

Unit: RMB

Name of convertible corporate bond	Before the changes	Current changes			After the changes
		Converted into shares	Redeemed	Sold back	
Zijin Convertible Bonds	6,000,000,000	5,980,568,000	19,432,000	0	0

Cumulative conversion of convertible corporate bonds during the reporting period

Name of convertible corporate bond	Zijin Convertible Bonds
Amount converted into shares during the reporting period (RMB)	5,980,568,000
Number of shares converted during the reporting period (share)	854,361,694
Cumulative number of shares converted (share)	854,361,694
Proportion of cumulative number of shares converted to total number of issued shares of the Company before conversion (%)	3.35
Outstanding balance of unconverted bonds (RMB)	19,432,000
Proportion of outstanding balance of unconverted bonds to total issuance amount (%)	0.32

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

Historical adjustments to the conversion price

Unit: RMB

Name of convertible corporate bond		Zijin Convertible Bonds		
Conversion price adjustment date	Conversion price after adjustment	Time of disclosure	Media of disclosure	Details regarding conversion price adjustment
3 February 2021	7.00	2 February 2021	Shanghai Securities News, Securities Times	Completion of registration of the restricted A Shares under the first grant of the restricted A Share incentive scheme.
Latest conversion price as at the end of the reporting period		Not applicable		

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	2021	2020	Changes of the reporting period as compared with the same reporting period last year (%)		Reasons for the changes
Net profit after deducting non-recurring profit or loss	14,680,534,183	6,321,966,428	132.21		Enhancement in profitability
Earnings before interest, taxes, depreciation and amortisation	35,101,050,645	20,272,314,802	73.15		Enhancement in profitability
Current ratio	93.56%	83.47%	Increased by 10.09 percentage points		Adjustment of debt structure
Quick ratio	55.18%	45.07%	Increased by 10.11 percentage points		Adjustment of debt structure
Debt-to-asset ratio (%)	55.47	59.08	Decreased by 3.61 percentage points		Adjustment of debt structure
EBITDA to total debts	0.30	0.19	61.20		Enhancement in profitability
Interest coverage ratio	10.37	5.53	87.60		Enhancement in profitability
Cash interest coverage ratio	13.14	8.25	59.38		Enhancement in profitability and increase in net operating cash flows
EBITDA to interest coverage ratio	13.53	8.78	54.13		Enhancement in profitability
Loan repayment rate (%)	100.00	100.00			
Interest repayment ratio (%)	100.00	100.00			

Report of the Directors *(continued)*

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

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

The Board confirmed that saved as disclosed in this report, 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 2021.

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 or 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 annual results and financial report for the year ended 31 December 2021 and further discussed the auditing, internal control and financial reporting matters. The audit and internal control committee considers that the Group's annual results and financial report for the year ended 31 December 2021 is compliant 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	12.20
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 79% of the Company's operating income was originated from customers in Mainland China, in which 36.47% was from the Shanghai Gold Exchange. Therefore, the Company was unable to sort customers in Mainland China by region.

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.

Report of the Directors *(continued)*

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

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", "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 "Environmental and 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 2021 of the Company will be issued on or before 31 May 2022.

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 Companies 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.

Saved 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 as follows:

	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 (except 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

The Company has purchased indemnity insurance for the Directors since July 2021. Apart from that, 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

Saved 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 reporting 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

The Company had no material acquisition, disposal or merger of subsidiaries, associates and joint ventures during the reporting period.

SIGNIFICANT INVESTMENTS

Save as disclosed in Notes V.11, V.12 and Note VII to the financial statements, the Group did not hold any other significant investment as at 31 December 2021.

As at 31 December 2021, none of the investments held by the Group accounted for 5% or more of the total assets of the Group.

CHANGES TO DIRECTORS' INFORMATION

There is no change in the Directors' information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

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 19 March 2021 and 28 May 2021 and the notice dated 28 April 2021.

RETAINED EARNINGS

Details of the Company's retained earnings as at 31 December 2021 are set out in Note V.48 to the financial statements.

ASSETS PLEDGED OR CHARGED OF THE GROUP

Details of the Group's pledged or charged assets as at 31 December 2021 are set out in Note V.67 to the financial statements.

Report of the Directors *(continued)*

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

CURRENCY AND INTEREST HEDGING POLICY

Details of the Group's currency and interest hedging policy for the year ended 31 December 2021 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.2, V.69 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.

FIXED ASSETS

Details of movements of the fixed assets of the Group for the year ended 31 December 2021 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 2021 amounted to RMB36,481,139,499 (31 December 2020: RMB29,883,861,294).

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 XII.2 to the financial statements.

DONATIONS

During the reporting period, the Group made charitable and other donations amounted to approximately RMB268 million (2020: RMB166 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.63 to the financial statements.

TAX RELIEF AND EXEMPTION INFORMATION FOR DIVIDENDS TO SHAREHOLDERS

A Shareholders

Pursuant to the provisions of Notice on Issues Concerning Implementation of 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.

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

Report of the Directors *(continued)*

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

Pursuant to the provisions of 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 incomes 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%.

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 XIII to the financial statements. Saved 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
18 March 2022

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 2021

The independent directors (the “Independent Directors”) of Zijin Mining Group Co., Ltd.* (the “Company”) strictly complied with the Companies Law of the PRC, the Securities Law of the PRC, the Code of Corporate Governance for Listed Companies, the Rules for the Independent Directors of Listed Companies, The Rules Governing the Listing of Securities on the Hong Kong Stock Exchange Limited and other relevant laws and regulations within and outside China, conscientiously discharged the duties stipulated in the articles of association of the Company, Rules to the Independent Directors of the Company and other regulations and policies, and worked with good faith, diligence, loyalty and conscientiousness. The Independent Directors independently, objectively and impartially expressed opinions on the Company’s significant events, including the Company’s development strategies, standardised operation, connected transactions, provision for guarantees, use of proceeds raised, external investments, internal control on risks, and promoted the standardised operation of the Board and continuously improved the corporate governance level, vigorously guaranteed the Company’s scientific and rational decision-makings on operation, effectively protected the interests of the Company’s shareholders as a whole, especially those of the minority shareholders. Details of the discharge of duties as Independent Directors in 2021 are as follows:

I. BASIC INFORMATION ABOUT THE INDEPENDENT DIRECTORS

The seventh term of the Board of the Company consists of 13 Directors, including 6 Independent Directors, representing about half of the Board. The Independent Directors are Mr. Zhu Guang, Mr. Mao Jingwen, Mr. Li Changqing, Mr. He Fulong, Mr. Suen Man Tak and Mr. Bo Shao Chuan. The Independent Directors are veterans with professional backgrounds in mining, finance, accounting, law, management, etc., including 1 academician of the Chinese Academy of Engineering, 1 certified public accountant and 1 barrister in Hong Kong. (Please refer to the Company’s 2021 annual report for the biography of the Company’s Independent Directors)

The Company continuously makes reference to international ESG standards and practices to further enhance the independence of specialised committees. In 2021, the number of members of the Audit and Internal Control Committee of the Board of the Company was adjusted from 8 to 6, consisting of solely Independent Directors and non-executive Director. At present, in the Audit and Internal Control Committee of the Board and the Nomination and Remuneration Committee of the Board, Independent Directors are the majority and serve as the chief officers (conveners).

Details of corresponding positions in specialised committees of the Board held by the Independent Directors of the seventh term of the Board of the Company are as follows:

	Number of Independent Directors/ Total number of specialised committee members	Zhu Guang	Mao Jingwen	Li Changqing	He Fulong	Suen Man Tak	Bo Shao Chuan
Strategic and Sustainable Development (ESG) Committee	4/9	Member	Member	–	Member	–	Member
Audit and Internal Control Committee	5/6	Member	–	Chief officer	Deputy officer	Member	Member
Nomination and Remuneration Committee	4/6	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.)

The Independent Directors of the Company all met the independence requirements of the relevant laws and regulations, and there was no circumstance which affected their independence. Each Independent Director submitted a confirmation letter to the Company for his confirmation of independence. The Company continued to meet the requirements of the relevant regulatory organisations. In 2021, the Company organised the Independent Directors to comprehensively strengthen their study and research on regulations and policies, such as the Code for Independent Directors of Listed Companies, connected transactions and insider and inside information management. The prevailing international governance standards were taken into account to deepen their knowledge and understanding on corporate governance optimisation and standardised operations reinforcement. The level of scientific decision-making was further enhanced.

II. DISCHARGE OF DUTIES DURING THE YEAR

(I) Attendance at meetings

In 2021, the Company convened 2 shareholders' general meetings, 17 Board meetings, 2 Strategic and Sustainable Development (ESG) Committee meetings, 7 Audit and Internal Control Committee meetings and 1 Nomination and Remuneration Committee meeting. All Independent Directors of the Company endeavoured to attend the shareholders' general meetings, the Board meetings and the specialised committee meetings in person and on time, carefully reviewed the meeting materials before the meetings, and proactively investigated and obtained the details and information needed for decision-making; actively and fully participated in the discussion and proposed reasonable suggestions at the meetings, exercised their voting rights rigorously, gave full play to their professional and independent roles, further enhanced the scientificity and objectivity of decision-making of the Board, and effectively safeguarded the overall interests of the Company in a whole and the legitimate rights and interests of the minority shareholders. During the year, the Independent Directors did not object to or abstain from voting on various issues and other matters at the Company's Board meetings and the meetings of its specialised committees, and did not propose to convene any extraordinary general meeting or Board meeting.

(II) Discharge of duties at the specialised committees

1. Strategic and Sustainable Development (ESG) Committee

The Strategic and Sustainable Development (ESG) Committee of the Company focused on the Company's globalised development strategy, studied and reviewed the Outline of Five-Year (2+3) Plan and Ten-Year Plan of the Company, and proposed a three-step process (2021-2022, 2023-2025, 2026-2030) to develop the Company into a top-tier global metal mining company, establish an advanced globalised operation and management system and enhance the global competitiveness, and suggested the Company's development strategic priorities and major work measures. Faced with the global "Double Carbon" opportunity and the intensified energy crisis, the Strategic and Sustainable Development (ESG) Committee proposed to accelerate the entry into the fields of new energy and new materials in addition to the focus on the main minerals, make full use of the Company's industry competitiveness and influence in the upstream industry to expand the Company's development space, nurture performance growth drivers and promote the implementation of the Company's carbon emission reduction measures in order to enhance the sustainability.

2. Audit and Internal Control Committee

The Company's Audit and Internal Control Committee periodically and aperiodically listened to the reports of the Company's management on the Company's annual production and operation, investing and financing activities and other major issues, and discussed the Company's internal control and risk management issues. At the same time, in accordance with the Implementation Policy for the Audit and Internal Control Committee, the Company's financial information (including drafted annual report, interim report and quarterly reports) and the disclosures were carefully and prudently reviewed. Suggestions for improvement were made.

Report of the Independent Directors *(continued)*

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

3. Nomination and Remuneration Committee

The Company's Nomination and Remuneration Committee put forward proposed opinions on the remuneration of executive Directors, chairman of the Supervisory Committee and senior management of the Company according to the Company's external operating environment and operating performance in 2020, and submitted the opinions to the Board and the shareholders' general meeting for consideration. It considered that the remuneration of the above personnel complied with the relevant laws and regulations and was in line with the Company's policies and procedures. It required that in 2021, in addition to strictly implementing the Company's remuneration policy, the remuneration of senior management should be more closely linked to the ESG performance.

(III) Investigation and research

Based on the market situation, the concerns of the Board and the responsibilities of the specialised committees, the Independent Directors of the Company continued to strengthen communications with other Directors, the Supervisory Committee and the management, and gained an in-depth understanding of the Company's implementation of strategies and production and operation. With an independent, rigorous and scientific attitude and keen risk awareness, the Independent Directors provided constructive opinions and made suggestions to support the Company's steady and healthy development. Firstly, the Independent Directors continued to learn about the Company's production, operation and financial status when they attended the shareholders' general meetings, the Board meetings and the specialised committee meetings, and listened to the reports of the Company's management on the Company's production, operation and standardised operation. Secondly, the Independent Directors continued to enrich and facilitate channels, gained better understanding through on-site research, video research, one-on-one interviews and reading the periodic and aperiodic reports of the Board.

Independent Directors Messrs. Zhu Guang, Li Changqing, He Fulong and Bo Shao Chuan conducted in-depth investigation and research in Heilongjiang Duobaoshan Copper Industry Inc. and Heilongjiang Zijin Copper Co., Ltd. in July 2021 to learn more about project production and operation, compliant operation, safety and environmental protection, ESG development and sustainable development, provided guiding opinions and suggestions for the future work of the projects. In November 2021, they participated in the production and operation analysis meeting of Xinjiang Habahe Ashele Copper Co., Ltd. via video conference, got an in-depth understanding of the production and operation analysis of the subsidiary. Independent Director Mr. Mao Jingwen visited Tibet Julong Copper Co., Ltd. and Shanxi Zijin Mining Co., Ltd. to conduct on-site investigation and research for several times, and guided the eco-exploration of mines and promoted the coordination of mine development and environmental protection. Independent Director Mr. Suen Man Tak communicated with the executive Directors and the secretary to the Board on corporate governance, ESG and other aspects of work for several times by phone and email, and guided the Company to continuously improve and strengthen the information disclosure quality.

(IV) The Company's cooperation with the Independent Directors to carry out their work

The Company provided necessary working conditions for the Independent Directors to discharge their duties, ensured that Independent Directors could effectively exercise their power, listened carefully to the professional opinions provided by the Independent Directors, and conducted conscientious research and implementation; timely submitted the relevant documents and materials to the Independent Directors to ensure they could enjoy the same right to know as other Directors; relevant personnel actively cooperated with the Independent Directors in exercising their duties, and did not interfere the Independent Directors to exercise their power independently; actively organised and coordinated the Independent Directors to conduct on-site investigations at the Company and subsidiaries by providing necessary services and assistance. The Company paid fixed allowance and attendance subsidy to the Independent Directors in accordance with rules and procedures, and purchased indemnity insurance for the Directors, Supervisors and senior management including the Independent Directors.

Report of the Independent Directors *(continued)*

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

III. WORK ON KEY ISSUES

(I) Connected transactions

The Independent Directors of the Company attached great importance to management of connected transactions, reviewed the connected transactions occurred in the Company's daily production and operating activities in accordance with the requirements of the relevant regulations, assessed whether the connected transactions were objective, the pricings were reasonable, whether they would prejudice the interests of the Company (especially those of the minority shareholders) and other aspects, made independent judgements and issued independent opinions.

In 2021, the Independent Directors issued independent opinions on the following connected transactions:

- (I) On 29 January 2021, 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 were of the view 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 its shareholders, and were beneficial to both parties to the transactions and the shareholders of the Company as a whole.

(II) Provision of guarantees and funds occupation

As at 31 December 2021, the accumulated outstanding balance of guarantees actually provided by the Company was RMB30,343,711,640 (among which, the outstanding balance of guarantees provided to wholly-owned subsidiaries and non-wholly owned subsidiaries was RMB28,072,001,940), accounting for 42.72% of the Company's audited net assets attributable to owners of the parent in 2021. There was no overdue guarantee. The guarantees had fulfilled the relevant review procedures and did not prejudice the interests of the Company and its shareholders. In 2021, there was no circumstance that the non-operating capital of the Company was occupied by the controlling shareholder or its connected parties.

(III) Use of proceeds raised

Pursuant to the approval of the CSRC, the Company publicly issued A Share convertible corporate bonds in November 2020, and the total actual net proceeds raised was RMB5,970,285,067.25, which was deposited in specific bank accounts. As at 31 December 2021, RMB4,544,938,300 of the proceeds raised was accumulatively used by the Company, and the balance of the specific bank accounts was RMB1,462,964,200. The Company set up the specific bank accounts for unified deposit and management of the proceeds raised. There was no change in the use, occupation or misappropriation, etc. of the proceeds raised which violated the relevant laws and regulations and the Company's Proceeds Management Policy.

(IV) Grant of the reserved portion and repurchase of the restricted A Shares under the incentive scheme

The Company granted 2.51 million reserved restricted A Shares to 39 participants under the incentive scheme, and at the same time, repurchased and cancelled the 800 thousand restricted A Shares granted but not yet unlocked held by the participants who no longer satisfied the stipulations relating to the participants in the conditions of grant. The Independent Directors of the Company issued written independent opinions on the above matters.

Report of the Independent Directors *(continued)*

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

(V) Estimated operating results and preliminary results announcements

In 2021, the Company issued the Announcement on Estimated Increase in Operating Results for the Year 2020, Announcement on Estimated Increase in Operating Results for the First Quarter of 2021 and Announcement on Estimated Increase in Operating Results for the First Half of 2021. The disclosure procedures of the Company's announcements on estimated increase in operating results complied with the relevant regulations, and the financial data and indicators involved had no material difference with the actual data and indicators disclosed in the regular reports.

(VI) Appointment or change of auditor

According to the resolutions passed at the sixth meeting of the seventh term of the Board of the Company and the 2020 annual general meeting, it was agreed to re-appoint Ernst & Young Hua Ming LLP as the Company's auditor for the year 2021. The consideration procedures for the appointment of audit institution complied with the relevant laws and regulations, the articles of association of the Company and other relevant provisions.

(VII) Cash dividend and other investor returns

In 2021, the Company implemented the profit distribution proposal for the year ended 31 December 2020, and paid a cash dividend of RMB1.20 per 10 shares (tax included) to all eligible shareholders. The total cash dividend distributed was RMB3.159 billion (tax included), accounting for 49% of the net profit attributable to owners of the parent during the year. The profit distribution proposal implemented by the Company complied with the relevant provisions on cash dividends in the articles of association of the Company and the No. 3 Guideline for the Supervision of Listed Companies - Cash Dividend Distribution of Listed Companies, which not only ensured the continuity and stability of the Company's profit distribution policy, but also took into consideration the long-term interests of the Company, the overall interests of all shareholders and the sustainable development of the Company.

(VIII) Performance of undertakings of the Company and shareholders

In 2021, there was no violation of performance of undertakings by the Company and its shareholders.

(IX) Implementation of information disclosure

In 2021, Independent Directors continued to pay attention to the Company's information disclosure, and urged the Company to fulfill its information disclosure obligations in accordance with the relevant domestic and overseas regulations and the Company's policies. At the same time, the Independent Directors actively discharged their duties related to the preparation and disclosure of annual report, and fully communicated and discussed with the external auditor on the annual audit work.

(X) Implementation of internal control

The Company has established a relatively complete internal control system, which basically covers the key parts of the Company's operating and managing activities, and all internal control management policies have been effectively implemented.

Report of the Independent Directors *(continued)*

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

IV. OVERALL EVALUATION AND OUTLOOK FOR THE WORK

In 2021, the Independent Directors of the Company conscientiously complied with the provisions of the relevant laws and regulations as well as the articles of association of the Company and Rules to the Independent Directors, discharged their duties faithfully, diligently and prudently, continuously improved the scientific decision-making level of the Board and all the specialised committees, continuously promoted corporate governance, and effectively safeguarded the legitimate rights and interests of the Company and its shareholders as a whole.

All Independent Directors are of the view that: in 2021, the Company's Board conscientiously fulfilled the responsibilities conferred by laws and regulations and the articles of association of the Company, and the Board operated in a standardised and efficient manner. In the face of multiple challenges such as the unprecedented change and the pandemic of the century, the Company responded calmly and unswervingly, upheld the general work directive of "deepening reform, achieving leaping growth and sustainable development". Achievements in growth of the operating results, production and operation and major project constructions were beyond expectation. The Company's industry position was greatly enhanced, its global competitiveness was continuously strengthened, and its sustainability was promoted in an all-round way.

In 2022, all Independent Directors will continue to strengthen efficient coordination with the Company's Board, Supervisory Committee and management, continue to act with integrity and diligence, conscientiously discharge the duties and strengthen the responsibilities of Independent Directors, and give full play to the functions as Independent Directors. The Independent Directors will objectively and impartially examine the Company's decision-making management and other aspects, pay attention to safeguarding the legitimate rights and interests of the Company's shareholders, especially those of the minority shareholders, to ensure that the Company continues to achieve efficient operation and healthy development.

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

18 March 2022

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 2021

In 2021, 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 the 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 Companies Law of the PRC (the "Companies Law"), the articles of association of the Company and the Meeting Procedures of the Supervisory Committee. The Supervisory Committee completed various tasks satisfactorily.

I. MAJOR WORK OF THE SUPERVISORY COMMITTEE

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

1. The Supervisory Committee meetings were organised in a compliant and orderly manner. During the reporting period, the Supervisory Committee convened 4 regular meetings and 3 extraordinary meetings in total. It had considered 18 proposals regarding significant matters including the Company's periodic financial reports, grant of reserved restricted A Shares, etc. The Supervisory Committee meetings were convened strictly in accordance with the procedures stipulated in the articles of association of the Company, the Meeting Procedures of the Supervisory Committee, etc., and all members of the Supervisory Committee could fully express their views and opinions. The relevant information of the meetings was 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 2021 set out in the appendix.
2. The Supervisors actively attended the Company's relevant meetings. In 2021, the Company's Supervisors attended 7 meetings of the Audit and Internal Control Committee of the Board, 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, 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., participated in discussion and accordingly expressed their opinions on important decision-makings and major personnel changes during discussion of the Company. Through such measures, the Supervisors could fully understand the Company's process of making important decisions, stay informed about the Company's production, operation and management status, and discharge the right-to-know, supervision and inspection functions of Supervisors conscientiously.

(II) 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 Companies 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, repurchase and cancellation of restricted A Shares granted to certain participants under the restricted A Share incentive scheme for 2020 and adjustment of repurchase price 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.

Report of the Supervisory Committee *(continued)*

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

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 Directors, senior management of the Company 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 investigation and research. Through visiting and researching on the Company's subsidiaries, the Supervisors stayed informed and kept track of the important operating and management activities of the enterprises in a timely manner. Concerned about the sustainability and potential risks of the enterprises, the Supervisors summarised the difficulties faced by the 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 investigation and research in a timely manner. It played a role in promoting the sustainable and healthy development of the enterprise.

(III) 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 areas 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 2021, the Supervisory Committee organised and completed inspections at 3 subsidiaries as well as carried out 28 internal control audit and inspection projects, monitored and guided 41 subsidiaries to submit 275 internal control test reports, raised 1,609 internal control defects, 1,459 of which were rectified and closed, 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 84 complaint reports in total, investigated 8 cases, issued 7 notices and 1 supervisory suggestion letter, imposed administrative sanctions on 25 personnel, and admonished 16 personnel. Meanwhile, the Supervisory Committee strengthened its guidance and assessment on subsidiaries' internal control, earnestly completed routine supervisory work on tendering and bidding, business negotiation, contract approval, project acceptance, etc.

3. The Supervisory Committee unwaveringly promoted strict corporate governance over enterprises. It strengthened the supervision and inspection of the "top leaders" and the leading cadres, 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 continuously carried out the "Zijin with Integrity" brand building activities and warning education through demonstrating typical non-compliant cases, gave warning and clarified discipline using cases, promoted management cadres at all levels to stay in awe and hold the bottom line, fortified the defense against corruption and created a virtuous and honest development environment, promoted the thought of not daring to corrupt, not able to corrupt and not wanting to corrupt together, in order to realise more achievements in system and greater governance effectiveness.

Report of the Supervisory Committee *(continued)*

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

The Company's discipline inspection unit continuously strengthened the supervision on political quality of Party members and management cadres and their status of discharging duties, and actively worked with the county's disciplinary committee and supervisory committee to carry out key initial verification on the law and discipline violating case of the cadres of a subsidiary.

(IV) Strengthen the development of supervision system and taskforce

The Company's Supervisory Committee attached great importance to self-development of supervision system and taskforce, adhered to the combination of strict management and benevolence, paid equal attention to incentives and restraints, and built a discipline inspection and supervision team with firm political correctness and strong skills.

1. Arranged Supervisory Committee members to study the relevant laws and regulations and obtain knowledge in finance, corporate internal control, etc. in a persistent manner; arranged the internal staff in the supervisory system to actively participate in internal and external special trainings to raise their overall competence and work performance.
2. Integrated supervisory resources, improved the supervisory system, and strengthened the supervision, internal control and risk control of overseas businesses. At the same time, explored the establishment of "supervision convener" in business concentrated regions to further improve the supervision efficiency of front-line subsidiaries.

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 Companies 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 Companies 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 shareholders and the Company.
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 2021 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 behavior 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 on connected transactions 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.

Report of the Supervisory Committee *(continued)*

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

5. **Implementation of the Company's grant of reserved portion of restricted A Shares to participants under the incentive scheme.** The Supervisory Committee is of the view that: the Company's grant of reserved portion of restricted A Shares under the restricted A Share incentive scheme for 2020 complied with the stipulations and requirements of the relevant laws, regulations and regulatory documents and took into consideration the Company's actual situation. It was beneficial for optimising the Company's corporate governance structure and enhancing the Company's medium 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 qualifications as stipulated in the laws, regulations and regulatory documents including the Companies Law and the articles of association of the Company, and there was no impropriety. The qualifications of the participants were legitimate and valid.
6. **Review on internal control evaluation report.** The Supervisory Committee earnestly reviewed the 2021 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, ensuring that the Company's various business activities proceeded in an orderly and effective manner, and safeguarding 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 there was no false record, misleading statement or material omission. The 2021 Internal Control Evaluation Report of the Company was approved by the Supervisory Committee.

III. THE KEY ROADMAP FOR THE WORK IN 2022

2022 marks an important year for the Company to complete the first stage of the 10-year strategic development plan. 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 general work directive, the Supervisory Committee will further strengthen and improve its work, continuously promote the implementation of reforms, fully enhance the development of a "five-in-one" coordinative mechanism comprising Supervisory Committee, disciplinary inspection committee, supervision, audit and internal control, modify the way of supervision and conduct good implementation of the supervision responsibility, in order to enhance the effectiveness and independence of supervision, protect the interests of the Company and its shareholders, and make due contribution to Zijin Mining's development of becoming a green, high-tech, leading global mining company!

1. **Continuously push ahead reform in supervisory system.** The Supervisory Committee will adhere to the general work principle of seeking progress while maintaining stability, accelerate the reform and development of the supervisory system, improve the supervision and restriction mechanism, and enhance the effectiveness, pragmatism and relative independence 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, give full play to the role of supervision in ensuring that enterprises operate on a standardised and correct track, promptly stop, correct and punish actions violating laws and regulations, and focus on improving the effectiveness of supervision. **Second**, it will steadily promote the development of risk management system, improve the risk management process, and explore the establishment of a risk management inspection and evaluation mechanism in line with the actual business. **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 enhance the governance quality of subsidiary enterprises. **Fourth**, it will take full advantage of the effectiveness of information technology in supervisory work, establish a collaborative management system for audit, internal control evaluation and other businesses, and fully enhance the informatisation and intellectualisation level of supervisory work. **Fifth**, it will focus on team building, accelerate the replenishment of supervisory system personnel through multiple channels, and continue to improve the professional capabilities of supervisory personnel by organising participation in internal and external trainings, benchmarking against peer companies, etc. At the same time, it will strengthen assessment and accountability, enhance responsibility-taking, and forge a high-quality professional supervision team that is self-disciplined, dares to take responsibility and face various challenges.

Report of the Supervisory Committee *(continued)*

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

- 2. Fully enhance the effectiveness of supervision of the Supervisors. First**, the Supervisory Committee will strengthen its own development. In accordance with the duties conferred by the Companies 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, optimise the supervisory system and mechanism, continue to enhance execution competence and quality of work of all Supervisors, discharge duties diligently in compliance with laws and regulations, 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 proactively contribute to the healthy and sustainable development of the Company. **Second**, the Supervisors' competence in discharge of duties will be enhanced. The Supervisory Committee will organise the Supervisors to review every periodic financial report of the Company conscientiously, 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.
- 3. Implement precise and effective supervision. First**, the Supervisory Committee will pay attention to the political leading role of intra-Party supervision, strengthen the precise supervision on the "key figures at the top", such as the "top leaders" and the leading cadres, formulate a list of responsibilities and powers for the personnel and delineate scope of duties and responsibilities. Focusing on the risk points against integrity of power operation, it will pay close attention to key personnel, key matters, key areas and key links, and guide the "key figures at the top" to know awe, stay alert and hold the bottom line, set an example to others, lead from the top, and integrate the principles of "combining discipline with benevolence", "checking erroneous ideas at the outset and nipping non-compliance in the bud" into daily education management and supervision. **Second**, the education management and supervision of "special related persons" will be strengthened, and integrity brand development will be placed in an important position. By organising seminars, watching warning education films for families, visiting educational bases of integrity and carrying out integrity and culture speech and other activities to promote self-discipline and law-abidingness among management, cadres and their relatives, and guide them to abstain from the idea of privilege and enjoyment, not to act unjustly, and not to seek ill-gotten gains, so that the family can truly become a clean garden and harbour. **Third**, the Supervisory Committee will strengthen the supervision of overseas project construction and operation, enhance political guidance and overall planning, focus on key areas, key links and key personnel, and promote the development of the "Three Nos" system and mechanism in an all-round way. According to the principle of "one policy for one entity", it will formulate effective supervision plans, and give full play to the role of overseas corporate ethic committees through annual work reports, work performance assessment, compliance review, supervision and inspection, etc., and continue to promote the "An Honest and Upright Zijin Leads the Way" themed activity throughout the Group to craft a "Zijin with Integrity" brand and continuously improve the supervision efficiency of overseas subsidiaries.

Appendix: Summary table on the Supervisory Committee Meetings for the year 2021 of the Company

Zijin Mining Group Co., Ltd.*
Supervisory Committee
17 March 2022

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 2021

Number	Session	Date	Venue	Matters discussed and resolutions passed
1	The first extraordinary meeting in 2021 of the seventh term of the Supervisory Committee	13 January 2021	By telecommunication	Resolution passed: Proposal in relation to the grant of restricted A Shares to the participants under the first grant
2	The sixth meeting of the seventh term of the Supervisory Committee	19 March 2021	Conference room, 41/F., the Company's Xiamen Branch	Resolutions passed: 1. Report of the Supervisory Committee of the Company for 2020 2. Proposal in relation to provision for impairment on assets for the year 2020 3. Proposal on recognition of asset obsolescence loss of the parent company 4. The Company's 2020 annual report and its summary report 5. The Company's financial report for the year ended 31 December 2020 6. The Company's profit distribution plan for the year ended 31 December 2020 7. 2020 internal control evaluation report of the Company 8. 2020 Environmental, Social and Governance Report of the Company 9. Special report on the deposit and actual use of proceeds in 2020
3	The seventh meeting of the seventh term of the Supervisory Committee	16 April 2021	Conference room, 19/F., the Company's headquarters in Shanghang and conference room, 41/F., the Company's Xiamen Branch	Resolution passed: First quarterly report 2021 of the Company

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
4	The eighth meeting of the seventh term of the Supervisory Committee	30 July 2021	Conference room, 19/F., the Company's headquarters in Shanghang and conference room, 41/F., the Company's Xiamen Branch	Resolutions passed: <ol style="list-style-type: none"> 2021 interim report of the Company Proposal in relation to provision for impairment on assets Specific report on the deposit and actual use of proceeds raised in the first half of 2021
5	The ninth meeting of the seventh term of the Supervisory Committee	15 October 2021	Conference room, 19/F., the Company's headquarters in Shanghang and conference room, 41/F., the Company's Xiamen Branch	Resolution passed: Third quarterly report 2021 of the Company
6	The second extraordinary meeting in 2021 of the seventh term of the Supervisory Committee	15 November 2021	By telecommunication	Resolutions passed: <ol style="list-style-type: none"> Proposal in relation to the grant of reserved restricted A Shares to the participants under the incentive scheme Proposal in relation to the repurchase and cancellation of the restricted A Shares granted to certain participants under the restricted A Share incentive scheme for 2020 and the adjustment of repurchase price
7	The third extraordinary meeting in 2021 of the seventh term of the Supervisory Committee	22 November 2021	Conference room, 19/F., the Company's headquarters in Shanghang and conference room, 41/F., the Company's Xiamen Branch	Resolution passed: Proposal in relation to the absorption and merger of Tongshan Mining by Duobaoshan Copper Industry and the change in the main implementation entity of one of the projects to be invested by the proceeds raised

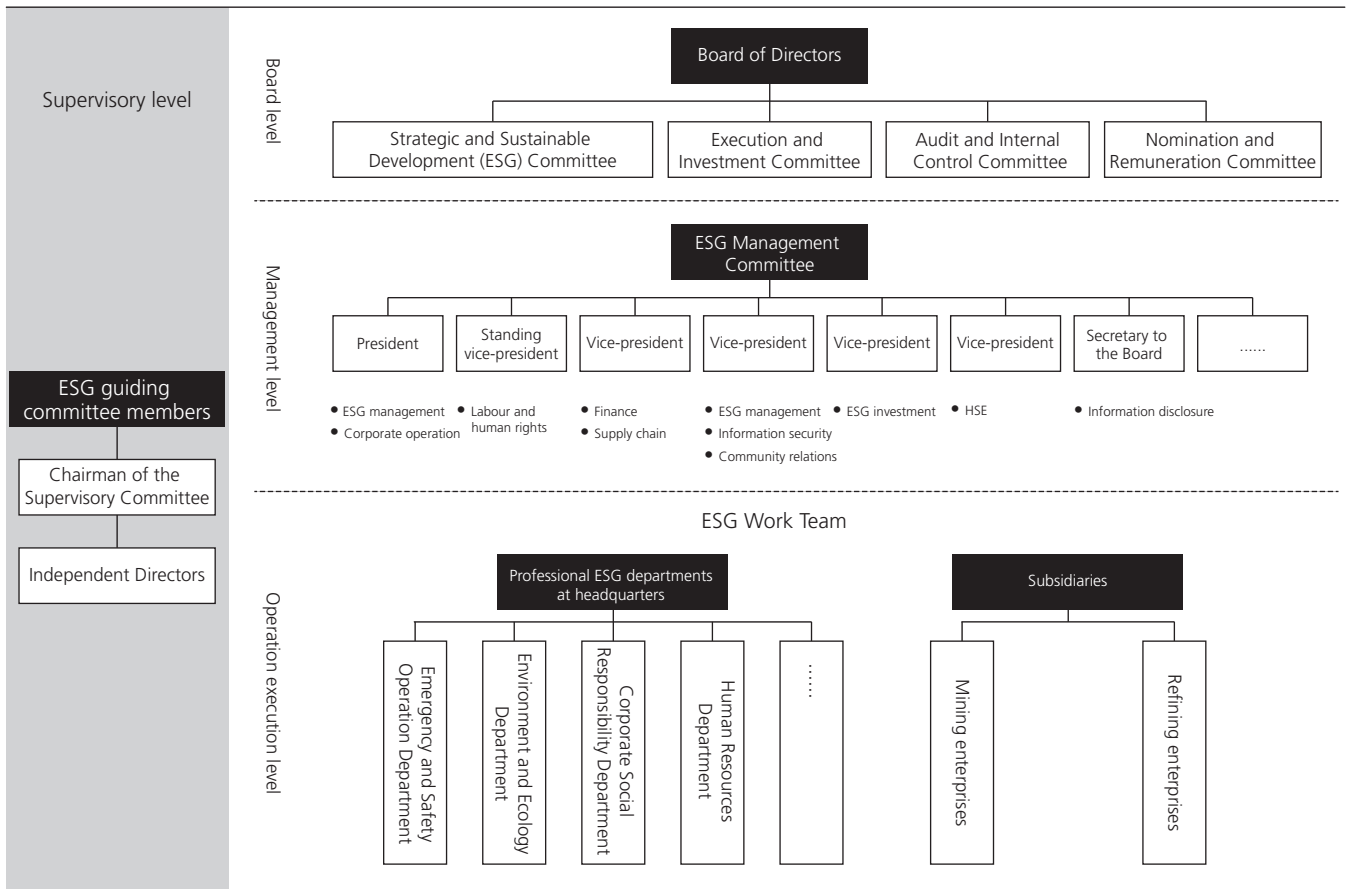
Environmental and Social Responsibilities

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

The Company regards environmental, social and governance (“ESG”) as a passport to go international. With reference to the international initiatives and guidelines including the United Nations Sustainable Development Goals (SDGs) and the World Gold Council’s Responsible Gold Mining Principles (RGMPs), the Company established an ESG system with Zijin characteristic at all levels to promote the green and low-carbon development pattern. The Company profoundly embeds the green, open and shared responsibility concept into its corporate culture, and the social values created have been widely recognised by the host regions of the projects, various sectors of the society and the Company’s stakeholders. During the reporting period, the Company received several important awards in the field of ESG, including 2021 Chinese Enterprise ESG “Golden Responsibility Award” Excellent Enterprise for Environmental Responsibility, Hong Kong Outstanding Listed Company – Outstanding ESG Company, A Share Market Listed Company Social Responsibility Award and LinkedIn Best Employer Brand Award.

ESG GOVERNANCE SYSTEM

The Company has established an ESG governance system under the leadership of the Company’s Board of Directors, and formed an ESG governance team covering all the global operations. The Company puts forwards its medium to long-term ESG development goals and sets corresponding targets and metrics systems. The Company follows international standards, formulates the “Corporate Code of Conduct” for Zijin Mining to integrate the ESG concept into the Company’s policies and standards on procurement, sales, human resources, engineering and supervision, as well as strengthening its business ethics and anti-corruption measures. The Company continuously improves the standardisation and transparency of ESG disclosure, prepares ESG reports in accordance with the “Core Scheme” of the Sustainability Reporting Standard of the Global Reporting Initiative (GRI), the Sustainable Accounting Standards Board (SASB) Standards and the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations.



Environmental and Social Responsibilities

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

Board of Directors and the specialised committees under the Board	ESG Guiding Committee	ESG Management Committee	Professional ESG departments at headquarters
Identify important ESG issues and determine sustainable development system, strategies and goals; Supervise and inspect ESG-related work; Review the Company's ESG-related reports; Review the achievement level of the annual ESG performance targets which are linked to management performance remuneration	Provide comprehensive supervision and guidance of ESG work at the board level, the management level and the operation executive level of the Company	Develop ESG visions, strategies, frameworks, principles, and policies; Review the main ESG trends and related risks and opportunities, and implement ESG strategies in corporate decision-making, investment, and operation; Review the Company's ESG-related reports and disclosure documents; Assign ESG tasks and supervise ESG practices	Formulate relevant policies, norms and standards regarding the ESG management areas; make phased work plans and implementation plans; Set up performance target systems related to ESG management issues and formulate measures to promote the implementation of related issues; Guide, supervise, inspect, and evaluate the work on ESG management issues; Conduct communication with stakeholders Subsidiaries Practical work related to implementing the overall strategic objectives of ESG management; Conduct communication with stakeholders

ECOLOGICAL CONSERVATION

The Company actively responds to the Paris Agreement and the National Climate Change Adaptation Strategy, firmly promotes ecological restoration, biodiversity conservation, water resources management and conservation, tailings storage facility safety management and the industrialised utilisation of solid waste resources. The Company has promptly entered the fields of new energy and new materials such as copper and lithium, as well as carried out clean energy development projects such as photovoltaic, hydropower and ammonia-hydrogen to facilitate the development of global low-carbon industry.

The Company adheres to the "life comes first" safety belief, adopts more stringent and standardised management on its operators and contractors. The level of intrinsic safety has been continuously improving. The Company attaches great importance to the health of its employees. Faced with the volatile overseas pandemic situation, the Company has provided a great number of anti-pandemic supplies to the countries and regions where its projects are located, and encouraged and supported the employees, contractors of its overseas projects and their family members in local communities to get vaccinated.

CO-DEVELOPMENT

The Company insists on co-development and shows the world its image as a large-scale, responsible multinational enterprise. The Company regards the host regions and communities of the projects as key stakeholders and important partners for its development, and actively supports and cultivates local industries, implements localised labour and procurement policies, actively engages in community affairs, and makes positive contributions to the economic and social development and people's well-being of the areas where its projects are located. The Company follows international standards, constantly improves its policies and mechanisms regarding human rights protection and employee development. The Company treats employees of different nationalities, races, genders, religious beliefs and cultural backgrounds fairly and justly, and builds a globalised human resources system. The Company requires its suppliers to conduct business in a responsible manner, and guides the suppliers and stakeholders to jointly build a supply chain due diligence management system. The Company received A Share Market Listed Company Social Responsibility Award and the title Hong Kong Outstanding Listed Company – Outstanding ESG Company; Zijin Zinc in Xinjiang received the title National Advanced Group for Poverty Alleviation; and Continental Gold was awarded Sustainable Award for three consecutive years.

Environmental and Social Responsibilities *(continued)*

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

I. ENVIRONMENTAL INFORMATION

(I) Information on environmental protection of the companies and their major subsidiaries which are key pollutant discharge units identified by the environmental protection authorities

During the reporting period, a total of 23 branch companies (subsidiaries) of the Company in the PRC were identified as key pollutant discharge units by the ecological and environmental administrative authorities.

1. Information on pollutant discharge

During the reporting period, key pollutant discharge units in the PRC strictly complied with the national and regional pollutant discharge standards and requirements, and obtained or completed the registration of pollutant discharge permits, as well as strictly complied with the requirements of pollutant discharge permits, and met the requirements of relevant discharge standards. The total volume of pollutant discharged was within the permitted range.

For details of the environmental information of the key pollutant discharge units, please refer to Appendix 1: Information on pollutant discharge of key pollutant discharge units in 2021 of this report.

2. Construction and operation of pollution prevention and controlling facilities

During the reporting period, all environmental protection facilities of the Company operated steadily in a normal condition at an operational rate of 100%. Industrial wastewater, dust and flue gas from refining were effectively treated and discharged up to the standards. Solid and hazardous waste were disposed of properly in accordance with the requirements of the local ecological and environmental administrative authorities and the environmental impact assessment reports. Throughout the year, a total of RMB964 million was invested in the renovation and upgrading of environmental protection facilities and equipment, focusing on promoting the installation and operation of the online water quality monitoring system for overseas subsidiaries, realising the full coverage of automatic online wastewater discharge monitoring for all subsidiaries, effectively enhancing surrounding water environment monitoring and emergency response capabilities.

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

During the reporting period, each of the new, upgrade and expansion projects of the branch companies (subsidiaries) implemented environmental impact assessment system in strict accordance with the requirements of the Law on Environmental Impact Assessment. 18 projects received environmental impact assessment approvals, and 17 projects passed environmental acceptance check (for details of the implementation, please refer to Appendix 2: Implementation of environmental impact assessment and "three simultaneous" regulation in 2021 of this report). Clean production audits were carried out in strict accordance with the Cleaner Production Promotion Law of the People's Republic of China and the requirements of the regional clean production authorities. During the reporting period, Zijin Zinc in Xinjiang, Hunchun Zijin, Jilin Zijin Copper, Heilongjiang Zijin Copper and Luoyang Kunyu completed a new round of clean production audit and acceptance check.

Environmental and Social Responsibilities *(continued)*

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

4. Emergency plans for the outbreak of environmental incidents

Pursuant to the relevant laws and regulations of the countries where the operations are located and based on the actual situation, the Company and its subsidiaries formulated emergency plans for environmental incidents; in addition, based on the actual needs, the Company formulated various kinds of special emergency plans and on-site handling plans, all of which were filed to the local ecological and environmental administrative authorities in a timely manner. The emergency plans for environmental incidents were revised and reviewed according to the changes in site situation. Through carrying out emergency drills for each emergency plan, the emergency response, environmental monitoring, emergency handling and system operation continuously integrate with the emergency plans, and emerging environmental pollution incidents were further prevented and effectively responded.

5. Environmental self-monitoring programme

Each branch company (subsidiary) formulated environmental self-monitoring programme in accordance with the requirements of pollutant discharge permits as well as self-monitoring technology guidelines for pollution discharge units, and entrusted qualified third-party testing agencies to monitor water, gas, noise, soil and so on regularly and issue monitoring reports with all testing results passed. Among which, the branch companies (subsidiaries) which were identified as the enterprises subject to intensive monitoring and control of the state were required to disclose their environmental self-monitoring programme and the monitoring results via the environmental information disclosure platform of the local ecological and environmental administrative authorities or on the subsidiaries' website every 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 Supervisory Monitoring of Pollution Sources and Information Disclosure by the Enterprises under Intensive Monitoring and Control of the State (Tentative).

6. Administrative penalties due to environmental issues during the reporting period

During the reporting period, there was no environmental incident that had a significant impact on the Company. During the reporting period, the following subsidiaries of the Company which are key pollutant discharge units were subject to administrative penalties due to environmental issues:

- (1) Malipo Tungsten Group was fined RMB300,000 by Wenshan Prefecture Ecology and Environment Bureau due to the abnormal operation of the leachate collection and water return equipment under the tailings dam. The rectification was completed. The case was closed by Wenshan Prefecture Ecology and Environment Bureau Malipo Branch after on-site inspection.
- (2) Shanxi Zijin was fined RMB135,000 by Xinzhou City Ecology and Environment Bureau because the stack of raw materials was higher than the fence of raw material storage shed and certain exceeding parts were not covered properly, and the environmental procedure of waste rock yard was not completed. The rectification was completed. This case was closed by Xinzhou City Ecology and Environment Bureau Fanshi Branch after on-site inspection.

(II) Environmental protection information on the companies other than the key pollutant discharge units

1. Administrative penalties due to environmental issues

Fujian Shanghang Zijin Hydropower Co., Ltd. was fined RMB50,000 by Shanghang County Ecology and Environment Bureau as the ecological flow online monitoring equipment was abnormal. The rectification was completed. A written rectification completion report was submitted to Shanghang County Ecology and Environment Bureau.

Environmental and Social Responsibilities *(continued)*

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

2. Disclosure of other environmental information with reference to the key pollutant discharge units

During the reporting period, the Company had 8 subsidiaries in the PRC involved in discharge of pollutants and not being identified as key pollutant discharge units, all of which had obtained or completed the registration of pollutant discharge permits, strictly complied with the requirements of pollutant discharge permits or environmental impact assessment, regularly conducted environmental self-monitoring with all monitoring results passed, strictly implemented environmental impact assessment and the “three simultaneous” regulation. For details of the implementation, please refer to Appendix 2; for details of the pollutant discharge information, please refer to Appendix 3: Information on pollutant discharge of non-key pollutant discharge units for 2021.

(III) Relevant information on matters favourable to ecological protection, pollution prevention and control and discharge of environmental responsibilities

During the reporting period, one national-level “green factory” and one provincial-level “green mine” were newly added in the PRC. At present, the Group has 13 national-level green mines, 3 provincial-level green mines, 5 national-level green factories and 2 provincial-level green factories. The Zijinshan Gold and Copper Mine received the title “National Soil and Water Conservation Demonstration Project” for its joint development project, Julong Copper in Tibet received the title Water-Saving Company in the Industrial Field in Tibet Autonomous Region and Lhasa Eco-development Pilot Company. For overseas operations, Zeravshan received the Environmental Protection Excellence Award from the province and city, Serbia Zijin Copper received 2021 Environmental Protection Special Contribution Award of Bor City, Serbia. 35 subsidiaries of the Company had been ISO 14001 certified. The certification coverage rate was approximately 87.5%.

– Natural ecological conservation

During the reporting period, the Company actively formulated land reclamation or restoration programmes, implemented the model of “development along with recovery together” to minimise the land disturbance at the utmost extent. During the report period, the Company invested a total of RMB1.42 billion in environmental protection and ecological projects. Among which, RMB335 million was invested in ecological restoration, which was significantly increased compared with last year. About 7.756 million square meters of vegetation areas were restored and about 1.152 million trees were planted, increased by 133% and 182% compared with last year, respectively. The Company continuously strengthened biodiversity management. In 2021, five key subsidiaries with distinctive geographical characteristics (Luoyang Kunyu, Shanxi Zijin, Ashele Copper, Hunchun Zijin, Heilongjiang Duobaoshan Copper) carried out biodiversity surveys to understand the current status of biodiversity in the mining areas and surrounding areas. As at the end of the reporting period, 18 mining subsidiaries had carried out biodiversity surveys.

– Environmental pollution prevention

During the reporting period, the emission of the Company’s main exhaust pollutants was substantially reduced. The emission intensities of sulphur dioxide and nitrogen oxides decreased by about 15.95% and 11.96%, respectively, compared with 2020. General industrial solid waste and hazardous waste were disposed of in compliance with relevant laws and regulations. The comprehensive utilisation rate achieved 100%. To improve the ability of environmental risk prevention and control, reasonably diversify environmental risks, and respond to national policy requirements, 13 subsidiaries purchased environmental pollution liability insurance, with a total insurance payment of RMB913,600. Self-developed online environmental protection and ecological information management platform was launched and fully applied at subsidiaries to allow the Group’s headquarters to collect, calculate, analyse, assess, monitor and serve the environmental protection and ecological information from the subsidiaries.

Environmental and Social Responsibilities *(continued)*

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– **Water resources management**

The Company attached great importance to water resources management, which included maximising the utilising efficiency and recycling of water resources and reducing the volume of industrial wastewater discharged. During the reporting period, total water withdrawal of the Company was 60,560,700 tonnes, the water reuse rate reached 92.02%, water consumption intensity per unit of operating income was 269.04t/RMB1 million, representing a decrease of 9.12% in water consumption intensity compared with 2020.

– **Environmental protection training and promotion**

The Company takes the “Environmental Safety Month” event as an opportunity every year to organise environmental protection trainings, publicise the latest environmental protection and ecological laws, regulations and requirements, the Company’s rule and regulations and key points of environmental protection and ecological management, so as to improve the working competence of environmental protection management personnel. The Company also attaches great importance to environmental protection publicity work, actively demonstrates the results of environmental protection and ecological work to the public to ease the concerns of the public and surrounding communities, and improves the openness and transparency of information. During the reporting period, the Company actively made use of media platforms, especially new media, to vigorously advocate environmental protection information, work measures and progress to the society. The achievements of Zijin’s green development were demonstrated in some major influential media in the PRC, including the China Environmental Monitoring News and China Environment News. The Company also invited local residents to take part in the Company’s environmental protection activities. It not only promoted the concept of environmental protection, ecology and green development, but also strengthened the relationship between local communities and the Company.

(IV) Measures taken to reduce carbon emission and the results achieved during the reporting period

The Company attaches great importance to global climate issues, initially formulates the Company’s action plan on “carbon peak and carbon neutrality” and new energy development plan. During the reporting period, the Company responded to carbon disclosure project (CDP) for the first time.

The Company’s main work on emission reduction management and promotion of emission reduction

– **Conducted carbon emission audit**

The Company further improved the energy and carbon emission management system, implemented whole life-cycle greenhouse gas audit represented by the Zijinshan Gold and Copper Mine and Zijin Copper, and carried out the internal carbon emission auditing work within the whole Group. During the reporting period, the Company’s total greenhouse gas emissions were 7.26 million tonnes of carbon dioxide equivalent, the greenhouse gas emissions intensity per unit of sales revenue was 0.32 tonnes of carbon dioxide equivalent per RMB10,000, and the greenhouse gas emissions intensity decreased by about 9.5% compared with the previous year.

– **Promoted energy-saving technologies and processes**

The Company promoted intensive processes including bioheap leaching of copper and heap leaching of gold, and processes which reduced energy consumption for grinding, as well as recycled waste heat, waste gas and pressure. It also promoted utilisation of low-temperature waste heat in Heilongjiang Zijin Copper, waste heat in hot-pressurised system in Guizhou Zijin and water waste heat from pit cave in Fuyun Jinshan and other projects in order to increase the level of large-scale development and high-quality utilisation of waste heat and waste energy. Paperless office, video conferences, green travel and other low-carbon and environmental friendly ways of working were also vigorously implemented.

Environmental and Social Responsibilities *(continued)*

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– Improved energy efficiency of production equipment

The Company built smart mines represented by Julong Copper in Tibet and Ashele Copper in Xinjiang, and improved the automation and intelligence levels of the mines. The Company adopted electric construction machinery, LED lighting facilities and high-efficiency energy-saving motors, increased variable-frequency equipment, strengthened power factor management of electricity consumption, and gradually transformed or replaced existing high-energy-consuming production equipment and facilities with energy-saving ones according to the schedule.

– Promoted natural carbon sinks

The Company promoted green mines development, and expanded the coverage area of vegetation in order to achieve carbon neutrality through the reclamation of abandoned sites in mines and the greening of production sites. During the reporting period, the Company newly restored vegetation areas of about 7.756 million square metres and planted about 1.152 million trees. At the same time, the Company actively prepared the construction of carbon neutralisation experimental base and a carbon sink pilot forest in Zijinshan.

II. SOCIAL RESPONSIBILITY WORK

During the reporting period, based on addressing the key social responsibility subjects which were concerned by a variety of stakeholders, the Company deployed social responsibility work in the areas of environment, safety, business ethics, community, human rights, etc. and achieved significant achievements in corporate management, ecological environment protection, community relations, information disclosure and cultural development. Economic, social and ecological benefits were continuously enhanced.

– Adhered to “life comes first” belief, dedicated to providing safe and healthy working environment to employees and contractors

Focusing on risks at all levels, the Company strengthened the investigation and rectification of safety and environmental accident potential, completed on-site supervision and inspection in 36 domestic and 4 overseas subsidiaries throughout the year; and carried out safety trainings which had been attended by 334,300 times to enhance of safety skills of all employees, promoted the construction of smart and digital mines by means of ‘smart, mechanised and automatic construction’, greatly improved the intrinsic safety.

During the reporting period, a total of RMB1.493 billion was invested in production safety. 17 subsidiaries newly obtained ISO 45001 system certification, and the certification coverage rate of mining, refining and processing enterprises reached 87.5%.

– Adhered to “people-oriented” concept, valued employees’ growth and development

With a global perspective and market orientation, and in accordance with the strategy of “internationalisation of Zijin talents and integration of overseas talents with Zijin characteristics”, the Company strengthened the talent system’s support for the Company’s globalisation; respected cross-culture and equal employment and development rights of minority groups from different races, ethnic groups, genders and the disabled; implemented the localised employment policy, and cultivated a diverse talent team for the local community. As at the end of the reporting period, the localised employment rate reached 96.04%, and the internationalisation of the personnel structure was significantly improved. The Company implemented salary increment for all staff, enterprise annuity, annual special awards and overseas special subsidies, so that employees can further share the results of enterprise development, and their senses of belonging and happiness were continuously enhanced.

Environmental and Social Responsibilities *(continued)*

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– **Adhered to the principles of equality, mutual trust, and win-win cooperation, and actively built a responsible supply chain system**

On the one hand, the Company actively discharged its social responsibilities at its self-operated mines to provide green and high-quality mineral products for downstream industries; on the other hand, through benchmarking against international advanced methodologies, the Company promoted the management and control of social responsibility risks arising from raw mineral materials in high-risk areas, and developed a responsible raw material supply chain. At the same time, the Company adopted a localised procurement policy, actively supported and cultivated the suppliers in the locations where its projects were located, and boosted the development of local industrial economy. During the reporting period, the local procurement rate reached 31.8%.

– **Conscientiously implemented the co-development concept of “mining for a better society”**

The Company conducted business in accordance with all applicable laws, regulations and the highest ethical standards, implemented diversified community investment and public welfare projects, and solidly contributed to the rural revitalisation strategy. In 2021, the Company’s total annual social contribution was RMB39.5 billion, of which the tax contribution was RMB10.1 billion. The Company greatly boosted the economic, social and industry development at the localities of the projects, and demonstrated the image as a responsible large-scale multinational company.

Related cases

– **COMMUS in the DR Congo fulfilled its commitments to social and economic development and infrastructure construction**

COMMUS officially signed the 2021-2025 Community Project Task Statement with the eight communities around the mining area, and planned to invest about USD4.4 million as donations in five years to launch more than 20 building projects including training schools, medical and health stations, professional farms, farmers markets, multi-purpose stadiums and municipal water supply facilities, with the focus on solving the more urgent issues of the local communities, including road safety, community health and pandemic prevention, dust and noise, resident relocation, agricultural development, and drinking water sanitation.

– **Continental Gold helped community coffee business to go global**

Continental Gold supported the development of coffee estates in the areas affected by the Buriticá project. During the reporting period, it assisted the local communities to establish a coffee growers’ association, covering 13 local coffee brands and involving a total of 260 coffee growers in the local communities.

– **Co-founded Zijin School of Geology and Mining with Fuzhou University**

In June 2007, the Company and Fuzhou University jointly established Zijin School of Mining of Fuzhou University, which was a new type of school focusing on cultivating high-level geological and mining talents and offered mainly full-time undergraduate and postgraduate degree education. During the reporting period, the school merged the former School of Environment and Resources and was upgraded to the Zijin School of Geology and Mining of Fuzhou University, further improved its teaching scale and quality. The school adhered to the internationalised teaching model, and launched joint education programmes with international mining schools such as the University of Queensland in Australia. With deep integration of Zijin model between the school and the enterprises, the school won the second prize of the National Teaching Achievement Award. The Company has accumulatively invested about RMB250 million in the school. During the reporting period, the Company continued to donate RMB15 million to support the teaching.

Environmental and Social Responsibilities *(continued)*

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– **Founded Zijin Secondary School**

In 2019, the Company invested RMB830 million to establish a non-profit school – Zijin Secondary School, providing more than 3,600 places for local students, which greatly alleviated the shortage of educational resources in Shanghang County where the Company’s headquarters is located and significantly improved the quality of education in less developed areas. Zijin Secondary School aimed to become a first-tier school in the province, and made solid efforts to introduce excellent teachers while attaching importance to the cultivation of students’ comprehensive quality. The initial results of the school were remarkable, which have been well recognised by the local government and the community.

III. **SPECIFIC INFORMATION ABOUT WORK ON CONSOLIDATING AND EXPANDING THE FRUITS OF POVERTY ALLEVIATION AND RURAL REVITALISATION**

The Company carried out activities such as infrastructure construction support, industrial support, environmental protection, education and teaching assistance, consumption revitalisation and other activities in the areas vulnerable to returning to poverty where the domestic projects were located. Approximately RMB264 million was invested in assisting rural revitalisation throughout the year (including donations and other assistance). The abovementioned activities effectively improved the production and living infrastructure as well as educational condition in the areas vulnerable to returning to poverty around the mining areas, and substantially improved the life quality of the impoverished people.

Related cases

– **Zijin Zinc in Xinjiang**

Through the precise measures of “employment assistance + education assistance + fixed-point assistance,” Zijin Zinc in Xinjiang continued to implement the “Four Priorities” policy (giving priority to the employment of college graduates who are native of the local communities, giving priority to support the employment of impoverished families, giving priority to hire local ethnic minorities and giving priority to train and promote management cadres of ethnic minorities), successfully increased the income of community residents. By the end of 2021, it accumulatively paid more than RMB1.7 billion in taxes and fees, accounting for more than 70% of Wuqia County’s total annual tax revenues. It helped the impoverished village – Kolerik Village where the mine is located, to be among the first villages to eliminate poverty, making remarkable contribution to poverty alleviation in Wuqia County. In February 2021, at the grand gathering to mark the nation’s poverty alleviation accomplishments and honour model poverty fighters held in Beijing, Zijin Zinc in Xinjiang received the honorary title of “National Advanced Group for Poverty Alleviation”.

– **Julong Copper in Tibet**

As a key investment project in Tibet and a key assistance project of Fujian Province in Tibet, Julong Copper in Tibet vigorously promoted the work of vitalising border area, enriching people and ethnic unity. During the reporting period, Julong Copper invested about RMB165 million in social donations, industry support, relocation compensation, etc. in Jiama Town, Maizhokunggar County, recruited around 830 Tibetan university students and employees, and generated about RMB32.7 million of income for Tibetan employees. Julong Copper was committed to developing itself into a training base for Tibetan industrial talents. 86 Tibetan employees from the first recruitment became qualified management and technical talents after receiving one-year training at Zijin School of Geology and Mining of Fuzhou University. Julong Copper currently has a total of 1,316 employees, of which 61% are Tibetan. In 2021, Julong Copper contributed more than RMB170 million to local tax revenue and invested about RMB129 million in industry support in Jiama Town, where the mining area is located, bringing over RMB13 million direct income to the local residents.

– **Ashele Copper and Xinjiang Jinbao**

In July 2021, the two companies took the initiative to connect with Hongdun Town in the Altay area, and jointly donated RMB1.95 million to help local communities develop green vegetables, egg and poultry farming and other industries, and supported Altay “Shopping Basket” programme.

Environmental and Social Responsibilities *(continued)*

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Appendix 1

Information on pollutant discharge of key pollutant discharge units in 2021

Number	Name of entity	Type of pollutant	Major and special pollutant	Concentration of discharge	Total discharge volume for the year (t)	Approved annual discharge volume (t/a)	Way of discharge	Number of discharge outlets	Distribution of discharge outlets	Whether discharge limit was exceeded	Regulatory basis for pollutant discharge
1	Zijinshan Gold and Copper Mine	Wastewater	COD	0-25mg/L	60.43	729.8	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), Class 1 standards in Schedules 1 and 2 of the Integrated wastewater discharge standard (GB8978-1996)
			Ammonia nitrogen	0-5mg/L	2.49	97.3					
			Total arsenic	0-0.02mg/L	0.0021	0.617904					
			Total lead	0-0.02mg/L	0.0005	0.80716					
			Total cadmium	0-0.001mg/L	0.0008	0.085628					
			Total zinc	0-0.02mg/L	0.0079	3.66					
			Total copper	0-0.2mg/L	0.0317	2.365					
			Total cyanide	0-0.01mg/L	0.0004	0.108					
	Exhaust gas	Particulates	3-14mg/m ³	11.46	-	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	10.058mg/L	1.516	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)
			Ammonia nitrogen	0.085mg/L	0.012857	5.481525					
			Total copper	0.033mg/L	0.0075	0.05					
			Total lead	0.008mg/L	0.00088	0.042					
			Total zinc	0.145mg/L	0.0326	0.115					
			Total cadmium	0.004mg/L	0.000721	0.036543					
			Total arsenic	0.039mg/L	0.006457	0.182717					
			Total silver	0.087mg/L	0.013237	0.182717					
	Exhaust gas	Particulates	7.23mg/m ³	2.321	-	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.	Mineral processing wastewater	-	-	-	-	Not discharged and internally reused	0	N/A	No	-
		Exhaust gas	Dust	39mg/m ³	7.955	-	Organised discharge after meeting regulatory standards	1	The 40m-high chimney positioned downwind from the plant	No	Emission standard of air pollutants for boiler (GB13271-2014)
			Sulphur dioxide	306mg/m ³	6.375	-					
		Nitrogen oxides	259mg/m ³	12.88	-						
Noise	Noise at boundary met the standards of Category II of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)										
4	Urad Rear Banner Zijin Mining Co., Ltd.	Mineral processing wastewater	-	-	-	-	Not discharged and internally reused	0	N/A	No	-
		Exhaust gas	Particulates	<80mg/m ³	26.6998	-	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)									

Environmental and Social Responsibilities *(continued)*

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Number	Name of entity	Type of pollutant	Major and special pollutant	Concentration of discharge	Total discharge volume for the year (t)	Approved annual discharge volume (t/a)	Way of discharge	Number of discharge outlets	Distribution of discharge outlets	Whether discharge limit was exceeded	Regulatory basis for pollutant discharge
5	Shanxi Zijin Mining Co., Ltd.	Mineral processing wastewater	-	-	-	-	Not discharged and internally reused	0	N/A	No	-
		Exhaust gas	Particulates	12.3mg/m ³	2.953	-	Organised discharge after meeting regulatory standards	4	The discharge outlets 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.	Mineral processing wastewater	-	-	-	-	Not discharged and internally reused	0	N/A	No	-
		Exhaust gas	Particulates	6.56mg/m ³	4.78	-	Organised discharge after meeting regulatory standards	5	The discharge outlets of dust remover installed at crushing section	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)								
7	Luoyang Kunyu Mining Co., Ltd.	Mineral processing wastewater	-	-	-	-	Not discharged and internally reused	0	N/A	No	-
		Exhaust gas	Particulates	7.5-9.5mg/m ³	6.15	-	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.	Mineral processing wastewater	-	-	-	-	Not discharged and internally reused	0	-	No	-
		Exhaust gas	Dust	18.01mg/m ³	3.23	22.76	Organised discharge after meeting regulatory standards	1	The 60m-chimney in boiler house	No	Emission standard of air pollutants for boiler (GB13271-2014)
			Sulphur dioxide	274.26mg/m ³	38.84	71.5					
			Nitrogen oxides	280.78mg/m ³	35.36	106.78					
Noise	Noise at boundary met the standards of Category II of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)										
9	Xinjiang Zijin Zinc Co., Ltd.	Mineral processing wastewater	-	-	-	-	Not discharged and internally reused	0	N/A	No	-
		Exhaust gas	Sulphur dioxide	173.5mg/m ³	13.26	87	Organised discharge after meeting regulatory standards	1	Discharged through the 45m-chimney in the boiler house	No	Schedule 1 of Emission standard of air pollutants for boiler (GB13271-2014)
			Nitrogen oxides	114.2mg/m ³	7.46	48.9					
			Dust	38.92mg/m ³	2.89	-					
		Particulates	47.08mg/m ³	49.4	-	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.	Mineral processing wastewater	-	-	-	-	Not discharged and internally reused	0	N/A	No	-
		Exhaust gas	Sulphur dioxide	121.28mg/m ³	57.39	198.416304	Organised discharge after meeting regulatory standards	1	Discharged through the 60m-chimney after desulphurisation and denitrification in the boiler house	No	Emission standard of air pollutants for boiler (GB13271-2014)
			Nitrogen oxides	141.50mg/m ³	70.73	248.02038					
			Dust	14.31mg/m ³	7.20	41.33673					
		Particulates	38.32mg/m ³	188.38	-	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)										

Environmental and Social Responsibilities *(continued)*

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Number	Name of entity	Type of pollutant	Major and special pollutant	Concentration of discharge	Total discharge volume for the year (t)	Approved annual discharge volume (t/a)	Way of discharge	Number of discharge outlets	Distribution of discharge outlets	Whether discharge limit was exceeded	Regulatory basis for pollutant discharge
11	West Copper Co., Ltd.	Mineral processing wastewater	-	-	-	-	Not discharged and internally reused	0	N/A	No	-
		Exhaust gas	Particulates	44.59mg/m ³	3.48316	-	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)								
12	Guizhou Zijin Mining Co., Ltd.	Wastewater	COD	18mg/L	21.362	86.65	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	7.875mg/L	8.8958	22.2					
			Suspended solids	7mg/L	23.922	-					
			Total lead	0.029mg/L	0.0414	-					
			Total chromium	0.004mg/L	0.01785	-					
Exhaust gas	Sulphuric acid mist	11.01mg/m ³	1.3677	-	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	COD	29.865mg/L	13.716	14.355	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)
			Ammonia nitrogen	1.155mg/L	0.5168	7.1775					
			Suspended solids	19.875mg/L	8.245	33.495					
			Total arsenic	0.042mg/L	0.0197	0.0335					
			Total copper	0.0048mg/L	0.00004	0.0048					
			Total zinc	0.0453mg/L	0.00002	0.957					
Noise	Noise at boundary met the standards of Category II of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)										
14	Longnan Zijin Mining Co., Ltd.	Industrial 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)								
15	Hunchun Zijin Mining Co., Ltd.	Mineral processing wastewater	-	-	-	-	Not discharged and internally reused	0	N/A	No	-
		Exhaust gas	Nitrogen oxides	110mg/m ³	25.11	28.797	Organised discharge after meeting regulatory standards	1	Discharge outlet of boiler	No	Emission standard of air pollutants for boiler (GB13271-2014)
			Sulphur dioxide	27.43mg/m ³	6.41	23.037					
			Dust	15.07mg/m ³	3.47	5.759					
Particulates	12.325mg/m ³	47.66	-	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)										

Environmental and Social Responsibilities *(continued)*

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Number	Name of entity	Type of pollutant	Major and special pollutant	Concentration of discharge	Total discharge volume for the year (t)	Approved annual discharge volume (t/a)	Way of discharge	Number of discharge outlets	Distribution of discharge outlets	Whether discharge limit was exceeded	Regulatory basis for pollutant discharge
16	Tibet Julong Copper Co., Ltd.	Mineral processing wastewater	-	-	-	-	Not discharged and internally reused	0	N/A	No	-
		Exhaust gas	Particulates	12.53mg/m ³	9.16	-	Organised discharge after meeting regulatory standards	5	Zhibula crushing station, driving station, transfer station no. 2 and 3, the original ore storage of Zhibula's mineral processing plant	No	Emission standard of pollutants for copper, nickel, cobalt industry (GB25467-2010), Emission standard of industrial pollutants for iron mining and processing (GB28661-2012)
		Noise	Noise at boundary met the standards of Category III of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)								
17	Zijin Copper Co., Ltd.	Wastewater	Total arsenic	0.042mg/L	0.036	-	Organised discharge after meeting regulatory standards	2	Copper refining: discharge outlet for clean water; gold refining: discharge outlet for wastewater	No	Emission standard of pollutants for copper, nickel, cobalt industry (GB25467-2010), Integrated wastewater discharge standard (GB8978-1996)
			Total lead	0.022mg/L	0.019	-					
			Total copper	0.031mg/L	0.027	-					
			Total zinc	0.053mg/L	0.045	-					
			COD	23.266mg/L	9.085	-					
			Ammonia nitrogen	0.503mg/L	0.197	-					
			Total phosphorus	0.021mg/L	0.008	-					
			Total nitrogen	4.31mg/L	1.682	-					
			Suspended solids	13.235mg/L	11.167	-					
		Fluoride	1.458mg/L	1.23	-						
		Exhaust gas	Sulphur dioxide	9.079mg/m ³	90.789	622.799	Organised discharge after meeting regulatory standards	50	Three main discharge outlets including post-desulphurisation environmental smoke discharge outlet, discharge outlet for post-desulphurisation tailing gas from sulphuric acid, 80m-high discharge outlet for environmental gas, 47 general discharge outlets	No	Emission standard of pollutants for copper, nickel, cobalt industry (GB25467-2010), Integrated emission standard of air pollutants (GB16297-1996), Emission standards of pollutants for inorganic chemical industry (GB31573-2015), Emission standard for odor pollutants (GB14554-93)
			Nitrogen oxides	12.644mg/m ³	126.856	184.916					
			Particulates	5.139mg/m ³	56.489	232.452					
			Lead and its compounds	0.011mg/m ³	0.111	2.9					
			Arsenic and its compounds	0.011mg/m ³	0.106	1.775					
Mercury and its compounds	Below detectable limit		Below detectable limit	0.053							
Sulphuric acid mist	0.815mg/m ³		8.825	-							
Fluoride	0.456mg/m ³	4.391	-								
Hydrogen sulphide	0.044mg/m ³	0.001	-								
Noise	Noise at boundary met the standards of Category III of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)										

Environmental and 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	Total discharge volume for the year (t)	Approved annual discharge volume (t/a)	Way of discharge	Number of discharge outlets	Distribution of discharge outlets	Whether discharge limit was exceeded	Regulatory basis for pollutant discharge
18	Zijin Mining Group Gold Smelting Co., Ltd.	Wastewater	Total copper	0.026mg/L	0.0000287	0.0236	Organised discharge after meeting regulatory standards	1	Wastewater discharge outlet DW001	No	Integrated wastewater discharge standard (GB8978-1996)
			Total cyanide	0.023mg/L	0.0000325	0.0023					
			COD	104.857mg/L	0.1602377	1.18					
			Ammonia nitrogen	10.491mg/L	0.0158893	0.177					
			Total arsenic	0.003mg/L	0.0000048	0.0059					
			Total mercury	0.00004mg/L	0.0000000	0.00059					
			Total lead	0.005mg/L	0.0000075	0.0118					
		Total cadmium	0.0005mg/L	0.0000008	0.00118						
		Exhaust gas	Nitrogen oxides	1.6-3.16mg/m ³	0.0779	0.96	Organised discharge after meeting regulatory standards	2	Exhaust gas discharge outlets no. 1 and 2 of acid mist purification tower	No	Class 2 standards in Schedule 2 of the Integrated emission standard of air pollutants (GB16297-1996)
			Hydrogen chloride	2.54mg/m ³	0.0827	0.5247	Organised discharge after meeting regulatory standards	1	Exhaust gas discharge outlet no. 3 of ammonia gas absorption facility	No	Standards in Schedule 2 of the Emission standard of odor pollutants (GB14554-93)
Ammonia gas	18.8225mg/m ³		0.04273	-							
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	33.29mg/L	14.774	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, the Standards and Requirements on Water Intake of Water Treatment Plants of Hunchun City
			Ammonia nitrogen	3.92mg/L	1.769	4.38					
			Total lead	Below detectable limit	0	0.15239					
			Total arsenic	0.132583mg/L	0.004294	0.15239					
			Total mercury	Below detectable limit	0	0.015239					
			Total cadmium	Below detectable limit	0	0.030478					
		Exhaust gas	Particulates	12.515mg/m ³	37.933	160.01	Organised discharge after meeting regulatory standards	2	Through exhaust gas discharge outlets of 60m – and 120m-chimneys respectively	No	Emission standard of pollutants for copper, nickel, cobalt industry (GB25467-2010), Integrated emission standard of air pollutants (GB16297-1996)
			Sulphur dioxide	120.18mg/m ³	426.22	570					
			Nitrogen oxides	11.385mg/m ³	33.144	130.44					
			Arsenic and its compounds	0.13mg/m ³	0.527	1.00577					
			Lead and its compounds	0.1655mg/m ³	0.639	1.76011					
			Mercury and its compounds	0.0034mg/m ³	0.01262	0.03018					
		Sulphuric acid mist	12.215mg/m ³	51.0527	-						
Noise	Noise at boundary met the standards of Category III of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)										

Environmental and 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	Total discharge volume for the year (t)	Approved annual discharge volume (t/a)	Way of discharge	Number of discharge outlets	Distribution of discharge outlets	Whether discharge limit was exceeded	Regulatory basis for pollutant discharge
20	Heilongjiang Zijin Copper Co., Ltd.	Wastewater	COD	45.86mg/L	20.47	-	Organised discharge after meeting regulatory standards	1	Brine discharge outlet	No	Emission standard of pollutants for copper, nickel, cobalt industry (GB25467-2010)
			Total dissolved solids	335.23mg/L	149.66	-					
		Exhaust gas	Particulates	0.46mg/m ³	0.93	57.6	Organised discharge after meeting regulatory standards	1	Chimney for environmental smoke and tailing gas from acid manufacturing	No	Emission standard of pollutants for copper, nickel, cobalt industry (GB25467-2010), Integrated emission standard of air pollutants (GB16297-1996)
			Sulphur dioxide	14.54mg/m ³	29.6	513.79					
			Nitrogen oxides	35.13mg/m ³	71.53	92.16					
			Mercury and its compounds	0.00003mg/m ³	0.0000065	0.00001					
			Lead and its compounds	Below detectable limit	0	0.162					
Arsenic and its compounds	0.000020mg/m ³	0.000041	0.05								
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	Industrial Wastewater	-	-	-	-	Not discharged and internally reused	0	N/A	No	-
		Exhaust gas	Sulphur dioxide	21-226mg/m ³	273.03	1390.13	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 for sulphuric acid tailing gas on phase one, exhaust gas discharge outlet for sulphuric acid tailing gas on phase two	No	Emission standard of pollutants for lead and zinc industry (GB25466-2010), Emission standard of air pollutants for thermal power plants (GB13223-2011)
			Particulates	2-41mg/m ³	98.31	338					
			Nitrogen oxides	11-77mg/m ³	282.02	630.4					
			Sulphuric acid mist	9.8-17mg/m ³	11.2828	-					
			Mercury and its compounds	0.0000874-0.000863mg/m ³	0.00158	0.077					
		Lead and its compounds	0.03mg/m ³	0.0613	0.6926						
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.	Industrial Wastewater	-	-	-	-	Not discharged and internally reused	0	N/A	No	-
		Exhaust gas	Particulates	3.24mg/m ³	0.5	2.772	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)
			Sulphur dioxide	2mg/m ³	0.18	14.005					
			Nitrogen oxides	79mg/m ³	16.7	27.878					
Noise	Noise at boundary met the standards of Category II of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)										
23	Kuitun Tongguan Metallurgical and Chemical Industry Co., Ltd.	Production suspended									

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.

Environmental and Social Responsibilities *(continued)*

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Appendix 2

Implementation of environmental impact assessment and “three simultaneous” regulation in 2021

Number	Name of entity	Name of construction project	Approval status of environmental impact assessment report			Status of completion and environmental protection acceptance check	Key pollutant discharge unit
			Approval authority	Time of approval	Approval document number		
1	Zijinshan Gold and Copper Mine	Environmental impact assessment report of Yutiankeng tailings storage	Longyan City Environmental Protection Bureau	3 June 2021	Long Huan Shen [2021] No. 155	Under construction	Yes
2	Xinjiang Habahe Ashele Copper Co., Ltd.	7,000t/d mining project	Department of Ecology and Environment of Xinjiang Autonomous Region	23 December 2021	Xin Huan Shen [2021] No. 214	Under construction	Yes
3	Xinjiang Zijin Zinc Co., Ltd.	Technological upgrade project of comprehensive recycling and utilisation low-grade waste rock of the Wulagen Zinc Mine	Department of Ecology and Environment of Xinjiang Uygur Autonomous Region	24 June 2021	Xin Huan Shen [2021] No. 95	Under construction	Yes
4		Environmental impact assessment report of 25,000t/d mining project of the Wulagen Zinc Mine	Department of Ecology and Environment of Xinjiang Uygur Autonomous Region	3 November 2021	Xin Huan Shen [2021] No. 180	Under construction	
5		Technological upgrade and processing project of newly-added 15,000t/d low-grade ores and waste rock comprehensive utilisation of the Wulagen Zinc Mine	Department of Ecology and Environment of Xinjiang Uygur Autonomous Region	24 April 2019	Xin Huan Huan Ping Han [2019] No. 498	Self-acceptance check completed in April 2021	
6		Zijin Zinc gas station (new construction) project	Kizilsu Kyrgyz Autonomous Prefecture Environmental Protection Bureau	25 November 2018	Ke Huan Ping Han [2018] No. 87	Self-acceptance check completed in November 2021	
7	Guizhou Zijin Mining Co., Ltd.	“Three-in-one” comprehensive utilisation of underground waste rock construction project in the Bojitian Gold Mine No. 1	Qianxinan Prefecture Ecology and Environment Bureau	1 November 2021	Zhou Huan He [2021] No. 296	Under construction	Yes
8		“Three-in-one” 1,000t/d gold ore pressurised pre-oxidation technological upgrade project	Department of Ecology and Environment of Guizhou Province	15 January 2021	Qian Huan Shen [2021] No. 15	Under construction	
9		8,000m ³ /d wastewater treatment system construction project	Qianxinan Prefecture Ecology and Environment Bureau	4 June 2021	Zhou Huan He [2021] No. 157	Under construction	
10		Change of environmental impact assessment for the Shuiyindong Gold Mine	Department of Ecology and Environment of Guizhou Province	19 December 2018	Qian Huan Shen [2018] No. 158	Self-acceptance check completed in August 2021	
11		Bojitian Gold Mine No. 1	Department of Ecology and Environment of Guizhou Province	20 August 2018	Qian Huan Shen [2018] No. 98	Self-acceptance check completed in August 2021	
12		“Three-in-one” expansion project of the processing system of the Shuiyindong Gold Mine	Department of Ecology and Environment of Guizhou Province	26 August 2020	Qian Huan Shen [2020] No. 91	Self-acceptance check completed in January 2021	
13	Shanxi Zijin Mining Co., Ltd.	Upgrade and expansion project of processing system of intellectual mine	Xinzhou City Ecology and Environment Bureau Fanshi Branch	7 December 2021	Fan Huan Shen Pi Han [2021] No. 31	Under construction	Yes
14		Upgrade and expansion project of mining system of intellectual mine	Xinzhou City Administrative Approval Service Administration Bureau	6 July 2021	Xin Shen Guan Sheng Tai Han [2021] No. 105	Under construction	
15	Jilin Zijin Copper Co., Ltd.	Precious metal recovery from discarded printed circuit boards project	Department of Ecology and Environment in Jilin Province	6 May 2021	Ji Huan Shen Zi [2021] No. 37	Under construction	Yes
16		Warehouse No. 4 project	Yanbian Prefecture Ecology and Environment Bureau Hunchun City Branch	18 October 2021	Yan Zhou Huan Shen (Biao) Zi [2021] No. HC026	Under construction	

Environmental and Social Responsibilities *(continued)*

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Number	Name of entity	Name of construction project	Approval status of environmental impact assessment report			Status of completion and environmental protection acceptance check	Key pollutant discharge unit
			Approval authority	Time of approval	Approval document number		
17	Heilongjiang Zijin Copper Co., Ltd.	Comprehensive recovery plant project for copper refining resources	Qiqihar City Ecology and Environment Bureau	3 November 2021	Qi Huan Hang Shen [2021] No. 117	Under construction	Yes
18		The new construction project of the special Harbin Railway line passing Heilongjiang Zijin Copper (general cargo)	Qiqihar City Ecology and Environment Bureau	9 July 2020	Qi Huan Hang Shen [2020] No. 92	Self-acceptance check completed in September 2021	
19	Bayannur Zijin Non-ferrous Metals Co., Ltd.	Annual production of 50,000 tonnes of hot-dip galvanised alloy project	Bayannur City Ecology and Environment Bureau Urad Rear Banner Branch	9 December 2021	Wu Hou Huan Shen Biao [2021] No. 12	Under construction	Yes
20	Fujian Zijin Copper Co., Ltd.	High-performance copper alloy strip and foil technological upgrade project	Longyan City Ecology and Environment Bureau	7 April 2021	Long Huan Shen [2021] No. 83	Under construction	No
21		High-performance copper alloy hot-rolled strip and foil expansion project	Longyan City Ecology and Environment Bureau	8 May 2021	Long Huan Shen [2021] No. 121	Under construction	
22	Xinjiang Jinbao Mining Co., Ltd.	Row ore rubber belt conveying project at the processing plant No. 1	Altay Region Ecology and Environment Bureau	7 May 2021	A Di Huan Shen [2021] No. 15	Under construction	No
23		Technological upgrade project of improving comprehensive utilisation of iron resource (high-pressure roller mill application)	Department of Ecology and Environment of Xinjiang Uygur Autonomous Region	18 August 2021	Xin Huan Shen [2021] No. 139	Under construction	
24		Environmental impact post-assessment	Department of Ecology and Environment of Xinjiang Uygur Autonomous Region	26 September 2021	Xin Huan Huan Ping Han [2021] No. 874	Under construction	
25		Technological upgrade and expansion project of sewage treatment station	Altay Regional Ecology and Environment Bureau	18 November 2019	A Di Huan Han [2019] No. 192	Self-acceptance check completed in October 2021	
26	Tibet Julong Copper Co., Ltd.	Mining and processing technological upgrade and expansion project of the Zhibula Copper and Polymetallic Mine in Maizhokunggar County (processing project)	Department of Ecology and Environment of Tibet Autonomous Region	8 November 2016	Zang Huan Shen [2016] No. 95	Self-acceptance check completed in February 2021	Yes
27		Mining and processing technological upgrade and expansion project of the Zhibula Copper and Polymetallic Mine in Maizhokunggar County (mining project)	Department of Ecology and Environment of Tibet Autonomous Region	7 November 2016	Zang Huan Shen [2016] No. 94	Self-acceptance check completed in February 2021	
28	Heilongjiang Duobaoshan Copper Industry Inc.	Environmental impact assessment report for the Duobaoshan Copper (Molybdenum) Mine Phase 2 expansion project	Department of Ecology and Environment of Heilongjiang Province	21 July 2017	Hei Huan Shen [2017] No. 33	Self-acceptance check completed in October 2021	Yes
29	Yuan yang Huaxi Gold Co., Ltd.	Laojinshan Gold Mine exploration project in Yuan yang County, Yunnan Province	Honghe Prefecture Environmental Protection Bureau	1 November 2017	Hong Huan Shen [2017] No. 89	Self-acceptance check completed in June 2021	Yes
30		Daping Gold Mine exploration project in Yuan yang County, Yunnan Province	Yuan yang County Environmental Protection Bureau	26 December 2017	Yuan Huan Fa [2017] No.100	Self-acceptance check completed in June 2021	
31		Gold mine exploration project in Laozhai area, Yuan yang County, Yunnan Province	Yuan yang County Environmental Protection Bureau	26 December 2017	Yuan Huan Fa [2017] No. 101	Self-acceptance check completed in June 2021	
32		Gold mine exploration project in Baishilaozhai-Banpo area of the Daping Gold Mine, Yuan yang County, Yunnan Province	Yuan yang County Environmental Protection Bureau	26 December 2017	Yuan Huan Fa [2017] No. 102	Self-acceptance check completed in June 2021	

Environmental and Social Responsibilities *(continued)*

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Number	Name of entity	Name of construction project	Approval status of environmental impact assessment report			Status of completion and environmental protection acceptance check	Key pollutant discharge unit
			Approval authority	Time of approval	Approval document number		
33	Hunchun Zijin Mining Co., Ltd.	Laboratory integrated sewage treatment system project	Hunchun City Environmental Protection Bureau	15 October 2018	Hui Huan Jian (Biao) Zi [2018] No. 20	Self-acceptance check completed in October 2021	Yes
34	Longnan Zijin Mining Co., Ltd.	10,000t/d mining and processing project of the Liba Gold Mine in Li County, Gansu Province	Department of Ecology and Environment of Gansu Province	5 December 2019	Gan Huan Ping Fa [2019] No. 30	Self-acceptance check completed in March 2021	No
35	Fujian Jinshan High-abrasive Material Co., Ltd.	Newly added rolling steel ball production line and casting line technological upgrade project (production lines No. 2, 3 and 4)	Longyan City Ecology and Environment Bureau	22 October 2020	Long Huan Shen [2020] No. 450	Self-acceptance check completed in October 2021	No

APPENDIX 3

Information on pollutant discharge of non-key pollutant discharge units in 2021

Number	Name of entity	Type of pollutant	Major and special pollutant	Concentration of discharge	Total discharge volume for the year (t)	Approved annual discharge volume (t/a)	Way of discharge	Number of discharge outlets	Distribution of discharge outlets	Whether discharge limit was exceeded	Regulatory basis for pollutant discharge
1	Xinjiang Jinbao Mining Co., Ltd.	Industrial wastewater	-	-	-	-	Not discharged and internally reused	0	N/A	No	-
		Exhaust gas	Dust	31.36mg/m ³	2.79	9.52	Organised discharge after meeting regulatory standards	2	Exhaust pipe for Jinbao boiler no. 1, exhaust pipe for Jinbao boiler no. 2	No	Emission standard of air pollutants for boiler (GB13271-2014)
			Sulphur dioxide	137.78mg/m ³	10.4	38.08					
			Nitrogen oxides	250.69mg/m ³	22.43	47.6					
Noise	Noise at boundary met the standards of Category III of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)										
2	Yuanyang Huaxi Gold Co., Ltd.	Mineral processing 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	26-49mg/L	3.3477	7.121	Organised discharge after meeting regulatory standards	1	Wastewater treatment station	No	Class 3 standards in Schedule 4 of the Integrated wastewater discharge standard (GB8978-1996)
			Ammonia nitrogen	2.22-6.26mg/L	0.448	1.068					
			Total zinc	0.009-0.0239mg/L	0.00137	0.0504					
			Total copper	0.04-0.543mg/L	0.016	0.0252					
			Total nickel	0.004mg/L	0.00052	0.126					
		Exhaust gas	Particulates	2.2-4.2mg/m ³	2.3668	6.43	Organised discharge after meeting regulatory standards	13	The discharge outlets of copper pipe plant and plate strip plant	No	The upper limit in Schedule 2 of the Integrated emission standard of air pollutants (GB16297-1996)
			Sulphur dioxide	63mg/m ³	0.663	0.81					
			Nitrogen oxides	65mg/m ³	1.0245	7.5795					
			Non-methane hydrocarbons	1.28-2.55mg/m ³	2.738	-					
		Noise	Noise at boundary met the standards of Category III of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)								

Environmental and Social Responsibilities *(continued)*

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Number	Name of entity	Type of pollutant	Major and special pollutant	Concentration of discharge	Total discharge volume for the year (t)	Approved annual discharge volume (t/a)	Way of discharge	Number of discharge outlets	Distribution of discharge outlets	Whether discharge limit was exceeded	Regulatory basis for pollutant discharge
4	Fujian Zijin Mineral Processing Chemicals Co., Ltd.	Wastewater	COD	58mg/L	1.607	2.193	Organised discharge after meeting regulatory standards	1	Within the plant	No	Class 3 standards in Schedule 4 of the Integrated wastewater discharge standard (GB8978-1996)
			Ammonia nitrogen	18mg/L	0.079	0.292					
		Exhaust gas	Formaldehyde	0.283mg/m ³	0.012	-	Organised discharge after meeting regulatory standards	1	Exhaust pipe No. 1	No	Emission standard of volatile organic compounds for industrial enterprises (DB35/1782-2018)
			Methanol	15mg/m ³	0.158	-					
			Methylbenzene	1.96mg/m ³	0.015	-					
	Hydrogen chloride	0.9mg/m ³	0.07	-	Organised discharge after meeting regulatory standards	1	Exhaust pipe No. 2	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 III of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)									
5	Fujian Jinshan High-abrasive Material Co., Ltd.	Exhaust gas	Particulates	64.78mg/m ³	1.09	-	Organised discharge after meeting regulatory standards	4	Sand cleaning exhaust gas outlet, sand treatment (sand mixing) exhaust gas outlet, outlet for exhaust gas from dissolving and spheroidising exhaust gas outlet	No	Class 2 standards in Schedule 2 of the Integrated emission standard of air pollutants (GB16297-1996), 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 Materials Co., Ltd.	Wastewater	Total cyanide	0.004mg/L	0.001	-	Organised discharge after meeting regulatory standards	1	Master discharge outlet of wastewater	No	Emission standards of pollutants for inorganic chemical industry (GB31573-2015)
			COD	0.025mg/L	0.022	-					
			Ammonia nitrogen	4mg/L	0.005	-					
		Exhaust gas	Nitrogen oxides	4.25mg/m ³	0.014	2.88	Organised discharge after meeting regulatory standards	1	Acidic gas discharge outlet for argentic salt production line	No	
			Hydrogen cyanide	0.2mg/m ³	0.012	-	Organised discharge after meeting regulatory standards	1	Exhaust gas discharge outlet for auric and argentic salt production line	No	
Ammonia gas	15mg/m ³	0.89	-								
	Noise	Noise at boundary met the standards of Category III of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)									
7	Luoyang Zijin Yinhui Gold Refinery Co., Ltd.	Industrial wastewater	-	-	-	-	Not discharged and internally reused	0	N/A	No	No
		Exhaust gas	Hydrogen chloride	11.157mg/m ³	0.1319	-	Organised discharge after meeting regulatory standards	1	Discharge outlet of purification section	No	Class 2 standards in Schedule 2 of the Integrated emission standard of air pollutants (GB16297-1996)
			Chlorine gas	2.377mg/m ³	0.0212	-					
			Nitrogen oxides	23.25mg/m ³	0.3698	-					
			Particulates	2.075mg/m ³	0.0212	-	Organised discharge after meeting regulatory standards	1	Discharge outlet of smelting section	No	Henan Province regional industrial furnace kiln air pollutant emission standards (DB41-1066-2015)
	Noise	Noise at boundary met the standards of Category II of the Emission standard for industrial enterprises noise at boundary (GB12348-2008)									

Environmental and Social Responsibilities *(continued)*

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Number	Name of entity	Type of pollutant	Major and special pollutant	Concentration of discharge	Total discharge volume for the year (t)	Approved annual discharge volume (t/a)	Way of discharge	Number of discharge outlets	Distribution of discharge outlets	Whether discharge limit was exceeded	Regulatory basis for pollutant discharge
8	Xinjiang Zijin Non-ferrous Metals Co., Ltd.	Industrial wastewater	-	-	-	-	Not discharged and internally reused	0	N/A	No	No
		Exhaust gas	Sulphur dioxide	239.66mg/m ³	165.67	212.17	Organised discharge after meeting regulatory standards	1	Post-desulphurisation tailing gas discharge outlet	No	Emission standard of pollutants for lead and zinc industry (GB25466-2010), Integrated emission standard of air pollutants (GB16297-1996)
			Nitrogen oxides	17.64mg/m ³	45.73	130.65					
			Particulates	14.67mg/m ³	51.485	90.16					
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.

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.

In the year ended 31 December 2021, the Company's corporate governance practices are based on the principles and code provisions set out in Appendix 14 Corporate Governance Code and Corporate Governance Report to the Listing Rules effective in 2021 (version up to 31 December 2021) (the "CG Code").

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 considered 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 had not made any relevant insurance arrangement before July 2021. Notwithstanding the aforesaid, to further enhance corporate governance, the Company had completed arrangement for the relevant insurance cover in July 2021. As required by provision F.1.3 of the CG Code, an issuer's company secretary should report to the board chairman and/or the chief executive. The Board considers that the company secretary in Hong Kong reporting to the secretary to the Board is more suitable to meet the management needs of the Group and it enables a unified management of all listing-related matters in Hong Kong and Mainland China. As required by provision A.6.7 of the CG Code, generally independent non-executive directors should attend general meetings. Mr. Mao Jingwen, an independent non-executive Director, was unable to attend the Company's 2020 annual general meeting on 28 May 2021 due to his other work appointment.

Save as disclosed above, the Board confirmed that for the year ended 31 December 2021, 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 THE DIRECTORS AND THE 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 2021.

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 2021, 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.

Corporate Governance Report *(continued)*

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

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.

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.

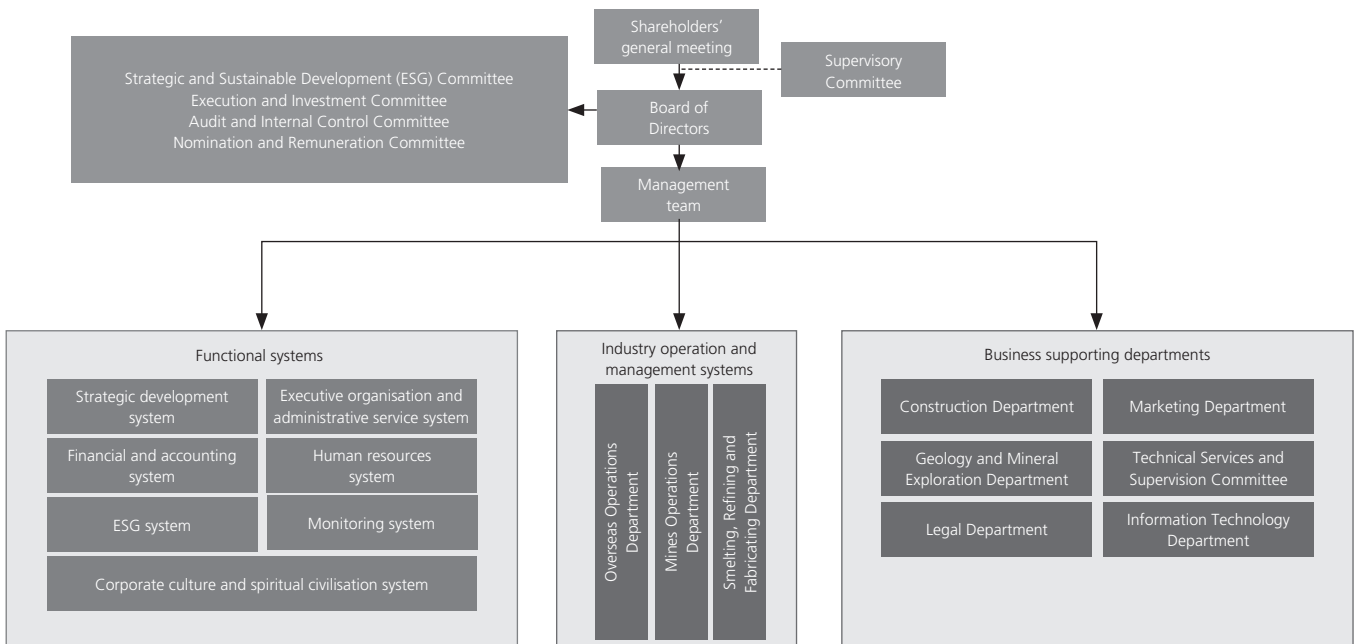
EXPLANATIONS ON THE RELEVANT MATTERS OF CORPORATE GOVERNANCE

During the reporting period, the Company strictly followed the requirements of the Companies 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 continuously improved its corporate governance structure by promoting all governance bodies to discharge their duties in accordance with the articles of association and exercise their powers in accordance with the rules. This governance model, which is in line with international standards while carrying Zijin characteristics, and which is equipped with the normative nature of state-owned enterprises while maintaining the vitality of the market, was further enhanced.

Corporate Governance Report *(continued)*

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

Organisational and management structure chart of the Company



Shareholders' general meeting

The shareholders' general meeting is the highest authority of the Company. The Company convenes and holds the shareholders' general meetings strictly in compliance with the stipulations and requirements of the articles of association of the Company and the Rules Governing the Procedures of the Shareholders' General Meeting of the Company, so that all of the Company's shareholders, especially the minority shareholders, could enjoy equal rights and fully exercise their voting rights. The Company operates under a separation of ownership and management. The Company and the substantial shareholder are completely independent and separated in terms of assets, personnel, finance, institution and operation. The substantial shareholder does not intervene in the daily operation of the Company. The substantial shareholder of the Company strictly complies with the undertakings 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.

The Board

The operation of the Board is professional and efficient. 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 attend the shareholders' general meetings and Board meetings in a timely manner, discharge their duties conscientiously, faithfully and diligently, and actively participate 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.

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.

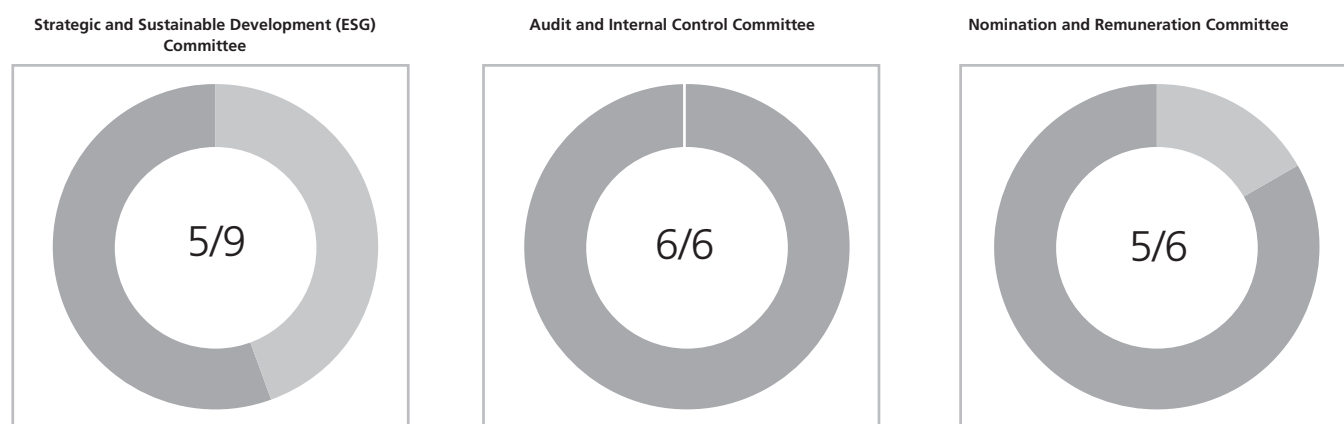
Corporate Governance Report *(continued)*

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

Independence

The Board comprises thirteen members, including six executive Directors, one non-executive Director and six independent non-executive Directors. Directors can fully combine their professions and expertise to put forward opinions and suggestions on major issues such as the Company's development strategy, normative operation, management and operation, risk and internal control and other matters at the shareholders' general meetings, the Board meetings and meetings of the specialised committees under the Board. This is conducive to the formation of checks and balances within the Board, and improved the scientific and professional level of decision-making.

All committee members of the Execution and Investment Committee, which is a standing execution and investment organisation authorised by the Board, are executive Directors. Apart from that, members of the other three specialised committees under the Board are entirely or mostly non-executive Director and independent non-executive Directors. During the reporting period, the Company revised the "Implementation Policy for the Audit and Internal Control Committee of the Board of Directors" in order to further improve the quality and efficiency of audit and internal control.



Proportion: (number of non-executive Director + number of independent non-executive Directors)/total number of Directors

Diversity

The Board members are veterans with professional backgrounds in mining development, macro-politics, strategic research, accounting and finance, legal and compliance, investment and mergers and acquisitions, industrial management and sustainable development. Among which, 1 member is a certified public accountant, 1 member is a barrister in Hong Kong and 1 member is an academician of the Chinese Academy of Engineering. The composition of professions of the Board members is reasonable. The Board members possess the necessary knowledge, skills and competence to discharge their duties. At present, there is 1 female Director, representing 7.7% of the Board.

Supervisory Committee

The Supervisory Committee is a supervisory body of the Company. It comprises five members, including two Supervisors representing workers and staff. The number and composition of the Supervisory Committee members 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 convenes Supervisory Committee meetings, conscientiously discharges their duties so as to be responsible to shareholders, supervises and inspects 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 its shareholders. Under the Supervisory Committee, there is a Supervision and Audit Office which is specifically responsible for supervising the legal compliance in the Company's day-to-day operation and regulating financial operations, etc. The Company has developed a "five-in-one" supervisory mechanism with Zijin characteristics to strengthen anti-corruption work and the establishment of a responsible supply chain. The overall results are significant.

Corporate Governance Report *(continued)*

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

Information disclosure and investor relations

The Company strictly follows the listing rules of the PRC and Hong Kong, fulfills the information disclosure obligations in accordance with laws and strictly complies with the principles of “fairness, impartiality, openness”, to ensure that the information disclosed in the Company’s periodic reports and announcements is true, accurate, timely, complete, concise, clear, and easy to understand. The Company actively benchmarks against other global leading mining companies to continuously improve the level of information disclosure and fulfill information disclosure obligations with high standards. During the year, the Company published 147 announcements for A Share market and 161 announcements for H Share market. The annual report and ESG report were well received by the capital market and investors.

The secretary to the Board and the Board Office (Securities Department) are responsible for information disclosure and investor relations management of the Company. On the basis of maintaining the continuity and consistency of information disclosure, the Company adheres to the needs of investors, increases the voluntary disclosure of information, streamlines and coordinates business announcements, in order to continuously improve the quality of information disclosure. The Company has issued social responsibility reports for 13 consecutive years. The Company implements a system that assigns designated personnel to be responsible for ESG disclosure and has added the requirements of special chapters on ESG disclosure to relevant systems. The Company responds to the concerns on climate change, water resources conservation, biodiversity, community and human rights protection, employees’ health and safety, anti-corruption and supply chain management at the earliest opportunity.

During the reporting period, the Company revised the “Information Disclosure Management Policy of the Company”, “Management Policy for Investor Relations of the Company” and “Information Disclosure Management Policy of Debt Financing Instruments” to further improve the legality and compliance of management. Meanwhile, the Company enhanced the “Management Policy for Insider Information and Insiders” to strengthen insider management. Registrations and filings of insider information were carried out properly based on the progress and development of the relevant significant events and confidential matters. There was no unusual volatility of the Company’s stock price resulting from leakage of insider information. The Company’s principle of fair disclosure of information was upheld, and the legitimate interests of the Company’s shareholders were effectively protected.

The Company attaches great importance to investor relations. A digitalised management platform for investors is established to address investors’ concerns and fully communicate with investors. The Company also organises and holds activities that help investors to learn more about the Company. The first results briefing of the Company held at the SSE roadshow center was selected as the best practice case for the 2020 annual report briefing of listed companies.

Corporate Governance Report *(continued)*

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

DETAILS OF THE SHAREHOLDERS' GENERAL MEETINGS

Session of meeting	Convening date	Index of the designated website publishing the resolutions	Date of publishing the resolutions	Resolutions of the meetings
The third H Shareholders' class meeting in 2020	11 January 2021	www. hkexnews.hk	11 January 2021	For details, please refer to the Resolutions Passed at the Third H Shareholders' Class Meeting in 2020 of the Company disclosed on the HKEXnews website (http://www.hkexnews.hk) dated 11 January 2021
2020 annual general meeting	28 May 2021	www. hkexnews.hk	28 May 2021	For details, please refer to the Resolutions Passed at the 2020 Annual General Meeting of the Company disclosed on the HKEXnews website (http://www.hkexnews.hk) dated 28 May 2021

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

The Board convened 17 plenary Board meetings and 2 shareholders' general meetings for the year ended 31 December 2021. The attendance of the Directors at the meetings is as follows:

Name of Director	Independent Director	Attendance of Board meetings						Attendance of shareholders' general meetings
		Number of Board meetings ought to be attended this year	Attended in person	Attended via telecommunication	Attended by proxy	Absent	Not attending in person for 2 consecutive meetings	
Chen Jinghe	No	17	9	8	0	0	No	2
Lan Fusheng	No	17	8	8	1	0	No	2
Zou Laichang	No	17	8	8	1	0	No	2
Lin Hongfu	No	17	9	8	0	0	No	2
Lin Hongying	No	17	9	8	0	0	No	2
Xie Xionghui	No	17	9	8	0	0	No	2
Li Jian	No	17	8	8	1	0	No	2
Zhu Guang	Yes	17	9	8	0	0	No	2
Mao Jingwen	Yes	17	6	8	3	0	No	2
Li Changqing	Yes	17	6	8	3	0	No	2
He Fulong	Yes	17	9	8	0	0	No	2
Suen Man Tak	Yes	17	9	8	0	0	No	2
Bo Shao Chuan	Yes	17	9	8	0	0	No	2

Corporate Governance Report *(continued)*

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

Number of Board meetings held in 2021	17
In which, number of physical meetings	9
number of meetings via telecommunication	8
number of physical meetings combined with telecommunication	0

Convention of Board meetings during the reporting period

Session of the meeting	Convention date	Resolutions of the meeting
The first extraordinary meeting of the seventh term of the Board in 2021	13 January 2021	For details, please refer to the Company's announcement disclosed on HKEXnews website (http://www.hkexnews.hk)
The second extraordinary meeting of the seventh term of the Board in 2021	29 January 2021	For details, please refer to the Company's announcement disclosed on HKEXnews website (http://www.hkexnews.hk)
The sixth meeting of the seventh term of the Board	19 March 2021	For details, please refer to the Company's announcement disclosed on HKEXnews website (http://www.hkexnews.hk)
The seventh meeting of the seventh term of the Board	16 April 2021	For details, please refer to the Company's announcement disclosed on HKEXnews website (http://www.hkexnews.hk)
The third extraordinary meeting of the seventh term of the Board in 2021	28 May 2021	For details, please refer to the Company's announcement disclosed on HKEXnews website (http://www.hkexnews.hk)
The fourth extraordinary meeting of the seventh term of the Board in 2021	14 June 2021	The resolutions of the Board meeting did not need to be disclosed under the requirements. The Company completed the filing at the Shanghai Stock Exchange.
The fifth extraordinary meeting of the seventh term of the Board in 2021	9 July 2021	The resolutions of the Board meeting did not need to be disclosed under the requirements. The Company completed the filing at the Shanghai Stock Exchange.
The sixth extraordinary meeting of the seventh term of the Board in 2021	25 July 2021	The resolutions of the Board meeting did not need to be disclosed under the requirements. The Company completed the filing at the Shanghai Stock Exchange.
The eighth meeting of the seventh term of the Board	30 July 2021	For details, please refer to the Company's announcement disclosed on HKEXnews website (http://www.hkexnews.hk)
The seventh extraordinary meeting of the seventh term of the Board in 2021	2 September 2021	The resolutions of the Board meeting did not need to be disclosed under the requirements. The Company completed the filing at the Shanghai Stock Exchange.
The eighth extraordinary meeting of the seventh term of the Board in 2021	13 September 2021	The resolutions of the Board meeting did not need to be disclosed under the requirements. The Company completed the filing at the Shanghai Stock Exchange.
The ninth extraordinary meeting of the seventh term of the Board	24 September 2021	The resolutions of the Board meeting did not need to be disclosed under the requirements. The Company completed the filing at the Shanghai Stock Exchange.
The tenth extraordinary meeting of the seventh term of the Board in 2021	8 October 2021	The resolutions of the Board meeting did not need to be disclosed under the requirements. The Company completed the filing at the Shanghai Stock Exchange.

Corporate Governance Report *(continued)*

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

Session of the meeting	Convention date	Resolutions of the meeting
The ninth meeting of the seventh term of the Board	15 October 2021	For details, please refer to the Company's announcement disclosed on HKEXnews website (http://www.hkexnews.hk)
The eleventh extraordinary meeting of the seventh term of the Board in 2021	15 November 2021	For details, please refer to the Company's announcement disclosed on HKEXnews website (http://www.hkexnews.hk)
The twelfth extraordinary meeting of the seventh term of the Board in 2021	22 November 2021	For details, please refer to the Company's announcement disclosed on HKEXnews website (http://www.hkexnews.hk)
The thirteen extraordinary meeting of the seventh term of the Board in 2021	17 December 2021	The resolutions of the Board meeting did not need to be disclosed under the requirements. The Company completed the filing at the Shanghai Stock Exchange.

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.

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 2021, all the Directors including Mr. Chen Jinghe, Mr. Lan Fusheng, Mr. Zou Laichang, Mr. Lin Hongfu, Ms. Lin Hongying, Mr. Xie Xionghui, Mr. Li Jian, Mr. Zhu Guang, Mr. Mao Jingwen, Mr. Li Changqing, Mr. He Fulong, Mr. Suen Man Tak and Mr. Bo Shao Chuan 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, namely 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 available on the website of the Company.

Corporate Governance Report *(continued)*

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

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 the 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.

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 2020 annual performance assessment of the Directors, Supervisors and senior management.

In the second half of 2021, the Nomination and Remuneration Committee has taken the lead for organising the 2021 annual performance assessment of the Directors, Supervisors and senior management of the Company.

Corporate Governance Report *(continued)*

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

THE ATTENDANCE OF NOMINATION AND REMUNERATION COMMITTEE MEETINGS

Name of Director	Number of committee meetings	Attended	Absent
Zhu Guang <i>(Chief Officer)</i>	1	1	0
He Fulong <i>(Deputy Officer)</i>	1	1	0
Mao Jingwen	1	1	0
Suen Man Tak	1	1	0
Chen Jinghe <i>(Chairman)</i>	1	1	0
Li Jian	1	1	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, the committee members evaluated and proposed suggestions on the remuneration plan and the reward and penalty plan in the meeting. The proposal was made with reference to the performance each Director, 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, respectively. 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 were 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 2021, the details of the remuneration payable to members of senior management by band are as follows:

RMB3,000,001 – RMB4,000,000	6
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Details of the remuneration of the Directors and Supervisors of the Company are set out in Note XIV.3 to the financial statements.

In the year 2021, there was no arrangement under which a Director or a Supervisor waived or agreed to waive any emoluments.

Corporate Governance Report *(continued)*

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AUDITOR'S REMUNERATION

For the year ended 31 December 2021, the audit fee charged by the auditor of the Company was RMB12,200,000. RMB280,000 was also charged by the Company's auditor for providing professional services relating to the Company's public issuance of convertible corporate bonds. In addition, members of the auditor's network provided consultation services to the Company. Details of the charges are as follows: HKD344,394 for providing taxation services to the Group's subsidiaries incorporated in Hong Kong, RMB1,703,783 for providing tax consultation to the Group's overseas subsidiaries, and RMB720,000 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, namely Mr. Zhu Guang, Mr. Li Changqing, Mr. He Fulong, Mr. Suen Man Tak and Mr. Bo Shao Chuan, and non-executive Director, Mr. Li Jian. 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	Attended	Absent
Li Changqing (<i>Chief Officer</i>)	7	7	0
He Fulong (<i>Deputy Officer</i>)	7	7	0
Zhu Guang	7	7	0
Suen Man Tak	7	7	0
Bo Shao Chuan	7	7	0
Li Jian	7	7	0
Zou Laichang (<i>President</i>) (<i>Resigned as a committee member on 16 April 2021</i>)	3	3	0
Lin Hongying (<i>Resigned as a committee member on 16 April 2021</i>)	3	3	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 available 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)*

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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 2021, 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 2020, and also submitted its concluding opinions on relevant connected transactions and the audit to the Board.

In the meeting held in April 2021, the committee reviewed the first quarterly report of the Group for the year 2021 and submitted its concluding opinion on the audit to the Board.

In the meeting held in August 2021, the committee reviewed the interim report for the year 2021 and connected transactions of the Group, and reviewed the effectiveness of the Group's risk management and internal control systems and submitted its concluding opinions on the audit to the Board.

In the meeting held in October 2021, the committee reviewed the third quarterly report of the Group for the year 2021 and submitted its concluding opinions 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 2021, 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 2022, at which it considered and approved the 2021 annual report of the Company and considered that: there is no material omission in the 2021 annual financial report issued by Ernst & Young Hua Ming LLP, it fairly presented the financial position of the Company as at 31 December 2021 and the production and operating results of 2021 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 MEETINGS

Name of Director	Number of committee meetings		
	Attended	Absent	
Chen Jinghe <i>(Chairman) (Chief Officer)</i>	2	2	0
Lan Fusheng <i>(Vice-chairman) (Deputy Officer)</i>	2	2	0
Zou Laichang <i>(President)</i>	2	2	0
Xie Xionghui	2	2	0
Li Jian	2	2	0
Zhu Guang	2	2	0
Mao Jingwen	2	2	0
He Fulong	2	2	0
Bo Shao Chuan	2	2	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>	24	24	0
Zou Laichang <i>(President) (Deputy Officer)</i>	24	24	0
Lan Fusheng <i>(Vice-chairman)</i>	24	24	0
Lin Hongfu	24	24	0
Lin Hongying	24	24	0
Xie Xionghui	24	24	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 2021 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 meeting held on 28 May 2021, 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 individually 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. The written request shall be delivered to the Securities Department of the Company. 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.

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 venue of the meeting.

In a 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 may, on or before 10 days prior to the holding of a shareholders' general meeting, submit to the convener in writing new proposed resolutions. The Company shall include the matters in the proposed resolutions 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.

Corporate Governance Report *(continued)*

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

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.

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.

INFORMATION ON THE SPECIALISED COMMITTEES OF THE BOARD

The two Strategic and Sustainable Development (ESG) Committee meetings convened during the reporting period

Convention date	Meeting	Significant opinions and suggestions	Other details of discharge of duties
18 January 2021	The second meeting of the Strategic and Sustainable Development (ESG) Committee of the seventh term of the Board	Considered the Company's Outline of Five-Year Plan and Development Goals for Ten Years	
9 July 2021	The third meeting of the Strategic and Sustainable Development (ESG) Committee of the seventh term of the Board	Considered proposal in relation to implementation of strategic development in the new energy and new material industries	

During the reporting period, 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 of the Board considered and approved the Outline of Five-Year (2+3) Plan and Development Goals for 2030, which explicitly proposed raising substantially the Company's global core competitiveness and sustainability for the future ten years, and strived to achieve the overall strategic goal of "becoming a green, high-tech global mining company" by 2030.

The committee formulated the significant strategy that the Company shall enter the fields of new energy and new materials while insisting that mining shall be the major business. The committee required the Company to seize on significant market opportunities and strengthen its early planning to promote the economies of scale and synergy generated from upstream and downstream industries. The Company shall expand the incremental space for its future development by fully promoting the acquisition of strategic new material and new energy mineral resources, building a higher-level ESG governance system, nurturing the self-initiated technology ability, strengthening team building and pushing forward the integration of industry and financing.

Corporate Governance Report *(continued)*

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

The twenty-four Execution and Investment Committee meetings convened during the reporting period

Convention date	Meeting	Significant opinions and suggestions
18 January 2021	The twenty-third meeting of the Execution and Investment Committee of the seventh term of the Board	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 accountable to the Board. During the reporting period, in accordance with the Board's requirements regarding the management on strategies, investment and significant matters, the seventh term of the Execution and Investment Committee conducted review or research and formulated decisions or guiding opinions regarding the Company's important regulation amendments (formulation), external investment, project construction or technological upgrade, disposals of assets, disposals of equity interests or mining permits, 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.
29 January 2021	The twenty-fourth meeting of the Execution and Investment Committee of the seventh term of the Board	
25 February 2021	The twenty-fifth meeting of the Execution and Investment Committee of the seventh term of the Board	
3 March 2021	The twenty-sixth meeting of the Execution and Investment Committee of the seventh term of the Board	
16 March 2021	The twenty-seventh meeting of the Execution and Investment Committee of the seventh term of the Board	
19 March 2021	The twenty-eighth meeting of the Execution and Investment Committee of the seventh term of the Board	
16 April 2021	The twenty-ninth meeting of the Execution and Investment Committee of the seventh term of the Board	
29 April 2021	The thirtieth meeting of the Execution and Investment Committee of the seventh term of the Board	
15 May 2021	The thirty-first meeting of the Execution and Investment Committee of the seventh term of the Board	
26 May 2021	The thirty-second meeting of the Execution and Investment Committee of the seventh term of the Board	
30 June 2021	The thirty-third meeting of the Execution and Investment Committee of the seventh term of the Board	
9 July 2021	The thirty-fourth meeting of the Execution and Investment Committee of the seventh term of the Board	
21 July 2021	The thirty-fifth meeting of the Execution and Investment Committee of the seventh term of the Board	
27 July 2021	The thirty-sixth meeting of the Execution and Investment Committee of the seventh term of the Board	
30 July 2021	The thirty-seventh meeting of the Execution and Investment Committee of the seventh term of the Board	
31 August 2021	The thirty-eighth meeting of the Execution and Investment Committee of the seventh term of the Board	
29 September 2021	The thirty-ninth meeting of the Execution and Investment Committee of the seventh term of the Board	
15 October 2021	The fortieth meeting of the Execution and Investment Committee of the seventh term of the Board	
16 November 2021	The forty-first meeting of the Execution and Investment Committee of the seventh term of the Board	
22 November 2021	The forty-second meeting of the Execution and Investment Committee of the seventh term of the Board	
30 November 2021	The forty-third meeting of the Execution and Investment Committee of the seventh term of the Board	
3 December 2021	The forty-fourth meeting of the Execution and Investment Committee of the seventh term of the Board	
24 December 2021	The forty-fifth meeting of the Execution and Investment Committee of the seventh term of the Board	
30 December 2021	The forty-sixth meeting of the Execution and Investment Committee of the seventh term of the Board	

Corporate Governance Report *(continued)*

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The seven Audit and Internal Control Committee meetings convened during the reporting period

Convention date	Meeting	Significant opinions and suggestions
3 March 2021	The second communication meeting for the audit of 2020 annual report	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, communicated with the auditor for the annual audit matters, supervised and evaluated the work of the audit institution, reviewed and provided opinion for the Company's annual report, interim report and quarterly reports; enhanced its knowledge of Company's business by participating in the operation analysis meetings of the subsidiaries and conducting research of the subsidiaries. It also provided guidance on the Company's internal audit, internal control, etc.
17 March 2021	Review meeting for 2020 annual report	
15 April 2021	Review meeting for first quarterly report 2021	
27 May 2021	Risk warning and management suggestion exchange meeting	
29 July 2021	Review meeting for interim report 2021	
13 October 2021	Review meeting for third quarterly report 2021	
15 December 2021	The first communication meeting for the audit of 2021 annual report	

The one Nomination and Remuneration Committee meeting convened during the reporting period

Convention date	Meeting	Significant opinions and suggestions
17 March 2021	The fifth meeting of the seventh term of the Nomination and Remuneration Committee	The Nomination and Remuneration Committee of the Board reviewed the remuneration of the executive Directors, chairman of the Supervisory Committee and senior management of the seventh term of the Company based on the annual operating results for the year 2020, and submitted the proposal to the Board and shareholders' general meeting for approval. The proposal highlighted the requirements on the Company's sustainable development and ESG key performance, and better aroused the enthusiasm and sense of responsibility of the Directors, the Supervisors and senior management.

RISKS IN THE COMPANY DISCOVERED BY THE SUPERVISORY COMMITTEE

During the reporting period, the Supervisory Committee had no disagreement on the supervised matters.

Corporate Governance Report *(continued)*

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

OPERATION, PERSONNEL, ASSETS, ORGANISATIONS, FINANCE, ETC. WHICH THE COMPANY CANNOT ENSURE INDEPENDENCY AND SELF-OPERATING ABILITY FROM THE SUBSTANTIAL SHAREHOLDER

The Company remained independent and complete in terms of operation, personnel, 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 being considered and approved at the first meeting of the seventh term of the Board of the Company and the Proposal in relation to Amendment to the Remuneration and Assessment Proposal of Senior Management of the Seventh Term being considered and 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 for the year, and submitted the proposal to the Board for consideration.

The Company completed the registration of shares under the first grant of the restricted A Share incentive scheme in 2020 on 28 January 2021. The Company's senior management were granted the corresponding numbers of restricted A Shares. Provided that the unlocking conditions have been satisfied, the restricted A Shares granted can be unlocked and sold in batches. For the specific assessment requirements and unlocking arrangement, please refer to the Company's announcements disclosed on HKEXnews website (<http://www.hkexnews.hk>) titled Administrative Measures for Implementation of Appraisal for the Restricted A Share Incentive Scheme for 2020 dated 17 November 2020 and the Restricted A Share Incentive Scheme for 2020 (Revised Draft) of Zijin Mining Group Co., Ltd.* dated 11 December 2020.

Management and control of subsidiaries during the reporting period

As the investor of the subsidiaries, the Company enjoys the rights and bears the duties of a shareholder pursuant to the laws and regulations of the host countries or regions and the articles of association of the subsidiaries. The Company respects and protects the legal entity status of the subsidiaries, exercises the rights of a shareholder pursuant to the laws and regulations, and provides opinions and suggestions by leveraging the Company's strengths. The Company supplies system standards and technical specifications to the subsidiaries by building coordinated and highly-effective public service platforms, provides professional management and effective support to, and resolves the important and key issues of the subsidiaries, but it does not intervene in the will of the subsidiaries as legal entities.

The Company defines different business segments based on the main business, region, etc., while the business departments serve as the operation and management centres of the business segments, stimulating different "small group" of business segments. The Company forms effective bond with their board of directors through corporate governance, business, human resources, etc. The business departments are responsible for the operation and management of, and providing guidance, coordination and services to the segments, and providing professional support and services including planning, mechanism establishment, corporate governance, production and operation, geological resources, accounting, tax and financing, human resources, construction and logistics platform management, ESG management, external coordination, etc.

Self-inspection and rectification under the special actions on corporate governance of listed company

The Company earnestly implemented the spirits of the "Opinions of the State Council on Further Improving the Quality of Listed Companies" (Guo Fa [2020] No. 14) and the Announcement [2020] No. 69 issued by the CSRC. It actively carried out special self-inspection on corporate governance pursuant to the Notice on Launching Special Actions on Corporate Governance of Listed Companies in Fujian issued by the Fujian Securities Regulatory Bureau (Min Zheng Jian Fa [2021] No. 11) on 18 January 2021, carefully sorted out existing problems and summarised corporate governance experience according to the special self-inspection list of listed companies' corporate governance, and completed the special self-inspection work in a timely manner.

During the reporting period, the overall operation of the Company was standardised, the corporate governance was in good condition, and no major problems were found during the self-inspection process. The Company will continue to implement the relevant spirits of further improving the quality of listed companies, continuously improve the level of corporate governance, and further promote high-quality development.

Corporate Governance Report *(continued)*

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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 period, 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 16 April 2021 for the first quarter of year 2021 and on 15 October 2021 for the third quarter of year 2021, 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 professional investors to visit its subsidiaries and mines so that they can understand the Group's existing production status, investment status and business development to enhance their confidence in the Group.

During the year, the Company convened the third H Shareholders' class meeting in 2020 on 11 January 2021 and the 2020 annual general meeting on 28 May 2021. Details are set out in this report.

As at 31 December 2021, the registered capital of the Company was RMB2,547,324,054.6. The share capital of the Company was RMB2,633,011,224, comprising 5,736,940,000 floating H Shares listed on the Hong Kong Stock Exchange, representing approximately 21.79% of the total issued shares; 20,494,681,640 floating A Shares listed on the Shanghai Stock Exchange, representing approximately 77.84% of the total issued shares; and 98,490,600 A Shares subject to trading moratorium, representing approximately 0.37% of the total issued shares. The Company's share capital exceeded its registered capital because certain holders of the Company's A Share convertible corporate bonds have converted their A Share convertible corporate bonds into shares and the Company has issued reserved restricted A Shares, and the Company has not finished the procedure for the modification of industrial and commercial registration. The total floating shares in these two stock exchanges represented approximately 99.63% 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 reviews the risk management and internal control systems at least once a year, and the Company considers that the systems are effective and adequate.

The review of the risk management and internal control systems for the year covered the period from 1 January 2021 to 31 December 2021.

INTERNAL CONTROL

It is the responsibility of the Board to establish a sound and effective internal control system in accordance with 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.

PROCESS USED TO RESOLVE MATERIAL INTERNAL CONTROL DEFECTS

With the assistance of the Audit and Internal Control Committee, the Board continuously supervises the risk management and internal control system of the Company and its subsidiaries. Each business/subsidiary unit of the Group integrates risk management and internal control system into the daily operation process. The management of the Group's companies report the implementation of the system to the Board at least once every six months. The management establishes a risk management framework for risk management and internal control, carries out risk identification and assessment actions, and conducts responsive actions on major risks. The Company carries out analysis in terms of strategic, operation, finance, technology, compliance and other aspects and responds accordingly.

Corporate Governance Report *(continued)*

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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 was 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.

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:

The Company's headquarters and 47 subsidiaries including Serbia Zijin Mining, Serbia Zijin Copper, COMMUS in the DR Congo, Zeravshan in Tajikistan, Longxing in Russia, Altynten in Kyrgyzstan, Norton in Australia, the Zijinshan Gold and Copper Mine, Ashele Copper, Duobaoshan Copper Industry, Julong Copper in Tibet, 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 Zijin Capital. During the year 2021, the Company's headquarters and 27 major subsidiaries were covered by the internal control assessment conducted by the Supervisory and Audit Office of the Group; the Supervisory and Audit Office supervised and guided 47 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, refining and processing, construction, trade, finance, etc.; by processes, 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 put emphasis on conducting daily internal control supervision, special internal control testing and evaluation or internal control research on project construction, procurement of materials, operation compliance of overseas enterprises, sales of products, inventory management, financing activities, hedging, etc.

High-risk areas which were paid special attention to include but not limited to:

High-risk areas which were paid special attention to mainly included: overseas compliance, accounting for project conclusion, supplier management, capital, futures and hedging, 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 (2022) 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 2021, 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 2021, 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 (2022) 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 2021, the fixed assets, construction in progress, intangible assets and goodwill of Zijin Mining amounted to RMB55,597,154,905, RMB18,548,053,400, RMB47,531,349,824 and RMB314,149,588, respectively, the proportion of total assets was 58.48%, 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 groups or sets of asset groups. The calculation of the recoverable amount of such assets require management's significant estimates on the mineral reserves, production plans, sales prices, operating costs, taxes, 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 59 to the financial statements for the accounting policies, significant accounting judgements 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 reasonableness of the key assumptions used in the discounted cash flow projection models (mainly including the mineral reserves, production plans, operating costs and taxes, 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 (2022) 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.

Auditor's Report *(continued)*

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Ernst & Young Hua Ming (2022) 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)*

- 3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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: Liao Wenjia
(Engagement Partner)

Beijing, the People's Republic of China

Chinese Certified Public Accountant: Hu Die

18 March 2022

Consolidated Statement of Financial Position

As at 31 December 2021

RMB

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

ASSETS	Note V	31 December 2021	31 December 2020
CURRENT ASSETS			
Cash and cash equivalents	1	14,221,780,252	11,955,339,296
Held for trading financial assets	2	2,935,224,582	1,930,142,166
<i>Including: Derivative financial assets</i>		152,644,244	346,548,180
Trade receivables	3	2,445,223,101	1,141,449,611
Receivables financing	4	1,958,255,180	1,584,054,139
Prepayments	5	1,782,420,666	1,410,054,078
Other receivables	6	1,385,716,898	1,195,047,565
Inventories	7	19,308,800,678	18,064,160,420
Current portion of non-current assets	8	8,923,967	40,255,087
Other current assets	9	3,017,948,117	1,941,901,571
Total current assets		47,064,293,441	39,262,403,933
NON-CURRENT ASSETS			
Debt investments	10	468,136,162	255,811,321
Long-term equity investments	11	9,628,231,895	7,099,654,913
Other equity instrument investments	12	9,415,646,061	6,482,326,358
Other non-current financial assets	13	62,500,000	37,500,000
Investment properties	14	117,472,940	124,070,873
Fixed assets	15	55,597,154,905	48,545,670,954
Construction in progress	16	18,548,053,400	15,236,029,582
Right-of-use assets	17	217,034,588	238,255,309
Intangible assets	18	47,531,349,824	46,760,243,982
Goodwill	19	314,149,588	314,149,588
Long-term deferred assets	20	1,724,516,259	1,301,906,634
Deferred tax assets	21	1,325,642,796	1,182,983,944
Other non-current assets	22	16,580,496,264	15,472,243,012
Total non-current assets		161,530,384,682	143,050,846,470
TOTAL ASSETS		208,594,678,123	182,313,250,403

The accompanying notes to financial statements are an integral part of the financial statements.

Consolidated Statement of Financial Position *(continued)*

As at 31 December 2021

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 2021	31 December 2020
CURRENT LIABILITIES			
Short-term borrowings	23	18,229,100,791	20,719,121,154
Held for trading financial liabilities	24	156,812,356	647,508,441
<i>Including: Derivative financial liabilities</i>		156,812,356	451,158,441
Bills payable	25	394,380,588	955,561,056
Trade payables	26	7,442,318,423	5,542,998,831
Contract liabilities	27	671,955,151	452,695,891
Employee benefits payable	28	1,604,671,386	1,317,467,162
Taxes payable	29	4,040,386,486	1,880,291,712
Other payables	30	7,614,396,670	7,371,403,664
Current portion of non-current liabilities	31	9,470,350,520	7,975,748,215
Other current liabilities	32	678,088,310	172,904,917
Total current liabilities		50,302,460,681	47,035,701,043
NON-CURRENT LIABILITIES			
Long-term borrowings	33	36,126,816,893	29,082,887,198
Bonds payable	34	14,247,474,590	16,109,678,619
<i>Including: Preference shares</i>		956,355,139	978,734,705
Lease liabilities	35	184,195,155	172,704,600
Long-term payables	36	2,359,167,215	1,946,237,992
Long-term employee benefits payable	37	79,059,540	57,886,910
Provisions	38	3,696,917,863	4,078,735,672
Deferred income	39	397,491,581	456,711,967
Deferred tax liabilities	21	6,342,164,459	6,543,876,371
Other non-current liabilities	40	1,961,759,602	2,232,388,555
Total non-current liabilities		65,395,046,898	60,681,107,884
TOTAL LIABILITIES		115,697,507,579	107,716,808,927

The accompanying notes to financial statements are an integral part of the financial statements.

Consolidated Statement of Financial Position *(continued)*

As at 31 December 2021

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 2021	31 December 2020
EQUITY			
Share capital	41	2,633,011,224	2,537,725,995
Other equity instruments	42	–	5,355,681,209
<i>Including: Renewable corporate bonds</i>		–	<i>4,486,950,000</i>
Capital reserve	43	25,205,642,523	18,610,084,074
Less: Treasury shares	44	475,709,598	–
Other comprehensive income	45	2,209,428,323	812,570,699
Special reserve	46	113,281,545	154,686,505
Surplus reserve	47	1,367,003,719	1,319,401,104
Retained earnings	48	39,981,710,325	27,748,404,618
Equity attributable to owners of the parent		71,034,368,061	56,538,554,204
Non-controlling interests		21,862,802,483	18,057,887,272
TOTAL EQUITY		92,897,170,544	74,596,441,476
TOTAL LIABILITIES AND OWNERS' EQUITY		208,594,678,123	182,313,250,403

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 form an integral part of these financial statements.*

Consolidated Statement of Profit or Loss

For the year ended 31 December 2021

RMB

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

	Note V	2021	2020
OPERATING INCOME	49	225,102,488,592	171,501,338,490
Less: Operating costs	49	190,351,121,555	151,070,863,441
Taxes and surcharges	50	3,459,679,898	2,499,195,383
Selling expenses	51	412,272,620	427,684,618
Administrative expenses	52	5,308,536,279	3,845,610,597
Research and development expenses	53	770,661,326	582,514,953
Finance expenses	54	1,496,475,674	1,784,243,603
Including: Interest expenses		2,111,953,389	2,056,543,584
Interest income		761,083,060	620,767,659
Add: Other income	55	350,771,492	342,312,056
Investment income/(losses)	56	1,691,601,136	(522,067,721)
Including: Share of profits of associates and joint ventures		1,627,111,396	209,744,927
(Losses)/Gains on changes in fair value	57	(231,864,044)	342,356,736
Reversal of credit impairment losses	58	578,093,599	130,622,540
Impairment losses on assets	59	(598,022,432)	(357,114,009)
(Losses)/Gains on disposal of non-current assets	60	(7,815,800)	12,407,033
OPERATING PROFIT		25,086,505,191	11,239,742,530
Add: Non-operating income	61	178,088,257	138,757,205
Less: Non-operating expenses	62	470,782,956	532,472,561
PROFIT BEFORE TAX		24,793,810,492	10,846,027,174
Less: Income tax expenses	63	5,194,172,140	2,387,988,221
NET PROFIT		19,599,638,352	8,458,038,953
Classification according to the continuity of operation			
Net profit from continuing operations		19,599,638,352	8,458,038,953
Attributable to:			
Owners of the parent		15,672,870,591	6,508,553,913
Non-controlling interests		3,926,767,761	1,949,485,040

The accompanying notes to financial statements are an integral part of the financial statement.

Consolidated Statement of Profit or Loss *(continued)*

For the year ended 31 December 2021

RMB

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

	Note V	2021	2020
NET OTHER COMPREHENSIVE INCOME AFTER TAX			
Net other comprehensive income after tax attributable to owners of the parent	45	1,396,857,624	1,316,604,088
Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods			
Changes in fair value of other equity instrument investments	45	2,891,407,259	2,183,173,385
Changes arising from the re-measurement of defined benefit plan	45	(34,585,795)	–
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods			
Other comprehensive income that may be reclassified to profit or loss in subsequent periods under the equity method		9,685,755	–
Changes in fair value of receivables financing		(19,668,721)	–
Hedging costs – forward elements	45	(21,942,636)	5,617,436
Exchange differences arising from translation of financial statements denominated in foreign currencies	45	(1,428,038,238)	(872,186,733)
Other comprehensive loss attributable to non-controlling interests		(454,731,066)	(541,960,459)
Sub-total of net other comprehensive income after tax		942,126,558	774,643,629
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		20,541,764,910	9,232,682,582
Attributable to:			
Owners of the parent		17,069,728,215	7,825,158,001
Non-controlling shareholders		3,472,036,695	1,407,524,581
Earnings per share	64		
Basic earnings per share		0.60	0.25
Diluted earnings per share		0.60	0.25

The accompanying notes to financial statements form an integral part of these financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 December 2021

RMB

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

For the year ended 31 December 2021

	Attributable to owners of the parent										Total equity
	Share capital	Other equity instruments Renewable corporate bonds	Capital reserve	Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Retained earnings	Subtotal	Non-controlling interests	
I. Opening balance of the current year	2,537,725,995	4,486,950,000	868,731,209	18,510,084,074	812,570,699	154,686,505	1,319,401,104	27,748,404,618	56,538,554,204	18,057,887,272	74,596,441,476
II. Changes for the year											
(i) Total comprehensive income	-	-	-	-	1,396,857,624	-	-	15,672,870,591	17,069,728,215	3,472,036,695	20,541,764,910
(ii) Owners' contributions and reductions in capital											
1. Capital contributed by owners	-	-	-	-	-	-	-	-	-	2,271,586,367	2,271,586,367
2. Grant of restricted A Shares	9,849,060	-	477,128,210	486,977,270	-	-	-	-	-	-	-
3. Business combinations not under common control	-	-	-	-	-	-	-	-	-	282,709,979	282,709,979
4. Amount of share-based payment recognised in equity	-	-	-	197,201,480	-	-	-	-	197,201,480	-	197,201,480
5. Capital contributed/(reduced) by other equity instrument holders	85,436,169	(4,486,950,000)	(868,731,209)	5,972,142,679	-	-	-	-	701,897,639	-	701,897,639
6. Others	-	-	-	(50,913,920)	-	-	-	-	(50,913,920)	(7,354,963)	(58,268,883)
(iii) Profit distributions											
1. Appropriation to surplus reserve	-	-	-	-	-	-	47,602,615	(47,602,615)	-	-	-
2. Distributions to owners	-	-	-	(11,267,672)	-	-	-	(3,159,312,269)	(3,148,044,597)	(2,215,461,529)	(5,363,506,126)
3. Interest paid for renewable corporate bonds	-	-	-	-	-	-	-	(232,650,000)	(232,650,000)	-	(232,650,000)
(iv) Special reserve											
1. Transferred to special reserve in the current year	-	-	-	-	-	749,410,028	-	-	749,410,028	79,152,132	828,562,160
2. Amount utilised in the current year	-	-	-	-	-	(790,814,988)	-	-	(790,814,988)	(77,753,470)	(868,568,458)
III. Closing balance of the current year	2,633,011,224	-	-	25,205,642,523	2,209,428,323	113,281,545	1,367,003,719	39,981,710,325	71,034,368,061	21,862,802,483	92,897,170,544

The accompanying notes to financial statements form an integral part of these financial statements.

Consolidated Statement of Changes in Equity (continued)

For the year ended 31 December 2021

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										Non-controlling interests	Total equity
	Share capital	Other equity instruments Renewable corporate bonds	Others	Capital reserve	Other comprehensive income	Special reserve	Surplus reserve	Retained earnings	Subtotal			
I. Opening 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	
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	
(i) Total comprehensive income	-	-	-	-	-	-	-	-	-	-	-	
(ii) Owners' contributions and reductions in capital	-	-	-	-	-	-	-	-	-	6,632,283,694	6,632,283,694	
1. Capital contributed by owners	-	-	-	-	-	-	-	-	-	-	-	
2. Business combinations not under common control	-	-	-	-	-	-	-	-	-	5,206,135,999	5,206,135,999	
3. Capital contributed/(reduced) by other equity instrument holders	-	(498,550,000)	868,731,209	(80,258,326)	-	-	-	-	370,181,209	-	370,181,209	
4. Others	-	-	-	-	-	-	-	-	(80,258,326)	(119,405,579)	(199,663,905)	
(iii) Profit distributions	-	-	-	-	-	-	-	(2,537,725,995)	(2,537,725,995)	(969,369,818)	(3,507,095,813)	
1. Distributions to owners	-	-	-	-	-	-	-	(2,537,725,995)	(2,537,725,995)	-	-	
2. Interest paid for renewable corporate bonds	-	-	-	-	-	-	-	(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	-	-	-	-	-	684,823,390	-	-	684,823,390	58,580,505	743,403,895	
1. Transferred to special reserve in the current year	-	-	-	-	-	(651,089,101)	-	-	(651,089,101)	(51,495,148)	(702,584,249)	
2. Amount utilised in the current year	-	-	-	-	-	-	-	-	-	-	-	
III. Closing balance of the current year	2,537,725,995	4,486,950,000	868,731,209	18,610,084,074	812,570,699	154,686,505	1,319,401,104	27,748,404,618	56,538,554,204	18,057,887,272	74,596,441,476	

The accompanying notes to financial statements form an integral part of these financial statements.

Consolidated Statement of Cash Flows

For the year ended 31 December 2021

RMB

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

	Note V	2021	2020
I. CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash receipts from sale of goods and rendering of services		236,345,807,492	178,295,611,924
Other cash receipts relating to operating activities	65	661,491,512	615,825,285
Sub-total of cash inflows from operating activities		237,007,299,004	178,911,437,209
Cash payments for goods purchased and services received		(190,504,168,608)	(149,670,462,142)
Cash payments to and on behalf of employees		(7,151,063,210)	(3,958,818,015)
Payments of various types of taxes and surcharges		(9,642,377,246)	(6,727,320,348)
Other cash payments relating to operating activities	65	(3,637,452,339)	(4,286,433,281)
Sub-total of cash outflows from operating activities		(210,935,061,403)	(164,643,033,786)
Net cash flows from operating activities	66	26,072,237,601	14,268,403,423
II. CASH FLOWS FROM INVESTING ACTIVITIES:			
Cash receipts from disposals and recovery of investments		1,659,859,836	268,802,207
Cash receipts from investment income		593,774,292	179,165,875
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets		17,352,639	100,468,800
Other cash receipts relating to investing activities	65	244,036,360	65,401,352
Sub-total of cash inflows from investing activities		2,515,023,127	613,838,234
Cash payments for acquisitions or constructions of fixed assets, intangible assets and other long-term assets		(20,148,568,080)	(13,886,407,296)
Cash payments for acquisitions of investments		(4,528,283,903)	(1,287,831,015)
Net cash payments for acquisition of subsidiaries and other business units	66	(46,289,222)	(12,135,024,617)
Other cash payments relating to investing activities	65	(1,556,833,400)	(2,479,014,469)
Sub-total of cash outflows from investing activities		(26,279,974,605)	(29,788,277,397)
Net cash flows used in investing activities		(23,764,951,478)	(29,174,439,163)

The accompanying notes to financial statements form an integral part of these financial statements.

Consolidated Statement of Cash Flows *(continued)*

For the year ended 31 December 2021

RMB

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

	Note V	2021	2020
III. CASH FLOWS FROM FINANCING ACTIVITIES:			
Cash receipts from capital contributions		2,758,563,637	6,632,283,694
<i>Including: Cash receipts from capital contributions from non-controlling shareholders of subsidiaries</i>		2,271,586,367	6,632,283,694
Cash receipts from issuance of convertible bonds		–	5,970,285,067
Cash receipts from borrowings		31,135,822,496	38,074,222,643
Cash receipts from the gold leasing business		11,266,182,767	12,634,847,803
Cash receipts from issuance of bonds and ultra short-term financing bonds		6,300,000,000	5,069,740,000
Other cash receipts relating to financing activities	65	97,243,423	1,030,811,044
Sub-total of cash inflows from financing activities		51,557,812,323	69,412,190,251
Cash repayments of borrowings		(20,418,950,527)	(26,338,513,882)
Cash repayments of the gold leasing business		(12,800,751,471)	(10,650,615,173)
Cash repayments of bonds and ultra short-term financing bonds		(10,284,479,263)	(4,298,550,000)
Cash payments for distribution of dividends or profits or settlement of interest expenses		(7,336,876,536)	(5,671,366,799)
<i>Including: Payments for distribution of dividends or profits to non-controlling shareholders of subsidiaries</i>		(2,215,461,529)	(969,369,818)
Other cash payments relating to financing activities	65	(693,434,139)	(1,524,949,267)
Sub-total of cash outflows from financing activities		(51,534,491,936)	(48,483,995,121)
Net cash flows from financing activities		23,320,387	20,928,195,130
IV. EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		(486,027,541)	(321,064,600)
V. NET INCREASE IN CASH AND CASH EQUIVALENTS	66	1,844,578,969	5,701,094,790
Add: Opening balance of cash and cash equivalents		11,786,686,240	6,085,591,450
VI. CLOSING BALANCE OF CASH AND CASH EQUIVALENTS	66	13,631,265,209	11,786,686,240

The accompanying notes to financial statements are an integral part of the financial statements.

Company Statement of Financial Position

As at 31 December 2021

RMB

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

ASSETS	Note XV	31 December 2021	31 December 2020
CURRENT ASSETS			
Cash and cash equivalents		2,971,735,415	4,978,921,732
<i>Including: Cash deposited in financial institutions</i>		1,878,793,293	628,517,463
Held for trading financial assets		35,371,226	154,103,201
<i>Including: Derivative financial assets</i>		35,371,226	154,103,201
Trade receivables	1	577,121,320	577,170,602
Receivables financing		248,116,176	141,745,670
Prepayments		13,978,075	26,232,815
Other receivables	2	8,190,382,532	9,348,643,976
Inventories		58,647,837	84,958,826
Other current assets		121,597,364	148,973,363
Total current assets		12,216,949,945	15,460,750,185
NON-CURRENT ASSETS			
Debt investments		200,000,000	–
Long-term equity investments	3	54,674,161,369	45,379,313,351
Other equity instrument investments		274,419,941	273,612,810
Other non-current financial assets		62,500,000	37,500,000
Fixed assets	4	3,314,719,280	3,288,166,669
Construction in progress	5	415,159,931	424,961,450
Right-of-use assets		–	4,052,312
Intangible assets	6	257,554,237	262,257,963
Long-term deferred assets	7	174,268,169	199,938,953
Deferred tax assets		332,419,505	270,081,624
Other non-current assets	8	10,871,319,604	12,444,168,528
Total non-current assets		70,576,522,036	62,584,053,660
TOTAL ASSETS		82,793,471,981	78,044,803,845

The accompanying notes to financial statements form an integral part of these financial statements.

Company Statement of Financial Position *(continued)*

As at 31 December 2021

RMB

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

LIABILITIES AND OWNERS' EQUITY	Note XV	31 December 2021	31 December 2020
CURRENT LIABILITIES			
Short-term borrowings		7,674,285,000	8,421,649,702
Held for trading financial liabilities		1,214,676	–
<i>Including: Derivative financial liabilities</i>		1,214,676	–
Trade payables	9	512,085,262	516,339,962
Contract liabilities		12,707,826	22,099,051
Employee benefits payable		490,948,606	316,391,579
Taxes payable		278,809,124	25,535,472
Other payables		3,157,664,153	541,957,213
Current portion of non-current liabilities		3,865,889,104	4,611,041,132
Other current liabilities		598,534,325	98,534,326
Total current liabilities		16,592,138,076	14,553,548,437
NON-CURRENT LIABILITIES			
Long-term borrowings		6,666,077,500	5,865,038,200
Bonds payable	10	13,282,042,046	15,117,773,951
Lease liabilities		–	2,740,466
Long-term payables	11	6,460,628,782	3,963,428,782
Provisions		215,678,609	307,513,434
Deferred income		146,147,650	158,994,057
Deferred tax liabilities		60,640,447	72,220,672
Other non-current liabilities		731,677,746	226,277,348
Total non-current liabilities		27,562,892,780	25,713,986,910
TOTAL LIABILITIES		44,155,030,856	40,267,535,347
EQUITY			
Share capital		2,633,011,224	2,537,725,995
Other equity instruments		–	5,355,681,209
<i>Including: Renewable corporate bonds</i>		–	4,486,950,000
Capital reserve		27,309,223,182	20,662,750,813
Less: Treasury shares		475,709,598	–
Other comprehensive income		(113,559,576)	(105,445,925)
Surplus reserve		1,316,465,612	1,268,862,997
Retained earnings		7,969,010,281	8,057,693,409
TOTAL EQUITY		38,638,441,125	37,777,268,498
TOTAL LIABILITIES AND OWNERS' EQUITY		82,793,471,981	78,044,803,845

The accompanying notes to financial statements form an integral part of these financial statements.

Company Statement of Profit or Loss

For the year ended 31 December 2021

RMB

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

	Note XV	2021	2020
OPERATING INCOME	12	6,810,298,590	4,262,394,459
Less: Operating costs	12	2,840,444,395	2,099,326,613
Taxes and surcharges		341,815,558	250,517,457
Selling expenses		1,823,155	7,433,510
Administrative expenses		1,275,947,004	800,786,036
Research and development expenses		339,451,235	236,038,878
Finance expenses	13	590,825,330	554,037,349
Including: Interest expenses		1,418,282,032	1,171,610,122
Interest income		902,627,863	769,953,862
Add: Other income		35,209,071	35,920,277
Investment income	15	2,268,906,744	1,165,676,840
Including: Share of profits of associates and joint ventures		1,151,253,405	215,739,894
(Losses)/Gains on changes in fair value		(119,946,651)	165,584,277
(Credit impairment losses)/Reversal of credit impairment losses	14	(28,416,398)	195,040
Reversal of impairment losses/(Impairment losses) on assets	14	3,693,795	(2,861,192)
Gains on disposal of non-current assets		510,646	608,601
OPERATING PROFIT		3,579,949,120	1,679,378,459
Add: Non-operating income		3,571,152	1,048,638
Less: Non-operating expenses		54,042,374	25,180,686
PROFIT BEFORE TAX		3,529,477,898	1,655,246,411
Less: Income tax expenses		178,596,142	76,256,684
NET PROFIT		3,350,881,756	1,578,989,727
Including: Net profit from continuing operations		3,350,881,756	1,578,989,727
NET OTHER COMPREHENSIVE (LOSS)/INCOME AFTER TAX			
Other comprehensive (loss)/income that will not be reclassified to profit or loss in subsequent periods			
Changes in fair value of other equity instrument investments		(8,537,192)	13,775,533
Other comprehensive income that may be reclassified to profit or loss in subsequent periods			
Changes in fair value of receivables financing		423,541	–
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		3,342,768,105	1,592,765,260

The accompanying notes to financial statements form an integral part of these financial statements.

Company Statement of Changes in Equity

For the year ended 31 December 2021

RMB

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

For the year ended 31 December 2021

	Share capital	Renewable corporate bonds	Other equity instruments	Capital reserve	Less: Treasury shares	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	4,486,950,000	868,731,209	20,662,750,813	-	(105,445,925)	-	1,268,862,997	8,057,693,409	37,777,268,498
II. Changes for the year	-	-	-	-	-	(8,113,651)	-	-	3,350,881,756	3,342,768,105
(i) Total comprehensive income										
(ii) Owners' contributions and reductions in capital										
1. Grant of restricted A Shares	9,849,060	-	-	477,128,210	486,977,270	-	-	-	-	-
2. Capital contributed/(reduced) by other equity instrument holders	85,436,169	(4,486,950,000)	(868,731,209)	5,972,142,679	-	-	-	-	-	701,897,639
3. Amount of share-based payment recognised in equity	-	-	-	197,201,480	-	-	-	-	-	197,201,480
(iii) Profit distributions										
1. Appropriation to surplus reserve	-	-	-	-	-	-	-	47,602,615	(47,602,615)	-
2. Distributions to owners	-	-	-	-	(11,267,672)	-	-	-	(3,159,312,269)	(3,148,044,597)
3. Interest paid for renewable corporate bonds	-	-	-	-	-	-	-	-	(232,650,000)	(232,650,000)
(iv) Special reserve										
1. Transferred to special reserve in the current year	-	-	-	-	-	-	205,050,291	-	-	205,050,291
2. Amount utilised in the current year	-	-	-	-	-	-	(205,050,291)	-	-	(205,050,291)
III. Closing balance of the current year	2,633,011,224	-	-	27,309,223,182	475,709,598	(113,559,576)	-	1,316,465,612	7,969,010,281	38,638,441,125

The accompanying notes to financial statements form an integral part of these financial statements.

Company Statement of Changes in Equity (continued)

For the year ended 31 December 2021

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									
(I) Total comprehensive income	-	-	-	-	13,775,533	-	-	1,578,989,727	1,592,765,260
(II) Owners' contributions and reductions in capital									
1. Capital contributed by owners	-	-	-	-	-	-	-	-	-
2. Capital contributed/(reduced) by other equity instrument holders	-	(498,550,000)	868,731,209	-	-	-	-	-	370,181,209
(III) Profit distributions									
1. Appropriation to surplus reserve	-	-	-	-	-	-	-	-	-
2. Distributions to owners	-	-	-	-	-	-	-	(2,537,725,995)	(2,537,725,995)
3. Interest paid for renewable corporate bonds	-	-	-	-	-	-	-	(258,500,000)	(258,500,000)
(IV) Transfer within equity									
1. Other comprehensive income transferred to retained earnings	-	-	-	-	(60,811)	-	-	60,811	-
(V) Special reserve									
1. Transferred to special reserve in the current year	-	-	-	-	-	190,065,920	-	-	190,065,920
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 form an integral part of these financial statements.

Company Statement of Cash Flows

For the year ended 31 December 2021

RMB

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

	Note XV	2021	2020
I. CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash receipts from sale of goods and the rendering of services		7,381,739,220	4,212,746,314
Other cash receipts relating to operating activities		173,124,237	56,239,930
Sub-total of cash inflows from operating activities		7,554,863,457	4,268,986,244
Cash payments for goods purchased and services received		(2,420,814,012)	(1,031,872,667)
Cash payments to and on behalf of employees		(885,776,701)	(687,739,249)
Payments of various types of taxes and surcharges		(787,561,918)	(570,682,483)
Other cash payments relating to operating activities		(694,134,912)	(487,512,911)
Sub-total of cash outflows from operating activities		(4,788,287,543)	(2,777,807,310)
Net cash flows from operating activities	16	2,766,575,914	1,491,178,934
II. CASH FLOWS FROM INVESTING ACTIVITIES:			
Cash receipts from disposals and recovery of investments		9,571,689,177	6,007,100,061
Cash receipts from investment income		2,291,671,711	1,461,959,519
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets		7,667,017	7,771,402
Other cash receipts relating to investing activities		13,976,155	428,865,311
Sub-total of cash inflows from investing activities		11,885,004,060	7,905,696,293
Cash payments for acquisitions or constructions of fixed assets, intangible assets and other long-term assets		(546,308,391)	(599,395,626)
Cash payments for acquisitions of investments		(14,926,577,969)	(15,633,608,585)
Other cash payments relating to investing activities		(325,000,000)	(2,664,150)
Sub-total of cash outflows from investing activities		(15,797,886,360)	(16,235,668,361)
Net cash flows used in investing activities		(3,912,882,300)	(8,329,972,068)

The accompanying notes to financial statements form an integral part of these financial statements.

Company Statement of Cash Flows *(continued)*

For the year ended 31 December 2021

RMB

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

	Note XV	2021	2020
III. CASH FLOWS FROM FINANCING ACTIVITIES:			
Cash receipts from capital contributions		486,977,270	–
Cash receipts from issuance of convertible bonds		–	5,970,285,068
Cash receipts from issuance of bonds and ultra short-term financing bonds		6,300,000,000	4,029,714,932
Cash receipts from borrowings		8,780,000,000	10,237,878,211
Cash receipts from the gold leasing business		7,674,285,000	7,870,184,500
Sub-total of cash inflows from financing activities		23,241,262,270	28,108,062,711
Cash repayments of borrowings		(3,588,475,950)	(5,435,180,070)
Cash repayments of the gold leasing business		(7,870,169,319)	(4,484,234,937)
Cash repayments of bonds and ultra short-term financing bonds		(8,052,983,938)	(4,298,550,000)
Cash payments for distribution of dividends or profit or settlement of interest expenses		(4,558,395,012)	(3,864,042,750)
Other cash payments relating to financing activities		(57,681,714)	(31,601,070)
Sub-total of cash outflows from financing activities		(24,127,705,933)	(18,113,608,827)
Net cash flows (used in)/from financing activities		(886,443,663)	9,994,453,884
IV. EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		(3,670,892)	(5,220,864)
V. NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS			
Add: Opening balance of cash and cash equivalents	16	(2,036,420,941)	3,150,439,886
		4,707,227,310	1,556,787,424
VI. CLOSING BALANCE OF CASH AND CASH EQUIVALENTS	16	2,670,806,369	4,707,227,310

The accompanying notes to financial statements form an integral part of these financial statements.

Notes to Financial Statements

For the year ended 31 December 2021

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 "Companies Law of the People's Republic of China" (the "Companies 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 2021

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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.* (Zhengjian Xuke [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.* (Zhengjian Xuke [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.

Pursuant to the authorisation of the third Extraordinary General Meeting in 2020 held on 29 December 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 seventh term of the Board. The Company proposed to grant 97,490,000 restricted A Shares to 697 participants under the incentive scheme at the grant price of RMB4.95 per A Share, and specifically issued 95,980,600 Renminbi-denominated ordinary shares (A Shares) to the actual 686 participants under the incentive scheme on 13 January 2021. The registration was completed on 28 January 2021.

On 15 November 2021, the proposal in relation to the grant of the reserved restricted A Shares to the participants under the restricted A Share incentive scheme was considered and approved at the Company's eleventh extraordinary meeting in 2021 of the seventh term of the Board. The Company proposed to grant 2,510,000 restricted A Shares to 39 participants under the incentive scheme at a grant price of RMB4.83 per A Share. On 15 November 2021, the Company specifically issued 2,510,000 Renminbi-denominated ordinary shares (A shares) to 39 actual incentive participants under the incentive scheme. The registration was completed on 8 December 2021. As at 31 December 2021, the Company had issued 98,490,600 A Shares subject to trading moratorium in total. From 10 May 2021 to 25 May 2021, 854,361,694 tradable A Shares not subject to trading moratorium were converted from the convertible corporate bonds by the bondholders. The share capital of the Company was correspondingly changed to RMB2,633,011,224.

Notes to Financial Statements *(continued)*

For the year ended 31 December 2021

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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)*

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 18 March 2022. 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.

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 2021, the Group recorded current assets of RMB47,064,293,441 and current liabilities of RMB50,302,460,681. 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.

Notes to Financial Statements *(continued)*

For the year ended 31 December 2021

RMB

(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)*

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 2021, 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.

4. Business combination

Business combinations are classified into business combinations under common control and business combinations not under common control.

Business combinations under common control

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

A business combination not 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 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 under common control shall be measured at fair value at the acquisition date.

Notes to Financial Statements *(continued)*

For the year ended 31 December 2021

RMB

(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 *(continued)*

Business combination not under common control *(continued)*

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 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.

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 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.

Notes to Financial Statements *(continued)*

For the year ended 31 December 2021

RMB

(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 *(continued)*

Where a subsidiary is acquired through a business combination 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.

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.

Notes to Financial Statements *(continued)*

For the year ended 31 December 2021

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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)*

8. Foreign currency transactions and translation of financial statements denominated in foreign currencies *(continued)*

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.

9. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity, and a financial liability or equity instrument of another entity.

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.

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

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.

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.

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)*

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.

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 financial liabilities accounted for under hedge accounting. 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.

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)*

*Financial liabilities at fair value through profit or loss *(continued)**

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.

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.

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)*

Impairment of financial instruments *(continued)*

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.

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.

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)*

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.

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.

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)*

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.

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.

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)*

12. Long-term equity investments

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

A long-term equity investment is measured at its initial investment cost on acquisition. For a long-term equity investment acquired through business combination 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 combination date, on the disposal of the investment, the same accounting treatment for which the investee directly disposes of the related assets or liabilities should be used, and the owners' equity recognised due to the changes in other owners' equity of the investee other than net profit or loss, other comprehensive income and profits distribution is transferred to 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, while 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 under common control, the initial investment cost of the long-term equity investment is the cost of the combination (If the business combination not under common control is achieved in stages, the initial investment cost of the long-term equity investment is the aggregate of the carrying amount of the equity investment held in the acquiree prior to the acquisition date and the cost of the additional investment at the acquisition date). The cost of the combination 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 recognised 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 or liabilities should be used, and the owners' equity recognised due to the changes in other owners' equity of the investee other than net profit or loss, other comprehensive income and profits distribution is transferred to 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, while 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. For a long-term equity investment acquired other than long-term equity investments formed through business combinations, the initial investment cost is recognised as follows: if acquired by cash, the initial investment cost is recognised at the purchase price actually paid plus the expenses, taxes and other required expenditures directly attributable to the acquisition of long-term equity investments; if acquired through issuing equity securities, the initial investment cost is recognised at the fair value of the equity securities issued.

The long-term equity investments which the Company can exercise control over the investee are accounted for using the cost method in the Company's individual 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.

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)*

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

Under the equity method, where the initial investment cost of a long-term equity investment exceeds the Group's share of the fair value of the investee's identifiable net assets at the time of acquisition, no adjustment is made to the initial investment cost. Where the initial investment cost is less than the Group's 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.

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.

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)*

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.

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.

Notes to Financial Statements *(continued)*

For the year ended 31 December 2021

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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)*

16. Borrowing costs *(continued)*

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.

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.

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

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 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 are 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 and also the enterprise annuity, to which the Company and its subsidiaries are required to contribute a certain percentage of the basic salaries of its employees as stipulated by the applicable rules and regulations in the PRC or foreign regions, and the related expenditures are recorded in cost of related assets or profit or loss in the period when they incurred. Forfeited contributions (if any) will not be used by the Group, as the employer, to reduce the existing level of contributions.

Post-employment benefits (defined benefit plan)

A subsidiary of the Group in Serbia operates a defined benefit pension plan which has not established 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.

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; interest costs on the defined benefit obligation.

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 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 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. Share-based payment

A share-based payment is classified as either an equity-settled share-based payment or a cash-settled share-based payment. An equity-settled share-based payment is a transaction in which the Group receives services and uses shares or other equity instruments as consideration for settlement.

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

24. Share-based payment *(continued)*

An equity-settled share-based payment in exchange for services received from employees is measured at the fair value of the equity instruments granted to the employees. If such equity-settled share-based payment could vest immediately, related costs or expenses at an amount equal to the fair value on the grant date are recognised, with a corresponding increase in capital reserve; if such equity-settled share-based payment could not vest until the completion of services for a vesting period, or until the achievement of a specified performance condition, the Group at each end of the reporting period during the vesting period recognises the services received for the current period as related costs and expenses, with a corresponding increase in capital reserve, at an amount equal to the fair value of the equity instruments at the grant date, based on the best estimate of the number of equity instruments expected to vest. Please refer to Note XI.

For share-based payment that does not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where share-based payment includes a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled share-based payment are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled share-based payment is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the share-based payment is recognised immediately. This includes any share-based payment where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new share-based payment is substituted for the cancelled share-based payment, and is designated as a replacement on the date that it is granted, the cancelled and new share-based payment is treated as if they were a modification of the original payment.

25. 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.

26. 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.

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

26. Revenue from contracts with customers *(continued)*

Contracts for the sale of goods *(continued)*

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' 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. Continental Gold had redeemed its gold delivery obligations on 30 December 2020, please refer to Note V.40.

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. As the Group's performance of the contract at the same time, the customer can control the Group's performance of the process of building commodities, 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.

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.

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

26. Revenue from contracts with customers *(continued)*

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 finance 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.

27. 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.

28. 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.

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

28. Government grants *(continued)*

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 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.

Government grants related to assets shall be 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.

29. Income tax

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.

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.

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

29. Income tax *(continued)*

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.

30. 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.

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.

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

30. Leases *(continued)*

Assessment of the lease term

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.

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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)*

30. 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 office buildings, 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 2022; 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.

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.

Notes to Financial Statements *(continued)*

For the year ended 31 December 2021

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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)*

31. 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.

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.69.

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.

Notes to Financial Statements *(continued)*

For the year ended 31 December 2021

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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)*

31. Hedge accounting *(continued)*

Hedging costs

The Group separates the forward element and the spot element of a forward contract and only designates the change in the value of the spot element of the forward contract as the hedging instrument; 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.

32. 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.

33. Profits distribution

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

34. 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.

35. Fair value measurement

The Group measures its receivables financing, certain debts and 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.

Notes to Financial Statements *(continued)*

For the year ended 31 December 2021

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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. Fair value measurement *(continued)*

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.

36. 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.

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)*

36. Significant accounting judgements and estimates *(continued)*

Judgements *(continued)*

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.

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 Group reviews if the costs of the inventories are lower than the net realisable 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.)

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

36. Significant accounting judgements and estimates *(continued)*

Estimation uncertainty *(continued)*

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.

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.

Notes to Financial Statements *(continued)*

For the year ended 31 December 2021

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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)*

36. Significant accounting judgements and estimates *(continued)*

Estimation uncertainty *(continued)*

Useful lives of property, plant and equipment

The Group 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. The Group 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

After determining the capitalisation amount of exploration expenditures, the Group will regularly evaluate the exploration results. If the reviewed geological exploration report shows that there are no prospecting results or no economically recoverable reserves, or that the economic benefits of mining cannot be achieved and further exploration is unnecessary due to low grade and hard-to-mining, the exploration and development costs previously collected will be expensed and included in the profit and loss for the current period in a lump sum.

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.

Provision for environmental rehabilitation and restoration of mines

Pursuant to the regulations of the governmental authorities in the places 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.

Notes to Financial Statements *(continued)*

For the year ended 31 December 2021

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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)*

36. Significant accounting judgements and estimates *(continued)*

Estimation uncertainty *(continued)*

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.

37. Changes in accounting policies

Adjustment of scope of application for COVID-19-Related Rent Concessions

The COVID-19-Related rent concessions were accounted for using the practical expedient in the Provisions on Accounting Treatment for COVID-19-Related Rent Concessions by the Group as a lessee in 2020. According to the Notice on the Adjustment of Scope of Application for the Provisions on the Accounting Treatment for COVID-19-Related Rent Concessions issued in May 2021, the rent concession period applicable to the practical expedient is adjusted to "the rent concessions for which any reduction in lease payments affects solely payments originally due on or before 30 June 2022". As the lessee, the Group's choice of practical expedient is consistently applied to the lease contracts with similar characteristics before and after the adjustment of scope of application for the Provisions on the Accounting Treatment for COVID-19-Related Rent Concessions.

Accounting treatment on contract modifications due to interest rate benchmark reform

According to the Accounting Standards for Business Enterprises Interpretation No.14, if the basis for determining the contractual cash flows of financial assets or financial liabilities accounted for using the effective interest method is changed only because of interest rate benchmark reform, and the basis of determination before and after the change is economically equivalent, the Group will recalculate the effective interest rate based on the future cash flows after the change and make subsequent measurement on this basis. The matter has no significant impact on the Group.

Report on the centralised management of funds

On 31 December 2021, the Ministry of Finance issued the Accounting Standards for Business Enterprises Interpretation No.15 (Cai Kuai (2021) No. 35, hereinafter referred to as the "Interpretation No. 15"), which has been implemented as of the date of release. Interpretation No. 15 standardises the presentation of centralised and unified management of the funds of parent company and its member units through internal settlement centres and financial companies. The Group has implemented Interpretation No. 15 with effect from 31 December 2021, which has no material impact on the financial statements for comparable periods.

Notes to Financial Statements *(continued)*

For the year ended 31 December 2021

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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 gold-carrying minerals are exempted from VAT. The output VAT rate for the mining and processing of ferrous metals such as iron ore 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%. VAT payable is the difference between VAT output and the deductible VAT input for the current period. The output VAT rate for transportation service was 9%, and that for trademark royalty income and technical service income was 6%. VAT payable is the difference between VAT output and the deductible VAT input for the current period.

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 in accordance with the relevant provisions of 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: resource tax is 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 and Papua New Guinea	30%
	The Democratic Republic of the Congo	30%
	The Republic of Serbia	15%
	The Republic of Tajikistan	13%
	The Russian Federation	20%
	Eritrea	38%
	Colombia	31%
	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, the income tax is calculated and paid according to a certain proportion of the sales income from gold ore, gold concentrates, alloy gold and refined gold (ranging at the rate from 1% to 20% depending on the range of gold price), and the sales profits from other ores are subject to a corporate income tax rate of 10%.

Some subsidiaries of the Company enjoy preferential tax treatment. Please refer to Note IV.2 to the financial statements 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 and the National Development and Reform Commission on 23 April 2020 (the Ministry of Finance Notice No. 23), from 1 January 2021 to 31 December 2030, the enterprises in the western region, which are engaged in encouraged industries 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 2021, the following subsidiaries of the Group fulfilled 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") fulfilled 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 2021.
- (2) Xinjiang Zijin Zinc Co., Ltd. ("Zijin Zinc") fulfilled 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 2021.
- (3) Xinjiang Jinbao Mining Co., Ltd. ("Xinjiang Jinbao") fulfilled 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 2021.
- (4) Hunchun Zijin Mining Co., Ltd. ("Hunchun Zijin") fulfilled 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 2021.
- (5) Urad Rear Banner Zijin Mining Co., Ltd. ("Urad Rear Banner Zijin") fulfilled 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 2021.
- (6) Longnan Zijin Mining Co., Ltd., ("Longnan Zijin") fulfilled the conditions of preferential taxation policies for the Western Development and was entitled to a tax concession at a reduced CIT rate of 15% in 2021.

Pursuant to the Notice of the People's Government of the Tibet Autonomous Region on the Provision of Preferential Policies for Investment Promotion of the Tibet Autonomous Region (Zang Zheng Fa [2021] No. 9), Tibet Julong Copper Co., Ltd. ("Julong Copper"), a subsidiary of the Group, fulfilled the conditions for enjoying a tax concession and was entitled to a reduced CIT rate of 15% in 2021.

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 of Ministry of Science and Technology, the Ministry of Finance and the State Taxation Administration in relation to the Revision and Issuance of the Administrative Measures for the Recognition of High and New Technology Enterprises (Guo Ke Fa Huo [2016] No. 32) and the Notice of Ministry of Science and Technology, the Ministry of Finance and the State Taxation Administration in relation to the Revision and Issuance of the Administrative Working Guidelines for the Recognition of High and New Technology Enterprises (Guo Ke Fa Huo [2016] No. 195), 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 fulfilled the conditions of preferential taxation policies for the High and New Technology Enterprises and was entitled to a tax concession at a reduced CIT rate of 15% in 2021.

Pursuant to the Notice of Ministry of Science and Technology, the Ministry of Finance and the State Taxation Administration in relation to the Revision and Issuance of the Administrative Measures for the Recognition of High and New Technology Enterprises (Guo Ke Fa Huo [2016] No. 32) and the Notice of Ministry of Science and Technology, the Ministry of Finance and the State Taxation Administration in relation to the Revision and Issuance of the Administrative Working Guidelines for the Recognition of High and New Technology Enterprises (Guo Ke Fa Huo [2016] No. 195), Fujian Zijin Copper Co., Ltd. ("Fujian Zijin Copper"), a subsidiary of the Group, 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 Fujian Provincial Tax Bureau of State Taxation Administration, etc. on 2 December 2019 (reference number: GR201935000447). The validity period of the certificate is from 2 December 2019 to 2 December 2022. Fujian Zijin Copper fulfilled the conditions of preferential taxation policies for the High and New Technology Enterprises and was entitled to a tax concession at a reduced CIT rate of 15% in 2021.

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 fulfilled the conditions of being identified as a qualifying corporate treasury centre, and was entitled to a tax concession at a reduced profits tax rate of 8.25% in 2021 (50% of the regular tax rate).

The Company's subsidiaries incorporated in the Russian Federation fulfilled the prescribed requirements of local tax regulations, the applicable preferential income tax rate from 2020 to 2024 is 10%.

Notes to Financial Statements *(continued)*

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Cash and cash equivalents

	2021	2020
Cash	13,328,670	6,570,582
Bank deposits	13,723,624,655	11,621,138,439
Other monetary funds (Note 1)	484,826,927	327,630,275
	14,221,780,252	11,955,339,296
Including: Total amount with restrictions on use due to mortgage, pledge or freeze	206,982,988	168,653,056

Note 1: As at 31 December 2021, the balance of other monetary funds of the Group denominated in Renminbi mainly included: land restoration and environmental rehabilitation costs of RMB80,935,443 (31 December 2020: RMB23,644,758), 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; foreign exchange deposit reserve of RMB75,226,884 (31 December 2020: RMB34,973,464), which was deposited in the People's Bank of China by the Group's subsidiary, Finance Company; other guarantee deposits of RMB50,810,365 (31 December 2020: RMB106,127,654), which were restricted to use; bank deposits with a carrying amount of RMB10,296 (31 December 2020: RMB3,907,180) were frozen due to litigation; and a deposit in the Shanghai Gold Exchange of RMB277,843,939 (31 December 2020: RMB158,977,219).

As at 31 December 2021, cash and cash equivalents in the equivalent amount of RMB6,480,832,178 (31 December 2020: RMB3,625,917,786) 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

	2021	2020
Financial assets at fair value through profit or loss		
Investments in debt instruments (Note 1)	1,596,952	4,381,741
Investments in equity instruments (Note 2)	1,562,935,664	521,815,633
Derivative financial assets (Note 3)	152,644,244	346,548,180
Current portion of other non-current financial assets (Note V.13)	79,300,000	749,755,657
Others (Note 4)	1,138,747,722	307,640,955
	2,935,224,582	1,930,142,166

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:

	2021	2020
(1) Derivative financial assets without designated hedging relationship	91,043,529	282,595,447
<i>Including: Metal forward contracts</i>	16,989,708	14,595,153
<i>Foreign currency forward contracts</i>	70,025,611	262,035,033
<i>Metal futures contracts</i>	4,028,210	5,965,261
(2) Hedging instruments – Metal and foreign currency forward contracts	61,600,715	63,952,733
	152,644,244	346,548,180

Note 4: The Group's investments in funds aimed at making short-term profits, funds for co-operative business operation project of documentary factoring of commercial acceptance bills business, bank wealth management products and structured deposits are as follows :

	2021	2020
Funds	1,047,508,145	224,111,901
Bank wealth management products and structured deposits	91,239,577	83,529,054
	1,138,747,722	307,640,955

3. Trade receivables

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

An ageing analysis of trade receivables is as follows :

	2021	2020
Within 1 year	2,369,052,561	1,120,955,317
Over 1 year but within 2 years	81,368,697	17,600,061
Over 2 years but within 3 years	14,238,006	6,098,932
Over 3 years	10,647,647	15,596,350
	2,475,306,911	1,160,250,660
Less: Bad debt provision for trade receivables	30,083,810	18,801,049
	2,445,223,101	1,141,449,611

* 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:

	2021				
	Carrying amount		Bad debt provision		Net book value
	Amount	Proportion (%)	Amount	Proportion (%)	
For which bad debt provision has been made individually	14,610,811	0.59	14,610,811	100.00	–
Provision for bad debts based on credit risk characteristics	2,460,696,100	99.41	15,472,999	0.63	2,445,223,101
	2,475,306,911	100.00	30,083,810	1.22	2,445,223,101

	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

If the Group has objective evidence that a trade receivable is credit-impaired, the Group makes provision for bad debt to the trade receivable individually and recognises expected credit losses.

The Group's trade receivables with bad debt provision based on credit risk characteristics are as follows:

	2021			2020		
	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	2,371,436,211	0.30	7,114,309	1,120,954,467	0.30	3,362,863
Over 1 year but within 2 years	67,910,734	6.00	4,074,644	17,500,061	6.00	1,050,004
Over 2 years but within 3 years	14,138,006	15.00	2,120,701	5,437,087	15.00	815,563
Over 3 years	7,211,149	30.00	2,163,345	3,980,609	30.00	1,194,183
	2,460,696,100		15,472,999	1,147,872,224		6,422,613

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)*

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

	At 1 January	Additions	Recovery or reversal	Write-off	At 31 December
2021	18,801,049	12,619,074	(819,001)	(517,312)	30,083,810
2020	18,874,685	8,990,504	(8,761,229)	(302,911)	18,801,049

The five entities with the largest balances of trade receivables at 31 December 2021 are as follows:

Name of entity	Relationship	Closing balance	Proportion of trade receivables (%)	Ageing	Closing balance of bad debt provision
Transamine Trading SA	Third party	281,335,664	11.37	Within 1 year	844,007
Xiamen ITG Nonferrous Metals and Minerals Co., Ltd.	Third party	237,401,818	9.59	Within 1 year	712,205
Trafigura Pte. Ltd.	Third party	249,968,219	10.10	Within 1 year	749,905
Gerald Metals Sarl	Third party	186,792,664	7.55	Within 1 year	560,378
IXM S.A.	Third party	157,573,990	6.37	Within 1 year	472,722
		1,113,072,355	44.98		3,339,217

The five entities with the largest balances of trade receivables at 31 December 2020 are as follows:

Name of entity	Relationship	Closing balance	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
Sunning 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., Ltd.	Third party	48,424,315	4.17	Within 1 year	145,273
Jinchuan Group Copper Co., Ltd.	Third party	28,957,651	2.50	Within 1 year	86,873
		251,768,516	21.70		755,305

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.)

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

4. Receivables financing

	2021	2020
Bills receivable (Note 1)	1,958,255,180	1,584,054,139

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:

	2021	2020
Bank acceptance bills	1,722,616,755	1,359,596,464
Commercial acceptance bills	271,090,000	240,240,529
Less: Other comprehensive income – changes in fair value	1,993,706,755 35,451,575	1,599,836,993 15,782,854
	1,958,255,180	1,584,054,139

The Group did not have any externally pledged bills receivable in 2021 and 2020.

In 2021 and 2020, the Group had no bills which were reclassified as trade receivables due to non-performance of obligations of the issuers.

Bills receivable endorsed or discounted by the Group which were not yet due at the end of the reporting period are as follows:

	2021		2020	
	Derecognised	Not derecognised	Derecognised	Not derecognised
Bank acceptance bills	721,451,130	670,475,468	530,150,820	260,976,849
Commercial acceptance bills	–	15,300,000	–	13,000,000
	721,451,130	685,775,468	530,150,820	273,976,849

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

An ageing analysis of prepayments is as follows:

	2021		2020	
	Carrying amount	Proportion (%)	Carrying amount	Proportion (%)
Within 1 year	1,624,764,477	90.43	1,193,408,485	84.40
Over 1 year but within 2 years	63,001,777	3.51	84,072,335	5.95
Over 2 years but within 3 years	36,467,105	2.03	68,961,305	4.88
Over 3 years	72,485,862	4.03	67,467,431	4.77
	1,796,719,221	100.00	1,413,909,556	100.00
Less: Bad debt provision for prepayments	14,298,555		3,855,478	
	1,782,420,666		1,410,054,078	

As at 31 December 2021 and 31 December 2020, there were no prepayments with significant balances aged over one year.

The movements of bad debt provision for prepayments are as follows:

	At 1 January	Additions	Reversal/ Write-off	At 31 December
2021	3,855,478	10,483,091	(40,014)	14,298,555
2020	2,712,458	1,143,020	–	3,855,478

The five entities with the largest balances of prepayments at 31 December 2021 are as follows:

Name of entity	Relationship	Closing balance	Proportion of prepayments (%)
WH Metals Limited	Third party	126,430,999	7.04
Mintmetals North-Europe AB	Third party	64,692,398	3.60
Liaoning Jintaiyuan Metal Material Co., Ltd.	Third party	56,260,000	3.13
Chifeng Fubang Copper Co., Ltd.	Third party	44,665,375	2.49
Inner Mongolia Dongshengmiao Mining Co., Ltd.	Third party	38,932,195	2.17
		330,980,967	18.43

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 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

6. Other receivables

	2021	2020
Interest receivables	26,357,840	27,494,423
Other receivables	1,359,359,058	1,167,553,142
	1,385,716,898	1,195,047,565

An ageing analysis of other receivables is as follows:

	2021	2020
Within 1 year	1,087,191,655	781,877,337
Over 1 year but within 2 years	65,461,459	129,571,798
Over 2 years but within 3 years	34,064,147	116,546,865
Over 3 years	277,239,491	256,969,643
	1,463,956,752	1,284,965,643
Less: Bad debt provision for other receivables	104,597,694	117,412,501
	1,359,359,058	1,167,553,142

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:

2021

	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
Opening balance	1,168,884	–	116,243,617	117,412,501
Opening balance during the year				
– Transferred to Stage 2	–	–	–	–
– Transferred to Stage 3	–	–	–	–
– Reversed to Stage 2	–	–	–	–
– Reversed to Stage 1	–	–	–	–
Provision during the year	205,149	–	197,015	402,164
Reversal during the year	–	–	(1,556,993)	(1,556,993)
Write-back during the year	–	–	–	–
Write-off during the year	–	–	(11,659,978)	(11,659,978)
Other changes	–	–	–	–
	1,374,033	–	103,223,661	104,597,694

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
Opening balance	1,102,771	–	115,640,331	116,743,102
Opening balance 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 movements of bad debt provision for other receivables are as follows:

	At 1 January	Additions	Recovery or reversal	Write-off	At 31 December
2021	117,412,501	402,164	(1,556,993)	(11,659,978)	104,597,694
2020	116,743,102	5,221,235	(542,082)	(4,009,754)	117,412,501

The category of other receivables by nature is as follows:

	2021	2020
Tax rebate receivables	369,111,866	315,482,587
Loans and advance payments	194,150,000	105,790,000
Guarantees and deposits	136,634,124	184,836,568
Deferred expenses	102,133,560	115,154,015
Due from third parties	98,864,671	109,448,282
Receivables from disposal of assets	87,729,533	67,503,085
Receivables from associates and joint ventures	78,312,296	42,176,028
Advanced material costs	50,506,708	61,603,924
Staff advances and reserve funds	46,014,692	62,376,623
Receivables from settlement of futures	28,177,962	38,497,944
Due from non-controlling shareholders	4,965,671	15,391,446
Others	267,355,669	166,705,141
	1,463,956,752	1,284,965,643
Less: Bad debt provision for other receivables	104,597,694	117,412,501
	1,359,359,058	1,167,553,142

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 2021 are as follows:

	Closing balance	Proportion of other receivables (%)	Nature	Ageing	Closing balance of bad debt provision
Serbian Tax Administration (Note 1)	199,699,095	13.64	VAT refund receivables	Within 1 year	–
State Taxation Administration (Note 2)	129,944,920	8.88	VAT refund receivables	Within 1 year	–
Fujian Evergreen New Energy Technology Co., Ltd. ("Evergreen New Energy") (Note 3)	70,116,855	4.79	Loans and advance payments	Within 1 year	–
Wengfu Zijin Chemical Co., Ltd. ("Wengfu Zijin") (Note 4)	64,130,178	4.38	Loans and advance payments	Within 1 year	–
Fujian Kingkop Co., Ltd. ("Fujian Kingkop") (Note 5)	50,413,780	3.44	Loans and advance payments	Within 1 year	–
	514,304,828	35.13			–

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 6)	76,172,076	5.93	Deposits	Within 1 year	–
Wuping Tianan Urban Construction and Investment Development Co., Ltd. ("Wuping Tianan") (Note 7)	54,193,200	4.22	Due from third parties	Over 3 years	(54,193,200)
Fujian Makeng Mining Co., Ltd. ("Makeng Mining") (Note 8)	50,062,028	3.90	Loans and advance payments	Within 1 year	–
	495,856,172	38.59			(54,193,200)

Note 1: The amount represents VAT refund receivables from the Serbian Tax Administration of the Group's subsidiary, Serbian Zijin Copper Doo ("Serbia Zijin Copper"), for export sales. As at 31 December 2021, the amount of VAT refund receivables from the Serbian Tax Administration was equivalent to RMB199,699,095 (as at 31 December 2020, the amount of VAT refund receivables from the Serbian Tax Administration was equivalent to RMB185,215,207).

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 2021, the total amount of VAT refund receivables from the State Taxation Administration of the People's Republic of China of the three subsidiaries was RMB129,944,920 (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: In August 2021, Finance Company, a subsidiary of the Group, provided loans amounting to RMB70,000,000 to Evergreen New Energy, an associate of the Group. As at 31 December 2021, the total principal and interest of the loans amounted to RMB70,082,347. The loans would be due in July 2022. The remaining amount of RMB34,508 represented other advances.

Note 4: In June and November 2021, Finance Company, a subsidiary of the Group, provided loans amounting to RMB50,000,000 and RMB14,000,000, respectively, to Wengfu Zijin, an associate of the Group. As at 31 December 2021, the total principal and interest of the loans amounted to RMB64,080,178 (as at 31 December 2020, the total principal and interest of the loans amounted to RMB14,018,608). The loans would be due in May and October 2022, respectively. Amounts due from Wengfu Zijin of Finance Company in 2020 amounted to RMB19,018,608 were fully settled in 2021. The remaining amount of RMB50,000 represented other advances.

Note 5: In 2021, Finance Company, a subsidiary of the Group, provided loans amounting to RMB50,050,000 to Fujian Kingkop, a company not belongs to the Group. As at 31 December 2021, the total principal and interest of the loans amounted to RMB50,130,799. The loans would be due in 30 August 2022. The remaining amount of RMB282,981 represented other advances.

Note 6: 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 acquired in 2020. As the litigation was closed, the balance of the deposit as at the end of 2021 was zero.

Note 7: 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. The amount recovered in 2021 was RMB1,500,000, and the reversal of provision for bad debts was RMB1,500,000.

Note 8: In September and October 2020, 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. Amounts due from Makeng Mining of Finance Company in 2020 were fully settled in 2021.

7. Inventories

	2021			2020		
	Carrying amount	Inventory provision	Net book value	Carrying amount	Inventory provision	Net book value
Raw materials	7,226,699,610	(108,563,919)	7,118,135,691	8,254,740,505	(74,391,615)	8,180,348,890
Work in process	9,119,379,582	(65,602,031)	9,053,777,551	8,502,479,668	(55,530,983)	8,446,948,685
Finished goods	3,182,366,261	(46,280,894)	3,136,085,367	1,463,768,438	(32,904,116)	1,430,864,322
Reusable materials	802,069	-	802,069	5,998,523	-	5,998,523
	19,529,247,522	(220,446,844)	19,308,800,678	18,226,987,134	(162,826,714)	18,064,160,420

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.)***V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** *(continued)***7. Inventories** *(continued)*

The movements of inventory provision are as follows:

2021

	At 1 January	Additions	Reductions		At 31 December
			Reversal	Write-back	
Raw materials	74,391,615	82,421,696	(47,879,558)	(369,834)	108,563,919
Work in process	55,530,983	14,341,250	(4,270,202)	–	65,602,031
Finished goods	32,904,116	23,962,715	(9,596,816)	(989,121)	46,280,894
	162,826,714	120,725,661	(61,746,576)	(1,358,955)	220,446,844

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

2021 and 2020	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 2021, the Group had no inventories with restricted ownership (31 December 2020: Nil).

As at 31 December 2021, the Group had no capitalised interest expenses in the closing balance of inventories (31 December 2020: Nil).

8. Current portion of non-current assets

	2021	2020
Current portion of long-term receivables (Note V.22)	8,923,967	40,255,087

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)*

9. Other current assets

	2021	2020
VAT recoverable	1,660,845,502	1,091,652,624
Deposit for futures contracts	675,103,177	509,584,616
Liquid cash for futures contracts	382,280,127	199,700,833
Taxes prepayment and taxes recoverable	263,212,849	125,474,546
Input VAT to be verified	11,383,903	2,687,516
Others	25,122,559	12,801,436
	3,017,948,117	1,941,901,571

10. Debt investments

	2021			2020		
	Carrying amount	Impairment provision	Net book value	Carrying amount	Impairment provision	Net book value
Treasury bonds	10,068,712	-	10,068,712	-	-	-
Large-denomination certificates of deposit with a term of over one year	458,067,450	-	458,067,450	255,811,321	-	255,811,321
	468,136,162	-	468,136,162	255,811,321	-	255,811,321

In 2021, the Group purchased large-denomination certificates of deposit with a term of over one year amounting to RMB200,000,000, all of which will mature in 2024 and have a 3.64% deposit interest rate.

In 2020, the Group purchased large-denomination certificates of deposit with a term of over one year amounting to RMB250,000,000, all of which will mature in 2023 and have a 3.85% deposit interest rate.

As at 31 December 2021, debt investments with a carrying amount of RMB150,000,000 (31 December 2020: RMB250,000,000) of the Group were subject to restrictions on title or use. Please refer to Note V.67 for details.

11. Long-term equity investments

	2021			2020		
	Carrying amount	Impairment provision	Net book value	Carrying amount	Impairment provision	Net book value
Investments in joint ventures	3,492,988,576	(17,575,099)	3,475,413,477	3,059,612,686	(17,575,099)	3,042,037,587
Investments in associates	6,199,857,121	(47,038,703)	6,152,818,418	4,104,656,029	(47,038,703)	4,057,617,326
	9,692,845,697	(64,613,802)	9,628,231,895	7,164,268,715	(64,613,802)	7,099,654,913

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)

2021

	Movements during the year											
	At 1 January	Additions	Business combination not under common control	Reductions	Investment income/(losses) under the equity method	Other comprehensive income	Other changes in equity	Cash dividends declared by investee	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")	1,333,050,167	-	-	-	(17,779,890)	9,685,755	-	-	(30,276,567)	1,294,679,465	-	
Shandong Guoda Gold Co., Ltd. ("Shandong Guoda")	180,693,352	-	-	-	14,206,443	-	-	(9,014,700)	-	185,885,095	(12,350,855)	
Xiamen Zijin Zhonghang Properties Co., Ltd. ("Xiamen Zijin Zhonghang")	140,795,536	-	-	(125,000,000)	53,026	-	-	(15,848,562)	-	-	-	
Guizhou Funeng Zijin Energy Co., Ltd. ("Guizhou Funeng Zijin")	74,742,531	-	-	-	(112,619)	-	-	-	-	74,629,912	-	
Guizhou Southwest Zijin Gold Development Co., Ltd. ("Southwest Zijin Gold")	21,351,151	-	-	-	(2,101,901)	-	-	-	-	19,249,250	-	
Fujian Longhu Fishery Ecological Development Co., Ltd. ("Fujian Longhu Fishery")	9,620,197	-	-	-	361,512	-	-	-	-	9,981,709	-	
Kamoa Holding Limited ("Kamoa")	1,292,391,641	-	-	-	646,136,449	-	-	-	(37,450,565)	1,901,077,525	-	
Pongera Service Company	1,743,867	-	-	-	517,509	-	-	-	-	2,261,376	-	
Preduzece za Proizvodnju Bankarnog Praha Pometon Tir Doo Bor ("Pometon")	5,224,244	-	-	-	-	-	-	-	-	5,224,244	(5,224,244)	
Subtotal	3,059,612,686	-	-	(125,000,000)	641,280,529	9,685,755	-	(24,863,262)	(67,727,132)	3,492,988,576	(17,575,099)	

Notes to Financial Statements (continued)

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

11. Long-term equity investments (continued)

2021 (continued)

	Movements during the year										
	At 1 January	Additions	Business combination not under common control	Reductions	Investment income/(losses) under the equity method	Other comprehensive income	Other changes in equity	Cash dividends declared by investee	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")	36,396,737	-	-	-	(621,312)	-	-	(720,000)	-	35,055,425	-
Hunchun Jindai Mining Co., Ltd. ("Hunchun Jindai")	47,038,703	-	-	-	-	-	-	-	-	47,038,703	(47,038,703)
Zisen (Xiamen) Supply Chain Management Co., Ltd. ("Zisen Supply Chain")	12,560,771	-	-	-	4,655,144	-	-	(9,581,434)	-	7,634,481	-
Science Environmental Co., Ltd. ("Science")	234,862,425	-	-	-	17,796,251	-	-	-	-	252,658,676	-
Evergreen New Energy	28,930,327	30,000,000	-	-	23,091,407	-	-	-	-	82,021,734	-
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	-	-	-	(434,524)	-	-	-	-	2,565,476	-
China Gezhouba Group Explosive Co., Ltd. Maizhokuragar Branch ("Explosive Co.")	29,533,750	-	-	-	43,461,333	-	-	(1,495,610)	-	71,499,473	-

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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)

2021 (continued)

	Movements during the year										Provision for impairment losses at 31 December	
	At 1 January	Additions	Business combination not under common control	Reductions	Investment income/(losses) under the equity method	Other comprehensive income	Other changes in equity	Cash dividends declared by investee	Exchange differences arising from translation of financial statements denominated in foreign currencies	At 31 December		
Associates (continued)												
Sino-Zijin Resources Ltd. ("Sino-Zijin Resources") (Note 2)	217,682,489	-	(213,547,517)	-	(4,134,972)	-	-	-	-	-	-	-
Yixing Jiayu Hongde Zhanyi Equity Investment Partnership Enterprise (Limited Partnership) ("Yixing Jiayu") (Note 1)	-	100,000,000	-	-	(893,504)	-	-	-	-	-	99,106,496	-
Sinotech Minerals Exploration Co., Ltd. ("Sinotech") (Note 2)	-	-	222,810,400	-	8,313,100	-	-	-	-	-	231,123,500	-
Mimmetals Nonferrous Metals Jiangsu Co., Ltd. ("Mimmetals Nonferrous Metals Jiangsu") (Note 3)	-	9,000,000	-	-	10,613	-	-	-	-	-	9,010,613	-
Hainan International Clearing House Co., Ltd. ("Hainan International Clearing House") (Note 4)	-	250,000,000	-	-	1,278,668	-	-	-	-	-	251,278,668	-
TF Futures (Note 5)	-	345,657,600	-	-	(2,495,213)	-	-	-	-	-	343,162,387	-
Datcom Mining SA (Note 6)	-	213,203,408	-	-	-	-	-	-	-	-	213,203,408	-
Subtotal	4,104,656,029	963,626,508	9,262,883	-	1,585,789,410	-	-	(463,477,709)	-	6,199,857,121	(47,038,703)	
Total	7,164,268,715	963,626,508	9,262,883	(125,000,000)	2,227,069,939	9,685,755	-	(488,340,971)	(67,727,132)	9,692,845,697	(64,613,802)	

Notes to Financial Statements (continued)

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

11. Long-term equity investments (continued)

2020

	Movements during the year										Provision for impairment losses at 31 December
	At 1 January	Additions	Reductions	Investment income/(losses) under the equity method	Other comprehensive income	Other changes in equity	Cash dividends declared by investee	Exchange differences arising from translation of financial statements denominated in foreign currencies	At 31 December		
Joint ventures											
Gold Eagle Mining	1,441,844,336	-	-	(37,554,117)	17,549,867	-	-	(88,789,919)	1,333,050,167	-	
Shandong Guoda	177,719,680	-	-	11,988,372	-	-	(9,014,700)	-	180,693,352	(12,350,855)	
Xiamen Zijin Zhonghang	174,604,090	-	-	2,024,011	-	-	(35,832,565)	-	140,795,536	-	
Guizhou Funeng Zijin	74,816,879	-	-	(74,348)	-	-	-	-	74,742,531	-	
Southwest Zijin Gold	21,005,109	-	-	346,042	-	-	-	-	21,351,151	-	
Fujian Longghu Fishery	9,431,726	-	-	188,471	-	-	-	-	9,620,197	-	
Kamao	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	-	
Pometon	5,621,368	-	-	-	-	-	-	(397,124)	5,224,244	(5,224,244)	
Fujian Zijin CuiFu Jewellery Development Co., Ltd. ("Zijin CuiFu")	3,464,168	-	(3,464,168)	-	-	-	-	-	-	-	
Subtotal	3,478,019,980	-	(3,464,168)	(206,963,337)	17,549,867	-	(44,847,265)	(180,682,391)	3,059,617,686	(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	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	349,662,025	-	-	16,209,663	-	-	(5,382,665)	-	360,489,023	-
Wengfu Zijin	367,811,453	-	-	97,833,909	-	-	-	-	465,645,362	-
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	134,927,823	-	-	2,827,573	-	-	-	-	137,755,396	-
Yulong Copper	677,621,434	-	-	83,100,841	-	-	-	-	760,722,275	-
Shanghai Xinyuan	100,475,763	-	-	1,668,053	-	-	-	-	102,143,816	-
Yanbian Credit Security	71,648,005	-	-	(1,458,030)	-	-	-	-	70,189,975	-
Kanas Travel	81,655,800	-	-	(17,245,530)	-	-	-	-	64,410,270	-
Ting River Hydropower	72,007,654	-	-	1,715,000	-	-	(4,900,000)	-	68,822,654	-
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	Exchange differences arising from translation of financial statements denominated in foreign currencies	At 31 December	Provision for impairment losses at 31 December
Associates (continued)										
Wuping Zijin Hydropower	44,892,383	-	-	(2,255,646)	-	-	(6,240,000)	-	36,396,737	-
Hunchun Jindi	47,038,703	-	-	-	-	-	-	-	47,038,703	(47,038,703)
Zisen Supply Chain	10,654,407	-	-	2,626,364	-	-	(720,000)	-	12,560,771	-
Fujian Kingkop	3,515,774	-	(3,106,925)	(408,849)	-	-	-	-	-	-
Science	220,666,005	-	-	14,196,420	-	-	-	-	234,862,425	-
Evergreen New Energy	27,123,266	-	-	1,807,061	-	-	-	-	28,930,327	-
Beijing Anchuang Shenzhen	144,000	-	-	-	-	-	-	-	144,000	-
Caxi Cultural	3,000,000	-	-	-	-	-	-	-	3,000,000	-
Explosive Co.	-	28,383,638	-	1,150,112	-	-	-	-	29,533,750	-
Sino-Zijin Resources	-	217,810,400	-	(127,911)	-	-	-	-	217,682,489	-
Subtotal	3,509,249,839	246,194,038	(3,106,925)	400,436,742	-	-	(48,117,665)	-	4,104,656,029	(47,038,703)
Total	6,987,269,819	246,194,038	(6,571,093)	193,473,405	17,549,867	-	(92,964,930)	(180,682,391)	7,164,266,715	(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)*

Movements of provision for impairment losses of long-term equity investments:

2021

	At 1 January	Additions	Reductions	At 31 December
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
	64,613,802	–	–	64,613,802

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

Note 1: In May 2021, Zijin Mining Ziniu (Xiamen) Industry Investment Fund Partnership Enterprise (Limited Partnership) (“Ziniu Partnership”), a subsidiary of the Group, together with 19 partners including Yixing City Industrial Development Investment Co., Ltd. jointly invested in and incorporated Yixing Jiayu. The registered capital of Yixing Jiayu is RMB263,380,000 and the Group holds 42% of its equity interest. As at 31 December 2021, the Group had invested a total of RMB100,000,000 in cash with a shareholding of 37.97%, and accounted for it as an associate.

Note 2: In August 2020, the Group invested RMB217,810,400 to incorporate Sino-Zijin Resources with Beijing Institute of Geology for Mineral Resources Co., Ltd. (“Beijing Institute of Geology”) and Beijing Aolian Zhuocheng Science and Technology Partnership Enterprise (Limited Partnership) (“Beijing Aolian Zhuocheng”). Each party held 42%, 42% and 16% of its equity interest, respectively. Beijing Institute of Geology provided its 16.62% equity interest in Sinotech and 15% equity interest in Zhongse Jietai Geophysical Technology (Beijing) Co., Ltd. (“Zhongse Jietai”) as considerations. On 30 June 2021, Sino-Zijin Resources acquired 30%, 20% and 15% equity interest in Zhongse Jietai held by Beijing Institute of Geology, Sinotech and Beijing Jieao Technology Research Centre (Limited Partnership), respectively. After completion of the transaction, Sino-Zijin Resources became the controlling shareholder of Zhongse Jietai, holding 80% of its equity interest. Zhongse Jietai became a subsidiary of Sino-Zijin Resources. On 9 September 2021, the Group invested RMB44,080,677 to acquire 8.5% equity interest in Sino-Zijin Resources held by Beijing Institute of Geology. After completion of the acquisition, the Group, Beijing Institute of Geology and Beijing Aolian Zhuocheng hold 50.5%, 33.5% and 16% equity interest in Sino-Zijin Resources, respectively. Pursuant to the articles of association of Sino-Zijin Resources, the shareholders’ meeting is the highest authority, and shareholders exercise their voting rights based on the proportion of the paid-in capital. Therefore, the Group has control over Sino-Zijin Resources, and Sino-Zijin Resources was transformed from an associate to a subsidiary. Sinotech, an associate of Sino-Zijin Resources, has become an associate of the Group.

Notes to Financial Statements *(continued)*

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

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

- Note 3: On 21 December 2020, Zijin International Trading Co., Ltd., a subsidiary of the Group, signed a cooperation agreement with China Minmetals Nonferrous Metals Co., Ltd. and China Certification & Inspection Group Jiangsu Co., Ltd. They jointly invested in and incorporated Minmetals Nonferrous Metals Jiangsu Co., Ltd. with paid-in capital in April 2021. The registered capital of Minmetals Nonferrous Metals Jiangsu Co., Ltd. is RMB36,000,000. Zijin International Trading Co., Ltd., a subsidiary of the Group holds 25% of its equity interest. The Group accounts for it as an associate.
- Note 4: In September 2021, Zijin International Holdings Co., Ltd. (“Zijin International Holdings”), a subsidiary of the Group, together with Sanya International Trading Group Co., Ltd. (“Sanya Trading Group”), jointly invested RMB600 million to incorporate Hainan International Clearing House. Sanya Trading Group invested RMB350 million, subscribed 350 million shares and held 58.33% equity interest; Zijin International Holdings invested RMB250 million, subscribed 250 million shares and held 41.67% equity interest. Pursuant to the articles of association of Hainan International Clearing House, the board of directors consists of five directors, including three appointed by Sanya Trading Group and two appointed by Zijin International Holdings. Therefore, the management of the Group considers that the Group has a significant influence over the financial and operating decisions of Hainan International Clearing House, and accounts for it as an associate.
- Note 5: On 20 June 2021, the Group signed a conditional share subscription contract with TF Futures to subscribe 210,000,000 new shares of TF Futures under private placement in cash with a consideration of RMB1.26 per share. This transaction was completed in November 2021. In July 2021, the Group signed a share transfer agreement with Hubei Xinweide Chemical Co., Ltd. (“Hubei Xinweide”), Wuhan Yuanzhou Biological Engineering Co., Ltd. (“Wuhan Yuanzhou”) and Wuhan Bo Zhuo Chemical Co., Ltd. (“Wuhan Bo Zhuo”), respectively, to acquire 15,650,000, 15,000,000 and 1,350,000 shares of TF Futures held by the parties, respectively at consideration not higher than RMB3.15 per share before 31 December 2021. As at 31 December 2021, the Group held a total of 45% equity interest in TF Futures. The Group has significant influence over the financial and operating decisions of TF Futures, and accounts for it as an associate. On 7 March 2022, the Group completed the transfer of 1,350,000 shares and 4,670,000 shares of TF Futures from Wuhan Yuanzhou and Hubei Xinweide, respectively. The Group’s equity interest in TF Futures increased to 46.15%. After completion of the change in shareholding of TF Futures, it was proposed that the number of members of the board of directors of TF Futures will increase from 5 to 7, of which the Group can nominate 2 directors.
- Note 6: On 14 July 2021, the Group reached an agreement with La Congolaise d’Exploitation Minière of the DR Congo to acquire its 15% shares of Dathcom Mining SA. The consideration was USD33,440,000. The equity interest transfer of Dathcom Mining SA was completed in November 2021. As at 31 December 2021, the Group had paid USD5,016,000, and the balance of USD28,424,000 was not yet settled. Pursuant to the articles of association of Dathcom Mining SA, the board of directors consists of six directors, including one appointed by the Group. Therefore, the management of the Group considers that the Group has a significant influence over the financial and operating decisions of Dathcom Mining SA, and accounts for it as an associate.

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

12. Other equity instrument investments

2021

	Costs	Accumulated changes in fair value of other comprehensive income (Note 1)	Fair value	Dividend income for the current year Equity instruments held	Reasons for designating at fair value through other comprehensive income
Non-listed company					
Fujian Shanghang Rural Commercial Bank Company Limited ("Shanghang Rural Commercial Bank")	89,900,000	(14,782,781)	75,117,219	12,316,500	Long-term holding
Rongda Gold (Sichuan) Limited (formerly known as Muli County Rongda Mining Company Limited, "Muli Rongda")	74,950,241	45,478,081	120,428,322	14,412,000	Long-term holding
Lenghu Bindi Potash Co., Ltd. ("Bindi Potash")	187,106,400	(153,422,688)	33,683,712	-	Long-term holding
Beijing Larkworld Environmental Technology Incorporated Company ("Bailing Larkworld")	76,739,294	20,565,331	97,304,625	-	Long-term holding
Fujian Shanghang Xingcheng Financing Guarantee Company Limited ("Xingcheng Guarantee")	50,000,000	10,709,341	60,709,341	-	Long-term holding
Guizhou Zhenfeng Rural Commercial Bank Company Limited ("Zhenfeng Rural Commercial Bank")	11,074,000	9,182,892	20,256,892	926,100	Long-term holding
Sichuan Liwu Copper Company Limited ("Liwu Copper")	29,725,249	34,236,268	63,961,517	1,200,000	Long-term holding
Nanjing China-Spacenet Satellite Telecom Co., Ltd. ("Nanjing China Net")	25,000,000	(5,725,831)	19,274,169	100,000	Long-term holding
Xinjiang Wuxin Copper Co., Ltd. ("Wuxin Copper")	6,731,300	250,554	6,981,854	-	Long-term holding
China Supply Chain Cloud Finance Company Ltd. ("CSCC")	6,500,000	(3,060,610)	3,439,390	-	Long-term holding
Histron Technology (Fujian) Group Co., Ltd. ("Histron")	4,200,000	5,408,871	9,608,871	-	Long-term holding
Ningbo Maverick Zhongying Equity Investment Partnership Enterprise (Limited Partnership) ("Maverick Zhongying")	21,084,246	-	21,084,246	-	Long-term holding
Gongqingcheng Kaichen Equity Investment Master Fund Partnership Enterprise (Limited Partnership)	10,000,000	-	10,000,000	-	Long-term holding
Qingdao Huakong Growth Equity Investment Partnership Enterprise (Limited Partnership)	7,000,000	-	7,000,000	-	Long-term holding
Zhuhai Shanghe Zhengzhi Phase II Investment Partnership Enterprise (Limited Partnership)	5,000,000	-	5,000,000	-	Long-term holding
Beijing EQ Intelligent Driving Technology Co., Ltd.	30,000,000	-	30,000,000	-	Long-term holding
Haian Rubber Group Co. Ltd.	75,000,000	-	75,000,000	1,800,000	Long-term holding
Gongqingcheng Qixin Equity Investment Partnership Enterprise (Limited partnership)	7,500,000	-	7,500,000	-	Long-term holding
Shenzhen Zhengxuan Qianzhanruiyuan Venture Capital Investment Partnership Enterprise (Limited Partnership)	20,000,000	-	20,000,000	-	Long-term holding
Fujian Haisi New Energy Investment Partnership Enterprise (Limited Partnership)	30,000,000	-	30,000,000	-	Long-term holding
Xiamen Duitai Environmental Protection Technology Co., Ltd.	30,000,000	-	30,000,000	-	Long-term holding
Others	12,932,111	(8,864,063)	4,068,048	-	Long-term holding
	810,442,841	(60,024,635)	750,418,206	30,754,600	
Listed company					
Ivanhoe Mines Ltd. ("Ivanhoe")	2,128,366,065	6,414,778,421	8,543,144,486	-	Strategic investment
Galiano Gold Inc.	82,528,581	(12,879,159)	69,649,422	-	Strategic investment
Lydian International Ltd.	24,705,422	(24,705,422)	-	-	Strategic investment
Chrometco Ltd.	2,451,113	(1,016,315)	1,434,798	-	Strategic investment
Xinjiang Xinxin Mining Industry Company Limited ("Xinjiang Xinxin")	18,314,097	32,293,753	50,607,850	-	Strategic investment
Altamira Gold Corp	8,444,815	(8,053,516)	391,299	-	Strategic investment
	2,264,810,093	6,400,417,762	8,665,227,855	-	
	3,075,252,934	6,340,393,127	9,415,646,061	30,754,600	

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

12. Other equity instrument investments (continued)

2020

	Costs	Accumulated changes in fair value of other comprehensive income (Note 1)	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	1,843,949	91,743,949	13,800,000	Long-term holding
Muli Rongda	74,950,241	48,180,505	123,130,746	–	Long-term holding
Bindi Potash	187,106,400	(130,919,712)	56,186,688	–	Long-term holding
Bailing Larkworld	76,739,294	6,608,385	83,347,679	–	Long-term holding
Xingcheng Guarantee	50,000,000	(7,796,580)	42,203,420	–	Long-term holding
Zhenfeng Rural Commercial Bank	11,074,000	14,647,010	25,721,010	1,131,900	Long-term holding
Liwu Copper	19,850,000	34,385,083	54,235,083	2,400,000	Long-term holding
Nanjing China Net	25,000,000	(8,837,288)	16,162,712	–	Long-term holding
Wuxin Copper	6,731,300	1,766,301	8,497,601	–	Long-term holding
CSCC	6,500,000	(1,574,280)	4,925,720	–	Long-term holding
Histron	4,200,000	2,487,611	6,687,611	–	Long-term holding
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	2,178,116,952	3,627,763,405	5,805,880,357	–	Strategic investment
Galiano 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	18,314,097	5,267,314	23,581,411	–	Strategic investment
Altamira Gold 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)*

Note 1: The amount accumulated in other comprehensive income included changes in fair value and exchange adjustments accumulated in other comprehensive income.

In 2021, the Group did not dispose of any other equity instrument investments (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 in other comprehensive income were transferred to retained earnings. The amounts were RMB28,531,472 and RMB1,572,708, respectively).

13. Other non-current financial assets

	2021	2020
Jinrui Co-operative Business Operation Project (Note 1)	79,300,000	749,755,657
Trust protection fund (Note 2)	62,500,000	37,500,000
	141,800,000	787,255,657
Current portion of other non-current financial assets	(79,300,000)	(749,755,657)
	62,500,000	37,500,000

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 2021, the agreement expired. On 31 December 2021, the Group's subsidiary entered into a new agreement with Xiamen Jinrui Commercial Factoring Co., Ltd. to cooperate in the documentary factoring of commercial acceptance bills for a period of one year. The project will expire on 31 December 2022. As at 31 December 2021, the investment cost of the project was RMB99,300,000, and losses on changes in fair value was RMB20,000,000, which were charged to held-for-trading financial assets. Please refer to Note V.2 for details.

Note 2: The Company accepted trust loans from its subsidiaries in 2020 and 2021. 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 protection 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.

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14. Investment properties

Buildings subsequently measured under the cost model:

	2021	2020
Cost		
At 1 January	182,829,089	182,659,768
Other additions	–	169,321
Other reductions	(149,894)	–
At 31 December	182,679,195	182,829,089
Accumulated depreciation and amortisation		
At 1 January	58,758,216	52,286,379
Depreciation and amortisation for the year	6,448,039	6,471,837
At 31 December	65,206,255	58,758,216
Impairment provision		
At 1 January	–	–
Impairment provided for the year	–	–
Other reductions	–	–
At 31 December	–	–
Net book value		
At 31 December	117,472,940	124,070,873
At 1 January	124,070,873	130,373,389

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 operating leases.

As at 31 December 2021, there were no investment properties of which certificates of title have not been obtained (31 December 2020: 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)

15. Fixed assets

2021

	Buildings	Mining assets	Power generation and transmission equipment	Plant, machinery and equipment	Motor vehicles	Furniture and fixtures and others	Total
Cost							
At 1 January 2021	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
Purchases	23,857,714	1,619,963,213	213,646,761	1,317,676,527	387,776,443	230,231,104	3,793,151,762
Transfers from construction in progress	1,741,161,936	6,865,763,535	144,771,868	1,223,271,401	111,109,821	8,329,229	10,094,407,790
Business combination not under common control	-	-	-	-	-	324,535	324,535
Disposals or write-off	(88,880,108)	(185,027,442)	(16,705,585)	(352,597,642)	(36,141,260)	(16,052,594)	(695,404,631)
Exchange realignments	(144,196,867)	(345,724,566)	(256,770,296)	(363,106,641)	(76,398,696)	(29,310,718)	(1,215,507,784)
At 31 December 2021	15,593,208,427	41,642,038,018	2,970,357,282	24,590,481,277	3,628,383,495	989,893,085	89,414,361,584
Accumulated depreciation							
At 1 January 2021	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
Depreciation for the year	796,083,062	2,080,755,149	248,222,890	1,917,410,864	413,151,904	96,320,307	5,551,944,176
Disposals or write-off	(61,706,468)	(32,850,427)	(7,234,988)	(242,897,839)	(29,948,013)	(13,502,696)	(388,140,431)
Exchange realignments	(31,791,126)	(91,506,813)	(69,195,825)	(170,294,274)	(41,263,375)	(21,057,915)	(425,109,328)
At 31 December 2021	4,515,634,494	12,406,671,048	1,313,141,972	11,399,402,956	1,487,429,913	481,555,281	31,603,835,664
Impairment provision							
At 1 January 2021	366,532,634	1,493,667,142	11,681,375	153,183,168	1,178,310	335,082	2,026,577,711
Impairment provided for the year	297,189,689	9,970,365	24,855	43,184,414	-	-	350,369,323
Disposals or write-off	(14,897,635)	(144,063,179)	(345,807)	(4,156,115)	(91,601)	(21,682)	(163,576,019)
Exchange realignments	-	-	-	-	-	-	-
At 31 December 2021	648,824,688	1,359,574,328	11,360,423	192,211,467	1,086,709	313,400	2,213,371,015
Net book value							
At 31 December 2021	10,428,749,245	27,875,792,642	1,645,854,887	12,998,866,854	2,139,866,873	508,024,404	55,597,154,905
At 1 January 2021	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

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)*15. Fixed assets *(continued)*

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 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

Notes to Financial Statements *(continued)*

For the year ended 31 December 2021

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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 that are temporarily idle are as follows:

2021

	Cost	Accumulated depreciation	Impairment provision	Net book value
Buildings	954,664,249	(247,827,637)	(560,545,826)	146,290,786
Mining assets	1,442,165,859	(465,173,308)	(899,605,365)	77,387,186
Plant, machinery and equipment	535,640,874	(366,161,674)	(94,377,125)	75,102,075
Motor vehicles	30,398,987	(15,086,750)	(77,350)	15,234,887
Power generation and transmission equipment	12,213,641	(10,398,648)	(668,779)	1,146,214
Furniture and fixtures and others	2,443,763	(2,355,108)	(339)	88,316
	2,977,527,373	(1,107,003,125)	(1,555,274,784)	315,249,464

2020

	Cost	Accumulated depreciation	Impairment provision	Net book value
Buildings	1,197,511,053	(303,570,689)	(319,476,177)	574,464,187
Mining assets	1,759,375,955	(534,706,118)	(1,045,529,876)	179,139,961
Plant, machinery and equipment	601,287,558	(380,235,947)	(99,691,676)	121,359,935
Motor vehicles	82,754,770	(74,394,586)	(792,938)	7,567,246
Power generation and transmission equipment	27,579,390	(19,287,069)	(2,825,749)	5,466,572
Furniture and fixtures and others	3,830,007	(3,506,657)	(339)	323,011
	3,672,338,733	(1,315,701,066)	(1,468,316,755)	888,320,912

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)*15. Fixed assets *(continued)*

Fixed assets leased out under operating leases are as follows:

2021

	Cost	Accumulated depreciation	Impairment provision	Net book value
Buildings	34,221,404	(16,976,507)	–	17,244,897
Mining assets	15,810,216	(7,887,363)	–	7,922,853
Power generation and transmission equipment	3,730,676	(3,374,429)	–	356,247
Plant, machinery and equipment	4,981,842	(4,513,601)	–	468,241
	58,744,138	(32,751,900)	–	25,992,238

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

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)*

15. Fixed assets *(continued)*

Fixed assets of which certificates of title have not been obtained are as follows:

	2021 Net book value	2020 Net book value	Reason why certificates of title have not been obtained
Buildings	1,137,490,713	1,135,902,905	In the process of application/the projects were unsettled
Mining assets	130,399,260	67,576	In the process of application/the projects were unsettled
	1,267,889,973	1,135,970,481	

At 31 December 2021, the net book value of the Group's fixed assets with restrictions on title or use was RMB891,798,049 (31 December 2020: 1,650,541,716). Please refer to Note V.67 for details.

16. Construction in progress

	2021	2020
Construction in progress	18,464,361,194	14,909,935,802
Construction materials	83,692,206	326,093,780
	18,548,053,400	15,236,029,582

Construction in progress

2021			2020		
Carrying amount	Impairment provision	Net book value	Carrying amount	Impairment provision	Net book value
19,366,476,110	(902,114,916)	18,464,361,194	15,678,203,039	(768,267,237)	14,909,935,802

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)

16. Construction in progress (continued)

Construction in progress (continued)

The movements of important construction in progress in 2021 are as follows:

Project name	Budget	At 1 January 2021	Additions	Transferred to fixed assets	Other reductions	At 31 December 2021	Contribution in budget	Progress of projects	Balance of capitalised interest as at 31 December 2021	Including: capitalised interest for the year	Interest rate of capitalisation (%)	Source of funds
Senjia Zijin Copper infrastructure project	10,746,323,063	2,724,267,749	3,770,927,498	(402,397,614)	(59,434,398)	6,033,363,235	60%	72%	130,952,883	113,868,922	3.70	Equity fund/Loan
Guizhou Zijin infrastructure project	181,583,600	89,431,303	36,020,169	(49,654,999)	-	75,796,473	69%	75%	9,347,244	-	Not applicable	Equity fund
Duobaoshan Copper industry infrastructure project	472,585,592	124,140,813	275,098,288	(305,120,779)	-	94,118,322	84%	89%	41,281,821	2,295,560	4.00	Equity fund/Loan
Guizhou Xinenergy infrastructure project	600,000,000	389,564,472	13,386,134	-	-	403,150,606	68%	80%	125,996,221	-	Not applicable	Equity fund
COMMUS infrastructure project	350,663,500	32,818,318	315,364,677	(335,882,346)	(533,396)	11,767,253	98%	98%	-	-	Not applicable	Equity fund
Zijinstan Copper Mine infrastructure project	574,921,154	267,436,393	166,737,494	(200,685,441)	-	233,488,446	71%	65%	-	-	Not applicable	Equity fund
Norton infrastructure project	2,036,015,778	205,947,821	835,463,217	(177,092,702)	(6,635,501)	857,682,835	43%	43%	3,815,154	3,815,154	0.60	Equity fund/Loan
Senjia Zijin Mining infrastructure project	3,022,081,800	882,149,125	1,519,546,129	(2,166,563,841)	(24,715,328)	220,416,085	96%	98%	67,905,815	32,888,109	4.77	Equity fund/Loan/ Proceeds raised
Xinjiang Zijin Non-Ferrous infrastructure project	152,843,765	58,212,008	112,869,123	(166,451,553)	-	4,629,578	112%	99%	27,546,026	-	Not applicable	Equity fund
Zijin Zinc infrastructure project	408,816,174	116,709,274	204,346,586	(31,821,937)	-	289,233,923	82%	75%	10,258,524	-	Not applicable	Equity fund
CARRILLU infrastructure project	207,000,000	144,039,912	56,330,812	(154,307,356)	(3,339,230)	42,724,138	94%	94%	6,787,139	-	Not applicable	Equity fund
Tongshan Mining infrastructure project	432,468,828	10,085,382	73,699,938	(3,448,007)	-	80,336,633	19%	25%	-	-	Not applicable	Equity fund/ Proceeds raised
Julong Copper infrastructure project	16,791,000,000	7,488,210,150	4,197,495,964	(3,981,904,774)	-	7,704,801,340	95%	99%	408,619,365	285,614,153	2.88	Equity fund/Loan
Continental Gold infrastructure project	1,161,321,957	722,522,271	386,725,085	(644,689,632)	(16,729,644)	447,819,080	97%	97%	63,794,409	17,326,527	3.77	Equity fund/Loan
Longnan Zijin infrastructure project	479,355,218	58,500,771	50,475,693	(5,325,017)	-	103,651,447	64%	60%	-	-	Not applicable	Equity fund
Shenxi Zijin infrastructure project	1,707,117,020	181,501,295	719,058,612	(4,291,930)	-	896,267,977	58%	58%	27,647,252	24,559,585	5.00	Equity fund/Loan
Others	3,310,753,162	2,171,665,382	1,164,175,232	(1,464,760,862)	(3,851,413)	1,867,228,739	Not applicable	Not applicable	144,887,772	1,147,120	Not applicable	Equity fund/Loan
Subtotal	42,634,850,611	15,678,208,039	13,897,919,771	(10,094,407,750)	(115,238,910)	19,366,476,110			1,088,833,625	481,515,130		
Impairment provision for construction in progress		(768,267,237)				(902,114,916)						
Total		14,909,935,802				18,464,361,194						

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

16. Construction in progress (continued)

Construction in progress (continued)

Impairment provision for construction in progress :

2021

	Write-off			At 31 December	Reasons for making provision
	At 1 January	Additions	during the year		
Luoyang Kunyu infrastructure project	5,005,874	-	-	5,005,874	No expected usable value in the future
Ankang Jinfeng infrastructure project	53,637,599	178,190,933	-	231,828,532	No expected usable value in the future
Jinhao Iron infrastructure project	591,814,765	-	-	591,814,765	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)	-	The construction in progress of Sichuan Jinkang was disposed of this year
Henan Jinda infrastructure project	43,719,287	-	(43,719,287)	-	The construction in progress of Henan Jinda was disposed of this year
	768,267,237	178,190,933	(44,343,254)	902,114,916	

2020

	Write-off			At 31 December	Reasons for making provision
	At 1 January	Additions	during the year		
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	

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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

	2021			2020		
	Carrying amount	Impairment provision	Net book value	Carrying amount	Impairment provision	Net book value
Dedicated materials	12,086,447	–	12,086,447	322,806,245	–	322,806,245
Dedicated equipment	73,402,803	(1,797,044)	71,605,759	5,084,579	(1,797,044)	3,287,535
	85,489,250	(1,797,044)	83,692,206	327,890,824	(1,797,044)	326,093,780

Impairment provision for construction materials:

2021

	At 1 January	Additions	Reductions	At 31 December
Dedicated equipment	1,797,044	–	–	1,797,044

2020

	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

2021

	Buildings	Power generation and transmission equipment	Plant, machinery and equipment	Motor vehicles	Furniture and fixtures and others	Total
Cost						
At 1 January 2021	44,524,910	266,334,938	66,297,565	75,666,812	7,879,773	460,703,998
Additions	26,823,841	-	33,033,066	-	-	59,856,907
Reductions	(12,742,408)	-	-	(41,106,168)	(304,027)	(54,152,603)
Exchange realignments	(298,363)	(6,123,045)	-	-	-	(6,421,408)
At 31 December 2021	58,307,980	260,211,893	99,330,631	34,560,644	7,575,746	459,986,894
Accumulated depreciation						
At 1 January 2021	23,440,753	77,098,149	57,141,714	59,005,774	5,762,299	222,448,689
Depreciation for the year	10,068,709	36,485,303	14,104,326	7,569,138	609,086	68,836,562
Reductions	(11,666,965)	-	-	(35,568,162)	(293,787)	(47,528,914)
Exchange realignments	(219,226)	(584,805)	-	-	-	(804,031)
At 31 December 2021	21,623,271	112,998,647	71,246,040	31,006,750	6,077,598	242,952,306
Impairment provision						
At 1 January 2021	-	-	-	-	-	-
Impairment provided for the year	-	-	-	-	-	-
At 31 December 2021	-	-	-	-	-	-
Net book value						
At 31 December 2021	36,684,709	147,213,246	28,084,591	3,553,894	1,498,148	217,034,588
At 1 January 2021	21,084,157	189,236,789	9,155,851	16,661,038	2,117,474	238,255,309

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)*

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 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

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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

2021

	Exploration and mining rights	Land use rights	Membership of Shanghai Gold Exchange and others	Total
Cost				
At 1 January 2021	49,992,207,304	3,880,744,153	367,931,753	54,240,883,210
Purchases	1,765,555,506	1,776,843,168	101,477,390	3,643,876,064
Disposals or write-off	(152,603,046)	(25,579,947)	(25,370,179)	(203,553,172)
Exchange realignments	(543,080,917)	(7,513,266)	(1,707,254)	(552,301,437)
At 31 December 2021	51,062,078,847	5,624,494,108	442,331,710	57,128,904,665
Accumulated amortisation				
At 1 January 2021	5,322,536,910	628,967,447	125,088,459	6,076,592,816
Amortisation provided for the year	1,994,648,977	190,913,350	51,590,319	2,237,152,646
Disposals or write-off	(3,345,875)	(4,719,631)	–	(8,065,506)
Exchange realignments	(7,133,843)	(535,942)	(301,614)	(7,971,399)
At 31 December 2021	7,306,706,169	814,625,224	176,377,164	8,297,708,557
Impairment provision				
At 1 January 2021	1,326,719,816	–	77,326,596	1,404,046,412
Disposals or written-off (Note 1)	(78,829,949)	–	(25,370,179)	(104,200,128)
At 31 December 2021	1,247,889,867	–	51,956,417	1,299,846,284
Net book value				
At 31 December 2021	42,507,482,811	4,809,868,884	213,998,129	47,531,349,824
At 1 January 2021	43,342,950,578	3,251,776,706	165,516,698	46,760,243,982

Note 1: During the current year, the Group disposed of Sichuan Jinkang Mining Co., Ltd. and Malipo Jinguo Mining Co., Ltd., impairment provisions for intangible assets – exploration rights of RMB39,588,100 and RMB37,170,463 were reversed respectively. The Group wrote off the intangible assets of Longsheng Dexing Mining Co., Ltd., impairment provision for intangible assets of RMB27,441,565 was reversed.

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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)*

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 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 2)	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 2: In 2020, 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.

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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 2021, the Group's intangible assets with a carrying amount of RMB9,589,144,533 (31 December 2020: RMB13,516,845,568) were subject to restrictions on title or use. Please refer to Note V.67 for details.

Intangible assets of which certificates of title have not been obtained as at 31 December 2021 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.)	757,320,710	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.)	1,214,661,112	In the process of application
Land use rights of Ashele Copper's new tailings pool	78,380,276	In the process of application
Land use rights of Ashele Copper's 1,200 tonnes of copper selection from zinc tailings	1,098,038	In the process of application
Land use rights of Ashele Copper's new employee dormitory (No. 9)	297,296	In the process of application
Land use rights of Zijin security housing on Second Ring Road	3,338,635	In the process of application
Land block for the new office building of the Company's headquarters and Zijin community	12,202,274	In the process of application

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

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

19. Goodwill

2021 and 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

The movements of impairment provision for goodwill are as follows:

2021 and 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

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)*

Goodwill arising from business combinations has been allocated to the following asset groups or sets 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 sets of asset groups as determined on the acquisition dates. The original book value of goodwill of the refining asset group as at 31 December 2021 was RMB18,871,538 (31 December 2020: 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 16%.

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 sets of asset groups as determined on the acquisition dates. As at 31 December 2021, the original book value of goodwill of the mining asset group was RMB441,323,501 (31 December 2020: 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 16% to 17%.

Hydropower asset group

Goodwill of the hydropower asset group was formed by the acquisition of Jinshan Hydropower. As at 31 December 2021, the original book value of the goodwill was RMB79,642,197 (31 December 2020: 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 13%.

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

19. Goodwill *(continued)*

Other asset group

Goodwill of the other asset group was formed by the acquisitions of Xiamen Investment and Beijing Anchuang. As at 31 December 2021, the book value of the goodwill was RMB9,572,015 (31 December 2020: RMB9,572,015). The pre-tax discount rate used for the cash flow forecast is 17%.

	Refining asset group		Mining asset group		Hydropower asset group		Other asset group		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
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 basis for determination is the average gross profit margin achieved in the year immediately before the budget year, which is appropriately adjusted according to the expected raise of production efficiency variance.

Discount rates The discount rates used are the discount rates before tax which reflect the specific risks of related asset group or sets of asset groups.

The amount allocated to the above asset groups or sets of asset groups is consistent with the historical experience and external information of the Group.

As at 31 December 2021, 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

2021

	At 1 January	Additions	Amortisation	Other reductions	At 31 December
Land compensation costs (Note 1)	203,203,841	22,529,609	(8,698,532)	(15,013,214)	202,021,704
Mining shaft development expenditure	306,292,264	126,574,787	(73,420,512)	(5,099,583)	354,346,956
Amortisation costs of bipolar plates	321,128,460	34,313,412	(36,165,589)	–	319,276,283
Forest compensation expenditure	95,712,867	74,775,926	(30,437,349)	(527,341)	139,524,103
Others (Note 2)	375,569,202	520,540,143	(182,183,359)	(4,578,773)	709,347,213
	1,301,906,634	778,733,877	(330,905,341)	(25,218,911)	1,724,516,259

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

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 2021, other long-term deferred assets mainly included grassland restoration fees of RMB196,250,517 (31 December 2020: RMB0); relocation compensation of RMB103,461,613 (31 December 2020: RMB115,979,087); fixed asset improvement expenditures of RMB64,269,651 (31 December 2020: RMB52,096,337); ground waterproof grouting project of RMB65,576,036 (31 December 2020: RMB0); enterprise resource planning system implementation fees of RMB39,684,953 (31 December 2020: RMB40,680,551); reconstruction costs of power supply lines of RMB11,006,068 (31 December 2020: RMB12,861,880); plant improvement expenditures of RMB45,446,781 (31 December 2020: RMB46,358,562), etc. Other long-term deferred assets are amortised in accordance with their useful lives.

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

21. Deferred tax assets/liabilities

Deferred tax assets and deferred tax liabilities before offsetting:

	2021		2020	
	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets
Deferred tax assets				
Provision for impairment of assets	511,730,533	113,960,262	474,214,540	107,398,421
Elimination of unrealised profit arising from intra-group transactions	2,698,939,025	644,403,496	1,738,605,875	358,809,714
Deductible losses (Note 1)	1,661,226,750	381,369,237	2,891,857,585	659,636,692
Differences in depreciation policies	1,143,203,170	169,154,778	963,938,537	145,400,436
Changes in the fair value of equity instrument investments not held for trading	116,298,426	17,750,825	105,743,978	16,388,203
Changes in the fair value of held for trading financial assets	45,060,118	10,998,973	42,501,568	10,625,392
Expenses accrued but not yet paid and others	950,137,970	234,398,516	795,013,662	211,326,449
	7,126,595,992	1,572,036,087	7,011,875,745	1,509,585,307

Note 1: As at 31 December 2021, 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.

	2021		2020	
	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities
Deferred tax liabilities				
Fair value adjustments arising from business combination not under common control	25,726,963,557	5,607,170,168	27,450,116,559	5,990,729,344
Changes in the fair value of held for trading financial assets	508,981,052	83,068,755	447,077,226	73,439,872
Changes in the fair value of equity instrument investments not held for trading	107,703,369	26,074,912	71,708,491	16,980,680
Differences in amortisation policies for stripping costs	2,912,559,580	872,243,915	2,510,435,698	789,327,838
	29,256,207,558	6,588,557,750	30,479,337,974	6,870,477,734

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 *(continued)*

Deferred tax assets and liabilities are shown in the net amount after offsetting:

	2021		2020	
	Offset amount	Closing balance after offsetting	Offset amount	Closing balance after offsetting
Deferred tax assets	246,393,291	1,325,642,796	326,601,363	1,182,983,944
Deferred tax liabilities	246,393,291	6,342,164,459	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:

	2021	2020
Deductible temporary differences	4,615,828,104	4,810,985,395
Deductible losses	4,555,450,091	3,865,748,298
	9,171,278,195	8,676,733,693

Deductible losses of unrecognised deferred tax assets will expire in the following years:

	2021	2020
2021	–	453,629,301
2022	238,078,548	247,858,892
2023	414,043,993	447,236,720
2024	490,659,489	547,397,483
2025	1,086,495,314	1,221,043,377
2026	967,150,424	–
2027 and the following years	1,359,022,323	948,582,525
	4,555,450,091	3,865,748,298

The accumulated deductible losses of RMB314,018,240 (2020: RMB276,874,205) incurred by the Group's subsidiaries in Hong Kong, South Africa, Australia, Singapore and Russia can be deducted indefinitely; the accumulated deductible losses of RMB3,191,331,254 (2020: RMB2,749,280,142) incurred by the Group's subsidiaries in the PRC and the DR Congo can be deducted within five consecutive years from the year they were incurred; the accumulated deductible losses incurred by PRC subsidiaries of RMB435,598,476 (2020: RMB737,498,783) can be deducted within ten consecutive years from the year in which they were incurred; the accumulated deductible losses incurred by the Group's joint operation in Papua New Guinea of RMB562,272,452 (2020: RMB102,095,168) can be deducted within seven consecutive years; the accumulated deductible losses incurred by the Group's subsidiaries in Canada amounted to RMB49,918,220 (2020: Nil), of which capital losses can be deducted within ten consecutive years from the year they were incurred while non-capital loss can be deducted within twenty consecutive years from the year they were incurred; and the accumulated deductible losses of RMB2,311,449 (2020: Nil) incurred by the Group's subsidiaries in Colombia can be deducted within twelve consecutive years from the year they were incurred.

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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

	2021	2020
Long-term receivables	9,908,788,420	8,496,225,681
Exploration and development costs	2,664,703,940	3,047,647,244
Prepayments for land use rights	1,406,598,088	1,434,063,125
Prepayments for fixed assets and constructions	1,458,675,780	1,321,465,455
VAT credits expected not to be utilised within one year	483,200,183	870,751,183
Inventories expected not to be processed within one year	291,008,182	290,798,919
Prepaid investment costs	344,983,009	–
Others	31,462,629	51,546,492
	16,589,420,231	15,512,498,099
Including: Current portion of long-term receivables (Note V.8)	(8,923,967)	(40,255,087)
	16,580,496,264	15,472,243,012

The movements of impairment provision for other non-current assets are as follows:

	At 1 January 2021	Provision	Recovery or reversal	Write-off during the year	At 31 December 2021
Long-term receivables	154,022,570	139,576	–	–	154,162,146
Others	347,211,096	–	–	–	347,211,096
Total	501,233,666	139,576	–	–	501,373,242

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)*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:

2021

	Stage 1	Stage 2	Stage 3 Financial assets with credit impairment occurred (entire lifetime)	Total
	12-month expected credit losses	Entire lifetime expected credit losses		
Opening balance	819,055	153,203,515	–	154,022,570
Opening 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	139,576	–	–	139,576
Reversal during the year	–	–	–	–
Write-back during the year	–	–	–	–
Write-off during the year	–	–	–	–
Other changes	–	–	–	–
	958,631	153,203,515	–	154,162,146

As at 31 December 2021 and 31 December 2020, there were no other non-current assets with restrictions on use.

23. Short-term borrowings

	2021	2020
Unsecured and non-guaranteed loans	6,276,267,647	7,545,834,324
Financing business	62,566,127	–
Gold leasing (Note 1)	10,750,488,547	11,813,940,074
Bills receivable discounted	1,139,778,470	1,359,346,756
	18,229,100,791	20,719,121,154

As at 31 December 2021 and 31 December 2020, the Group had no secured short-term borrowings.

As at 31 December 2021, the interest rates of the above borrowings ranged from 0.76% to 4.35% per annum (31 December 2020: 0.52% to 4.35% per annum).

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)*

23. Short-term borrowings *(continued)*

As at 31 December 2021 and 31 December 2020, 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

	2021	2020
Financial liabilities at fair value through profit or loss		
Gold leasing (Note 1)	–	196,350,000
Other derivatives (Note 2)	156,812,356	451,158,441
	156,812,356	647,508,441

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 2021, the balance of these financial liabilities was zero (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 other derivatives are as follows:

	2021	2020
(1) Derivative financial liabilities without designated hedging relationship	71,469,768	76,368,530
Including: Metal forward contracts	11,531,033	60,179,706
Foreign currency forward contracts	–	52,228
Metal futures contracts	34,389,765	16,136,596
Equity swap contracts	25,548,970	–
(2) Hedging instruments – Metal forward contracts	85,342,588	374,789,911
	156,812,356	451,158,441

25. Bills payable

	2021	2020
Bank acceptance bills	394,380,588	772,070,659
Commercial acceptance bills	–	183,490,397
	394,380,588	955,561,056

As at 31 December 2021, there were no bills payable of the Group that were overdue but not yet repaid (31 December 2020: 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)*

26. Trade payables

	2021	2020
Trade payables	7,442,318,423	5,542,998,831

As at 31 December 2021, an ageing analysis of the trade payables, based on the invoice dates, is as follows:

	2021	2020
Within 1 year	6,674,598,654	4,951,011,177
Over 1 year but within 2 years	490,935,570	302,794,376
Over 2 years but within 3 years	126,208,310	149,500,189
Over 3 years	150,575,889	139,693,089
	7,442,318,423	5,542,998,831

As at 31 December 2021, the significant balances of trade payables aged more than one year are as follows:

	Balance	Reason for not being settled
Wenzhou Mine Workings Co., Ltd.	30,202,180	Construction payments not yet settled
Wenzhou Tongye Construction Engineering Co., Ltd. Sanguikou project site	27,840,043	Construction payments not yet settled
Zhejiang Xinwang Mine Engineering Co., Ltd.	13,954,510	Construction payments not yet settled
	71,996,733	

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	

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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

	2021	2020
Advances from sales of goods (Note 1)	671,955,151	452,695,891
	671,955,151	452,695,891

Note 1: Contract liabilities mainly represented the advances from sales of goods under the sales contracts with the Group's customers, and the performance obligations were all within one year. The related revenue of the contracts would be recognised after the Group fulfilled its performance obligations. For performance obligations over one year, please refer to Note V.40 Other non-current liabilities.

28. Employee benefits payable

2021

	At 1 January	Additions	Reductions	At 31 December
Short-term employee benefits	1,274,701,979	6,636,790,787	(6,488,749,669)	1,422,743,097
Post-employment benefit plan (defined contribution plan)	42,453,599	755,319,535	(616,020,517)	181,752,617
Termination benefits	311,584	10,685,325	(10,821,237)	175,672
	1,317,467,162	7,402,795,647	(7,115,591,423)	1,604,671,386

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 benefits	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

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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:

2021

	At 1 January	Additions	Reductions	At 31 December
Wages or salaries, bonuses, allowances and subsidies	911,575,080	5,677,448,620	(5,564,829,850)	1,024,193,850
Staff welfare	233,229,722	444,456,742	(437,719,635)	239,966,829
Social security contributions	6,576,547	151,137,899	(151,093,770)	6,620,676
<i>Including: Medical insurance</i>	4,850,052	112,888,815	(113,009,406)	4,729,461
<i>Work-related injury insurance</i>	1,653,309	33,515,490	(33,307,170)	1,861,629
<i>Maternity insurance</i>	73,186	4,733,594	(4,777,194)	29,586
Housing provident fund	2,579,494	175,137,936	(176,943,731)	773,699
Union running costs and employee education costs	44,604,483	89,699,155	(75,419,839)	58,883,799
Short-term compensated leave	2,575,074	27,959,983	(26,143,610)	4,391,447
Short-term profit-sharing plan (Note 1)	73,561,579	70,950,452	(56,599,234)	87,912,797
	1,274,701,979	6,636,790,787	(6,488,749,669)	1,422,743,097

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>	(74,214)	82,232,600	(77,308,334)	4,850,052
<i>Work-related injury insurance</i>	538,857	16,117,573	(15,003,121)	1,653,309
<i>Maternity insurance</i>	43,522	3,721,567	(3,691,903)	73,186
Housing provident 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

Note 1: The short-term profit-sharing plan was determined by remuneration assessment and completion of the Group's performance for the year.

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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:

2021

	At 1 January	Additions	Reductions	At 31 December
Basic pension insurance	35,673,336	498,571,143	(492,693,982)	41,550,497
Unemployment insurance	6,780,263	15,548,622	(14,128,678)	8,200,207
Enterprise annuity payment (Note 1)	–	241,199,770	(109,197,857)	132,001,913
	42,453,599	755,319,535	(616,020,517)	181,752,617

Note 1: During the year, the Group resumed the enterprise annuity which was terminated in 2015. The enterprise annuities from 2016 to 2021 were accrued, and the enterprise annuities for 2015, 2016 and 2021 were settled.

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

29. Taxes payable

	2021	2020
Corporate income tax	2,913,772,398	1,166,543,294
Value-added tax	312,451,252	163,211,818
Resource compensation fee	120,769,049	120,769,049
Resource tax	449,171,125	305,333,197
Others	244,222,662	124,434,354
	4,040,386,486	1,880,291,712

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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

	2021	2020
Dividends payable	134,100,952	4,928,328
Other payables	7,480,295,718	7,366,475,336
	7,614,396,670	7,371,403,664

Dividends payable

	2021	2020
Eritrean National Mining Corporation (ENAMCO)	86,071,950	–
Mr. Wu (a minority shareholder of Urad Rear Banner Zijin)	15,000,000	–
Guizhou Province Geology and Mineral Resources Development Co., Ltd.	9,000,000	–
Ministry of Industry and Energy of Tajikistan	6,202,521	–
Guizhou Zhenfeng Industrial Investment Co., Ltd.	5,000,000	–
Guizhou Province Geological and Mineral Resources Exploration and Development Bureau Team 105	4,500,000	–
Gansu Jiuzhou Exploration Mining Co., Ltd.	–	4,734,000
Luoning County Funiu Mining Development Centre	–	180,000
Others	8,326,481	14,328
	134,100,952	4,928,328

Other payables

	2021	2020
Payables for construction work and equipment	3,727,340,561	3,748,861,275
Due to non-controlling shareholders	739,489,863	765,693,404
Subscriptions from employees under restricted A Share incentive scheme	471,845,598	–
Payables for exploration and mining rights	384,148,791	43,058,005
Deposits	336,706,221	223,589,115
Amounts due to third parties	303,377,791	672,333,886
Deposit taking	248,384,303	447,115,726
Payables for acquisition of equities/debts	181,222,897	–
Accrued maintenance costs	80,180,275	70,375,135
Withholding individual income tax	52,350,111	61,662,544
Donations payable	39,592,247	69,905,309
Payables for consulting services	65,346,144	21,229,376
Payables for losses on futures contracts	16,498,300	57,502,014
Payables to Freeport-McMoRan Exploration Corporation ("FMEC") (Note V.36)	–	326,244,902
Others	833,812,616	858,904,645
	7,480,295,718	7,366,475,336

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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 2021, the significant balances of other payables aged more than one year are as follows:

	Reason for not being settled	Balance
Tech-Resources (Hong Kong) Trading Limited ("Tech-Resources (Hong Kong)")	Payables not yet settled	329,188,292
Tongling Nonferrous Metals Group Holding Co., Ltd. ("Tongling Nonferrous Metals")	Payables not yet settled Construction payments	222,335,541
YCIH Installation Co., Ltd.	not yet settled	171,721,033
Xiamen C&D Inc. ("C&D Inc.")	Payables not yet settled Construction payments	88,934,217
China Huaye Group Company Limited	not yet settled	59,094,301
Canoca Investment Limited	Payables not yet settled Construction payments	54,786,761
Qinghai Hongxiang Construction Engineering Co., Ltd.	not yet settled Construction payments	38,394,785
JCHX Kinsey Mining Construction	not yet settled Construction payments	38,158,731
China Railway No. 9 Group DR Congo Mining Company	not yet settled Expense of mining rights	30,755,989
Mr. Zhu	not yet settled	29,672,233
		1,063,041,883

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 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

31. Current portion of non-current liabilities

	2021	2020
Current portion of long-term borrowings (Note V.33)	6,243,817,010	1,658,269,127
Current portion of bonds payable (Note V.34)	2,499,246,648	5,825,382,124
Current portion of bonds interest (Note V.34)	261,315,833	295,689,277
Current portion of lease liabilities (Note V.35)	54,536,526	81,009,218
Current portion of long-term payables (Note V.36)	403,861,722	109,742,855
Current portion of contract liabilities – metals streaming business (Note V.40)	7,572,781	5,655,614
	9,470,350,520	7,975,748,215

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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

	2021	2020
Ultra short-term financing bonds (Note 1)	505,026,849	–
Provisions (Note 2)	67,104,285	46,751,598
Output VAT to be transferred	100,920,177	51,644,881
Others	5,036,999	74,508,438
Total	678,088,310	172,904,917

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 two 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 27 January 2021, the Company issued ultra short-term financing bonds with a principal amount of RMB500 million and a maturity period of 180 days. The maturity date was 27 July 2021 with an interest rate of 2.9%. On 15 March 2021, the Company issued ultra short-term financing bonds with a principal amount of RMB500 million and a maturity period of 180 days. The maturity date was 11 September 2021 with an interest rate of 2.88%. On 14 July 2021, the Company issued ultra short-term financing bonds with a principal amount of RMB500 million and a maturity period of 180 days. The maturity date was 11 January 2022 with an interest rate of 2.65%. As at 31 December 2021, among the three tranches of ultra short-term financing bonds issued by the Company, the first two tranches of RMB1 billion in total had matured, and the third tranche of RMB500 million had not yet matured.

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 Zijin Musonoie Mining Société par Actions Simplifiée ("COMMUS"), the Group's overseas subsidiary.

33. Long-term borrowings

	2021	2020
Secured bank loans (Note 1)	9,171,797,246	4,478,306,616
Pledged loans (Note 2)	3,600,006,442	4,978,097,354
Unsecured and non-guaranteed loans	29,598,830,215	21,284,752,355
Including: Current portion of long-term borrowings (Note V.31)	42,370,633,903 (6,243,817,010)	30,741,156,325 (1,658,269,127)
	36,126,816,893	29,082,887,198

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 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 collaterals for a loan with a maturity of 13 years 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). As at 31 December 2021, the above secured loans were repaid in advance.

In 2021, 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, the exploration rights license of Rongmucuola and machinery and equipment with appraisal values of RMB6,751,000,000, RMB1,007,000,000, RMB1,758,000,000 and RMB606,603,513 respectively as collaterals, and the Group acted as a guarantor, for a long-term borrowing of RMB9,085,000,000 with a maturity of 12 years from a bank syndicate (formed by the Bank of China Tibet Branch, business department of Bank of Tibet, Industrial Bank Lhasa Branch, Industrial and Commercial Bank of China Tibet Branch, Agricultural Bank of China Tibet Branch and China Construction Bank Tibet Branch). As at 31 December 2021, the outstanding balance of the above secured loan was RMB9,066,666,667 and the borrowing rate was 2.65%.

In 2020, Bayannur Zijin, a subsidiary of the Group, used its buildings and machinery and equipment with book value of RMB285,194,536 as collaterals 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 2021, the outstanding balance of the above secured loan was RMB105,130,579 and the borrowing rate was 4.07%.

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 security for a loan with a maturity of 13 years from a bank syndicate (formed by the Bank of China Tibet Autonomous Region Branch, Hengfeng Bank Beijing Branch, Minsheng Bank Lhasa Branch and Tibet Bank Maizhokunggar County Branch). As at 31 December 2021, the above pledged loans were repaid in advance.

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 security to obtain a syndicated loan amounted to USD568,000,000 with a maturity of 6 years 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). As at 31 December 2021, the outstanding balance of the above pledged loans was USD564,644,810 (equivalent to RMB3,600,006,442).

As at 31 December 2021, the interest rates of the above borrowings ranged from 1.20% to 4.90% per annum (31 December 2020: 1.20% to 5.60% per annum).

Maturity analysis of long-term borrowings is as follows :

	2021	2020
Within 1 year or repayable on demand	6,243,817,010	1,658,269,127
Over 1 year but within 2 years	8,258,466,565	8,026,235,027
Over 2 years but within 5 years	18,500,210,775	18,233,732,132
Over 5 years	9,368,139,553	2,822,920,039
	42,370,633,903	30,741,156,325

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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

	2021	2020
Bonds payable	3,991,108,735	5,825,382,124
Medium-term notes	11,790,179,960	9,988,407,781
Convertible corporate bonds (Note 5)	–	5,133,939,580
Preference shares (Note 6)	956,355,139	978,734,705
	16,737,643,834	21,926,464,190
Bonds interest	261,315,833	295,689,277
Dividends on preference shares	9,077,404	8,596,553
	17,008,037,071	22,230,750,020
Including: Current portion of bonds payable (Note V.31)	(2,499,246,648)	(5,825,382,124)
Current portion of bonds interest (Note V.31)	(261,315,833)	(295,689,277)
	14,247,474,590	16,109,678,619

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 2021, the balances of bonds payable were as follows:

Note	Currency	Face value	Issue date	Terms	Issue value of the bonds	At 1 January 2021	Issued in the current year	Interest accrued for the current year	Amortisation of discount/premium	Exchange gains or losses	Interest paid for the year	Repayment of principal in the year	Amount of principal converted into shares in the year	At 31 December 2021
Note 2	RMB	2,000,000,000	18 March 2016	5 years	2,000,000,000	1,999,715,475	-	16,850,000	284,525	-	(67,400,000)	(2,000,000,000)	-	-
Note 2	RMB	3,000,000,000	18 March 2016	5 years	3,000,000,000	302,488,022	-	2,261,412	41,978	-	(9,045,647)	(302,530,000)	-	-
Note 2	RMB	1,800,000,000	15 July 2016	5 years	1,800,000,000	43,986,499	-	782,851	14,501	-	(1,342,031)	(44,001,000)	-	-
Note 2	RMB	1,200,000,000	15 July 2016	5 years	1,200,000,000	1,199,590,509	-	24,150,000	409,491	-	(41,400,000)	(1,200,000,000)	-	-
Note 3	USD													
	(equivalent amount in RMB)													
Note 4	RMB	1,000,000,000	18 October 2018	3 years	2,283,714,311	2,279,601,619	-	93,421,256	4,018,652	(52,124,946)	(117,867,583)	(2,231,495,325)	-	-
Note 4	RMB	1,000,000,000	11 March 2019	5 years	1,000,000,000	998,683,509	-	43,000,000	396,374	-	(43,000,000)	-	-	999,079,883
Note 4	RMB	2,500,000,000	30 August 2019	5 years	2,500,000,000	2,496,237,433	-	98,750,000	972,220	-	(98,750,000)	-	-	2,497,209,653
Note 4	RMB	1,000,000,000	21 February 2020	3 years	1,000,000,000	999,122,083	-	31,000,000	397,783	-	(31,000,000)	-	-	999,519,866
Note 4	RMB	1,000,000,000	21 February 2020	5 years	1,000,000,000	998,309,186	-	35,100,000	383,296	-	(35,100,000)	-	-	998,692,482
Note 4	RMB	2,000,000,000	23 November 2020	3 years	2,000,000,000	1,997,662,632	-	84,000,000	769,077	-	(84,000,000)	-	-	1,998,431,709
Note 5	RMB	6,000,000,000	3 November 2020	5 years	6,000,000,000	5,133,939,580	-	5,028,397	82,432,600	-	(70,938)	(19,432,000)	(5,201,897,639)	-
Note 6	USD													
	(equivalent amount in RMB)													
Note 7	RMB	1,069,740,000	31 March 2020	5 years	1,069,740,000	978,734,705	-	49,407,429	-	(22,379,566)	(46,774,112)	-	-	956,355,139
Note 8	RMB	300,000,000	27 April 2021	3 years	300,000,000	-	300,000,000	7,420,000	(283,460)	-	-	-	-	299,716,540
Note 8	RMB	1,500,000,000	3 June 2021	3 years	1,500,000,000	-	1,500,000,000	25,950,000	(3,148,729)	-	-	-	-	1,496,851,271
Note 8	RMB	500,000,000	3 June 2021	5 years	500,000,000	-	500,000,000	9,675,000	(1,051,930)	-	-	-	-	498,948,070
Note 8	RMB	2,000,000,000	3 August 2021	5 years	2,000,000,000	-	2,000,000,000	20,666,667	(4,690,606)	-	-	-	-	1,995,309,394
Note 7	RMB	1,500,000,000	14 September 2021	5 years	1,500,000,000	-	1,500,000,000	12,187,500	(1,716,821)	-	-	-	-	1,498,283,179
	Current portion of bonds payable													
Note 4	RMB	1,500,000,000	11 March 2019	3 years	1,500,000,000	1,499,275,285	-	57,000,000	619,187	-	(57,000,000)	-	-	1,499,894,472
Note 4	RMB	1,000,000,000	8 July 2019	3 years	1,000,000,000	999,117,653	-	37,000,000	234,523	-	(37,000,000)	-	-	999,352,176
		33,153,454,311			33,153,454,311	21,926,464,190	5,800,000,000	653,650,512	80,082,661	(74,504,512)	(671,790,311)	(5,797,458,325)	(5,201,897,639)	16,737,645,834

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 1: The Company, through the Interbank Market Clearing House Co., Ltd., 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 interest rates of 5.5% and 4.4%, respectively. The interest of the notes shall be paid annually. The above 5-year notes issued matured and were settled in 2020.

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 5 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 5 years, and an annual interest rate of 2.99%, with terms that the issuer had an option to adjust the interest rate and a buy-back option at the end of the third year. The Company exercised the buy-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 5 years, and an annual interest rate of 3.05%, with terms that the issuer had an option to adjust the interest rate and a buy-back option at the end of the third year. The Company exercised the buy-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 5 years, and an annual interest rate of 3.45%. The interest of the above bonds were settled annually and the principal were repaid in full upon their maturities. The above corporate bonds matured and were repaid during the current year.

Note 3: In October 2018, Zijin International Capital Co., Ltd., 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 on 18 October 2018. The date of maturity was 18 October 2021 and the Company was the guarantor. From 18 April 2019, the interests were paid semi-annually on 18 April and 18 October. The above bonds matured and were repaid during the current year.

Note 4: In 2019, the Company issued medium-term notes through the Interbank Market Clearing House Co., Ltd.. Among which, it 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; 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; medium-term notes with a face value of RMB1.0 billion, a maturity of 3 years and an annual interest rate of 3.70% on 8 July 2019; 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; 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 21 February 2020; and medium-term notes with a face value of RMB2.0 billion, a maturity of 3 years and an annual interest rate of 4.20% on 23 November 2020. 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 (Zhengjian Xuke [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 was 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 was from 10 May 2021 to 2 November 2025. Pursuant to the terms set out in the Offering Document for the Public Issuance of A Share Convertible Corporate Bonds for the Year 2020 of the Company, as the closing prices of the Company's A Shares in 15 consecutive trading days from 10 May 2021 to 28 May 2021 were no less than 130% of the prevailing conversion price of "Zijin Convertible Bonds" (i.e. RMB9.10 per A Share), the Company had the right to redeem all or partial unconverted convertible corporate bonds at the price of face value of the bonds plus the accrued interest for that period. As of the closing of the redemption registration date (25 June 2021), the accumulative number of shares converted was 854,361,694, accounted for 99.68% of the total amount of "Zijin Convertible Bonds" issued; the redeemed number of convertible corporate bonds was 194,320, accounted for 0.32% of the total amount of "Zijin Convertible Bonds" issued. Since 28 June 2021, the "Zijin Convertible Bonds" (stock code: 113041) were delisted from the Shanghai Stock Exchange.

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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 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, and it has the right to exercise the call option. 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.

Note 7: In 2021, the Company issued medium-term notes through the Interbank Market Clearing House Co., Ltd. Among which, it issued green medium-term notes (carbon neutral bonds) with a face value of RMB0.3 billion, a maturity of 3 years and an annual interest rate of 3.71% on 27 April 2021, and medium-term notes with a face value of RMB1.5 billion, a maturity of 5 years and an annual interest rate of 3.25% on 14 September 2021. 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 8: In 2021, the Company issued corporate bonds through the China Securities Depository and Clearing Corporation Limited. Among which, it issued corporate bonds with a face value of RMB1.5 billion, a maturity of 3 years and an annual interest rate of 3.46% on 3 June 2021; corporate bonds with a face value of RMB0.5 billion, a maturity of 5 years and an annual interest rate of 3.87% on 3 June 2021; corporate bonds with a face value of RMB2 billion, a maturity of 5 years and an annual interest rate of 3.10% on 3 August 2021. The interest payments of the above corporate bonds shall be settled annually and the principals shall be repaid in full upon their maturities.

As at 31 December 2021 and 31 December 2020, the Company had no overdue bonds.

35. Lease liabilities

	2021	2020
Lease liabilities	238,731,681	253,713,818
Including: Current portion of lease liabilities (Note V.31)	(54,536,526)	(81,009,218)
	184,195,155	172,704,600

36. Long-term payables

	2021	2020
Payables for acquisition of equities/debts	65,894,960	102,671,430
Payables to FMEC (Note 1)	374,530,214	353,906,218
Payables for acquisitions of mining rights	915,162,706	166,087,511
Entrusted investments	214,868,782	216,368,782
Loans from related parties (Note X.8)	491,087,000	454,638,128
Resettlement compensations (Note 2)	609,285,452	638,487,694
Others	92,199,823	123,821,084
	2,763,028,937	2,055,980,847
Including: Current portion of long-term payables (Note V.31)	(403,861,722)	(109,742,855)
	2,359,167,215	1,946,237,992

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)*

* Maturity analysis of long-term payables is as follows:

	2021	2020
Within 1 year or repayable on demand	403,861,722	109,742,855
Over 1 year but within 2 years	115,127,562	471,221,321
Over 2 years but within 5 years	408,020,224	276,317,717
Over 5 years	1,836,019,429	1,198,698,954
	2,763,028,937	2,055,980,847

Note 1: On 3 November 2019, Zijin (Europe) International Mining Company Limited ("Zijin Europe") acquired 72% Class B Shares of CuAu International Holdings (BVI) Ltd. held by FMEC to obtain interests in the Lower Zone of the Timok Copper and Gold Mine and interests in relevant exploration licences held by FMEC. Pursuant to the share purchase agreement, the consideration comprises two components, including an initial payment and a deferred payment. On 27 December 2019, Zijin Europe settled the initial payment of USD240,000,000 (equivalent to RMB1,528,803,616) and completed registration for the change of equity interest. The present value of the deferred payment was USD46,499,797 (equivalent to RMB296,468,799) and it was expected that repayment of the amount will 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, 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, USD50,000,000 and USD12,500,000 shall be paid on or before 31 July 2020, 31 December 2021 and 31 March 2022 respectively. As at 31 December 2021, the outstanding payments amounted to USD12,500,000 (equivalent to RMB78,061,415) and will be settled as planned in 2022, which were classified as "current portion of long-term payables".

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 one-off 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 in 2020. As at 31 December 2021, the present value of such long-term resettlement compensations payable was RMB399,763,868, among which RMB3,823,589 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 existence duration of Julong Copper shall prevail. As at 31 December 2021, the present value of such long-term resettlement compensations payable was RMB82,671,897, among which RMB698,477 will fall due within one year.

As at 31 December 2021, the present value of resettlement compensations payable to local landlords by BNL, the Group's joint operation, was RMB126,849,687.

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)*

37. Long-term employee benefits payable

	2021	2020
Net liabilities from defined benefit plan	79,059,540	57,886,910

The Group operates a defined benefit plan for all eligible employees in Serbia, which is not funded yet. Under this plan, an employer is obliged to pay an employee retirement gratuity upon retirement in the minimum amount of at least two times the monthly social average salaries per employee in the Republic of Serbia according to the latest data published by the Republic Statistics Office at the time of payment. The employer is also obliged to pay the above retirement gratuity to the employee on the day of retirement. The Group has not established separately administrated funds yet for this plan.

The plan is subject to the impact of interest rate risk, beneficiary's mortality rate before retirement and beneficiary's expected salary level at the time of retirement. As the defined benefit plan is beneficiary's one-off right at the time of retirement, the plan is not subject to the risk of change in beneficiary's life expectancy after the retirement.

As at 31 December 2021, the present value of the defined benefit obligation was determined by the actuarial company, KPMG d.o.o. Belgrade using the projected unit credit method.

Major actuarial assumptions applied as at the date of the statement of financial position are as follows:

	2021	2020
Discount rate	4.50%	5.80%
Expected growth rate of salary	6.00%	3.00%
Expected turnover rate of employees	0.33%	0.50%

A quantitative sensitivity analysis of significant assumptions applied is set out as follows:

2021

	Increase %	Increase/(Decrease) in defined benefit obligation	Decrease %	Increase/(Decrease) in defined benefit obligation
Discount rate	1%	(3,076,740)	1%	3,627,012
Expected growth rate of salary	1%	3,535,038	1%	(3,063,217)
Expected turnover rate of employees	1%	(3,243,702)	1%	3,777,574

2020

	Increase %	Increase/(Decrease) in defined benefit obligation	Decrease %	Increase/(Decrease) in defined benefit obligation
Discount rate	1%	(2,561,218)	1%	3,008,519
Expected growth rate of salary	1%	3,065,141	1%	(2,649,183)
Expected turnover rate of employees	1%	(310,319)	1%	310,319

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. Long-term employee benefits payable** *(continued)*

The above sensitivity analysis is based on inference of the impact of reasonable changes in key assumptions at the end of the reporting period on the net amount of defined benefit obligation. Sensitivity analysis is based on the change of the material assumption on the premise that other assumptions remain unchanged. As the changes of the assumptions are often correlated, the sensitivity analysis may not represent the actual changes of the defined benefit obligation.

Relevant plans recognised in profit or loss are as follows:

	2021
Current service costs	4,787,591
Recognised in operating costs	2,744,339
Recognised in administrative expenses	1,015,029
Recognised in finance expenses	1,028,223

Movements in the present value of the defined benefit obligation are as follows:

	2021
At 1 January	57,886,910
Amount recognised in profit or loss	
Current service costs	3,759,368
Net interests	1,028,223
Amount recognised in other comprehensive income	
Actuarial gains or losses	54,898,087
Other movements	
Benefits paid	(35,471,787)
Exchange differences	(3,041,261)
At 31 December	79,059,540

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)*

38. Provisions

2021

	At 1 January	Additions	Reductions	At 31 December
Provision for environmental rehabilitation and restoration of mines (Note 1)	3,389,148,495	727,336,612	(481,304,291)	3,635,180,816
Provision for litigations (Note 2)	100,708,758	–	(75,957,858)	24,750,900
Financial guarantee contract liabilities (Note 3)	588,878,419	–	(588,878,419)	–
Others	–	36,986,147	–	36,986,147
	4,078,735,672	764,322,759	(1,146,140,568)	3,696,917,863

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
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
	2,861,306,254	1,628,697,726	(411,268,308)	4,078,735,672

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 subsidiary, Serbia Zijin Copper, recognised provision for litigations.

Note 3: The Group included Julong Copper into the scope of consolidation on 9 July 2020 (the "Acquisition Date"). 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 as collaterals 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. On 28 December 2021, Zangge Mining Co., Ltd. publicly announced the Notice on the Controlling Shareholders and Their Persons Acting In Concert Fulfilled Relevant Guarantee Relief Commitments of Tibet Julong Copper Co., Ltd., which relieved Julong Copper's guarantee for Zangge Mining Co., Ltd. Therefore, the expected credit loss for financial guarantee contract of RMB588,878,419 was reversed during the year. Please refer to Note V.58. The balance was nil as at 31 December 2021.

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. Deferred income

2021

	At 1 January	Additions	Reductions	At 31 December
Government grants	456,711,967	8,305,173	(67,525,559)	397,491,581

2020

	At 1 January	Additions	Reductions	At 31 December
Government grants	496,720,164	48,005,630	(88,013,827)	456,711,967

As at 31 December 2021, 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	37,596,815	1,038,200	(5,564,832)	–	33,070,183	Assets
Fund for environmental protection projects	120,953,646	4,250,000	(21,373,754)	(5,000,000)	98,829,892	Assets
Refund of land compensation from government	96,156,667	–	(2,292,460)	(7,353,031)	86,511,176	Assets
Comprehensive utilisation of mineral resources	150,688,354	–	(12,846,407)	–	137,841,947	Assets
Other financial subsidies	51,316,485	3,016,973	(13,095,075)	–	41,238,383	Assets
	456,711,967	8,305,173	(55,172,528)	(12,353,031)	397,491,581	

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
	496,720,164	48,005,630	(88,013,827)	–	456,711,967	

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)*

40. Other non-current liabilities

	2021	2020
Contract liabilities – metals streaming agreement (Note 1)	765,907,635	768,569,571
Contingent consideration (Note 2)	1,195,851,967	1,359,912,912
Import VAT payables (Note 3)	–	103,906,072
Total	1,961,759,602	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, the 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. Held for trading financial asset of RMB254,530,379 was recognised based on the fair value of the Redemption Right of the Gold Delivery Obligation.

On 30 December 2020, Continental Gold and Triple Flag entered into an agreement to exercise the Redemption Right of the Gold Delivery Obligation. 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 1 January 2021 to 31 December 2021 are as follows:

	Silver Delivery Obligation
At 1 January	774,225,185
Revenue recognition upon delivery of goods	(45,029,257)
Finance expenses	62,645,070
Exchange realignments	(18,360,582)
At 31 December	773,480,416
Including: Current portion of contract liabilities (Note V.31)	(7,572,781)
Contract liabilities	765,907,635

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)*40. Other non-current liabilities *(continued)*Note 1: *(continued)*

The movements of contract liabilities – metals streaming agreement from the acquisition date in 2020 to 31 December 2020 are as follows:

	Gold Delivery Obligation	Silver Delivery Obligation
At 1 January	782,999,275	825,997,015
Revenue recognition upon delivery of goods	(12,416,325)	(13,306,219)
Finance expenses	1,555,536	11,047,380
Exchange realignments	(46,934,198)	(49,512,991)
Disposals during the year	(725,204,288)	–
At 31 December	–	774,225,185
Including: Current portion of contract liabilities (Note V.31)	–	(5,655,614)
Contract liabilities	–	768,569,571

Note 2: The Group acquired Julong Copper in 2020. 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 Phase 2 of the Qulong Copper and Polymetallic Mine with an extra processing capacity of 150,000 tonnes per day as well as the corresponding construction permits and approval procedures. The Group made the payment of RMB200,000,000 in advance to the sellers in 2021. The fair value of this payment as at 31 December 2021 was RMB1,195,851,967.

Note 3: The balance was 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, the taxes related to the purchase of imported equipment for mining projects can be settled any time within ten years after the purchase. The balance was settled in 2021.

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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. Share capital

2021

	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)	1,964,031,995	-	-	-	85,436,169	85,436,169	2,049,468,164
Overseas-listed foreign invested shares	573,694,000	-	-	-	-	-	573,694,000
Total share capital of shares not subject to trading moratorium	2,537,725,995	-	-	-	85,436,169	85,436,169	2,623,162,164
II. Shares subject to trading moratorium							
RMB ordinary shares (Note 2)	-	9,849,060	-	-	-	9,849,060	9,849,060
III. Total share capital	2,537,725,995	9,849,060	-	-	85,436,169	95,285,229	2,633,011,224

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	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	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)*

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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. Share capital** *(continued)*

Note 1: On 25 June 2021, the terms of redemption set out in the Offering Document for Public Issuance of A Share Convertible Corporate Bonds in 2020 of the Company were triggered and the Company exercised the right to redeem all the outstanding but not yet converted convertible corporate bonds on 28 June 2021. After the conversion, the total issued RMB ordinary shares of the Company increased by 854,361,694. Please refer to Note 5 of Note V.34 Bonds payable for details.

Note 2: 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 the 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, the third A Shareholders' class meeting in 2020 and the 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 seventh term of the Board and the first extraordinary meeting in 2021 of the seventh term of the Supervisory Committee 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. 95,980,600 restricted A Shares were granted to 686 participants.

On 15 November 2021, the Proposal in Relation to the Grant of Reserved Restricted A Shares to Participants was considered and approved at the Company's eleventh extraordinary meeting in 2021 of the seventh term of the Board and the second extraordinary meeting in 2021 of the seventh term of the Supervisory Committee. The grant date of the Company's restricted A Shares granted under the incentive scheme was determined to be 15 November 2021. It was proposed that 2,510,000 restricted A Shares shall be granted to 39 participants at a grant price of RMB4.83 per A Share. On 28 December 2021, the Company completed the registration of shares at China Securities Depository and Clearing Company Limited Shanghai Branch. 2,510,000 restricted A Shares were granted to 39 participants.

As at 31 December 2021, the total number of shares subject to trading moratorium issued by the Company was 98,490,600 shares.

42. Other equity instruments

	2021	2020
Renewable corporate bonds (Note 1)	–	4,486,950,000
Convertible corporate bonds – equity component (Note V.34 Note 5)	–	868,731,209
	–	5,355,681,209

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. Other equity instruments *(continued)*

Note 1:

- (1) Basic information of renewable corporate bonds issued and outstanding

As at 31 December 2021, all the outstanding renewable corporate bonds issued by the Group were repaid.

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

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.

18 Zijin Y1 matured and was repaid in full in October 2021.

- (2) Movements of renewable corporate bonds issued and outstanding:

2021

	At 1 January		Additions		Reductions		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	-	-
		4,486,950,000		-		4,486,950,000		-

2020

	At 1 January		Additions		Reductions		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

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. Capital reserve

2021

	At 1 January	Additions	Reductions	At 31 December
Share premium (Note 1)	18,515,222,263	6,462,320,889	(13,050,000)	24,964,493,152
Others (Note 2)	94,861,811	197,201,480	(50,913,920)	241,149,371
	18,610,084,074	6,659,522,369	(63,963,920)	25,205,642,523

2020

	At 1 January	Additions	Reductions	At 31 December
Share premium	18,515,222,263	–	–	18,515,222,263
Others	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

Note 1: In May 2021, the Company's share premium increased by RMB5,985,192,679 due to the exercise of conversion of the convertible corporate bonds, and the capital reserve was adjusted and reduced by RMB13,050,000 due to the difference between the amount paid by the Company to repay the renewable corporate bonds due this year and its book value; the Company's share premium increased by RMB465,305,910 and RMB11,822,300 respectively in January and November 2021 due to the issuance of restricted A Shares. Please refer to Note XI. Share-based payment.

Note 2: In January 2021, the Company acquired 49% of the non-controlling interests of Yunnan Zixing Mining Investment Co., Ltd. ("Yunnan Zixing") at the consideration of RMB88,162,100, which decreased the capital reserve by RMB50,917,806; the Company's amortisation of expenses of restricted A Shares increased the capital reserve by RMB197,201,480.

44. Treasury shares

2021

	At 1 January	Additions	Reductions	At 31 December
Repurchase obligation for restricted A Shares (Note)	–	486,977,270	(11,267,672)	475,709,598

Note: In 2021, in accordance with the restricted A Share incentive scheme, the Company recognised the liability for the repurchase obligation of which the amount was determined by the number of restricted A Shares issued and the corresponding repurchase price. Treasury shares amounting to RMB475,709,598 was recognised after deducting the expected future cash dividend for the unlockable restricted shares of RMB11,267,672.

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. 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:

2021

	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)	2,264,341,706	2,899,138,869	(7,731,610)	2,891,407,259	5,155,748,965
Changes arising from the re-measurement of defined benefit plan	-	(34,585,795)	-	(34,585,795)	(34,585,795)
Other comprehensive income that may be reclassified to profit or loss in subsequent periods under the equity method	-	9,685,755	-	9,685,755	9,685,755
Changes in fair value of receivables financing	(15,782,854)	(19,668,721)	-	(19,668,721)	(35,451,575)
Hedging costs – forward elements	1,777,642	(21,942,636)	-	(21,942,636)	(20,164,994)
Exchange differences arising from translation of financial statements denominated in foreign currencies	(1,437,765,795)	(1,428,038,238)	-	(1,428,038,238)	(2,865,804,033)
	812,570,699	1,404,589,234	(7,731,610)	1,396,857,624	2,209,428,323

2020

	Opening balance	Movements		Closing balance	
		Amount before tax	Income tax expenses		Amount before tax
Changes in fair value of other equity instrument investments and other investments (Note 1)	112,826,473	2,275,856,108	(124,340,875)	2,151,515,233	2,264,341,706
Changes in fair value of receivables financing	(17,336,826)	1,553,972	-	1,553,972	(15,782,854)
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

Note 1: Changes in fair value of other equity instrument investments were mainly due to the fair value change of the stocks of Ivanhoe.

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. Other comprehensive income *(continued)*

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

2021

	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/(loss) that will not be reclassified to profit or loss in subsequent periods						
Changes in fair value of other equity instrument investments and other investments	2,897,179,094	-	-	8,370,771	2,891,407,259	(2,598,936)
Changes arising from the re-measurement of defined benefit plan	(54,898,087)	-	-	-	(34,585,795)	(20,312,292)
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods						
Other comprehensive income that may be reclassified to profit and loss in subsequent periods under the equity method	9,685,755	-	-	-	9,685,755	-
Changes in fair value of receivables financing	(19,668,721)	-	-	-	(19,668,721)	-
Hedging costs – forward elements	(66,489,312)	(54,312,040)	-	-	(21,942,636)	9,765,364
Exchange differences arising from translation of financial statements denominated in foreign currencies	(1,869,623,440)	-	-	-	(1,428,038,238)	(441,585,202)
	896,185,289	(54,312,040)	-	8,370,771	1,396,857,624	(454,731,066)

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. Other comprehensive income *(continued)*

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

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
Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods						
Changes in fair value of other equity instrument investments and other investments	2,366,654,053	–	30,104,180	73,503,539	2,181,619,413	81,426,921
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods						
Changes in fair value of receivables financing	1,553,972	–	–	–	1,553,972	–
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)*

46. Special reserve

2021

	At 1 January	Additions	Reductions	At 31 December
Work safety fund	154,686,505	749,410,028	(790,814,988)	113,281,545

2020

	At 1 January	Additions	Reductions	At 31 December
Work safety fund	120,952,216	684,823,390	(651,089,101)	154,686,505

47. Surplus reserve

2021

	At 1 January	Additions	Reductions	At 31 December
Statutory surplus reserve	1,319,401,104	47,602,615	–	1,367,003,719

2020

	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 Companies 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.

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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)*

48. Retained earnings

	2021	2020
At 1 January	27,748,404,618	24,005,972,520
Net profit attributable to owners of the parent	15,672,870,591	6,508,553,913
Other comprehensive income transferred into retained earnings	–	30,104,180
Less: Interest payable on renewable corporate bonds	232,650,000	258,500,000
Appropriation to surplus reserve	47,602,615	–
Dividends payable in cash for ordinary shareholders	3,159,312,269	2,537,725,995
At 31 December	39,981,710,325	27,748,404,618

Pursuant to the resolution of the shareholders' general meeting on 28 May 2021, the Company distributed a cash dividend of RMB0.12 per share (2020: RMB0.10 per share) to all shareholders, calculated on the basis of 26,327,602,240 issued shares (2020: 25,377,259,946 shares), with an aggregate amount of RMB3,159,312,269 (2020: RMB2,537,725,995).

The Board proposed the profit distribution plan for the year ended 31 December 2021 as follows: the Company proposes to pay a final cash dividend of RMB2 per 10 shares (tax included) (i.e., RMB0.2 per share (tax included)) to its shareholders who are qualified for participating in profit distribution. The profit distribution proposal for the year ended 31 December 2021 is subject to the approval at the shareholders' general meeting.

49. Operating income and operating costs

	2021		2020	
	Operating income	Operating costs	Operating income	Operating costs
Principal operations	222,018,103,063	187,492,406,204	169,596,341,917	149,442,326,493
Other operations	3,084,385,529	2,858,715,351	1,904,996,573	1,628,536,948
	225,102,488,592	190,351,121,555	171,501,338,490	151,070,863,441

Breakdown of operating income:

	2021	2020
Revenue from contracts with customers	225,019,175,841	171,427,710,174
Revenue not from contracts with customers		
Lease income	83,312,751	73,628,316
	225,102,488,592	171,501,338,490

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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. Operating income and operating costs (continued)

Breakdown of the revenue from contracts with customers

Reportable segment	2021										Total	
	Gold bullion	Processed, refined and trading gold	Gold concentrates	Electrolytic copper and electrodeposited copper	Refined copper	Copper concentrates	Other concentrates	Zinc bullion	Others			
Main business areas												
Mainland China	899,334,799	88,745,302,220	2,417,667,341	375,505,112	36,692,586,994	3,406,230,111	5,353,976,950	6,442,051,252	42,072,534,670		186,405,189,449	
Others	8,329,961,471	61,022,778	1,132,635,004	7,182,364,575	436,237,105	6,561,240,831	3,177,397,699	-	11,733,126,929		38,613,986,392	
Main types of products	9,229,296,270	88,806,324,998	3,550,302,345	7,557,869,687	37,128,824,099	9,967,470,942	8,531,374,649	6,442,051,252	53,805,661,599		225,019,175,841	
Timing of revenue recognition												
Revenue recognised at a point in time												
Sales of goods	9,229,296,270	88,806,324,998	3,550,302,345	7,557,869,687	37,128,824,099	9,967,470,942	8,531,374,649	6,442,051,252	53,409,886,041		224,623,400,283	
Revenue recognised over time												
Rendering of services	-	-	-	-	-	-	-	-	395,775,558		395,775,558	
Main types of products	9,229,296,270	88,806,324,998	3,550,302,345	7,557,869,687	37,128,824,099	9,967,470,942	8,531,374,649	6,442,051,252	53,805,661,599		225,019,175,841	
Main business areas												
Mainland China	853,736,109	95,068,996,627	1,018,425,801	309,358,387	23,564,715,903	694,669,159	3,985,797,077	3,450,780,736	19,237,692,716		148,184,172,515	
Others	7,675,955,875	198,990,831	343,611,574	4,354,606,329	918,720,092	3,349,052,697	1,231,481,054	-	5,171,119,207		23,243,537,659	
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												
Sales of goods	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	
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	

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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. 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:

	2021	2020
Sales of goods	497,725,148	359,453,565

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.40 for information about the sales arrangements related to metals streaming.

50. Taxes and surcharges

	2021	2020
Resource tax	2,469,192,663	1,704,574,753
Mine-produced gold income tax (Note 1)	185,635,977	185,701,604
Property tax	79,980,239	86,270,397
Road tax (Note 2)	57,032,960	82,749,149
Customs tax (Note 3)	70,175,970	78,171,706
Stamp duty	110,608,022	74,626,274
Education surcharges	116,074,663	72,081,060
City construction and maintenance tax	87,205,395	54,364,005
Mineral concentrates tax (Note 3)	38,953,616	37,258,363
Local development fund	33,120,189	33,721,272
Land use tax	23,956,944	23,404,174
Environmental protection tax	14,845,338	9,848,234
Vehicle and vessel use tax	1,334,072	1,499,086
Others	171,563,850	54,925,306
	3,459,679,898	2,499,195,383

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 rates from 1% to 20% depending on the range of gold price.

Note 2: Road tax was the tax payable by the Group's overseas subsidiary, Joint Venture Zeravshan Limited Liability Company and COMMUS, for the purchase or sale of mineral products.

Note 3: 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)*

51. Selling expenses

	2021	2020
Salaries and benefits	96,797,899	94,113,812
Service expenses related to sales	73,654,173	82,336,346
Agency fees	43,074,184	29,836,819
Charge of commission sales	36,799,334	28,734,707
Customs charges	25,838,219	27,933,953
Depreciation and amortisation	20,641,274	26,588,863
Insurance expenses	10,450,938	12,865,702
Repair expenses	8,490,232	12,403,069
Packing expenses	8,484,699	11,792,925
Material consumption fees	7,376,373	6,626,417
Inspection (test) fees	7,008,800	11,033,445
Use and maintenance fees for roads	5,000,000	3,000,000
Storage expenses	4,904,342	4,385,528
Uploading and unloading expenses	2,099,667	2,725,784
Safety measures fees	–	9,965,312
Others	61,652,486	63,341,936
	412,272,620	427,684,618

52. Administrative expenses

	2021	2020
Salaries and benefits	2,782,773,888	2,024,713,245
Depreciation and amortisation	674,233,863	543,579,667
Professional consulting expenses	328,147,941	264,040,673
Office expenses	178,782,656	142,725,706
Material consumption fees	162,276,357	151,119,245
Stipulated fees	165,284,209	152,557,303
Exploration expenses	81,555,280	88,062,164
Travelling and conference expenses	119,841,747	81,003,399
Audit fees*	30,005,917	28,779,929
Share-based payment cost	197,201,480	–
Property insurance premium	64,455,408	80,287,796
Business entertainment expenses	63,403,615	47,853,788
Guard and fire protection fees	42,445,251	14,653,310
Rental fees	88,356,446	34,966,871
Others	329,772,221	191,267,501
	5,308,536,279	3,845,610,597

* In the year 2021, the auditor's remuneration of the Company was RMB12,200,000 (2020: RMB11,800,000).

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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. Research and development expenses

	2021	2020
Material consumption fees	277,112,383	210,003,063
Salaries and benefits	202,414,275	149,563,062
Technical development costs	133,921,843	103,301,760
Depreciation and amortisation	66,037,769	48,227,598
Office expenses	35,876,095	30,188,797
Others	55,298,961	41,230,673
	770,661,326	582,514,953

54. Finance expenses

	2021	2020
Interest expenses	2,403,674,022	2,308,639,492
<i>Including: Bank borrowings</i>	1,783,288,136	1,720,092,057
<i>Bonds payable</i>	601,106,982	537,668,050
<i>Ultra short-term financing bonds</i>	19,278,904	50,879,385
Less: Interest income	754,646,824	613,771,145
Less: Capitalised interest expenses	481,515,130	387,886,106
Exchange differences	17,184,054	235,105,796
Bank charges	128,421,291	113,361,882
Amortisation of unrecognised finance expenses (Note 1)	189,794,497	135,790,198
Unearned finance income (Note 2)	(6,436,236)	(6,996,514)
	1,496,475,674	1,784,243,603

Note 1 Unrecognised finance expenses consisted of amortisation of unrecognised interest expenses of provisions of RMB104,886,471 (2020: RMB90,907,658), amortisation of interest expenses of lease liabilities of RMB22,262,956 (2020: RMB32,458,050) and amortisation of unrecognised interest expenses of other non-current liabilities of RMB62,645,070 (2020: RMB12,424,490).

Note 2 Unearned finance income was the amortisation of unrecognised finance income from long-term receivables.

Capitalised interest expenses of 2021 were included in construction in progress. None of the above interest income was generated from impaired financial assets in 2021 and 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)*

55. Other income

	2021	2020
Government grants relating to daily operating activities	350,771,492	342,312,056

Government grants relating to daily operating activities in 2021 are as follows:

	2021	Related to assets/income
Tax refund of Continental Gold in the Republic of Colombia	59,950,177	Related to income
Alloy gold award	58,796,607	Related to income
Tax incentives received by Zijin Copper for 2018 and 2019	36,000,000	Related to income
Import and export incentives	29,621,955	Related to income
Subsidies for research and development	28,424,821	Related to income
Industrial development subsidy funds	17,648,900	Related to income
COVID-19-related subsidies on wages for Serbian Zijin Copper	15,272,174	Related to income
Special subsidies for foreign investment and cooperation for 2021	4,470,600	Related to income
Output value breakthrough awards and incremental incentive support funds	4,427,977	Related to income
Incentives for industrial wastewater intensive treatment and comprehensive utilisation of Bayannur Zijin	4,250,000	Related to income
Real estate and land tax rebates	3,274,508	Related to income
Subsidies for employment security	3,029,334	Related to income
Repayment of charges for individual/corporate income tax	2,753,139	Related to income
Subsidies for social security	2,278,579	Related to income
Incentives for "One Enterprise, One Policy" of Fujian Zijin Precious Metals Materials	1,796,400	Related to income
Logistics subsidies for the trading and processing trade of copper	1,506,765	Related to income
Special funds for military-civilian integration	1,087,600	Related to income
Government subsidies for energy-saving technological transformation	1,000,000	Related to income
COVID-19-related government grants	364,022	Related to income
Other government grants directly recognised in other income	19,645,405	Related to income
Other government grants transferred from deferred income	55,172,529	Related to assets
	350,771,492	

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. Other income *(continued)*

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 incentives	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 and processing trade of copper	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
	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)*

56. Investment income/(losses)

	2021	2020
Investment income from long-term equity investments under the equity method	1,627,111,396	209,744,927
Investment (losses)/income on disposal of long-term equity investments	(3,558,514)	1,093,075
Dividend income from other equity instrument investments during the holding period	30,754,600	17,331,900
Investment income/(losses) on disposal of financial assets and liabilities at fair value through profit or loss (Note 1)	11,806,943	(759,112,419)
Others	25,486,711	8,874,796
	1,691,601,136	(522,067,721)

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

	2021	2020
1. Held for trading equity instrument investments – Income arising from stock investments	87,066,096	36,164,138
2. Losses arising from gold leasing at fair value	(4,586,010)	(18,866,014)
3. Losses arising from derivative instruments without designated hedging relationship	(122,944,187)	(832,345,240)
(3-1) Foreign currency forward contracts	337,324,546	11,679,600
(3-2) Commodity hedging contracts	(469,010,630)	(844,024,840)
(3-3) Equity swap contracts	8,741,897	–
4. Investment losses from derivative instruments with designated hedging relationship	–	(9,466,655)
5. Others	52,271,044	65,401,352
	11,806,943	(759,112,419)

57. (Losses)/Gains on changes in fair value

	2021	2020
Financial assets at fair value through profit or loss	(62,659,110)	50,054,085
Financial liabilities at fair value through profit or loss	(169,204,934)	292,302,651
	(231,864,044)	342,356,736

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)*

57. (Losses)/Gains on changes in fair value *(continued)*

(Losses)/Gains on changes in fair value are as follows:

	2021	2020
1. Held for trading equity instrument investments – Gains arising from changes in fair value of stock investments	46,000,724	92,549,811
2. Gains/(Losses) arising from changes in fair value of gold leasing at fair value	19,487,550	(20,665,227)
3. Hedging instruments – Gains arising from changes in fair value of ineffectively hedged derivative instruments	89,568	8,392,933
4. (Losses)/Gains arising from changes in fair value of derivative instruments without designated hedging relationship	(213,350,807)	304,349,345
(4-1) Foreign currency forward contracts	(193,369,852)	290,477,392
(4-2) Commodity hedging contracts	5,737,181	13,871,953
(4-3) Equity swap contracts	(25,718,136)	–
5. Others	(84,091,079)	(42,270,126)
	(231,864,044)	342,356,736

58. Reversal of credit impairment losses

	2021	2020
Bad debt provision for trade receivables	(11,800,073)	(229,275)
Bad debt provision for other receivables	1,154,829	(4,679,153)
Bad debt provision for receivables financing	–	(2,090,794)
Reversal of expected credit impairment losses for financial guarantee contracts (Note V.38)	588,878,419	138,440,817
Bad debt provision for other non-current assets	(139,576)	(819,055)
	578,093,599	130,622,540

59. Impairment losses on assets

	2021	2020
Impairment losses for fixed assets	(350,369,323)	(268,734,744)
Impairment losses for construction in progress	(178,190,933)	–
Provision for decline in value of inventories	(58,979,085)	(70,166,124)
Impairment losses for intangible assets	–	(10,316,081)
Impairment losses for long-term equity investments	–	(5,224,244)
Impairment losses for prepayments	(10,483,091)	(1,143,020)
Impairment losses for other non-current assets	–	(1,529,796)
	(598,022,432)	(357,114,009)

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)*

60. (Losses)/Gains on disposal of non-current assets

	2021	2020
(Losses)/Gains on disposal of fixed assets	(10,676,200)	12,928,440
Gains on disposal of intangible assets	2,138,150	316,038
Gains/(Losses) on disposal of other non-current assets	722,250	(837,445)
	(7,815,800)	12,407,033

61. Non-operating income

	2021	2020	Non-recurring profit or loss in 2021
Penalty income	26,961,548	15,480,764	26,961,548
Compensations and default penalty	1,249,601	10,480,959	1,249,601
Waiver of debts	–	34,992,852	–
Others	149,877,108	77,802,630	149,877,108
	178,088,257	138,757,205	178,088,257

62. Non-operating expenses

	2021	2020	Non-recurring profit or loss in 2021
Losses on write-off of non-current assets	111,742,803	207,485,152	111,742,803
Donations	268,242,826	166,275,845	268,242,826
Penalties, compensations and overdue charges	47,225,720	101,708,817	47,225,720
Losses on stocktaking	–	114,868	–
Others	43,571,607	56,887,879	43,571,607
	470,782,956	532,472,561	470,782,956

63. Income tax expenses

	2021	2020
Current income tax expenses	5,423,183,430	2,462,295,011
Deferred tax expenses	(229,011,290)	(74,306,790)
	5,194,172,140	2,387,988,221

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. Income tax expenses *(continued)*

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

	2021	2020
Profit before tax	24,793,810,492	10,846,027,174
Tax at the statutory tax rate (Note 1)	6,198,452,623	2,711,506,794
Effect of different tax rates applicable to certain subsidiaries (Note 1)	(791,562,289)	(345,745,474)
Adjustments in respect of current tax of previous periods	17,318,334	(19,586,289)
Income not subject to tax (Note 2)	(462,966,854)	(56,888,316)
Expenses not deductible for tax	43,454,778	35,450,575
Tax losses utilised from previous periods	(43,678,814)	(163,927,682)
Effect of unrecognised deductible temporary differences and deductible tax losses	233,154,362	227,178,613
Tax charge at the Group's effective tax rate	5,194,172,140	2,387,988,221

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 2021, income not subject to tax mainly included investment income from long-term equity investments under the equity method of RMB1,627,111,396 (2020: investment income of RMB209,744,927) and sales revenue from certain products of the Group that meet the national industrial policy and enjoyed tax exemption totalling RMB68,047,622 (2020: RMB12,455,269).

64. Earnings per share

	2021 RMB per share	2020 RMB per share
Basic earnings per share Continuing operations	0.60	0.25
Diluted earnings per share Continuing operations	0.60	0.25

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.

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. Earnings per share *(continued)*

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.

As at 25 June 2021, the conversion of the Company's A Share convertible corporate bonds was completed. The total number of shares converted was 854,361,694.

Pursuant to the approvals of the State-owned Assets Supervision and Administration Commission of Longyan City and the Company's shareholders' general meeting, the Company issued restricted A Shares on 13 January 2021 and 15 November 2021, respectively. According to the unlocking conditions of the restricted A Shares and the Company's operating results for the year 2021, in the calculation of diluted earnings per share, the weighted average number of ordinary shares was adjusted and increased by 7,688,167 correspondingly.

Basic earnings per share is calculated as follows:

	2021	2020
Earnings		
Consolidated net profit attributable to ordinary shareholders of the Company		
Continuing operations	15,672,870,591	6,508,553,913
Consolidated net profit attributable to ordinary shareholders of the Company after adjustments	15,428,798,919	6,250,053,913
Consolidated net profit attributable to ordinary shareholders of the Company		
Continuing operations	15,428,798,919	6,250,053,913
Shares		
Weighted average number of ordinary shares outstanding	25,811,336,889	25,377,259,946

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. Earnings per share *(continued)*

Diluted earnings per share is calculated as follows:

	2021	2020
Earnings		
Consolidated net profit attributable to ordinary shareholders of the Company		
Continuing operations	15,672,870,591	6,508,553,913
Consolidated net profit attributable to ordinary shareholders of the Company after adjustments	15,440,220,591	6,285,934,057
Consolidated net profit attributable to ordinary shareholders of the Company		
Continuing operations	15,440,220,591	6,285,934,057
Shares		
Weighted average number of ordinary shares outstanding	25,811,336,889	25,377,259,946
Dilutive effect – weighted average number of ordinary shares		
Restricted A Shares	7,688,167	–
Convertible corporate bonds	–	71,326,676
Adjusted weighted average number of ordinary shares outstanding	25,819,025,056	25,448,586,622

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. Note to the statement of cash flows

	2021	2020
Other cash receipts relating to operating activities		
Interest income	119,149,141	85,583,329
Government grants	303,904,137	302,303,859
Others	238,438,234	227,938,097
	661,491,512	615,825,285
Other cash payments relating to operating activities		
Transportation expenses, insurance expenses, commission charges and other selling expenses	(294,833,447)	(307,544,692)
Office expenses, conference expenses and other administrative expenses	(1,896,592,540)	(1,433,188,523)
Donations	(298,555,888)	(130,983,219)
Redemption of Gold Delivery Obligation under the metals streaming agreement	–	(509,125,982)
Losses on the settlement of forward contracts, futures contracts and others	(1,147,470,464)	(1,905,590,865)
	(3,637,452,339)	(4,286,433,281)
Other cash receipts relating to investing activities		
Recovered receivables from disposal of equity	14,000,000	–
Recovered wealth management products	230,036,360	65,401,352
	244,036,360	65,401,352
Other cash payments relating to investing activities		
Large-denomination certificates of deposit with a term of over one year	(200,000,000)	(255,811,321)
Cash paid for time deposits with maturity for more than three months	(383,532,056)	–
Funds for construction and operation of joint venture	(973,260,387)	(2,174,860,525)
Fees related to mergers and acquisitions of subsidiaries	–	(48,342,623)
Net cash outflows from disposal of subsidiaries	(40,957)	–
	(1,556,833,400)	(2,479,014,469)
Other cash receipts relating to financing activities		
Disposals of equity interests to non-controlling shareholders	–	51,101,779
Borrowings from third parties	97,243,423	979,709,265
	97,243,423	1,030,811,044

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. Note to the statement of cash flows *(continued)*

	2021	2020
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)
Repayment of borrowings from third parties	(386,834,748)	(116,766,641)
Acquisitions of non-controlling interests of subsidiaries	(77,212,100)	(199,663,905)
Payment for lease liabilities	(97,102,000)	(184,235,335)
Bank charges and others	(132,285,291)	(113,361,881)
	(693,434,139)	(1,524,949,267)

66. 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:

	2021	2020
Net profit	19,599,638,352	8,458,038,953
Add: Provisions for asset impairment	19,928,833	226,491,469
Depreciation and amortisation of investment properties	6,448,039	6,471,837
Depreciation of fixed assets	5,551,944,176	5,490,946,254
Depreciation of right-of-use assets	68,836,562	129,507,122
Amortisation of intangible assets	2,237,152,646	1,391,245,983
Amortisation of long-term deferred assets	330,905,341	487,363,046
Losses/(Gains) on the disposal of fixed assets, intangible assets and other long-term assets	7,815,800	(12,407,033)
Losses on write-off of fixed assets	111,742,803	216,256,084
Losses/(Gains) from changes in fair value	231,864,044	(342,356,736)
Finance expenses	1,615,624,815	1,869,826,932
Investment income	(2,160,611,766)	(331,423,775)
(Increase)/Decrease in deferred tax assets	(56,500,412)	230,722,015
Decrease in deferred tax liabilities	(172,510,878)	(710,213,077)
Increase in inventories	(2,251,621,506)	(2,704,680,658)
Increase in receivables from operating activities	(2,992,270,177)	(1,450,105,588)
Increase in payables from operating activities	3,828,868,036	1,211,416,090
(Decrease)/Increase in special reserve	(41,404,960)	33,734,289
Exploration and development expenses	81,555,280	88,062,164
Others	54,832,573	(20,491,948)
Net cash flows from operating activities	26,072,237,601	14,268,403,423

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. Supplementary information to the statement of cash flows *(continued)*(1) Supplementary information to the statement of cash flows *(continued)*

Significant non-cash financing activities:

	2021	2020
Convertible corporate bonds converted into shares	5,201,897,639	–
Acquisitions of right-of-use assets by assuming lease liabilities	59,856,907	17,987,384

Bills endorsement:

	2021	2020
Bills endorsement of bank acceptance bills and commercial acceptance bills in the sale of goods and rendering of services	851,744,446	828,488,366

Net changes in cash and cash equivalents:

	2021	2020
Closing balance of cash	13,353,421,270	11,627,709,021
Less: Opening balance of cash	11,627,709,021	5,863,202,219
Add: Closing balance of cash equivalents	277,843,939	158,977,219
Less: Opening balance of cash equivalents	158,977,219	222,389,231
Net increase in cash and cash equivalents	1,844,578,969	5,701,094,790

(2) Information about acquisitions or disposals of subsidiaries and other business units

Information about acquisitions of subsidiaries and other business units

	2021	2020
Consideration for acquisitions of subsidiaries and other business units	137,228,677	13,707,823,563
Less: Contingent consideration payable	–	1,343,122,407
Cash and cash equivalents paid for acquisitions of subsidiaries and other business units	137,228,677	12,364,701,156
Less: Cash and cash equivalents obtained from acquisitions of subsidiaries and other business units	90,939,455	229,676,539
Net cash payments for acquisitions of subsidiaries and other business units	46,289,222	12,135,024,617

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. 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

	2021	2020
Consideration for disposals of subsidiaries and other business units	1	–
Cash and cash equivalents received from disposals of subsidiaries and other business units	1	–
Less: Cash and cash equivalents held by subsidiaries and other business units disposed of	40,958	–
Net cash outflows from disposals of subsidiaries and other business units	(40,957)	–

(3) Cash and cash equivalents

	2021	2020
Cash	13,353,421,270	11,627,709,021
<i>Including: Cash on hand</i>	<i>13,328,670</i>	<i>6,570,582</i>
<i>Cash at banks that can be readily drawn on demand</i>	<i>13,340,092,600</i>	<i>11,621,138,439</i>
Cash equivalents	277,843,939	158,977,219
Closing balance of cash and cash equivalents at the end of the year	13,631,265,209	11,786,686,240

67. Assets with restrictions on title or use

	2021	2020
Cash and cash equivalents (Note 1)	206,982,987	168,653,056
Held for trading financial assets	–	80,000,000
Debt investments (Note 2)	150,000,000	250,000,000
Long-term equity investments (Note XII.2 (Note 2))	588,071,600	–
Fixed assets (Note 3)	891,798,049	1,650,541,716
Intangible assets (Note 4)	9,589,144,533	13,516,845,568
	11,425,997,169	15,666,040,340

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. Assets with restrictions on title or use *(continued)*

- Note 1: As at 31 December 2021, the balance of other cash and cash equivalents of the Group in Renminbi mainly included: land restoration and environmental rehabilitation costs of RMB80,935,443 (31 December 2020: RMB23,644,758). Pursuant to the rules of the local government, the Group accrued 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 RMB126,037,248 (31 December 2020: RMB141,101,118), which were restricted to use; and the bank deposits of RMB10,296 (31 December 2020: RMB3,907,180) were frozen due to litigation.
- Note 2: As at 31 December 2021, Shanghang Zijin Metallic Resources Co., Ltd., a subsidiary of the Group, pledged RMB100,000,000 (31 December 2020: RMB100,000,000) of debt investments to the Agricultural Bank of China for bank acceptance bills, and pledged RMB50,000,000 (31 December 2020: RMB150,000,000) of debt investments to Bank of China for bank acceptance bills.
- Note 3: As at 31 December 2021, Julong Copper, a subsidiary of the Group, provided certain fixed assets (a batch of machinery and equipment) as collaterals for a 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 RMB606,603,513 (31 December 2020: RMB1,348,340,869); Bayannur Zijin, a subsidiary of the Group, provided certain fixed assets (a batch of buildings, machinery and equipment) as collaterals for a bank loan for comprehensive utilisation of leaching slag resources from the marmatite hydrometallurgy and the harmless treatment technology project, and with a carrying amount of RMB285,194,536 (31 December 2020: RMB302,200,847).
- Note 4: As at 31 December 2021, Julong Copper, a subsidiary of the Group, provided intangible assets (including the mining right permits of Qulong and Zhibula and exploration right licence of Rongmucuola) as collaterals for a 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), the total carrying amount of which was RMB9,516,000,000 (31 December 2020: 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 15th Metallurgical Construction, with a carrying amount of RMB73,144,533 (31 December 2020: RMB74,845,568).

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)*

68. Foreign currency monetary items

	2021			2020		
	Original currency	Exchange rate	Equivalent to RMB	Original currency	Exchange rate	Equivalent to RMB
Cash and cash equivalents						
HKD	28,632,073	0.8176	23,409,583	30,524,337	0.8416	25,689,282
USD	1,000,446,248	6.3757	6,378,545,143	565,793,520	6.5249	3,691,746,139
GBP	1,058	8.6064	9,106	1,058	8.8903	9,406
CAD	11,373,449	5.0046	56,919,563	17,918,266	5.1161	91,671,641
AUD	140,568,099	4.6220	649,705,754	89,775,816	5.0163	450,342,426
RUB	215,033,319	0.0855	18,385,349	66,191,172	0.1140	7,545,794
EUR	986,162	7.2197	7,119,794	497,409	8.0250	3,991,707
Others	Not applicable	Not applicable	250,939,135	Not applicable	Not applicable	143,355,076
Trade receivables						
AUD	11,838,445	4.6220	54,717,293	4,112,200	5.0163	20,628,029
USD	252,577,273	6.3757	1,610,356,919	93,777,122	6.5249	611,886,343
Others	Not applicable	Not applicable	12,402,169	Not applicable	Not applicable	24,294,998
Other receivables						
USD	61,175,506	6.3757	390,036,674	30,983,695	6.5249	202,165,512
AUD	25,168,365	4.6220	116,328,183	4,617,001	5.0163	23,160,262
CAD	112,693	5.0046	563,983	472,135	5.1161	2,415,490
Others	Not applicable	Not applicable	5,625,374	Not applicable	Not applicable	873,306
Other non-current assets						
USD	1,612,183,757	6.3757	10,278,799,980	1,247,022,454	6.5249	8,136,696,810
AUD	343,361,829	4.6220	1,587,018,374	–	5.0163	–
CAD	63,351,749	5.0046	317,050,163	–	5.1161	–
Total foreign currency monetary assets			21,757,932,539			13,436,472,221

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)*68. Foreign currency monetary items *(continued)*

	2021			2020		
	Original currency	Exchange rate	Equivalent to RMB	Original currency	Exchange rate	Equivalent to RMB
Short-term borrowings						
USD	882,090,557	6.3757	5,623,944,764	847,962,875	6.5249	5,532,872,963
Trade payables						
USD	466,308,849	6.3757	2,973,045,329	153,865,004	6.5249	1,003,953,765
AUD	21,156,972	4.6220	97,787,525	1,756,293	5.0163	8,810,093
Others	Not applicable	Not applicable	53,174,019	Not applicable	Not applicable	40,460,718
Other payables						
USD	171,410,710	6.3757	1,092,863,264	190,882,539	6.5249	1,245,489,479
AUD	41,729,672	4.6220	192,874,544	30,913,240	5.0163	155,070,086
CAD	3,160,199	5.0046	15,815,532	2,112,412	5.1161	10,807,311
Others	Not applicable	Not applicable	241,481,301	Not applicable	Not applicable	186,836
Current portion of non-current liabilities						
USD	741,599,600	6.3757	4,728,216,570	492,053,553	6.5249	3,210,600,228
Long-term borrowings						
USD	2,866,941,684	6.3757	18,278,760,095	2,392,241,277	6.5249	15,609,135,108
Long-term payables						
USD	38,591,799	6.3757	246,049,733	108,535,503	6.5249	708,183,304
Lease liabilities						
USD	12,515,694	6.3757	79,796,310	24,637,114	6.5249	160,754,705
Bonds payable						
USD	150,000,000	6.3757	956,355,000	150,000,000	6.5249	978,735,000
Total foreign currency monetary liabilities			34,580,163,986			28,665,059,596

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)*

68. 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
Alтынкен	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)*

69. 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. Through qualitative analysis, the Group determines the ratio of the number of hedging instruments to the hedged items to be 1:1. Ineffective portion of hedges mainly sources from exchange rate difference between spot and forward. The ineffective amount of hedges recognised in this year and prior year was immaterial. The Group uses fair value hedges for this kind of hedges.

As at 31 December 2021, the Group did not enter into any foreign currency forward contracts designated in a hedge accounting relationship.

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 determined the ratio of the number of hedging instruments to the hedged items to be 1:1, with no ineffective portion. Hedge accounting relationship for this item was terminated in 2021.

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)*

69. Hedging *(continued)*

Fair value hedges *(continued)*

The temporal distribution of the nominal amount of the hedging instruments and the average price are as follows:

2021

	Less than 6 months	6 to 12 months	Over 1 year	Total
Notional amount of gold futures	85,841,525	–	–	85,841,525
Average price of gold futures – RMB/gramme	373	–	–	373
Notional amount of silver futures	374,711,301	–	–	374,711,301
Average price of silver futures – RMB/kilogramme	5,086	–	–	5,086
Notional amount of copper futures	2,185,586,900	–	–	2,185,586,900
Average price of copper futures – RMB/tonne	70,310	–	–	70,310
Notional amount of zinc futures	307,831,475	–	–	307,831,475
Average price of zinc futures – RMB/tonne	23,909	–	–	23,909
Notional amount of gold forward	514,913,562	83,760,725	–	598,674,287
Average price of gold forward – RMB/gramme	367	369	–	367
Notional amount of silver forward	545,813,508	–	–	545,813,508
Average price of silver forward – RMB/kilogramme	5,126	–	–	5,126
Notional amount of copper forward	1,917,582,832	–	–	1,917,582,832
Average price of copper forward – RMB/tonne	61,270	–	–	61,270
Notional amount of zinc forward	194,024,904	–	–	194,024,904
Average price of zinc forward – RMB/tonne	21,321	–	–	21,321

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)*69. 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)

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)*

69. Hedging *(continued)*

Fair value hedges *(continued)*

Changes in the book value and fair value of hedging instruments are as follows:

2021

	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 2021
		Assets	Liabilities		
		Fair value hedges Commodity price risk – inventories	6,210,066,732		

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		
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)*69. Hedging *(continued)*Fair value hedges *(continued)*

The book value of the hedged items and the associated adjustments are as follows:

2021

	Book value 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 2021
	Accumulated fair value adjustments on the hedged item (included in the carrying amount of hedged items)					
	Assets	Liabilities	Assets	Liabilities		
Fair value hedges						
Commodity price risk – inventories	6,497,397,796	–	530,370,962	–	Inventories	844,411,146

2020

	Book value 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
	Accumulated fair value adjustments on the hedged item (included in the carrying amount of hedged items)					
	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

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.

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)*

69. Hedging *(continued)*

Fair value hedges *(continued)*

The ineffective portion of the hedges in the changes in fair value of hedging instruments is as follows:

2021

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	89,568	–	Gains/(Losses) on changes in fair value

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

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.56 and 57 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.

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

1. Newly established major subsidiaries

Xiamen Zixin No. 2 Investment Partnership Enterprise (Limited Partnership) ("Zixin No. 2") was established in Xiamen City, Fujian Province on 26 February 2021 with registered capital of RMB2,501,000,000. The Group holds 20.03% equity interest in Zixin No. 2. Pursuant to the partnership agreement of Zixin No. 2, its 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. 2. The management of the Group considers that the Group can exercise control over Zixin No.2 and therefore the newly established subsidiary was included in the scope of consolidation during the reporting period. As at 31 December 2021, the registered capital and paid-in capital of Zixin No. 2 were both RMB2,501,000,000.

Zijin Overseas Investment Co., Ltd. was established in Sanya City, Hainan Province on 8 March 2021 with registered capital of RMB600,000,000. Zijin International Holdings Co., Ltd., a subsidiary of the Group, holds 100% equity interest in Zijin Overseas Investment Co., Ltd. As at 31 December 2021, the paid-in capital of Zijin Overseas Investment Co., Ltd. was RMB560,000,000. The newly established subsidiary was included in the scope of consolidation during the reporting period.

Ziniu Partnership was established in Xiamen City, Fujian Province on 8 April 2021 with registered capital of RMB216,610,000. Zijin Mining Equity Investment Management (Xiamen) Co., Ltd., a subsidiary of the Group, holds 92.3318% equity interest in Ziniu Partnership. As at 31 December 2021, the paid-in capital of Ziniu Partnership was RMB216,610,000. The newly established subsidiary was included in the scope of consolidation during the reporting period.

Zijin Mining Trading (Hainan) Co., Ltd. was established in Sanya City, Hainan Province on 26 January 2021 with registered capital of RMB50,000,000. Zijin Mining Construction Group (Xiamen) Co., Ltd., a subsidiary of the Group, holds 100% equity interest in Zijin Mining Trading (Hainan) Co., Ltd. As at 31 December 2021, the paid-in capital of Zijin Mining Trading (Hainan) Co., Ltd. was RMB50,000,000. The newly established subsidiary was included in the scope of consolidation during the reporting period.

Zijin Gold Technology (Hainan) Co., Ltd. was established in Sanya City, Hainan Province on 16 April 2021 with registered capital of RMB300,000,000. Zijin International Holdings Co., Ltd., a subsidiary of the Group, holds 100% equity interest in Zijin Gold Technology (Hainan) Co., Ltd. As at 31 December 2021, the paid-in capital of Zijin Gold Technology (Hainan) Co., Ltd. was RMB35,000,000. The newly established subsidiary was included in the scope of consolidation during the reporting period.

Gold Vision International Limited was established in Hong Kong on 26 March 2021 with registered capital of HKD1. Jinyu (H.K.), a subsidiary of the Group, holds 100% equity interest in Gold Vision International Limited. As at 31 December 2021, the registered capital and paid-in capital of Gold Vision International Limited were both HKD1. The newly established subsidiary was included in the scope of consolidation during the reporting period.

Gold Leader Holdings Limited was established in Hong Kong on 1 April 2021 with registered capital of HKD1. Gold Mountains (H.K.), a subsidiary of the Group, holds 100% equity interest in Gold Leader Holdings Limited. As at 31 December 2021, the registered capital and paid-in capital of Gold Leader Holdings Limited were both HKD1. 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)*

1. Newly established major subsidiaries *(continued)*

Zijin Yuehai Industry (Hainan) Co., Ltd. was established in Sanya City, Hainan Province on 9 August 2021 with registered capital of RMB1,100,000,000. Zijin International Holdings Co., Ltd, a subsidiary of the Group, holds 100% equity interest in Zijin Yuehai Industry (Hainan) Co., Ltd. As at 31 December 2021, the paid-in capital of Zijin Yuehai Industry (Hainan) Co., Ltd. was RMB1,075,346,495.25. The newly established subsidiary was included in the scope of consolidation during the reporting period.

Zijin Mining Zibao (Xiamen) Investment Partnership Enterprise (Limited Partnership) was established in Xiamen City, Fujian Province on 27 January 2021 with registered capital of RMB2,000,000,000. The Group holds 100% equity interest in Zijin Mining Zibao (Xiamen) Investment Partnership Enterprise (Limited Partnership). As at 31 December 2021, the paid-in capital of Zijin Mining Zibao (Xiamen) Investment Partnership Enterprise (Limited Partnership) was RMB304,880,000. The newly established subsidiary was included in the scope of consolidation during the reporting period.

Zijin Overseas Development (Hainan) Co., Ltd. was established in Sanya City, Hainan Province on 3 September 2021 with registered capital of RMB50,000,000. Zijin International Holdings Co., Ltd., a subsidiary of the Group, holds 100% equity interest in Zijin Overseas Development (Hainan) Co., Ltd. As at 31 December 2021, the paid-in capital of Zijin Overseas Development (Hainan) Co., Ltd. was RMB20,000,000. The newly established subsidiary was included in the scope of consolidation during the reporting period.

Zijin International Financial Leasing (Hainan) Co., Ltd. was established in Sanya City, Hainan Province on 10 December 2021 with registered capital of RMB2,000,000,000. The Group holds 90% equity interest in Zijin International Financial Leasing (Hainan) Co., Ltd. As at 31 December 2021, the paid-in capital of Zijin International Financial Leasing (Hainan) Co., Ltd. was RMB2,000,000,000. The newly established subsidiary was included in the scope of consolidation during the reporting period.

Fujian Zijin Copper Foil Technology Co., Ltd. was established in Longyan City, Fujian Province on 15 November 2021 with registered capital of RMB6,000,000,000. Zijin Mining Group Southern Investment Co., Ltd, a subsidiary of the Group, holds 70% equity interest in Fujian Zijin Copper Foil Technology Co., Ltd. As at 31 December 2021, the paid-in capital of Fujian Zijin Copper Foil Technology Co., Ltd. was RMB2,000,000,000. The newly established subsidiary was included in the scope of consolidation during the reporting period.

Zijin Mining Investment (Shanghai) Co., Ltd. was established in Hongkou District, Shanghai City on 25 November 2021 with registered capital of RMB1,000,000,000. The Group holds 100% equity interest in Zijin Mining Investment (Shanghai) Co., Ltd. As at 31 December 2021, the paid-in capital of Zijin Mining Investment (Shanghai) Co., Ltd. was RMB150,000,000. The newly established subsidiary was included in the scope of consolidation during the reporting period.

Zijin Zhixin (Xiamen) Technology Co., Ltd. was established in Xiamen City, Fujian Province on 20 July 2021 with registered capital of RMB65,500,000. The Group holds 100% equity interest in Zijin Zhixin (Xiamen) Technology Co., Ltd. As at 31 December 2021, the paid-in capital of Zijin Zhixin (Xiamen) Technology Co., Ltd. was RMB65,500,000. The newly established subsidiary was included in the scope of consolidation during the reporting period.

Fujian Zijin Liyuan Material Technology Co., Ltd. was established in Longyan City, Fujian Province on 15 November 2021 with registered capital of RMB200,000,000. Zijin Mining South Investment Co., Ltd., a subsidiary of the Group, holds 100% equity interest in Fujian Zijin Liyuan Material Technology Co., Ltd. As at 31 December 2021, the paid-in capital of Fujian Zijin Liyuan Material Technology Co., Ltd. was RMB50,000,000. The newly established subsidiary was included in the scope of consolidation during the reporting period.

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. Newly established major subsidiaries *(continued)*

Zijin Mining Zidun (Xiamen) Investment Partnership Enterprise (Limited Partnership) was established in Xiamen City, Fujian Province on 11 March 2021 with registered capital of RMB12,000,000. The Group holds 100% equity interest in Zijin Mining Zidun (Xiamen) Investment Partnership Enterprise (Limited Partnership). As at 31 December 2021, the paid-in capital of Zijin Mining Zidun (Xiamen) Investment Partnership Enterprise (Limited Partnership) was RMB30,050,000. The newly established subsidiary was included in the scope of consolidation during the reporting period.

Zijin Mining Zidi (Xiamen) Investment Partnership Enterprise (Limited Partnership) was established in Xiamen City, Fujian Province on 27 January 2021 with registered capital of RMB1,000,000,000. The Group holds 100% equity interest in Zijin Mining Zidi (Xiamen) Investment Partnership Enterprise (Limited Partnership). As at 31 December 2021, the paid-in capital of Zijin Mining Zidi (Xiamen) Investment Partnership Enterprise (Limited Partnership) was RMB30,050,000. The newly established subsidiary was included in the scope of consolidation during the reporting period.

Zijin Mining Zide (Xiamen) Investment Partnership Enterprise was established in Xiamen City, Fujian Province on 11 March 2021 with registered capital of RMB400,000,000. The Group holds 100% equity interest in Zijin Mining Zide (Xiamen) Investment Partnership Enterprise. As at 31 December 2021, the paid-in capital of Zijin Mining Zide (Xiamen) Investment Partnership Enterprise was RMB27,550,000. The newly established subsidiary was included in the scope of consolidation during the reporting period.

Zijin Zhikong (Xiamen) Technology Co., Ltd. was established in Xiamen City, Fujian Province on 27 October 2021 with registered capital of RMB50,000,000. Zijin Zhixin (Xiamen) Technology Co., Ltd., a subsidiary of the Group, holds 51% equity interest in Zijin Zhikong (Xiamen) Technology Co., Ltd. As at 31 December 2021, the paid-in capital of Zijin Zhikong (Xiamen) Technology Co., Ltd. was RMB25,550,000. The newly established subsidiary was included in the scope of consolidation during the reporting period.

Heilongjiang Duotong New Energy Co., Ltd. was established in Heihe City, Heilongjiang Province on 15 April 2021 with registered capital of RMB8,000,000. Zijin Environmental Protection Technology Co., Ltd., a subsidiary of the Group, holds 100% equity interest in Heilongjiang Duotong New Energy Co., Ltd. As at 31 December 2021, the paid-in capital of Heilongjiang Duotong New Energy Co., Ltd. was RMB8,000,000. 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. Deregistered subsidiaries

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
Fujian Zijin Trade Co., Ltd.	Shanghang County	Trading	100%	100%	Deregistration
Malipo Jinhua Mining Co., Ltd.	Malipo County, Wenshan Prefecture	Mineral products development and production	53%	53%	Deregistration
Zijin Jinhang (Shenzhen) E-commerce Co., Ltd.	Shenzhen City	E-commerce	100%	100%	Deregistration
Bayannur Zijin Mining & Metallurgy Testing Technology Co., Ltd.	Bayannur City	Mineral testing	87.20%	87.20%	Deregistration
Tibet Juxin Information Technology Co., Ltd.	Lhasa City	Computer network technology	40.08%	50.10%	Deregistration
Fanshi County Yilian Gold Mine Co., Ltd.	Fanshi County, Shanxi Province	Metal metallurgy, processing and sales of mineral products	100%	100%	Deregistration

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

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	HKD28,460,971,000	100%	-
Heilongjiang Zijin Copper Co., Ltd. (Note 2)	Qiqihar City, Heilongjiang Province	Qiqihar City, Heilongjiang Province	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	RMB1,437,900,000	-	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, bill acceptance and discounting and 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; investments; 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 consultancy 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%
Duobaoshan Copper Industry	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 2021, the Company increased the capital of Gold Mountains (H.K.), a subsidiary of the Company, by injecting cash of HKD3,571,265,000. After the capital increase, the registered capital of Gold Mountains (H.K.) became HKD28,460,971,000.

Note 2: From January to December 2021, Duobaoshan Copper Industry increased the capital of Heilongjiang Zijin Copper Co., Ltd., its subsidiary, by injecting cash of RMB350,000,000. After the capital increase, the registered capital of Heilongjiang Zijin Copper Co., Ltd. became RMB1,437,900,000.

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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 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 and mineral resources; production, processing and sale of mineral products; technological services of geological mining; development of motor transportation, environmental protection, and 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 Co., Ltd. ("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; milling 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%

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)*1. Investments in subsidiaries *(continued)***(2) Major subsidiaries acquired by business combinations not under common control** *(continued)*

Company name	Principal place of business	Place of registration	Principal activities	Registered capital	Percentage of ownership interest	
					Direct	Indirect
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, refining, 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.

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)*

1. Investments in subsidiaries *(continued)*

(2) Major subsidiaries acquired by business combinations not under common control *(continued)*

Details of the Group's subsidiaries that have material non-controlling interests are set out below:

2021

	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%	618,062,651	–	2,374,440,597
Xiamen Zijin Tongguan Investment Development Company Limited ("Zijin Tongguan")	49.00%	(22,055,589)	–	982,860,257
Ashele Copper	49.00%	656,281,671	(490,000,000)	1,137,702,188
COMMUS	28.00%	681,141,946	(269,766,159)	843,153,499
Bisha	45.00%	322,472,594	(391,271,360)	830,667,081
Xinjiang Jinbao	44.00%	612,144,162	(528,000,000)	686,078,979
Guizhou Zijin Mining Co., Ltd. ("Guizhou Zijin")	44.00%	90,197,568	(35,600,000)	440,616,293
Hei Longxing	30.00%	51,071,289	–	236,460,843
Luoyang Kunyu Mining Co., Ltd. ("Luoyang Kunyu")	30.00%	17,620,181	(15,000,000)	291,223,663
Wenshan Malipo Zijin Tungsten Group Co., Ltd. ("Malipo Tungsten Group")	21.48%	(19,750,945)	–	121,144,530
Yunnan Huaxi	47.00%	(11,005,187)	–	191,976,608
Bayannur Zijin	12.80%	33,202,551	(12,000,000)	198,834,844
Altynken	40.00%	241,815,651	(127,400,301)	584,841,658
Jinhao Iron	43.40%	(45,040,997)	–	(1,269,341,439)
Zijin America	30.72%	75,187,648	(56,811,041)	2,867,946,342
Julong Copper	49.90%	436,639,236	–	6,365,255,750
Zixin No. 1	79.98%	135,479,175	(135,875,284)	3,046,509,200
Zixin No. 2	79.97%	74,523,591	(44,434,403)	2,030,138,888
Others		(21,219,435)	(109,302,981)	(97,707,298)
Total		3,926,767,761	(2,215,461,529)	21,862,802,483

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

(2) Major subsidiaries acquired by business combinations not under common control (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:

	2021					2020						
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Serbia Zijin Copper	3,564,833,313	9,507,935,276	13,072,768,589	(3,184,658,319)	(4,549,732,888)	(7,734,391,207)	2,693,021,840	5,824,561,459	8,517,583,299	(1,269,566,950)	(3,163,170,617)	(4,432,737,567)
Zijin Tongguan	238,936,533	1,691,020,679	1,929,957,212	(641,227,971)	(8,851,259)	(650,079,230)	271,084,409	1,701,971,472	1,973,055,881	(625,532,278)	(8,441,050)	(633,973,328)
Astree Copper	848,096,827	2,738,036,043	3,586,132,870	(741,831,416)	(540,754,813)	(1,282,586,229)	415,270,361	2,500,283,338	2,915,553,699	(411,797,097)	(538,945,000)	(950,742,097)
COMMIUS	2,992,025,900	2,891,244,607	5,883,270,507	(2,238,876,076)	(2,719,114)	(2,241,595,190)	1,451,309,225	2,737,627,265	4,188,936,490	(2,406,902,318)	-	(2,406,902,318)
Bista	1,492,114,555	2,485,346,833	3,977,461,388	(806,919,607)	(208,756,462)	(1,015,676,069)	1,024,905,730	2,755,523,035	3,780,428,765	(361,442,657)	(264,451,153)	(625,893,810)
Xinjiang Jinhao	1,880,472,848	669,000,288	2,549,473,136	(759,316,259)	(250,112,829)	(1,009,429,088)	1,536,091,001	713,478,018	2,249,569,019	(625,983,892)	(274,777,810)	(900,761,702)
Guizhou Zijin	191,602,796	1,930,891,566	2,122,494,362	(277,552,266)	(828,520,892)	(1,106,053,158)	197,415,370	2,375,462,918	2,572,878,288	(370,896,757)	(1,294,495,950)	(1,665,392,707)
Hei Longxing	770,471,659	2,317,195,750	3,087,667,409	(1,346,298,218)	(969,874,893)	(2,316,173,111)	768,402,834	2,614,646,024	3,383,048,858	(1,672,315,387)	(1,072,908,783)	(2,745,224,170)
(consolidated)	99,787,956	976,002,062	1,075,790,018	(154,940,074)	(47,941,973)	(201,982,047)	141,982,696	933,738,631	1,075,741,327	(196,473,914)	(46,501,221)	(242,975,135)
Luoyang Kunyu	110,057,570	1,316,198,378	1,426,255,948	(211,662,516)	(530,000,000)	(741,662,516)	126,138,946	1,323,968,823	1,450,107,769	(584,862,494)	(100,000,000)	(684,862,494)
Malipo Tungsten Group	70,745,241	215,503,664	286,248,905	(70,740)	-	(70,740)	148,802,115	160,806,936	309,609,051	(15,594)	-	(15,594)
Yunnan Huaxi	946,937,334	1,775,218,554	2,722,155,888	(885,453,292)	(326,941,481)	(1,212,394,773)	888,101,521	1,886,444,152	2,774,545,673	(1,296,322,888)	(131,231,355)	(1,427,554,243)
Bayanur Zijin	190,168,746	1,543,248,529	1,733,417,275	(307,504,648)	(253,023,813)	(560,528,461)	206,154,201	1,722,679,244	1,928,833,445	(532,203,245)	(507,374,633)	(1,039,577,878)
Altynken	172,638,800	106,635,328	279,274,128	(1,286,950,210)	(1,059,949,736)	(2,346,899,946)	167,359,457	155,877,124	323,236,581	(1,229,621,528)	(1,057,459,772)	(2,287,081,300)
Jinhao Iron												
Continental Gold Limited												
Sucursal Colombia	1,266,031,607	6,108,325,269	7,374,356,876	(1,114,192,361)	(3,530,250,807)	(4,644,443,168)	789,728,053	6,378,247,889	7,167,975,942	(343,257,225)	(4,111,614,392)	(4,454,871,617)
(Note 1)	1,404,989,823	17,345,351,248	18,750,341,071	(2,784,446,125)	(12,303,765,032)	(15,088,211,157)	326,633,265	13,567,929,726	13,894,562,991	(4,474,913,709)	(6,733,694,246)	(11,207,607,955)
Julong Copper	231,118	3,809,066,383	3,809,297,501	(100,000,000)	-	(100,000,000)	59,647,324	3,750,000,000	3,809,647,324	-	-	-
Zixin No. 1	685,365	2,538,213,397	2,538,898,762	(250,000,000)	-	(250,000,000)	-	-	-	-	-	-
Zixin No. 2												

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.)

VII. INVESTMENTS IN OTHER ENTITIES (continued)

1. Investments in subsidiaries (continued)

(2) Major subsidiaries acquired by business combinations not under common control (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: (continued)

	2021				2020			
	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	7,789,816,982	1,871,240,090	1,871,240,090	1,115,050,694	4,773,724,456	604,244,518	(604,244,518)	133,488,186
Zijin Tongguan	-	(45,011,407)	(45,011,407)	(28,360,184)	-	(42,126,033)	(42,126,033)	(13,369,406)
Ashale Copper	2,788,770,598	1,341,144,886	1,341,144,886	1,772,019,332	1,995,158,014	792,657,457	792,657,457	1,078,747,015
COMMUS	4,011,330,821	2,812,280,501	2,812,280,501	3,884,950,614	1,385,791,591	967,588,449	967,588,449	1,767,739,567
Bisha	3,488,150,680	640,884,494	640,884,494	1,371,754,639	2,423,146,349	352,508,972	352,508,972	869,638,396
Xinjiang Jinbao	2,645,641,381	1,391,236,732	1,391,236,732	1,557,900,292	1,898,122,306	935,217,600	935,217,600	992,960,845
Guizhou Zijin	1,230,758,282	204,994,472	204,994,472	325,422,745	2,301,442,104	166,096,481	166,096,481	401,011,493
Hei Longxing (consolidated)	1,322,362,212	167,305,936	167,305,936	441,681,014	784,673,705	(249,675,613)	(249,675,613)	303,003,962
Luoyang Kunyu	637,144,776	91,041,779	91,041,779	221,331,944	809,584,834	212,956,039	212,956,039	291,588,382
Malipo Tungsten Group	230,023,650	(88,581,951)	(88,581,951)	43,713,213	276,893,186	(27,148,487)	(27,148,487)	102,864,656
Yunnan Huaxi	519,493	(23,415,291)	(23,415,291)	119,714	670,950	182,101	182,101	1,040,322
Bayannur Zijin	4,960,624,480	253,589,628	253,589,628	178,450,717	3,750,437,576	253,322,456	253,322,456	430,430,619
Altynten	1,661,917,253	629,635,448	629,635,448	741,989,887	1,691,988,715	614,622,415	614,622,415	805,071,715
Jinhao Iron	9,354,963	(103,781,099)	(103,781,099)	(2,519,674)	2,886,323	(110,407,455)	(110,407,455)	(8,924,219)
Continental Gold Limited								
Sucursal Colombia	2,374,032,995	220,116,386	220,116,386	779,917,862	522,137,577	19,257,951	19,257,951	109,900,629
Julong Copper	1,042,768,624	866,649,086	866,649,086	587,305,956	220,133,062	189,295,308	189,295,308	151,862,295
Zixin No. 1	-	169,394,282	169,394,282	1,684	-	58,647,324	58,647,324	(769,749)
Zixin No. 2	-	93,191,766	93,191,766	(314,483)	-	-	-	-

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)***2. Transaction resulting in changes in the proportion of owners' equity but without impact on the control of a subsidiary**

On 14 April 2021, Zijin Mining Group Southwest Co., Ltd., a subsidiary of the Group, acquired 49% equity interest in Yunnan Zixing held by Xiamen Minxing Investment Company Limited. The consideration paid for acquisition of equity interest was RMB88,162,100. After the acquisition, Zijin Mining Group Southwest Co., Ltd. holds 100% equity interest in Yunnan Zixing. The transaction resulted in a decrease in non-controlling interests by RMB26,160,817 in the consolidated financial statements.

On 14 April 2020, Xinjiang Jinbao, a subsidiary of the Group, acquired 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 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, electrolytic copper and sulphuric acid; sale of self-produced products	RMB173,430,000	-	30.05%	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
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

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)*

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	-	37.16%	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	-	25%	Equity method
Kanas Travel	Burqin County, Xinjiang	Burqin County, Xinjiang	Travel and catering 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	Sales of industrial production materials, equipment and instruments; development, manufacture and sales 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 sales 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, Changji Prefecture, Xinjiang	Fukang City, Changji Prefecture, Xinjiang	Limestone mining, cement production, refining and intensive processing 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

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)*

Associates <i>(continued)</i>	Principal place of business	Place of registration	Principal activities	Registered capital	Proportion of ownership interest		Accounting treatment
				RMB	Direct	Indirect	
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 Shenzhen	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
Explosive Co.	Lhasa City, Tibet Autonomous Region	Maizhokunggar County, Lhasa City, Tibet Autonomous Region	Manufacturing and distribution services of dynamites and pyrotechnic products	90,000,000	-	49%	Equity method
Yixing Jiayu	Yixing City, Jiangsu Province	Yixing City, Jiangsu Province	Equity investment; engage in equity investment, investment management, asset management and other activities with private equity funds	263,380,000	-	37.97%	Equity method
Sinotech (Note 10)	Chaoyang District, Beijing City	Chaoyang District, Beijing City	Geological exploration of solid mineral, basic geology, energy mineral; rock ore test; processing and metallurgy test, etc.	362,304,000	-	16.63%	Equity method
Minmetals Nonferrous Metals Jiangsu	Lianyungang Economic and Technological Development Zone, Jiangsu Province	Lianyungang Economic and Technological Development Zone, Jiangsu Province	Storage services for goods under customs supervision, road cargo transport; import and export of goods; import and export technology, etc.	36,000,000	-	25%	Equity method
Hainan International Clearing House (Note 11)	Haikou City, Hainan Province	Haikou City, Hainan Province	Clearing, settlement, delivery, margin management, collateral management, etc.	350,000,000	-	41.67%	Equity method
TF Futures (Note 12)	Hongkou District, Shanghai City	Hongkou District, Shanghai City	Commodity futures brokerage, financial futures brokerage, futures investment consultation	314,400,000	42.90%	2.10%	Equity method
Dathcom Mining SA (Note 13)	DR Congo	DR Congo	Mining exploration, etc.	100,000,000 Congoles franc	-	15%	Equity method

Note 1: Pursuant to the articles of association of Shandong Guoda, the board of directors of Shandong Guoda consists of five directors, including two appointed by the Group and three appointed by Shandong Zhaojin Group Zhaoyuan Gold 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.

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)*

- 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 are only effective when 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 Serbia Zijin Copper. 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. Besides, 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.
- Note 10: Pursuant to the articles of association of Sinotech, the board of directors consists of nine directors, including two appointed by the Group. The resolutions of the board of directors are only effective 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 Sinotech, and accounts for it as an associate.
- Note 11: Pursuant to the articles of association of Hainan International Clearing House, the board of directors of Hainan International Clearing House consists of five directors, one of them being the chairman. Three directors shall be appointed by Sanya Exchange Group, two directors shall be appointed by Zijin International Holdings and the chairman shall be elected by more than half of the directors. The management of the Group considers that the Group has significant influence over the financial and operating decisions of Hainan International Clearing House, and accounts for it as an associate.
- Note 12: Pursuant to the articles of association of TF Futures, the shareholders’ general meeting is the highest authority. As at 31 December 2021, the Group held 45% equity interest in TF Futures in aggregate. The Group accounts for TF Futures as an associate.
- Note 13: Pursuant to the articles of association of Dathcom Mining SA, the board of directors consists of six directors, including one appointed by the Group. The management of the Group considers that the Group has significant influence over the financial and operating decisions of Dathcom Mining SA, 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:

2021

	Gold Eagle Mining	Kamo
Current assets	426,583,054	4,067,340,085
<i>Including: Cash and cash equivalents</i>	407,995,953	140,466,071
Non-current assets	3,872,983,922	20,008,055,034
Total assets	4,299,566,976	24,075,395,119
Current liabilities	1,419,313,647	1,855,196,354
Non-current liabilities	3,187,850	18,450,414,067
Total liabilities	1,422,501,497	20,305,610,421
Non-controlling interests	–	(70,775,959)
Equity attributable to owners of the parent	2,877,065,479	3,840,560,657
Share of net assets based on the proportion of equity interest	1,294,679,465	1,901,077,525
Adjustments	–	–
Impairment provision	–	–
Book value of equity investments	1,294,679,465	1,901,077,525
Operating income	–	5,360,868,711
Finance expenses	39,442,881	482,371,110
<i>Including: Interest income</i>	–	33,084,087
<i>Including: Interest expenses</i>	31,834,963	971,633,465
Income tax expenses	–	866,350,406
Net (loss)/profit	(39,510,866)	1,761,593,335
Amortisation of premium	–	(72,809,796)
Net (loss)/profit after amortisation of premium	(39,510,866)	1,688,783,539
Other comprehensive income	21,523,899	–
Total comprehensive (loss)/income	(17,986,967)	1,688,783,539
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 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)*

2020

	Gold Eagle Mining	Kamoa
Current assets	504,788,681	2,468,593,497
<i>Including: Cash and cash equivalents</i>	<i>444,060,585</i>	<i>905,688,407</i>
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>	–	<i>(35,459,037)</i>
<i>Including: Interest expenses</i>	<i>81,032,557</i>	<i>550,688,045</i>
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	–	–

Notes to Financial Statements *(continued)*

For the year ended 31 December 2021

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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:

2021

	Makeng Mining	Yulong Copper
Current assets	361,359,594	3,261,348,853
Non-current assets	4,563,676,475	12,147,484,818
Total assets	4,925,036,069	15,408,833,671
Current liabilities	1,544,739,840	1,807,601,499
Non-current liabilities	882,510,737	7,990,046,873
Total liabilities	2,427,250,577	9,797,648,372
Non-controlling interests	–	–
Equity attributable to owners of the parent	2,497,785,492	5,611,185,299
Share of net assets based on the proportion of equity interest	1,036,580,979	1,234,460,766
Adjustments	–	–
Goodwill	331,615,363	–
Book value of equity investments	1,368,196,342	1,234,460,766
Operating income	2,610,495,123	6,157,555,771
Income tax expenses	336,953,284	312,391,419
Net profit	996,208,401	3,154,252,787
Other comprehensive income	–	–
Total comprehensive income	996,208,401	3,154,252,787
Dividends received	41,500,000	220,000,000

Notes to Financial Statements *(continued)*

For the year ended 31 December 2021

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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)*

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	–	–

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:

	2021	2020
Joint ventures		
Aggregate book value of the Group's investments in joint ventures	279,660,411	416,595,779
Items below were calculated by the proportion of equity interest		
Share of net profit of joint ventures	12,804,900	15,569,655
Share of other comprehensive income of joint ventures	–	–
Share of total comprehensive income of joint ventures	12,804,900	15,569,655
Associates		
Aggregate book value of the Group's investments in associates	3,550,161,310	2,300,523,646
Items below were calculated by the proportion of equity interest		
Share of net profit of associates	478,427,310	199,877,987
Share of other comprehensive income of associates	–	–
Share of total comprehensive income of associates	478,427,310	199,877,987

The Group provides support for the capital expenditure of Kamo a based on the proportion to the equity interest held. The funding commitment in future amounted to 0 (2020: USD342,385,604, equivalent to RMB2,234,031,828).

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)*

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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:

2021

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	-	14,221,780,252	-	-	14,221,780,252
Held for trading financial assets	2,935,224,582	-	-	-	2,935,224,582
Trade receivables	-	2,445,223,101	-	-	2,445,223,101
Receivables financing	-	-	1,958,255,180	-	1,958,255,180
Other receivables	-	1,283,583,338	-	-	1,283,583,338
Current portion of non-current assets	-	8,923,967	-	-	8,923,967
Other current assets	-	1,057,383,304	-	-	1,057,383,304
Debt investments	-	468,136,162	-	-	468,136,162
Other equity instrument investments	-	-	-	9,415,646,061	9,415,646,061
Other non-current financial assets	62,500,000	-	-	-	62,500,000
Other non-current assets	-	9,908,788,420	-	-	9,908,788,420
	2,997,724,582	29,393,818,544	1,958,255,180	9,415,646,061	43,765,444,367

Financial liabilities

	Financial liabilities at fair value through profit or loss	Financial liabilities at amortised cost	Total
	Standards' requirement		
Short-term borrowings	-	18,229,100,791	18,229,100,791
Held for trading financial liabilities	156,812,356	-	156,812,356
Bills payable	-	394,380,588	394,380,588
Trade payables	-	7,442,318,423	7,442,318,423
Other payables	-	7,062,370,797	7,062,370,797
Current portion of non-current liabilities	-	9,462,777,739	9,462,777,739
Other current liabilities	-	505,026,849	505,026,849
Long-term borrowings	-	36,126,816,893	36,126,816,893
Bonds payable	-	14,247,474,590	14,247,474,590
Long-term payables	-	2,359,167,215	2,359,167,215
Other non-current liabilities – contingent consideration	1,195,851,967	-	1,195,851,967
Lease liabilities	-	184,195,155	184,195,155
	1,352,664,323	96,013,629,040	97,366,293,363

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)*

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)*

2. Transfers of financial assets

Transferred financial assets that are not derecognised in their entirety

As at 31 December 2021, the Group endorsed commercial acceptance bills with a carrying amount of RMB15,300,000 (31 December 2020: RMB13,000,000) to its suppliers in order to settle the trade payables due to such suppliers. During the year 2021, the Group operated a number of discounting businesses through several banks in China. As at 31 December 2021, the carrying amount of the bank acceptance bills which the Group had discounted to the banks while having repurchase obligations when the bills became due was RMB670,475,468 (31 December 2020: RMB260,976,849). In the opinion of the Group, the Group has retained substantially all the risks and rewards, which include the relevant default risks, and accordingly, it continued to recognise the full carrying amounts of the 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 2021, the Group endorsed certain bank acceptance bills (the "Derecognised Bills") with a carrying amount of RMB721,451,130 (31 December 2020: RMB530,150,820) to certain of its suppliers in order to settle the trade payables due to such suppliers or which were already discounted to banks and had no repurchase obligation at the maturity date. The Derecognised Bills had a maturity of 1 to 12 months at 31 December 2021. In accordance with the Law of Negotiable Instruments, the holders of the Derecognised Bills have a 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 the risks and rewards relating to the Derecognised Bills. Accordingly, it has derecognised the full carrying amounts of the Derecognised Bills and the associated trade payables. The maximum exposure to loss from the Group's Continuing Involvement in the Derecognised Bills and the undiscounted cash flows to repurchase these Derecognised Bills 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 2021, the Group did not recognise 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. Risks 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, other equity instrument investments, long-term receivables and deposits 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 lower the risks of the Group are summarised below.

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. Risks 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 held for trading financial assets, loans, 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 through the granting of financial guarantees, further details of which are disclosed in Note XII.

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)*

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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. Risks 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 difficulties incurred by the issuer or debtor;
- Breach of contract by the debtor, such as default or overdue payment of interest or principal;
- Creditors give concessions that would not be made by the debtor in any other circumstances for economic or contractual reasons related to the debtor's financial difficulties;
- The debtor is likely to go bankrupt or undergo other financial restructuring;
- The financial difficulties of the issuer or debtor result in the disappearance of an active market for the financial asset;
- Purchase or origin of a financial asset at a substantial discount that reflects the fact that a credit loss has 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 expectations as to the extent to which the default risk exposure will result in losses. The rate of loss given default varies depending on the type of counterparty, the method and priority of recourse, and the collateral. The loss given default is a percentage of the exposure loss at the time of default, calculated based on the next 12 months or the entire duration of the period;
- 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.

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. Risks of financial instruments *(continued)***Credit risk** *(continued)**Parameters of the expected credit loss model (continued)*

The assessment of a significant increase in credit risk and calculation of expected credit losses both involve forward-looking information. Through historical data analysis, the Group identifies key economic indicators that affect credit risk and expected credit losses of each business type.

As at 31 December 2021, there was no evidence of a significant increase in credit risk.

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 2021, approximately 45% of the Group's debts will mature in less than one year (31 December 2020: approximately 47%).

The tables below summarise the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

2021

	Within 1 year	Over 1 year but within 5 years	Over 5 years	Total
Short-term borrowings	18,257,293,202	–	–	18,257,293,202
Held for trading financial liabilities	156,812,356	–	–	156,812,356
Bills payable	394,380,588	–	–	394,380,588
Trade payables	7,442,318,423	–	–	7,442,318,423
Other payables	7,062,370,797	–	–	7,062,370,797
Current portion of non-current liabilities	9,377,662,752	–	–	9,377,662,752
Other current liabilities	678,088,310	–	–	678,088,310
Long-term borrowings	240,533,669	27,175,683,910	9,449,197,424	36,865,415,003
Bonds payable	478,980,000	13,899,600,833	–	14,378,580,833
Long-term payables	403,861,722	523,147,786	1,895,517,065	2,822,526,573
Other non-current liabilities – contingent consideration	–	–	1,633,260,000	1,633,260,000
Lease liabilities	–	226,952,942	–	226,952,942
	44,492,301,819	41,825,385,471	12,977,974,489	99,295,661,779

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. Risks of financial instruments *(continued)*

Liquidity risk *(continued)*

The tables below summarise the maturity profile of the Group's financial liabilities based on contractual undiscounted payments: *(continued)*

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	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	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

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 manages interest costs by maintaining an appropriate combination of fixed-rate debt and variable-rate debt. As at 31 December 2021, interest-bearing borrowings of approximately 77% of the Group (31 December 2020: approximately 48%) were accrued at fixed interest rates.

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. Risks of financial instruments *(continued)***Market risk** *(continued)**Interest rate risk (continued)*

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.

2021

	Increase/(Decrease) in basis points	(Decrease)/Increase in net profit	Increase/(Decrease) in other comprehensive income after tax	Total (decrease)/increase in owners' equity
RMB	100/(100)	(29,278,460)/29,278,460	–	(29,278,460)/29,278,460
USD	100/(100)	(84,992,130)/84,992,130	–	(84,992,130)/84,992,130

2020

	Increase/(Decrease) in basis points	(Decrease)/Increase in net profit	Increase/(Decrease) in other comprehensive income after tax	Total (decrease)/increase 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

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. Risks 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.

2021

	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%	1,039,363,160	143,480	1,039,506,640
If RMB strengthens against USD	(10%)	(1,039,363,160)	(143,480)	(1,039,506,640)
If RMB weakens against GBP	10%	911	–	911
If RMB strengthens against GBP	(10%)	(911)	–	(911)
If RMB weakens against HKD	10%	27,714,294	–	27,714,294
If RMB strengthens against HKD	(10%)	(27,714,294)	–	(27,714,294)
If RMB weakens against CAD	10%	46,995,992	861,318,521	908,314,513
If RMB strengthens against CAD	(10%)	(46,995,992)	(861,318,521)	(908,314,513)
If RMB weakens against RUB	10%	1,837,829	–	1,837,829
If RMB strengthens against RUB	(10%)	(1,837,829)	–	(1,837,829)
If RMB weakens against AUD	10%	215,250,388	–	215,250,388
If RMB strengthens against AUD	(10%)	(215,250,388)	–	(215,250,388)
If RMB weakens against EUR	10%	711,979	–	711,979
If RMB strengthens against EUR	(10%)	(711,979)	–	(711,979)

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	624,054,461
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)

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. Risks 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 2021. 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 2021	Highest/Lowest 2021	End of 2020	Highest/Lowest 2020
Shanghai – SSE Composite Index	3,640	3,715/3,358	3,473	3,473/2,660
Shenzhen – A-share index	2,648	2,681/2,261	2,438	2,442/1,683
Hong Kong – Hang Seng Index	23,395	30,571/22,665	27,147	29,056/21,696
Toronto TSX Venture Exchange	939	1,099/854	875	875/339
Toronto Stock Exchange	21,223	21,769/17,337	17,433	17,944/11,228
New York Stock Exchange	17,146	17,286/14,258	14,477	14,517/8,777
London Stock Exchange Index	7,385	7,421/6,407	6,461	7,675/4,994
Australian Securities Exchange Index	7,445	7,535/6,607	6,587	7,017/5,077
Johannesburg Stock Exchange	67,052	67,130/55,246	54,380	55,484/34,239
NASDAQ	16,320	16,573/12,299	12,888	12,888/6,994

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. Risks of financial instruments (continued)

Market risk (continued)

Equity instruments price risk (continued)

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 2021 towards the fair value of equity instruments, under the assumption that other variables were held constant and any tax impact was excluded.

2021

	Carrying amount of equity instruments	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	253,733,355	19,030,002/(19,030,002)	–	19,030,002/(19,030,002)
Toronto Stock Exchange	104,811,932	7,860,895/(7,860,895)	–	7,860,895/(7,860,895)
Toronto TSX Venture Exchange	6,429,810	482,236/(482,236)	–	482,236/(482,236)
New York Stock Exchange	318,211,099	23,865,832/(23,865,832)	–	23,865,832/(23,865,832)
NASDAQ	119,925,068	8,994,380/(8,994,380)	–	8,994,380/(8,994,380)
Australian Securities Exchange	35,396,346	2,654,726/(2,654,726)	–	2,654,726/(2,654,726)
American Stock Exchange	2,825,073	211,880/(211,880)	–	211,880/(211,880)
Shanghai Stock Exchange	688,911,535	51,668,365/(51,668,365)	–	51,668,365/(51,668,365)
Shenzhen Stock Exchange	10,440,000	783,000/(783,000)	–	783,000/(783,000)
Other equity instrument investments				
Toronto TSX exchange	391,299	–	29,347/(29,347)	29,347/(29,347)
Toronto Stock Exchange	8,612,793,908	–	645,959,543/(645,959,543)	645,959,543/(645,959,543)
Johannesburg Stock Exchange	1,434,798	–	107,610/(107,610)	107,610/(107,610)
Hong Kong Stock Exchange	50,607,850	–	3,795,589/(3,795,589)	3,795,589/(3,795,589)

2020

	Carrying amount of equity instruments	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. Risks of financial instruments *(continued)*

Market risk *(continued)*

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 2021 and 31 December 2020.

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:

	2021	2020
Total assets	208,594,678,123	182,313,250,403
Total liabilities	115,697,507,579	107,716,808,927
Debt-to-asset ratio	55%	59%

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.)

IX. DISCLOSURE OF FAIR VALUE

1. Assets and liabilities measured at fair value

2021

	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	1,596,952	–	–	1,596,952
Held for trading equity investments	1,562,935,664	–	–	1,562,935,664
Derivative financial assets	135,654,536	16,989,708	–	152,644,244
Funds of co-operative factoring business operation project	–	79,300,000	–	79,300,000
Others	1,138,747,722	–	–	1,138,747,722
Receivables financing				
Bills receivable	–	1,958,255,180	–	1,958,255,180
Other equity instrument investments	8,665,227,855	–	750,418,206	9,415,646,061
Other non-current financial assets				
Trust protection fund	62,500,000	–	–	62,500,000
Total assets measured at fair value	11,566,662,729	2,054,544,888	750,418,206	14,371,625,823
Held for trading financial liabilities				
Derivative financial liabilities – equity swaps	–	25,548,970	–	25,548,970
Derivative financial liabilities – commodity hedging	119,732,353	11,531,033	–	131,263,386
Other non-current liabilities				
Contingent consideration	–	–	1,195,851,967	1,195,851,967
Total liabilities measured at fair value	119,732,353	37,080,003	1,195,851,967	1,352,664,323

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.)***IX. DISCLOSURE OF FAIR VALUE** *(continued)***1. Assets and liabilities measured at fair value** *(continued)*

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
Other equity instrument investments	5,944,331,845	–	537,994,513	6,482,326,358
Other non-current financial assets				
Trust protection fund	37,500,000	–	–	37,500,000
Total assets measured at fair value	7,147,623,201	2,348,404,949	537,994,513	10,034,022,663
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
Other non-current liabilities				
Contingent consideration	–	–	1,359,912,912	1,359,912,912
Total liabilities measured at fair value	587,276,507	60,231,934	1,359,912,912	2,007,421,353

In the years 2021 and 2020, 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)*

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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

2021

	Fair value measurement using			Total
	Quoted price in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Debt investments	–	468,136,162	–	468,136,162
Long-term receivables	–	–	9,899,864,453	9,899,864,453
Borrowings	–	54,355,917,684	–	54,355,917,684
Bonds payable	–	14,247,474,590	–	14,247,474,590
Long-term payables	–	–	2,359,167,215	2,359,167,215
Current portion of non-current assets	–	–	8,923,967	8,923,967
Current portion of non-current liabilities	–	6,559,669,369	2,910,681,151	9,470,350,520

2020

	Fair value measurement using			Total
	Quoted price in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Debt investments	–	255,811,321	–	255,811,321
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

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, other current assets, bills payable, trade payables, dividends payable, other payables 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.

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.)

IX. DISCLOSURE OF FAIR VALUE *(continued)*

3. Estimation of fair value *(continued)*

The fair values of debt investments, 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 2021, 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.

4. Unobservable inputs

The overview of the significant unobservable inputs used by Level 3 fair value measurement is as follows:

2021

	Year-end fair value	Valuation technique	Unobservable inputs	Range interval
Other equity instrument investments	750,418,206	Market approach	Price-to-book ratio	0.5-2.9
			Liquidity discount	25%-30%
			Enterprise value/operating income	3.1-3.2
			Price-earnings ratio	13.7
			Price-sales ratio	0.5-1.7

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

Notes to Financial Statements *(continued)*

For the year ended 31 December 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

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	23.10%	23.10%	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.

4. Joint operation

Information about the joint operation of the Company is disclosed in Note VII.4.

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)***5. Other related parties of the Company**

	Related party relationships
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
Canoca Investment Limited ("Canoca")	A non-controlling shareholder of CARRILU
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 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")	Former non-controlling shareholder of Yunnan Zixing Mining Investment Co., Ltd.
Mr. Zhu	A non-controlling shareholder of Huanmin Mining
Guizhou Province 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 Altynten
Mineral Resources Enga Limited	A non-controlling shareholder of an important joint operation, BNL
Eritrean National Mining Corporation	A non-controlling shareholder of Bisha
Zisen (Hong Kong) Supply Chain Management Co., Ltd. ("Zisen (HK)")	A subsidiary of Zisen Supply Chain, an associate of the Company
Xiamen Haitou Supply Chain Operation Co., Ltd. ("Xiamen Haitou Supply Chain")	A non-controlling shareholder of Cross-Strait Gold Jewelry Industrial Park
Jinzhou (Xiamen) Gold Asset Management Co., Ltd. ("Jinzhou (Xiamen)")	A non-controlling shareholder of Cross-Strait Gold Jewelry Industrial Park
Fujian Rare Earth (Group) Co., Ltd. ("Fujian Rare Earth")	The parent company of Makeng Mining, 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.)

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 of the related party transaction	2021	2020
Kamoa	Purchase of copper concentrates	Market price	2,692,291,707	–
Zisen Supply Chain	Purchase of raw materials	Market price	1,294,661,729	704,536,878
Xiamen Haitou Supply Chain	Purchase of low-purity gold	Market price	558,261,607	–
Southwest Zijin Gold	Purchase of low-purity gold	Market price	520,780,868	522,242,969
Wancheng Commercial	Purchase of zinc concentrates	Market price	407,026,228	238,509,653
Guizhou Geological and Mineral Resources	Purchase of low-purity gold	Market price	226,635,095	275,674,684
Explosive Co.	Construction services	Market price	184,343,250	34,947,516
Makeng Mining	Purchase of iron ore	Market price	109,056,035	62,378,453
Shanghang County Jinshan Trading	Purchase of raw materials	Market price	27,547,085	18,024,483
Qilin Mining	Transportation and construction services	Market price	19,151,530	29,420,335
Libo Heavy Industries	Construction equipment	Market price	1,136,227	291,468,229
TF Futures	Handling charges	Market price	807,852	–
			6,041,699,213	2,177,203,200

Sales of products and rendering of services to related parties

	Nature of transaction	Pricing method and decision-making procedures of the related party transaction	2021	2020
Tongling Nonferrous Metals Shanghai Investment	Sale of copper cathodes	Market price	2,869,842,553	2,136,620,495
Kyrgyzaltyn OJSC	Sale of gold bullion	Market price	1,603,880,317	1,648,195,903
Wuxin Copper*	Sale of copper concentrates	Market price	1,449,526,487	912,770,336
Wuxin Copper	Rental and inspection income	Market price	11,350,943	–
Zisen Supply Chain	Sale of zinc concentrates and copper cathodes	Market price	522,261,777	233,821,021
Evergreen New Energy	Sale of cobalt hydroxide	Market price	404,222,288	237,596,937
Kamoa Copper	Sale of materials/mine construction	Market price	312,794,978	182,460,712
Wengfu Zijin	Sale of sulphuric acid	Market price	146,106,613	9,877,469
Jinzhou (Xiamen)	Sale of gold material	Market price	79,377,944	11,258,815
Zisen (HK)	Sale of copper concentrates	Market price	73,420,317	–
Xinjiang Tianlong	Sale of calcined coke and petroleum coke	Market price	69,714,487	51,445,976
Southwest Zijin Gold	Sale of gold material	Market price	57,354,422	6,008,593
			7,599,853,126	5,430,056,257

* 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 2021 and 2020, 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

2021

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 XII.2)	91,581,000	18 February 2020	30 November 2021	Yes
The Company	Evergreen New Energy (Note XII.2 (Note 3))	44,502,000	1 January 2020	20 November 2025	No
The Company	Tibet Yulong (Note XII.2 (Note 1))	1,565,141,600	9 September 2019	8 September 2034	No
The Company	Fujian Rare Earth (Note XII.2 (Note 2))	40,981,250	14 October 2019	14 October 2022	No
The Company	Fujian Rare Earth (Note XII.2 (Note 2))	22,410,000	18 January 2019	17 January 2022	No
The Company	Fujian Rare Earth (Note XII.2 (Note 2))	16,703,750	11 December 2019	10 December 2022	No
The Company	Fujian Rare Earth (Note XII.2 (Note 2))	80,095,000	23 June 2020	22 June 2022	No
The Company	Fujian Rare Earth (Note XII.2 (Note 2))	47,583,900	12 May 2021	12 May 2024	No
The Company	Fujian Rare Earth (Note XII.2 (Note 2))	18,882,500	15 June 2021	15 June 2022	No
The Company	Fujian Rare Earth (Note XII.2 (Note 2))	22,775,200	18 June 2021	18 June 2024	No
The Company	Fujian Rare Earth (Note XII.2 (Note 2))	41,500,000	1 July 2021	1 July 2024	No
The Company	Fujian Rare Earth (Note XII.2 (Note 2))	29,050,000	30 December 2021	30 December 2022	No
The Company	Fujian Rare Earth (Note XII.2 (Note 2))	82,170,000	17 May 2021	24 May 2024	No
The Company	Fujian Rare Earth (Note XII.2 (Note 2))	41,500,000	17 May 2021	17 May 2024	No
The Company	Fujian Rare Earth (Note XII.2 (Note 2))	62,250,000	24 June 2021	24 June 2022	No
The Company	Fujian Rare Earth (Note XII.2 (Note 2))	40,670,000	24 June 2021	24 June 2022	No
The Company	Fujian Rare Earth (Note XII.2 (Note 2))	16,600,000	31 May 2021	31 May 2022	No
The Company	Fujian Rare Earth (Note XII.2 (Note 2))	24,900,000	1 June 2021	31 May 2022	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)*

(B) Related party guarantees *(continued)*

(2) The Group's provision of guarantees for bank loans of related parties *(continued)*

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 XII.2)	91,581,000	18 February 2020	30 November 2021	No
The Company	Yulong Copper (Note XII.2 (Note 1))	1,320,000,000	9 September 2019	8 September 2034	No
The Company	Evergreen New Energy (Note XII.2 (Note 3))	39,200,000	1 January 2020	20 November 2025	No
Julong Copper	Tibet Zangge Venture Capital Group Co., Ltd. (Note V.38)	1,594,500,741	26 July 2017	N/A	No
Julong Copper	Sichuan Yonghong Industrial Co., Ltd. (Note V.38)	1,766,611,295	26 July 2017	N/A	No
Julong Copper	Qinghai Zhonghao Natural Gas Chemical Engineering Co., Ltd. (Note V.38)	227,324,802	22 June 2017	N/A	No
The Company	Fujian Rare Earth (Note XII.2 (Note 2))	99,250,000	14 October 2019	14 October 2022	No
The Company	Fujian Rare Earth (Note XII.2 (Note 2))	55,700,000	18 January 2019	17 January 2022	No
The Company	Fujian Rare Earth (Note XII.2 (Note 2))	16,828,250	11 December 2019	10 December 2022	No
The Company	Fujian Rare Earth (Note XII.2 (Note 2))	80,095,000	23 June 2020	22 June 2022	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 *(continued)*

Borrowings from related parties *(continued)*

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
Tech-Resources (Hong Kong)	Note 4	367,078,651			10.00%	Loan
Canoca	Note 5	59,156,928	30 September 2019	31 December 2022	10.00%	Loan
Tongling Nonferrous Metals	Note 6	7,000,000	26 September 2011	31 December 2020	4.75%	Loan
Tongling Nonferrous Metals	Note 6	7,000,000	16 April 2012	31 December 2020	4.75%	Loan
Tongling Nonferrous Metals	Note 6	85,050,000	20 June 2012	31 December 2020	4.75%	Loan
Tongling Nonferrous Metals	Note 6	7,000,000	18 January 2013	31 December 2020	4.75%	Loan
Tongling Nonferrous Metals	Note 6	10,500,000	31 October 2013	31 December 2020	4.75%	Loan
Tongling Nonferrous Metals	Note 6	4,200,000	31 July 2014	31 December 2020	4.75%	Loan
Tongling Nonferrous Metals	Note 6	3,500,000	31 January 2015	31 December 2020	4.75%	Loan
Tongling Nonferrous Metals	Note 6	4,900,000	11 May 2015	31 December 2020	4.75%	Loan
Tongling Nonferrous Metals	Note 6	5,425,000	16 June 2015	31 December 2020	4.75%	Loan
Tongling Nonferrous Metals	Note 6	4,445,000	15 December 2015	31 December 2020	4.75%	Loan
Tongling Nonferrous Metals	Note 6	16,548,000	25 March 2016	31 December 2020	4.75%	Loan
Tongling Nonferrous Metals	Note 6	11,900,000	15 May 2017	31 December 2020	4.75%	Loan
Tongling Nonferrous Metals	Note 6	4,550,000	1 November 2017	31 December 2020	4.75%	Loan
Tongling Nonferrous Metals	Note 6	7,000,000	30 November 2017	31 December 2020	4.75%	Loan
Tongling Nonferrous Metals	Note 6	15,235,500	6 August 2019	31 December 2020	4.75%	Loan
Tongling Nonferrous Metals	Note 6	8,600,000	1 January 2020	31 December 2020	4.75%	Loan
Tongling Nonferrous Metals	Note 6	9,446,399				
C&D Inc.	Note 7	62,227,200	26 September 2011	31 December 2020	4.35%	Loan
C&D Inc.	Note 7	2,780,000	1 November 2017	31 December 2020	4.35%	Loan
C&D Inc.	Note 7	2,600,000	1 November 2017	31 December 2020	4.35%	Loan
C&D Inc.	Note 7	4,000,000	8 December 2017	31 December 2020	4.35%	Loan
C&D Inc.	Note 7	6,094,200	6 August 2019	31 December 2020	4.35%	Loan
C&D Inc.	Note 7	3,440,000	1 January 2020	31 December 2020	4.35%	Loan
C&D Inc.	Note 7	3,778,560				
Xiamen Zijin Zhonghang	Note 8	125,000,000	28 October 2020	11 January 2021	Interest-free	Loan
		1,303,093,565				

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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

2021

Borrower	Note	Amount of loans	Inception date	Due date	Annual interest rate
Gold Eagle Mining	Note 9	233,620,211	30 June 2015	30 June 2023	LIBOR+2.60%
Gold Eagle Mining	Note 9	397,785,766	15 May 2017	31 August 2023	LIBOR+2.60%
Longyan Zijin AVIC	Note 10	409,640,000	18 March 2016	16 March 2023	6.50%
Kamoa	Note 11	1,155,003,076	8 December 2015	–	LIBOR+7%
Kamoa	Note 11	31,878,505	2 January 2016	–	LIBOR+7%
Kamoa	Note 11	49,252,774	15 March 2016	–	LIBOR+7%
Kamoa	Note 11	130,657,239	15 August 2016	–	LIBOR+7%
Kamoa	Note 11	120,071,752	14 October 2016	–	LIBOR+7%
Kamoa	Note 11	72,344,874	21 December 2016	–	LIBOR+7%
Kamoa	Note 11	22,392,125	24 January 2017	–	LIBOR+7%
Kamoa	Note 11	22,392,125	22 February 2017	–	LIBOR+7%
Kamoa	Note 11	29,048,688	24 March 2017	–	LIBOR+7%
Kamoa	Note 11	12,305,122	31 March 2017	–	LIBOR+7%
Kamoa	Note 11	26,431,386	24 April 2017	–	LIBOR+7%
Kamoa	Note 11	71,917,651	24 May 2017	–	LIBOR+7%
Kamoa	Note 11	31,289,568	31 July 2017	–	LIBOR+7%
Kamoa	Note 11	84,172,067	31 August 2017	–	LIBOR+7%
Kamoa	Note 11	47,594,308	31 August 2017	–	LIBOR+7%
Kamoa	Note 11	53,423,146	30 September 2017	–	LIBOR+7%
Kamoa	Note 11	46,291,682	31 October 2017	–	LIBOR+7%
Kamoa	Note 11	52,265,624	30 November 2017	–	LIBOR+7%
Kamoa	Note 11	8,801,585	25 January 2018	–	LIBOR+7%
Kamoa	Note 11	30,955,641	23 February 2018	–	LIBOR+7%
Kamoa	Note 11	35,008,770	6 April 2018	–	LIBOR+7%
Kamoa	Note 11	16,930,157	23 April 2018	–	LIBOR+7%
Kamoa	Note 11	44,493,804	24 May 2018	–	LIBOR+7%
Kamoa	Note 11	22,828,777	6 August 2018	–	LIBOR+7%
Kamoa	Note 11	53,248,936	23 August 2018	–	LIBOR+7%
Kamoa	Note 11	29,624,235	25 September 2018	–	LIBOR+7%
Kamoa	Note 11	126,935,481	25 October 2018	–	LIBOR+7%
Kamoa	Note 11	76,083,503	23 November 2018	–	LIBOR+7%
Kamoa	Note 11	90,508,207	21 February 2019	–	LIBOR+7%
Kamoa	Note 11	43,448,202	11 April 2019	–	LIBOR+7%
Kamoa	Note 11	107,520,579	26 April 2019	–	LIBOR+7%
Kamoa	Note 11	103,842,482	23 May 2019	–	LIBOR+7%
Kamoa	Note 11	135,273,419	26 July 2019	–	LIBOR+7%
Kamoa	Note 11	112,752,097	6 August 2019	–	LIBOR+7%
Kamoa	Note 11	129,471,167	22 August 2019	–	LIBOR+7%
Kamoa	Note 11	48,006,956	25 September 2019	–	LIBOR+7%

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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)*

2021 *(continued)*

Borrower	Note	Amount of loans	Inception date	Due date	Annual interest rate
Kamoa	Note 11	68,549,305	25 October 2019	–	LIBOR+7%
Kamoa	Note 11	209,405,644	22 November 2019	–	LIBOR+7%
Kamoa	Note 11	240,844,780	30 December 2019	–	LIBOR+7%
Kamoa	Note 11	216,410,544	23 January 2020	–	LIBOR+7%
Kamoa	Note 11	24,425,903	28 February 2020	–	LIBOR+7%
Kamoa	Note 11	159,924,977	25 March 2020	–	LIBOR+7%
Kamoa	Note 11	87,795,793	24 April 2020	–	LIBOR+7%
Kamoa	Note 11	201,151,713	22 May 2020	–	LIBOR+7%
Kamoa	Note 11	222,144,186	23 June 2020	–	LIBOR+7%
Kamoa	Note 11	255,177,260	23 July 2020	–	LIBOR+7%
Kamoa	Note 11	163,661,387	24 August 2020	–	LIBOR+7%
Kamoa	Note 11	182,839,737	25 September 2020	–	LIBOR+7%
Kamoa	Note 11	145,108,951	23 October 2020	–	LIBOR+7%
Kamoa	Note 11	318,785,046	20 November 2020	–	LIBOR+7%
Kamoa	Note 11	147,704,429	28 December 2020	–	LIBOR+7%
Kamoa	Note 11	167,305,559	29 January 2021	–	LIBOR+7%
Kamoa	Note 11	192,425,470	23 February 2021	–	LIBOR+7%
Kamoa	Note 11	86,803,032	25 March 2021	–	LIBOR+7%
Kamoa	Note 11	132,971,829	23 April 2021	–	LIBOR+7%
Kamoa	Note 11	234,212,859	25 May 2021	–	LIBOR+7%
Kamoa	Note 11	159,541,638	24 August 2021	–	LIBOR+7%
Kamoa	Note 11	1,938,232,984			
Wengfu Zijin	Note 12	50,062,639	15 June 2021	14 June 2022	4.10%
Wengfu Zijin	Note 12	14,017,539	25 November 2021	24 November 2022	4.10%
Wengfu Zijin	Note 12	50,000	N/A	N/A	N/A
Evergreen New Energy	Note 13	20,023,528	11 August 2021	10 August 2022	3.85%
Evergreen New Energy	Note 13	50,058,819	27 August 2021	26 August 2022	3.85%
Evergreen New Energy	Note 13	34,508	N/A	N/A	N/A
Sinotech	Note 14	36,063,841	25 January 2021	24 September 2022	8%/12%
		10,041,245,587			

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)*

2020

Borrower	Note	Amount of loans	Inception date	Due date	Annual interest rate
Gold Eagle Mining	Note 9	233,729,731	30 June 2015	30 June 2023	LIBOR+2.60%
Gold Eagle Mining	Note 9	397,972,246	15 May 2017	31 August 2023	LIBOR+2.60%
Longyan Zijin AVIC	Note 10	438,131,323	18 March 2016	16 March 2023	6.50%
Kamoa	Note 11	1,182,031,181	8 December 2015	–	LIBOR+7%
Kamoa	Note 11	32,624,490	2 January 2016	–	LIBOR+7%
Kamoa	Note 11	50,405,333	15 March 2016	–	LIBOR+7%
Kamoa	Note 11	133,714,735	15 August 2016	–	LIBOR+7%
Kamoa	Note 11	122,881,539	14 October 2016	–	LIBOR+7%
Kamoa	Note 11	74,037,809	21 December 2016	–	LIBOR+7%
Kamoa	Note 11	22,916,120	24 January 2017	–	LIBOR+7%
Kamoa	Note 11	22,916,120	22 February 2017	–	LIBOR+7%
Kamoa	Note 11	29,728,453	24 March 2017	–	LIBOR+7%
Kamoa	Note 11	12,593,073	31 March 2017	–	LIBOR+7%
Kamoa	Note 11	27,049,904	24 April 2017	–	LIBOR+7%
Kamoa	Note 11	73,600,589	24 May 2017	–	LIBOR+7%
Kamoa	Note 11	32,021,772	31 July 2017	–	LIBOR+7%
Kamoa	Note 11	86,141,769	31 August 2017	–	LIBOR+7%
Kamoa	Note 11	48,708,057	31 August 2017	–	LIBOR+7%
Kamoa	Note 11	54,673,295	30 September 2017	–	LIBOR+7%
Kamoa	Note 11	47,374,949	31 October 2017	–	LIBOR+7%
Kamoa	Note 11	53,488,687	30 November 2017	–	LIBOR+7%
Kamoa	Note 11	9,007,550	25 January 2018	–	LIBOR+7%
Kamoa	Note 11	31,680,031	23 February 2018	–	LIBOR+7%
Kamoa	Note 11	35,828,006	6 April 2018	–	LIBOR+7%
Kamoa	Note 11	17,326,338	23 April 2018	–	LIBOR+7%
Kamoa	Note 11	45,534,999	24 May 2018	–	LIBOR+7%
Kamoa	Note 11	23,362,991	6 August 2018	–	LIBOR+7%
Kamoa	Note 11	54,495,009	23 August 2018	–	LIBOR+7%
Kamoa	Note 11	30,317,469	25 September 2018	–	LIBOR+7%
Kamoa	Note 11	129,905,885	25 October 2018	–	LIBOR+7%
Kamoa	Note 11	77,863,925	23 November 2018	–	LIBOR+7%
Kamoa	Note 11	92,626,180	21 February 2019	–	LIBOR+7%
Kamoa	Note 11	44,464,929	11 April 2019	–	LIBOR+7%
Kamoa	Note 11	110,036,657	26 April 2019	–	LIBOR+7%
Kamoa	Note 11	106,272,489	23 May 2019	–	LIBOR+7%
Kamoa	Note 11	138,438,938	26 July 2019	–	LIBOR+7%
Kamoa	Note 11	115,390,597	6 August 2019	–	LIBOR+7%
Kamoa	Note 11	132,500,909	22 August 2019	–	LIBOR+7%
Kamoa	Note 11	49,130,362	25 September 2019	–	LIBOR+7%

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)*

2020 *(continued)*

Borrower	Note	Amount of loans	Inception date	Due date	Annual interest rate
Kamoa	Note 11	70,153,420	25 October 2019	–	LIBOR+7%
Kamoa	Note 11	214,305,924	22 November 2019	–	LIBOR+7%
Kamoa	Note 11	246,480,764	30 December 2019	–	LIBOR+7%
Kamoa	Note 11	221,474,744	23 January 2020	–	LIBOR+7%
Kamoa	Note 11	24,997,491	28 February 2020	–	LIBOR+7%
Kamoa	Note 11	163,667,365	25 March 2020	–	LIBOR+7%
Kamoa	Note 11	89,850,293	24 April 2020	–	LIBOR+7%
Kamoa	Note 11	205,858,843	22 May 2020	–	LIBOR+7%
Kamoa	Note 11	227,342,559	23 June 2020	–	LIBOR+7%
Kamoa	Note 11	261,148,637	23 July 2020	–	LIBOR+7%
Kamoa	Note 11	167,491,209	24 August 2020	–	LIBOR+7%
Kamoa	Note 11	187,118,351	25 September 2020	–	LIBOR+7%
Kamoa	Note 11	148,504,630	23 October 2020	–	LIBOR+7%
Kamoa	Note 11	326,244,902	20 November 2020	–	LIBOR+7%
Kamoa	Note 11	151,160,845	28 December 2020	–	LIBOR+7%
Kamoa	Note 11	1,371,441,470			
Makeng Mining	Note 15	50,062,028	14 September 2020	8 October 2021	4.52%
Wengfu Zijin	Note 16	19,018,608	1 September 2020	31 August 2021	4.79%
Evergreen New Energy	Note 13	19,819	N/A	N/A	N/A
Tibet Yulong	Note 17	954	N/A	N/A	N/A
		8,567,267,295			

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 2021, the Company had repaid RMB17,940,000, and the outstanding balance of the loan was RMB12,060,000.

Note 2: In 2020, 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 loan period is from 22 April 2020 to 22 April 2022. The loan is interest-bearing at 10% and unsecured. As at 31 December 2021, Zijin America had repaid the loan principal of USD3,480,000, and total outstanding balance of principal and interest of the loan was USD14,888,679, equivalent to RMB94,925,767; in 2021, CLAI Gilding (BVI) Investment Limited entered into an agreement again with Zijin America to provide Zijin America with a loan with principal of USD10,000,000. The loan term is from 16 November 2021 to 16 November 2026. The loan is interest-bearing at 10% and unsecured. As at 31 December 2021, the total amount of principal and interest was USD10,126,027, equivalent to RMB64,560,522; CLAI Gilding (BVI) Investment Limited provided Zijin America with another loan with principal of USD6,700,000 for a loan period from 2 December 2021 to 2 December 2026. The loan is interest-bearing at 10% and unsecured. As at 31 December 2021, the total amount of principal and interest was USD6,755,068, equivalent to RMB43,068,296.

Notes to Financial Statements *(continued)*

For the year ended 31 December 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)*

(C) Borrowings from/Loans to related parties *(continued)*

Loans to related parties *(continued)*

- Note 3: ZLCFL-Cayman International Investment Cooperation Limited and Zijin America, a subsidiary of the Group, signed two loan agreements: one was a loan provided for Zijin America with principal of USD20,000,000 for a loan period from 22 December 2020 to 22 December 2025. The loan is interest-bearing at 10% and unsecured. The total principal repaid in the year was USD4,000,000. As at 31 December 2021, the total amount of principal and interest was USD24,036,164, equivalent to RMB153,261,925; another loan was provided for Zijin America with principal of USD30,000,000 for a loan period from 22 December 2020 to 22 December 2022. The loan is interest-bearing at 5.5% and unsecured. The total principal repaid in the year was USD6,000,000. As at 31 December 2021, the total amount of principal and interest was USD16,043,836, equivalent to RMB102,308,309.
- Note 4: Lualaba, a subsidiary of the Group, signed a loan agreement with Tech-Resources (Hong Kong). The due date of the loan was not specified. The loan was interest-bearing at 10% and unsecured. In 2021, both parties adjusted the interest rate to 5.6%. As at 31 December 2021, the total amount of principal and interest was USD51,631,710, equivalent to RMB329,188,292 (31 December 2020: the total amount of principal and interest was USD56,258,127, equivalent to RMB367,078,651).
- Note 5: In 2019, Lualaba, a subsidiary of the Group, signed a loan agreement with Canoca for a loan period from 30 September 2019 to 31 December 2022. The loan was interest-bearing at 10% and unsecured. In 2021, both parties signed an interest rate adjustment and extension agreement. The interest rate from 1 January 2021 to 31 December 2021 was 5.6% and the loan period was extended to 31 December 2024. As at 31 December 2021, the total amount of principal and interest was USD9,280,368, equivalent to RMB59,168,854 (as at 31 December 2020, the total amount of principal and interest was USD9,066,335, equivalent to RMB59,156,928).
- Note 6: In 2011, Xiamen Tongguan, a subsidiary of the Group, signed a loan agreement with Tongling Nonferrous Metals. The loan is unsecured. As at 31 December 2021, the total amount of principal and interest of the loan was RMB222,335,541 (31 December 2020: RMB212,299,899).
- Note 7: In 2011, Xiamen Tongguan, a subsidiary of the Group, signed a loan agreement with Xiamen C&D Inc. The loan is unsecured. As at 31 December 2021, the total amount of principal and interest of the loans was RMB88,934,217 (31 December 2020: RMB84,919,960).
- Note 8: 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 was from 28 October 2020 to 11 January 2021. The loan was repaid in 2021.
- Note 9: 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 2021, the total amount of principal and interest of the loan was USD36,642,279, equivalent to RMB233,620,211 (31 December 2020: USD35,821,208, equivalent to RMB233,729,731). 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 2021, the total amount of principal and interest of the loan was USD62,390,907, equivalent to RMB397,785,766 (31 December 2020: USD60,992,868, equivalent to RMB397,972,246). 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 10: 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 6.5% per annum and the maturity date of the loan had been extended to 16 March 2023 in year 2020. As at 31 December 2021, the total amount of principal and interest was RMB409,640,000. In 2017, the Company made bad debt provision of RMB153,203,515 for the loan provided to Longyan Zijin AVIC.

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)*

Note 11: Pursuant to the stipulations of equity transfer agreement for acquisition of Kamo a in 2015, part of the original shareholders' loans to Kamo a in the amount of USD181,157,035, equivalent to RMB1,155,003,076, was transferred to the Group's subsidiary, Gold Mountains (H.K.) (31 December 2020: RMB1,182,031,181). These loans were unsecured with an interest rate of the one-year LIBOR+7%. The Company and Kamo a agreed that these loans would be repaid with Kamo a's future operating cash flows. Starting from 2016, Kamo a's working capital has been funded by each of its shareholders in proportion to their respective shareholdings. As at 31 December 2021, Gold Mountains (H.K.) provided loans with a total principal of USD1,080,925,193 for Kamo a's working capital, equivalent to RMB6,891,655,752. The total amount of interest receivables was USD304,003,122, equivalent to RMB1,938,232,984 (31 December 2020: the total principal of the loan was USD928,273,681, equivalent to RMB6,056,891,116. The total amount of interest receivables was USD210,185,885, equivalent to RMB1,371,441,470). The aforesaid loans were unsecured with an interest rate of the one-year LIBOR+7%. Both parties agreed that these loans would be repaid with Kamo a's future operating cash flows.

Note 12: In June 2021, Finance Company, a subsidiary of the Group, provided a loan of RMB50,000,000 for Wengfu Zijin, an associate of the Group. As at 31 December 2021, the total amount of principal and interest of the loan was RMB50,062,639. The loan will become due in June 2022; Finance Company, a subsidiary of the Group, provided a loan of RMB14,000,000 for Wengfu Zijin, an associate of the Group in November 2021. As at 31 December 2021, total amount of principal and interest of the loan was RMB14,017,539. The loan will become due in November 2022. Besides, the subsidiaries of the Group made advance payments on behalf of Wengfu Zijin, an associate of the Group, and the outstanding balance as at 31 December 2021 was RMB50,000.

Note 13: In August 2021, Finance Company, a subsidiary of the Group, provided a loan of RMB70,000,000 for Evergreen New Energy, an associate of the Group. As at 31 December 2021, the total amount of principal and interest of the loan was RMB70,082,347. The loan will become due in July 2022. Besides, the subsidiaries of the Group made advance payments on behalf of Evergreen New Energy, an associate of the Group, and the outstanding balance as at 31 December 2021 was RMB34,508 (31 December 2020: RMB19,819).

Note 14: Sino-Zijin Resources Ltd., a subsidiary of the Group, provided a loan of RMB35,000,000 to Sinotech, an associate of the Group, in January 2021. The loan was interest-bearing at 8%. Sinotech pledged the equity interest in SinoTech (Hong Kong) Corporation Limited. The loan matured in September 2021. After the loan matured, the two parties signed an extension agreement to extend the loan period to 24 September 2022, the interest rate was 12%. As at 31 December 2021, the total amount of principal and interest was RMB36,063,841.

Note 15: 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 matured in October 2021 and was settled.

Note 16: 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 matured in August 2021 and was settled.

Note 17: The subsidiaries of the Group made advance payments on behalf of Tibet Yulong, an associate of the Group. The outstanding balance as at 31 December 2020 was RMB954. The amount was settled in 2021.

Notes to Financial Statements *(continued)*

For the year ended 31 December 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

	2021	2020
Remuneration of directors	62,204,382	33,593,819
Compensation of key management	28,330,012	14,963,568
	90,534,394	48,557,387

Details of remuneration of directors are disclosed in Note XIV.3.

- (2) Commitments between the Group and related parties

Commitments between the Group and related parties are disclosed in Note XII.1.

- (3) Joint external investments between the Group and related parties

In 2021, there was no joint external investment between the Group and related parties.

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)*

7. Amounts due from related parties

	31 December 2021		31 December 2020	
	Carrying amount	Bad debt provision	Carrying amount	Bad debt provision
Trade receivables				
Kamoa Copper	101,073,407	–	49,499,465	–
Zisen (HK)	43,849,434	–	–	–
Zisen Supply Chain	23,322,410	–	1,275,533	–
Xinjiang Tianlong	8,028,165	–	8,497,641	–
Wengfu Zijin	4,806,947	–	2,229,222	–
	181,080,363	–	61,501,861	–
Receivables financing				
Zisen Supply Chain	351,982,108	–	–	–
Wengfu Zijin	–	–	40,000,000	–
	351,982,108	–	40,000,000	–
Prepayments				
Wancheng Commercial	20,193,748	–	21,867,831	–
Haixia Technology	5,914	–	5,914	–
Zisen Supply Chain	–	–	51,175,604	–
	20,199,662	–	73,049,349	–
Other receivables				
Evergreen New Energy	70,116,855	–	19,819	–
Wengfu Zijin	64,130,178	–	14,050,000	–
Mineral Resources Enga Limited	39,346,185	–	24,722,138	–
Sinotech	36,063,841	–	–	–
Makeng Mining	–	–	50,062,028	–
Xiamen Minxing	–	–	11,083,478	11,083,478
	209,657,059	–	99,937,463	11,083,478
Current portion of non-current assets				
Longyan Zijin AVIC	–	–	18,691,323	–
Other non-current assets				
Longyan Zijin AVIC	409,640,000	153,203,515	419,440,000	153,203,515
Gold Eagle Mining	631,405,977	–	631,701,977	–
Kamoa	8,829,888,736	–	7,428,332,586	–
	9,870,934,713	153,203,515	8,479,474,563	153,203,515

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 2021	31 December 2020
Trade payables		
Kamoa Copper	650,626,864	–
Libo Heavy Industries Explosive Co.	61,418,426 43,427,969	70,377,559 106,498,330
	755,473,259	176,875,889
Other payables		
Tech-Resources (Hong Kong)	329,188,292	367,078,651
Tongling Nonferrous Metals	222,335,541	212,299,899
C&D Inc.	88,934,217	84,919,960
Wancheng Commercial	86,325,000	–
Eritrean National Mining Corporation	86,071,963	–
Canoca	59,168,854	59,156,928
Mr. Zhu	29,672,233	29,672,233
CLAI Gilding (BVI) Investment Limited	7,330,622	–
Guizhou Province Geological and Mineral Resources Exploration and Development Bureau Team 105	5,701,101	4,062,721
ZLCFL-Cayman International Investment Cooperation Limited	542,197	–
Zisen Supply Chain	190,991	160,032,989
Xiamen Zijin Zhonghang	–	125,000,000
	915,461,011	1,042,223,381
Current portion of non-current liabilities		
ZLCFL-Cayman International Investment Cooperation Limited	102,011,215	–
CLAI Gilding (BVI) Investment Limited	93,187,245	–
Minxi Xinghang	2,800,000	2,800,000
Gécamines	–	35,234,449
	197,998,460	38,034,449
Long-term payables		
ZLCFL-Cayman International Investment Cooperation Limited	153,016,822	326,244,902
CLAI Gilding (BVI) Investment Limited	102,036,718	113,533,226
Wancheng Commercial	28,775,000	–
Minxi Xinghang	9,260,000	12,060,000
	293,088,540	451,838,128

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 *(continued)*

Except for the amounts due from Gold Eagle Mining, Makeng Mining, Evergreen New Energy, 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, and the amounts due to Minxi Xinghang, ZLCFL-Cayman International Investment Cooperation Limited, Tech-Resources (Hong Kong), Tongling Nonferrous Metals, C&D Inc., Canoca 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 2021.

XI. SHARE-BASED PAYMENT

1. Overview

	2021	2020
Total amount of equity instruments granted	564,351,138	–
Total amount of equity instruments exercised	–	–
Total amount of equity instruments expired	(4,584,000)	–
The remaining contract term of restricted shares issued and outstanding at the end of the year	4 years	–

	2021	2020
Total amount of employee services received in exchange for share-based payment	197,201,480	–

Among which, equity-settled share-based payment is as follows :

	2021	2020
Accumulated amount of equity-settled share-based payment recognised in capital reserve	197,201,480	–
Total amount of equity-settled share-based payment recognised in expenses	197,201,480	–

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.)

XI. SHARE-BASED PAYMENT *(continued)*

2. Share-based payment scheme

- (1) Pursuant to the authorisation of the third extraordinary general meeting in 2020 held on 29 December 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 seventh term of the Board. The Company granted 97,490,000 restricted A Shares to 697 participants under the incentive scheme at the grant price of RMB4.95 per A Share. The Company issued 95,980,600 Renminbi-denominated ordinary shares (A shares) to the actual participants under the incentive scheme (686 persons in the original participant list) on 13 January 2021 at the subscription price of RMB4.95 per A Share. The registration was completed on 28 January 2021. If the unlocking conditions of the restricted A Shares as stipulated in the scheme are met, the participants under the incentive scheme can apply to unlock the shares on 28 January 2023, 28 January 2024 and 28 January 2025, respectively, with the upper limit of 33%, 33% and 34% of the number of shares granted under the incentive scheme. If the unlocking conditions of the restricted A Shares are not met due to the failure to meet the unlocking conditions at company or individual levels, the unlocked restricted A Shares will be repurchased and cancelled by the Company at the grant price plus the bank deposit interest for the same period. The fair value of the restricted A Shares was based on the market price on 13 January 2021 of RMB10.68 per A Share and the subscription price of RMB4.95 per A Share. Taking into account the impacts of the earning restriction clause on the participants of the incentive scheme, the fair value of the restricted A Shares on the grant date was determined to be RMB5.73 per A Share.

The proposal in relation to the grant of the reserved restricted A Shares to the participants under the restricted A Share incentive scheme was considered and approved at the Company's eleventh extraordinary meeting in 2021 of the seventh term of the Board on 15 November 2021. The Company proposed to grant 2,510,000 restricted A Shares to 39 participants under the incentive scheme in the second batch of participant list at the grant price of RMB4.83 per A Share. On 15 November 2021, the Company issued 2,510,000 Renminbi-denominated ordinary shares (A Shares) to the 39 actual participants under the incentive scheme at the subscription price of RMB4.83 per A Share. The registration was completed on 8 December 2021. If the unlocking conditions for the restricted A Shares as stipulated in the scheme are met, the participants under the incentive scheme can apply to unlock the shares on 8 December 2023, 8 December 2024 and 8 December 2025, respectively with the upper limit of 33%, 33% and 34% of the number of shares granted under the incentive scheme, respectively. If the unlocking conditions of the restricted A Shares are not met due to the failure to meet the unlocking conditions at company or individual levels, the unlocked restricted A Shares will be repurchased and cancelled by the Company at the grant price plus the bank deposit interest for the same period. The fair value of the restricted A shares was based on the market price on 15 November 2021 of RMB10.56 per A Share and the subscription price of RMB4.83 per A Share. Taking into account the impacts of the earning restriction clause on the participants of the incentive scheme, the fair value of the restricted A Shares on the grant date was determined to be RMB5.73 per A Share.

- (2) The proposal in relation to the repurchase and cancellation of the restricted A Shares granted to certain participants under the restricted A Share incentive scheme and the adjustment of repurchase price was considered and approved at the Company's eleventh extraordinary meeting of the seventh term of the Board on 15 November 2021. Due to resignation, certain participants under the first grant of the restricted A Share incentive scheme no longer satisfied the stipulations relating to the participants in the conditions of grant. The Company repurchased and cancelled a total of 800,000 restricted A Shares granted but not yet unlocked held by the 7 resigned participants under the incentive scheme. For the reason that the implementation of the Company's profit distribution proposal for the year ended 31 December 2020 had been completed and the Company had paid a final cash dividend of RMB0.12 per share, the repurchase price of the restricted A Shares was adjusted from RMB4.95 per A Share to RMB4.83 per A Share. The Company settled the amount for the repurchase at the price based on the contract terms on 30 November 2021. As at 31 December 2021, the registrations of the repurchase and cancellation were not completed.
- (3) The fair value of the restricted A Shares granted in 2021 was RMB564,351,138, and the costs of share-based payment recognised by the Group for 2021 was RMB197,201,480.

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

XI. SHARE-BASED PAYMENT *(continued)*

2. Share-based payment scheme *(continued)*

(4) Movements in restricted A Shares during the reporting period

	2021	2020
Number of restricted A Shares at the beginning of the year	–	–
Number of restricted A Shares granted in the current year	98,490,600	–
Number of restricted A Shares unlocked in the current year	–	–
Number of restricted A Shares expired in the current year	(800,000)	–
Number of restricted A Shares at the end of the year	97,690,600	–

The impact of restricted A Shares on the Company's financial position and operating results is analysed as follows :

	2021	2020
Total costs recognised for equity-settled share-based payment	197,201,480	–

	2021	2020
Accumulated amount of equity-settled share-based payment recognised in capital reserve	197,201,480	–

XII. COMMITMENTS AND CONTINGENCIES

1. Significant commitments

	2021	2020
Contracted, but not provided		
Capital commitments (Note 1)	2,606,721,480	2,571,356,766
Investment commitments (Note 2)	939,612,549	6,318,119,228
Credit facilities (Note 3)	–	1,304,980,000
Total	3,546,334,029	10,194,455,994

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. COMMITMENTS AND CONTINGENCIES** *(continued)***1. Significant commitments** *(continued)*

In addition, the Group's shares of capital commitments of associates and joint ventures, which are not included above, are as follows:

	2021	2020
Contracted, but not provided		
Capital commitments	963,817,236	1,240,290,488

Note 1: As at 31 December 2021, the amount of capital commitments relating to acquisition and construction of property, plant, machinery and equipment and mining assets was RMB2,606,721,480 (31 December 2020: RMB2,571,356,766). Among which, the amount of capital commitments relating to acquisition and construction of property, plant, machinery and equipment and mining assets of COMMUS was RMB155,991,981 (31 December 2020: RMB76,479,333); the amount of capital commitments relating to acquisition and construction of property, plant, machinery and equipment and mining assets of Duobaoshan Copper Industry was RMB807,589,258 (31 December 2020: RMB363,362,077); the amount of capital commitments relating to acquisition and construction of property, plant, machinery and equipment and mining assets of Julong Copper in Tibet was RMB524,016,524 (31 December 2020: RMB709,254,010); the amount of capital commitments relating to acquisition and construction of property, plant, machinery and equipment and mining assets of Ashele Copper in Xinjiang was RMB201,194,213 (31 December 2020: RMB23,013,513); and the capital commitments of Serbia Zijin Mining, a subsidiary of the Company, was RMB359,056,893 (31 December 2020: RMB755,099,989).

Note 2: As at 31 December 2021, the Group's amount of investment commitments to Serbia Zijin Copper, a subsidiary of the Company, was RMB939,612,549 (31 December 2020: RMB6,318,119,228).

Note 3: As at 31 December 2021, the amount of committed credit facilities was RMB0 (31 December 2020: the amount of credit facilities of Kamo, a joint venture of the Group, committed by Gold Mountains (H.K.) was RMB1,304,980,000).

2. Contingencies**Guarantees provided to third parties**

	2021	2020
Guarantees provided to third parties		
Yulong Copper (Note 1)	1,565,141,600	1,320,000,000
Fujian Rare Earth (Group) Co., Ltd. (Note 2)	588,071,600	524,103,500
Wengfu Zijin	-	91,581,000
Evergreen New Energy (Note 3)	44,502,000	39,200,000
	2,197,715,200	1,974,884,500

Note 1: As at 31 December 2021, the outstanding balance of the syndicated loan of Yulong Copper (within the scope of guarantees provided by the Company), an associate of the Company, was RMB7,114,280,000. The Company provided a guarantee based on its 22% shareholding interest in Yulong Copper, i.e. RMB1,565,141,600.

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. COMMITMENTS AND CONTINGENCIES *(continued)*

2. Contingencies *(continued)*

Guarantees provided to third parties *(continued)*

Note 2: As at 31 December 2021, 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 RMB1,417,040,000. Makeng Mining's controlling shareholder, Fujian Rare Earth (Group) Co., Ltd. (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) Co., Ltd. (including Fujian Yejin (Holding) Co., Ltd.). As at 31 December 2021, the guarantee provided by the Company amounted to RMB588,071,600.

Note 3: As at 31 December 2021, the outstanding balance of the loan from Industrial Bank Shanghang Sub-branch to Fujian Evergreen New Energy Technology Co., Ltd., an associate of the Company, was RMB148,340,000. The Company provided a 30% guarantee on the debt in favour of Industrial Bank Shanghang Sub-branch. As at 31 December 2021, the guarantee provided by the Company amounted to RMB44,502,000.

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. In October 2020, BNL, the prime minister of PNG, various levels of governments and stakeholders made a positive negotiation for the reopening of the Porgera Gold Mine.

On 9 April 2021, BNL signed a binding framework agreement with the PNG Government and Kumul Minerals Holdings Limited (a state-owned mining company in the PNG, "Kumul Mining"), aiming to reopen the Porgera Gold Mine. On 3 February 2022, BNL, the PNG Government, Kumul Mining and Mineral Resources Enga Limited (owner of the remaining 5% equity interest in Porgera Joint Venture, "MRE") entered into the Porgera project commencement agreement (the "PPCA"). The PPCA provides more details for the framework agreement, which provides that ownership of Porgera will be held 51% by PNG stakeholders (the PNG Government, Kumul Mining and MRE) and 49% by BNL. BNL remains the operator of the mine. As the Group and Barrick each holds 50% interest in BNL, the execution of the PPCA will reduce the Group's interest in the Porgera Gold Mine from 47.5% to 24.5%. The PPCA also provides that PNG stakeholders and BNL will share the economic benefits generated over the life of mine on a 53/47% basis, and the PNG Government will retain the right to acquire the remaining 49% of the Porgera Gold Mine from BNL after 10 years.

The execution of the PPCA is also subject to satisfaction of certain specific conditions, e.g., signing of a new shareholders' agreement of Porgera Joint Venture and operatorship agreement for the Porgera Gold Mine. Meanwhile, all parties should halt all legal and conciliation proceedings previously launched. Pursuant to the terms of the Commencement Agreement, BNL shall continue to own and shall be responsible for the daily maintenance of the orebody. Currently, BNL and PNG stakeholders are actively advancing the negotiation process in order to enter into agreements and meet a series of conditions as stipulated in the PPCA.

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

XII. COMMITMENTS AND CONTINGENCIES *(continued)*

2. Contingencies *(continued)*

BNL tax audit

In April 2020, BNL received a notice of assessment from the PNG Inland Revenue Commission, which required BNL to pay USD131 million (excluding penalty) 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 above-mentioned 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.

XIII. EVENTS AFTER THE REPORTING PERIOD

- On 8 October 2021, the Group entered into an arrangement agreement with Neo Lithium Corp ("Neo Lithium"). The Group proposed to acquire all of the issued and outstanding common shares of Neo Lithium for a consideration of CAD6.5 per share in cash. The total consideration would be approximately CAD959,964,335, equivalent to RMB4,871,051,029. As at 14 January 2022, all approvals or filing formalities of domestic and overseas regulatory authorities required for the acquisition of the equity interest in Neo Lithium were completed, and the approval of environmental impact assessment required for the exploitation stage was obtained. On 21 January 2022, the Group paid the consideration of CAD959,964,335 in cash, equivalent to RMB4,871,051,029. The equity interest acquisition was completed on 25 January 2022. The Group holds 100% equity interest in Neo Lithium after completion of the transaction. After completion of the acquisition, Neo Lithium was delisted from the TSX Venture Exchange of Canada, and its common shares ceased to be quoted for trading on the OTCQX over-the-counter market in the United States as well as the Frankfurt Stock Exchange in Germany.
- The Group signed a strategic cooperation agreement and conditional share subscription agreement with Fujian Longking Co., Ltd. ("Fujian Longking") on 25 February 2022. The Group proposed to subscribe 118,785,931 non-publicly issued A shares of Fujian Longking in cash. The subscription price will be RMB6.93 per share. The total amount of the subscription will be approximately RMB823,180,000. The Group expected that it will hold 10% of Fujian Longking's shares, and it has the right to nominate one non-independent director to Fujian Longking.

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. 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 electrolytic copper and electrodeposited copper 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.

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. 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 2021, 79% (2020: 84%) of the Group's operating income was derived from customers of Mainland China, and 58% (2020: 56%) of the Group's assets were located in Mainland China.

Information about a major customer

In the year 2021, the Group's income from the Shanghai Gold Exchange was RMB83,798,062,684 (2020: RMB91,397,165,531), 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:

	2021	2020
Lease income	83,312,751	73,628,316

Pursuant to the operating lease agreements entered into with lessees, the minimum lease receipts under irrevocable operating leases are as followings:

	2021	2020
Within 1 year, inclusive	32,948,322	28,425,699
Over 1 year but within 2 years (2 years inclusive)	21,108,618	21,258,213
Over 2 years but within 3 years (3 years inclusive)	21,368,061	20,957,641
Over 3 years but within 4 years (4 years inclusive)	17,872,056	20,909,908
Over 4 years but within 5 years (5 years inclusive)	16,923,849	21,821,427
Over 5 years	28,417,316	41,105,909
	138,638,222	154,478,797

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. OTHER SIGNIFICANT EVENTS *(continued)*

2. Leases *(continued)*

(2) As lessee

	2021	2020
Interest expenses on lease liabilities	22,262,956	32,458,050
Expenses relating to short-term leases accounting for applying practical expedients	122,709,755	42,378,468
Total cash outflow for leases	226,861,161	184,235,335

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.

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.30; and for lease liabilities, please refer to Note V.35.

3. Directors' and supervisors' remuneration

Remuneration of accrued for directors and supervisors during the year is as follows:

	2021	2020
Fees	1,961,739	1,314,000
Other emoluments:		
Basic salaries	17,040,000	17,040,000
Discretionary bonuses [#]	51,590,056	14,844,834
Defined contribution plan – basic pension insurance	207,486	90,052
Enterprise annuities	941,340	5,461,024
	69,778,882	37,435,910
	71,740,621	38,749,910

[#] 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 (2020: 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.)***XIV. OTHER SIGNIFICANT EVENTS** *(continued)*3. Directors' and supervisors' remuneration *(continued)***(a) Independent non-executive directors/non-executive director**

The fees accrued for the independent non-executive directors/non-executive director during the year are as follows:

	2021	2020
Mr. Li Jian	200,000	150,000
Mr. Zhu Guang	200,000	150,000
Mr. Li Changqing	200,000	150,000
Mr. Mao Jingwen	200,000	150,000
Mr. He Fulong	200,000	150,000
Mr. Suen Man Tak	240,000	180,000
Mr. Bo Shao Chuan (Note 1)	241,739	–
	1,481,739	930,000

Note 1: Appointed as independent non-executive director of the Company on 29 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.)

XIV. OTHER SIGNIFICANT EVENTS *(continued)*

3. Directors' and supervisors' remuneration *(continued)*

(b) Executive directors

The remuneration (excluding discretionary bonuses) accrued for executive directors during the year is as follows:

	Basic salaries	Defined contribution plan – basic pension insurance	Enterprise annuities	Total
2021				
Mr. Chen Jinghe	3,000,000	33,489	77,271	3,110,760
Mr. Lan Fusheng	2,400,000	26,781	153,566	2,580,347
Mr. Zou Laichang	3,000,000	33,489	153,566	3,187,055
Mr. Lin Hongfu	2,160,000	26,746	153,566	2,340,312
Mr. Xie Xionghui	2,160,000	26,746	153,566	2,340,312
Ms. Lin Hongying	2,160,000	26,746	153,566	2,340,312
	14,880,000	173,997	845,101	15,899,098

	Basic salaries	Defined contribution plan – basic pension insurance	Enterprise annuities	Total
2020				
Mr. Chen Jinghe	3,000,000	31,748	1,378,891	4,410,639
Mr. Lan Fusheng	2,400,000	3,880	971,134	3,375,014
Mr. Zou Laichang	3,000,000	25,798	953,544	3,979,342
Mr. Lin Hongfu	2,160,000	3,880	872,316	3,036,196
Mr. Xie Xionghui	2,160,000	3,880	–	2,163,880
Ms. Lin Hongying	2,160,000	3,880	656,822	2,820,702
	14,880,000	73,066	4,832,707	19,785,773

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. OTHER SIGNIFICANT EVENTS *(continued)*3. Directors' and supervisors' remuneration *(continued)*

(b) Executive directors

The discretionary bonuses accrued for executive directors during the year is as follows:

Discretionary bonuses	2021			2020		
	Incentive salaries for the current year	2017-2020 deferred incentive salaries	Total	Incentive salaries for the current year	2017-2019 deferred incentive salaries	Total
Mr. Chen Jinghe	2,050,985	7,628,323	9,679,308	1,299,360	1,596,114	2,895,474
Mr. Lan Fusheng	1,436,689	7,628,323	9,065,012	1,295,283	1,517,999	2,813,282
Mr. Zou Laichang	2,040,984	5,339,822	7,380,806	898,353	1,075,154	1,973,507
Mr. Lin Hongfu	1,436,689	5,339,822	6,776,511	901,973	1,075,154	1,977,127
Mr. Xie Xionghui	1,208,853	3,946,544	5,155,397	495,288	763,655	1,258,943
Ms. Lin Hongying	1,426,689	5,339,822	6,766,511	884,559	1,075,154	1,959,713
	9,600,889	35,222,656	44,823,545	5,774,816	7,103,230	12,878,046

Number of restricted shares granted	2021	2020
Mr. Chen Jinghe	1,100,000	—
Mr. Lan Fusheng	750,000	—
Mr. Zou Laichang	1,100,000	—
Mr. Lin Hongfu	750,000	—
Mr. Xie Xionghui	750,000	—
Ms. Lin Hongying	750,000	—
	5,200,000	—

Note: According to the "Individual Income Tax Law of the People's Republic of China", the tax rate is 45% for the individual income exceeds RMB960,000, the quick deduction is RMB181,920.

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

XIV. OTHER SIGNIFICANT EVENTS *(continued)*

3. Directors' and supervisors' remuneration *(continued)*

(c) Supervisors

The remuneration (excluding discretionary bonuses) accrued for supervisors during the year is as follows:

	Basic salaries	Defined contribution plan – basic pension insurance	Fees	Enterprise annuities	Total
2021					
Mr. Lin Shuiqing	2,160,000	33,489	–	96,239	2,289,728
Mr. Xu Qiang	–	–	150,000	–	150,000
Mr. Fan Wensheng	–	–	150,000	–	150,000
Mr. Liu Wenhong	–	–	90,000	–	90,000
Mr. Cao Sanxing	–	–	90,000	–	90,000
	2,160,000	33,489	480,000	96,239	2,769,728

	Basic salaries	Defined contribution plan – basic pension insurance	Fees	Enterprise annuities	Total
2020					
Mr. Lin Shuiqing	2,160,000	16,986	–	628,317	2,805,303
Mr. Xu Qiang	–	–	120,000	–	120,000
Mr. Fan Wensheng	–	–	120,000	–	120,000
Mr. Liu Wenhong	–	–	72,000	–	72,000
Mr. Cao Sanxing	–	–	72,000	–	72,000
	2,160,000	16,986	384,000	628,317	3,189,303

The discretionary bonuses accrued for supervisors during the year is as follows:

Discretionary bonuses	2021			2020		
	Bonus for current year	2017-2020 deferred bonus	Total	Bonus for current year	2017-2019 deferred bonus	Total
Mr. Lin Shuiqing	1,426,689	5,339,822	6,766,511	891,634	1,075,154	1,966,788
	1,426,689	5,339,822	6,766,511	891,634	1,075,154	1,966,788

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. OTHER SIGNIFICANT EVENTS** *(continued)***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 (2020: five directors), the details of their remuneration are disclosed above, the total remuneration are as follows:

	2021	2020
Basic salaries	12,720,000	12,720,000
Discretionary bonuses	39,668,148	11,619,103
Enterprise annuities	691,535	4,832,707
Defined contribution plan – basic pension insurance	147,251	69,186
	53,226,934	29,240,996

5. Defined contribution plan – basic pension insurance

	2021	2020
Net payment of defined contribution plan – basic pension insurance (Directors, supervisors and senior management)	321,492	118,993

In 2021, the Group had no forfeited contributions available to reduce its defined contribution plan – basic pension insurance in future years (2020: Nil).

6. Net current assets/(liabilities)

	31 December 2021 Group	31 December 2020 Group	31 December 2021 Company	31 December 2020 Company
Current assets	47,064,293,441	39,262,403,933	12,216,949,945	15,460,750,185
Less: Current liabilities	50,302,460,681	47,035,701,043	16,592,138,076	14,553,548,437
Net current assets/(liabilities)	(3,238,167,240)	(7,773,297,110)	(4,375,188,131)	907,201,748

7. Total assets less current liabilities

	31 December 2021 Group	31 December 2020 Group	31 December 2021 Company	31 December 2020 Company
Total assets	208,594,678,123	182,313,250,403	82,793,471,981	78,044,803,845
Less: Current liabilities	50,302,460,681	47,035,701,043	16,592,138,076	14,553,548,437
Total assets less current liabilities	158,292,217,442	135,277,549,360	66,201,333,905	63,491,255,408

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.)

XV. 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 trade receivables is as follows:

	2021	2020
Within 1 year	532,824,754	530,212,772
Over 1 year but within 2 years	32,080,498	42,482,074
Over 2 years but within 3 years	9,223,465	3,537,132
Over 3 years	3,163,178	1,096,875
	577,291,895	577,328,853
Less: Bad debt provision for trade receivables	170,575	158,251
	577,121,320	577,170,602

Details of the Company's trade receivables for which bad debt provision has been made are as follows:

	2021				
	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	564,278,235	97.75	-	-	564,278,235
Group 2: Aging analysis group	13,013,660	2.25	170,575	1.31	12,843,085
	577,291,895	100.00	170,575	0.03	577,121,320
	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: Aging 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

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.)***XV. 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:

	2021			2020		
	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	12,399,666	0.30	37,199	8,855,150	0.30	26,565
Over 1 year but within 2 years	205,267	6.00	12,316	219,646	6.00	13,179
Over 2 years but within 3 years	10,387	15.00	1,558	17,309	15.00	2,596
Over 3 years	398,340	30.00	119,502	386,370	30.00	115,911
	13,013,660		170,575	9,478,475		158,251

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

	At 1 January	Additions	Recovery or reversal	Write-off	At 31 December
2021	158,251	382,592	(370,268)	-	170,575
2020	516,709	16,977	(212,017)	(163,418)	158,251

In 2021, provision for bad debt was RMB382,592 (2020: RMB16,977), and provision for bad debt of RMB370,268 was recovered or reversed (2020: RMB212,017).

In 2021, there was no trade receivables written off (2020: RMB163,418).

Notes to Financial Statements *(continued)*

For the year ended 31 December 2021

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

XV. 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 2021 are as follows:

Name of entity	Relationship	Amount	Proportion of trade receivables (%)	Ageing	Closing balance of bad debt provision
Zijin Copper Co., Ltd.	Subsidiary	264,490,186	45.82	Within 1 year	-
Fujian Zijin Copper Co., Ltd.	Subsidiary	91,466,326	15.85	Within 1 year	-
Duobaoshan Copper Industry	Subsidiary	70,151,886	12.15	Within 1 year/ Over 1 year but within 2 years	-
Urad Rear Banner Zijin Mining Co., Ltd.	Subsidiary	22,196,167	3.84	Within 1 year/ Over 1 year but within 2 years/ Over 2 years but within 3 years	-
Tibet Julong Copper Co., Ltd.	Subsidiary	16,587,170	2.87	Within 1 year	-
		464,891,735	80.53		-

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.)*XV. 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 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		-

2. Other receivables

	2021	2020
Dividends receivable	62,844,000	177,294,000
Other receivables	8,127,538,532	9,171,349,976
	8,190,382,532	9,348,643,976

An ageing analysis of other receivables is as follows:

	2021	2020
Within 1 year	4,221,012,533	7,386,410,432
Over 1 year but within 2 years	3,428,549,528	962,304,631
Over 2 years but within 3 years	280,267,491	220,578,794
Over 3 years	203,423,543	607,901,882
	8,133,253,095	9,177,195,739
Less: Bad debt provision for other receivables	5,714,563	5,845,763
	8,127,538,532	9,171,349,976

Notes to Financial Statements *(continued)*

For the year ended 31 December 2021

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

XV. 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:

2021

	Stage 1	Stage 2	Stage 3 Financial assets with credit impairment occurred (entire lifetime)	Total
	12-month expected credit losses	Entire lifetime expected credit losses		
Opening balance	459,111	–	5,386,652	5,845,763
Opening balance during the year				
– Transferred to Stage 2	–	–	–	–
– Transferred to Stage 3	–	–	–	–
– Reversed to Stage 2	–	–	–	–
– Reversed to Stage 1	–	–	–	–
Provision during the year	–	–	28,404,074	28,404,074
Reversal during the year	–	–	–	–
Write-back during the year	–	–	(28,535,274)	(28,535,274)
Write-off during the year	–	–	–	–
Other changes	–	–	–	–
	459,111	–	5,255,452	5,714,563

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.)*XV. 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: *(continued)*

2020

	Stage 1	Stage 2	Stage 3 Financial assets with credit impairment occurred (entire lifetime)	Total
	12-month expected credit losses	Entire lifetime expected credit losses		
Opening balance	459,111	–	5,174,805	5,633,916
Opening balance 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

In 2021, bad debt provision for other receivables amounted to RMB28,404,074 (2020: Nil), and no provision was recovered or reversed (2020: Nil). In 2021, other receivables written off amounted to RMB28,535,274 (2020: RMB211,847).

The category of other receivables by nature is as follows:

	2021	2020
Due from subsidiaries	7,936,561,589	8,878,034,382
Due from associates and joint ventures	372,118	20,064,785
Receivables from disposal of assets	22,168,866	14,000,000
Advanced material costs	18,361,089	20,598,095
Guarantees and deposits	8,680,848	13,901,364
Deferred expenses	25,010,943	41,305,764
Receivables from settlement of futures	8,905,958	39,709,966
Staff advances and reserve funds	6,467,887	6,062,432
Others	106,723,797	143,518,951
	8,133,253,095	9,177,195,739
Less: Bad debt provision for other receivables	5,714,563	5,845,763
	8,127,538,532	9,171,349,976

Notes to Financial Statements *(continued)*

For the year ended 31 December 2021

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

XV. 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 2021 are as follows:

	Closing balance	Proportion of other receivables (%)	Nature	Ageing	Closing balance of bad debt provision
Tibet Zijin	3,047,277,432	37.47	Due from subsidiary	Within 1 year/Over 1 year but within 2 years	–
Zijin Copper	1,088,179,334	13.38	Due from subsidiary	Within 1 year/Over 2 years but within 3 years	–
Zijin Zinc	714,251,833	8.78	Due from subsidiary	Within 1 year/Over 1 year but within 2 years	–
Zeravshan	553,492,294	6.81	Due from subsidiary	Within 1 year/Over 1 year but within 2 years/Over 2 years but within 3 years	–
Jinhao Iron	481,516,797	5.92	Due from subsidiary	Within 1 year/Over 3 years	–
	5,884,717,690	72.36			–

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
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)

For the year ended 31 December 2021

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

XV. NOTES TO FINANCIAL STATEMENTS OF THE COMPANY (continued)

3. Long-term equity investments

	2021			2020		
	Carrying amount	Impairment provision	Net book value	Carrying amount	Impairment provision	Net book value
Investments in subsidiaries	52,149,417,476	(579,556,935)	51,569,860,541	43,889,704,196	(603,556,935)	43,286,147,261
Investments in associates	3,104,300,828	-	3,104,300,828	2,093,166,090	-	2,093,166,090
	55,253,718,304	(579,556,935)	54,674,161,369	45,982,870,286	(603,556,935)	45,379,313,351

(i) Investments in subsidiaries

	At 1 January 2020			At 31 December 2020			Provision for impairment losses at 31 December 2021	
	At 1 January 2020	Additions	Reductions	At 31 December 2020	Additions	Reductions	At 31 December 2021	31 December 2021
Zijin Copper	2,225,749,543	-	(2,225,749,543)	-	-	-	-	-
Zijin Mining Group Southwest Co., Ltd.	1,197,513,670	4,280,000	-	1,201,793,670	6,324,767	-	1,208,118,437	-
West Copper	936,000,000	-	-	936,000,000	-	-	936,000,000	-
Gold Mountains (H.K.)	16,892,402,837	5,757,554,337	-	22,649,957,174	3,737,380,137	-	26,387,337,311	-
Luoyang Kunyu	676,829,479	-	-	676,829,479	196,000	-	677,025,479	-
Finance Company	605,186,575	-	-	605,186,575	-	-	605,186,575	-
Xiamen Investment	397,061,613	-	-	397,061,613	-	-	397,061,613	-
Longnan Zijin Mining Co., Ltd.	373,539,149	2,750,000	-	376,289,149	735,753	-	377,024,902	(43,019,351)
Bayannur Zijin	579,027,464	-	-	579,027,464	-	-	579,027,464	-
Northwest Company	1,141,712,879	9,170,225	(350,000,000)	800,883,104	51,823,508	(250,000,000)	602,706,612	-
South Investment	1,255,466,268	2,906,334,175	-	4,161,800,443	8,301,482	-	4,170,101,925	-
Huanmin Mining Co., Ltd.	306,000,000	-	-	306,000,000	-	-	306,000,000	-
Zijin Commercial Services	500,000,000	-	-	500,000,000	-	(300,000,000)	200,000,000	-
Shanghang Jinshan Mining Co., Ltd.	275,785,150	18,000,000	-	293,785,150	-	-	293,785,150	-
Xinyi Zijin	243,900,000	-	-	243,900,000	676,000,000	-	919,900,000	(243,900,000)
Zijin Capital	800,000,000	-	-	800,000,000	200,000,000	(70,070,908)	929,929,092	-
Zijin International Mining Co., Ltd.	2,306,358,435	8,319,273	(200,000,000)	2,114,677,708	-	-	2,114,677,708	-
Hunchun Zijin	139,189,081	-	(139,189,081)	-	-	-	-	-
Jilin Zijin Copper Co., Ltd.	66,447,733	3,000,000	-	69,447,733	241,570,719	-	311,018,452	-
Fujian Zijin Copper Co., Ltd.	146,222,366	-	-	146,222,366	17,808,804	-	164,031,170	-
Ashele Copper	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	-
Zijin Yinhui	105,000,000	-	-	105,000,000	-	-	105,000,000	-
Yunnan Huaxi	86,830,000	-	-	86,830,000	-	-	86,830,000	-
Ankang Zijin Mining Co., Ltd.	87,787,471	311,000,000	-	398,787,471	-	-	398,787,471	-
Longsheng Dexin Mining Co., Ltd.	53,550,000	-	-	53,550,000	-	-	53,550,000	-
Xiamen Zijin Mining and Metallurgy Technology Co., Ltd.	50,000,000	-	-	50,000,000	-	-	50,000,000	-

Notes to Financial Statements *(continued)*

For the year ended 31 December 2021

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

XV. NOTES TO FINANCIAL STATEMENTS OF THE COMPANY *(continued)*

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

(i) Investments in subsidiaries *(continued)*

	At			At			Provision for	
	1 January 2020	Additions	Reductions	31 December 2020	Additions	Reductions	At 31 December 2021	impairment losses at 31 December 2021
Shenzhen Zijin Metals Trading Co., Ltd.	46,000,000	-	(46,000,000)	-	-	-	-	-
Guizhou Zijin	32,744,793	1,100,000	-	33,844,793	539,233	(1,530,000)	32,854,026	-
Zijin Mining Group (Xiamen) Metallic Materials Co., Ltd.	25,883,651	-	-	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	430,000,000	400,000	-	430,400,000	491,900	-	430,891,900	-
Wuping Zijin	20,429,287	-	-	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	-	-	10,000,000	-
Fujian Zijin Mining and Metallurgy Testing Technology Co., Ltd.	10,000,000	-	-	10,000,000	-	-	10,000,000	-
Heilong Mining Group Co., Ltd.	1,561,220,000	-	(35,000,000)	1,526,220,000	656,652,800	-	2,182,872,800	-
Zijin Tongguan	848,453,248	-	-	848,453,248	-	-	848,453,248	(162,757,584)
Fujian Zijin Trade Co., Ltd.	-	4,000,000	-	4,000,000	-	(4,000,000)	-	-
Liancheng Jiuxin Mining Co., Ltd.	-	5,000,000	-	5,000,000	-	-	5,000,000	-
Zixin No.1	-	750,000,000	-	750,000,000	-	-	750,000,000	-
Tibet Zijin	-	2,000,000,000	-	2,000,000,000	125,671,233	-	2,125,671,233	-
Zijin International Holdings Co., Ltd.	-	300,000,000	-	300,000,000	1,670,000,000	-	1,970,000,000	-
Zijin International Trading Co., Ltd.	-	20,000,000	-	20,000,000	110,383,651	-	130,383,651	-
Zijin Environmental Technology Co., Ltd.	-	30,000,000	-	30,000,000	120,070,908	-	150,070,908	-
Tongli Trading	-	41,280,000	-	41,280,000	86,220,000	-	127,500,000	-
Guizhou Zijin Gold Smelting Co. Ltd.	-	-	-	-	1,530,000	-	1,530,000	-
Xiamen Zixin Mining Co., Ltd.	-	-	-	-	66,000,000	-	66,000,000	-
Zixin No.2	-	-	-	-	500,000,000	-	500,000,000	-
Zijin Zhixin (Xiamen) Technology Co., Ltd.	-	-	-	-	65,500,000	-	65,500,000	-
Zijin Secondary School	-	-	-	-	5,000,000	-	5,000,000	-
Zijin International Financial Leasing (Hainan) Co., Ltd.	-	-	-	-	180,000,000	-	180,000,000	-
Zijin Mining Investment (Shanghai) Co., Ltd.	-	-	-	-	150,000,000	-	150,000,000	-
Sino-Zijin Resources	-	-	-	-	256,996,944	-	256,996,944	-
	35,104,330,359	12,172,188,010	(3,386,814,173)	43,889,704,196	8,935,197,839	(675,484,559)	52,149,417,476	(579,556,935)

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.)*XV. NOTES TO FINANCIAL STATEMENTS OF THE COMPANY *(continued)*3. Long-term equity investments *(continued)*

(ii) Investments in associates

2021

Investee	At 1 January	Movements during the year										Provision for impairment losses at 31 December
		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	At 31 December		
Makeng Mining	996,371,405	-	-	413,324,937	-	-	(41,500,000)	-	-	-	1,368,196,342	-
Yulong Copper	760,722,275	-	-	693,738,491	-	(220,000,000)	-	-	-	-	1,234,460,766	-
Songpan Zijin	39,249,785	-	-	-	-	-	-	-	-	-	39,249,785	-
Wancheng Commercial	47,209,809	-	-	28,681,109	-	(27,500,000)	-	-	-	-	48,390,918	-
Evergreen New Energy	28,930,327	30,000,000	-	23,091,407	-	-	-	-	-	-	82,021,734	-
Caixi Cultural	3,000,000	-	-	(434,523)	-	-	-	-	-	-	2,565,477	-
Sino-Zijin Resources	217,682,489	44,080,677	-	(4,766,222)	-	-	-	-	-	(256,996,944)	-	-
TF Futures	-	331,797,600	-	(2,381,794)	-	-	-	-	-	-	329,415,806	-
	2,093,166,090	405,878,277	-	1,151,253,405	-	(289,000,000)	-	-	-	(256,996,944)	3,104,300,828	-

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

XV. NOTES TO FINANCIAL STATEMENTS OF THE COMPANY (continued)

3. Long-term equity investments (continued)

(ii) Investments in associates (continued)

2020

Investee	At 1 January	Additions	Reductions	Investment income/ (losses) under the equity method	Movements during the year					Provision for impairment losses at 31 December	
					Other comprehensive income	Other changes in equity	Cash dividends declared by investee	Provision for impairment losses	Additional investment and becoming investments in subsidiaries		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	-

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.)

XV. NOTES TO FINANCIAL STATEMENTS OF THE COMPANY *(continued)*

4. Fixed assets

2021

	Buildings	Mining assets	Power generation and transmission equipment	Plant, machinery and equipment	Motor vehicles	Furniture and fixtures and others	Total
Cost							
At 1 January 2021	811,291,937	5,121,960,747	55,817,259	1,163,605,784	83,909,718	120,625,797	7,357,211,242
Purchases	15,928,268	159,788,211	670,176	29,534,694	6,985,256	13,701,637	226,608,242
Transfers from construction in progress	4,521,494	203,188,965	746,235	580,943	-	-	209,037,637
Disposals or write-off	(32,366,892)	(2,105,997)	(176,690)	(48,982,472)	(4,791,164)	(419,239)	(88,842,454)
At 31 December 2021	799,374,807	5,482,831,926	57,056,980	1,144,738,949	86,103,810	133,908,195	7,704,014,667
Accumulated depreciation							
At 1 January 2021	325,530,060	2,807,602,928	35,978,856	750,840,417	68,026,727	78,737,039	4,066,716,027
Depreciation for the year	42,072,618	247,641,637	3,478,569	82,702,073	6,188,240	20,902,469	402,985,606
Disposals or write-off	(31,475,136)	(1,953,146)	(164,080)	(44,259,712)	(4,467,157)	(403,348)	(82,722,579)
At 31 December 2021	336,127,542	3,053,291,419	39,293,345	789,282,778	69,747,810	99,236,160	4,386,979,054
Impairment provision							
At 1 January 2021	-	285,118	13,157	2,028,639	-	1,632	2,328,546
Impairment provided for the year	-	-	-	-	-	-	-
Disposals or write-off	-	-	-	(12,213)	-	-	(12,213)
At 31 December 2021	-	285,118	13,157	2,016,426	-	1,632	2,316,333
Net book value							
At 31 December 2021	463,247,265	2,429,255,389	17,750,478	353,439,745	16,356,000	34,670,403	3,314,719,280
At 1 January 2021	485,761,877	2,314,072,701	19,825,246	410,736,728	15,882,991	41,887,126	3,288,166,669

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.)

XV. NOTES TO FINANCIAL STATEMENTS OF THE COMPANY *(continued)*

4. Fixed assets *(continued)*

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)*

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

XV. NOTES TO FINANCIAL STATEMENTS OF THE COMPANY *(continued)*

4. Fixed assets *(continued)*

Fixed assets that are temporarily idle are as follows:

2021

	Cost	Accumulated depreciation	Impairment provision	Net book value
Mining assets	395,591	(383,724)	–	11,867
Plant, machinery and equipment	18,104,575	(15,617,023)	(350,069)	2,137,483
Furniture and fixtures and others	336,498	(326,403)	–	10,095
	18,836,664	(16,327,150)	(350,069)	2,159,445

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

As at 31 December 2021, 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	6,685,669	In the process of application

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

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.)

XV. NOTES TO FINANCIAL STATEMENTS OF THE COMPANY *(continued)*

5. Construction in progress

	2021	2020
Construction in progress	412,862,687	422,579,942
Construction materials	2,297,244	2,381,508
	415,159,931	424,961,450

Construction in progress

	2021		Carrying amount	2020	
	Carrying amount	Impairment provision		Carrying amount	Impairment provision
	412,862,687	–	412,862,687	422,579,942	–
				422,579,942	422,579,942

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.)*XV. 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 2021 are as follows:

	Budget	At 1 January 2021	Additions	Transferred to fixed assets	Other reductions	At 31 December 2021	Contribution in budget projects	Progress of projects	Balance of capitalised interest as at 31 December 2021	Including: capitalised interest for the year	Interest rate of capitalisation (%)	Source of funds
Zijinshan Copper Mine infrastructure project	574,921,154	267,436,393	166,737,494	(200,685,441)	-	233,488,446	71%	65%	-	-	Not applicable	Equity fund
Zijinshan Gold Mine infrastructure project	14,630,000	6,850,295	1,553,901	(8,352,196)	-	52,000	59%	70%	-	-	Not applicable	Equity fund
Others	-	148,293,254	31,028,987	-	-	179,322,241	-	-	-	-	Not applicable	Equity fund
Subtotal	589,551,154	422,579,942	199,320,382	(209,037,637)	-	412,862,687	-	-	-	-	-	-
Impairment provision for construction in progress	-	-	-	-	-	-	-	-	-	-	-	-
Total		422,579,942				412,862,687						

Notes to Financial Statements (continued)

For the year ended 31 December 2021

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

XV. 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)	267,436,393	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	-	-	-	-	-	-

For the years ended 31 December 2021 and 31 December 2020, the Company had no borrowing costs eligible for capitalisation.

As at 31 December 2021 and 31 December 2020, the Company had no impairment provision for construction in progress.

Notes to Financial Statements *(continued)*

For the year ended 31 December 2021

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*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)***XV. NOTES TO FINANCIAL STATEMENTS OF THE COMPANY** *(continued)*

6. Intangible assets

2021

	Exploration and mining rights	Land use rights	Membership of Shanghai Gold Exchange and others	Total
Cost				
At 1 January 2021	388,144,802	94,547,535	36,230,613	518,922,950
Purchases	–	4,919,245	1,653,846	6,573,091
Disposals or write-off	–	–	–	–
At 31 December 2021	388,144,802	99,466,780	37,884,459	525,496,041
Accumulated amortisation				
At 1 January 2021	210,716,885	28,827,839	17,120,263	256,664,987
Amortisation provided for the year	4,512,300	2,845,208	3,919,309	11,276,817
Disposals or write-off	–	–	–	–
At 31 December 2021	215,229,185	31,673,047	21,039,572	267,941,804
Impairment provision				
At 1 January 2021	–	–	–	–
Impairment provided for the year	–	–	–	–
Disposals or write-off	–	–	–	–
At 31 December 2021	–	–	–	–
Net book value				
At 31 December 2021	172,915,617	67,793,733	16,844,887	257,554,237
At 1 January 2021	177,427,917	65,719,696	19,110,350	262,257,963

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.)

XV. NOTES TO FINANCIAL STATEMENTS OF THE COMPANY *(continued)*

6. Intangible assets *(continued)*

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 2021

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*(English translation is for reference only. In the case of any discrepancies, the Chinese version shall prevail.)***XV. NOTES TO FINANCIAL STATEMENTS OF THE COMPANY** *(continued)***7. Long-term deferred assets****2021**

	At 1 January	Additions	Amortisation	Other reductions	At 31 December
Forest compensation expenditure (Note 1)	54,606,719	–	(11,861,319)	–	42,745,400
Land compensation costs (Note 2)	24,965,996	586,089	(2,721,049)	–	22,831,036
Others	120,366,238	68,646,718	(78,538,756)	(1,782,467)	108,691,733
	199,938,953	69,232,807	(93,121,124)	(1,782,467)	174,268,169

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
Others	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

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

	2021	2020
Long-term receivables	9,585,899,220	11,203,406,277
Exploration and development costs	138,139,504	138,143,778
Prepaid investment costs, prepayments for exploration and mining rights and others	1,147,280,880	1,102,618,473
	10,871,319,604	12,444,168,528

9. Trade payables

Trade payables are interest-free and normally settled within four months.

As at 31 December 2021 and 31 December 2020, the Company had no significant trade payables aged more than one year.

Notes to Financial Statements *(continued)*

For the year ended 31 December 2021

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

XV. NOTES TO FINANCIAL STATEMENTS OF THE COMPANY *(continued)*

10. Bonds payable

In 2019, the Company issued medium-term notes through the Interbank Market Clearing House Co., Ltd. Among which, it 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; 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; medium-term notes with a face value of RMB1.0 billion, a maturity of 3 years and an annual interest rate of 3.70% on 8 July 2019; 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; 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 21 February 2020; and medium-term notes with a face value of RMB2.0 billion, a maturity of 3 years and an annual interest rate of 4.20% on 23 November 2020. 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 (Zhengjian Xuke [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 was 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 was from 10 May 2021 to 2 November 2025. Pursuant to the terms set out in the Offering Document for the Public Issuance of A Share Convertible Corporate Bonds in 2020 of the Company, as the closing price of the Company's A Shares in 15 consecutive trading days from 10 May 2021 to 28 May 2021 were no less than 130% of the prevailing conversion price of "Zijin Convertible Bonds" (i.e. RMB9.10 per A share), the Company had the right to redeem all or partial unconverted convertible bonds at the price of face value of the bonds plus the accrued interest for that period. As of the closing of the redemption registration date (25 June 2021), the accumulative number of shares converted was 854,361,694, accounted for 99.68% of the total amount of "Zijin Convertible Bonds" issued; the redeemed number of convertible bonds was 194,320, accounted for 0.32% of the total amount of "Zijin Convertible Bonds" issued. Since 28 June 2021, the "Zijin Convertible Bonds" (stock code: 113041) were delisted from the Shanghai Stock Exchange.

In 2021, the Company issued medium-term notes through the Interbank Market Clearing House Co., Ltd. Among which, it issued green medium-term notes (carbon neutral bonds) with a face value of RMB0.3 billion on 27 April 2021, a maturity of 3 years and an annual interest rate of 3.71%, and medium-term notes with a face value of RMB1.5 billion, a maturity of 5 years and an annual interest rate of 3.25% on 14 September 2021. The interest payments of the above medium-term notes shall be settled annually and the principals shall be repaid in full upon their maturities.

In 2021, the Company issued corporate bonds through the China Securities Depository and Clearing Corporation Limited. Among which, it issued corporate bonds with a face value of RMB1.5 billion, a maturity of 3 years and an annual interest rate of 3.46% on 3 June 2021; corporate bonds with a face value of RMB0.5 billion, a maturity of 5 years and an annual interest rate of 3.87% on 3 June 2021; corporate bonds with a face value of RMB2 billion, a maturity of 5 years and an annual interest rate of 3.10% on 3 August 2021. The interest payments of the above corporate bonds shall be settled annually and the principals shall be repaid in full upon their maturities.

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.)*XV. NOTES TO FINANCIAL STATEMENTS OF THE COMPANY *(continued)*

11. Long-term payables

	2021	2020
Entrusted investments	201,368,782	201,368,782
Loans from a shareholder	12,060,000	14,860,000
Payables to subsidiaries	6,250,000,000	3,750,000,000
	6,463,428,782	3,966,228,782
Including: Current portion of long-term payables	(2,800,000)	(2,800,000)
	6,460,628,782	3,963,428,782

* Maturity analysis of long-term payables is as follows:

	2021	2020
Within 1 year or repayable on demand	2,800,000	2,800,000
Over 1 year but within 2 years	6,252,800,000	2,800,000
Over 2 years but within 5 years	6,460,000	3,758,400,000
Over 5 years	201,368,782	202,228,782
	6,463,428,782	3,966,228,782

12. Operating income and operating costs

	2021		2020	
	Operating income	Operating costs	Operating income	Operating costs
Principal operations	6,194,329,707	2,617,117,159	3,855,501,180	1,947,384,327
Other operations	615,968,883	223,327,236	406,893,279	151,942,286
	6,810,298,590	2,840,444,395	4,262,394,459	2,099,326,613

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.)

XV. NOTES TO FINANCIAL STATEMENTS OF THE COMPANY *(continued)*

13. Finance expenses

	2021	2020
Interest expenses	1,404,562,529	1,142,005,369
<i>Including: Bank borrowings</i>	784,176,643	553,457,934
<i>Bonds payable</i>	601,106,982	537,668,050
<i>Ultra short-term financing bonds</i>	19,278,904	50,879,385
Less: Interest income	896,191,627	747,685,460
Exchange differences	50,911,154	128,028,671
Bank charges	24,260,007	24,352,418
Amortisation of unrecognised finance expenses (Note 1)	13,719,503	29,604,753
Unearned finance income (Note 2)	(6,436,236)	(22,268,402)
	590,825,330	554,037,349

Note 1: Unrecognised finance expenses consisted of amortisation of unrecognised interest expenses of provisions of RMB13,719,503.

Note 2: Unearned finance income was the amortisation of unrecognised finance income from long-term receivables.

In 2021 and 2020, the Company incurred no capitalised interest expenses, and none of the above interest income was generated from impaired financial assets.

14. (Credit impairment losses)/Reversal of credit impairment losses and impairment losses/(reversal of impairment losses) on assets

(Credit impairment losses)/Reversal of credit impairment losses	2021	2020
(Bad debt provision)/Reversal of bad debt provision for trade receivables	(12,324)	195,040
Bad debt provision for other receivables	(28,404,074)	–
	(28,416,398)	195,040
Impairment losses/(Reversal of impairment losses) on assets	2021	2020
Reversal of/(Provision for) impairment losses on assets	3,703,795	(2,861,192)
Impairment losses for prepayments	(10,000)	–
	3,693,795	(2,861,192)

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.)*XV. NOTES TO FINANCIAL STATEMENTS OF THE COMPANY *(continued)*

15. Investment income

	2021	2020
Investment income from long-term equity investments under the cost method	913,018,798	970,581,500
Investment income from long-term equity investments under the equity method	1,151,253,405	215,739,894
Investment losses on disposal of subsidiaries	(1,184,394)	(17,376,531)
Investment income on disposal of associates	–	363,915
Investment income/(losses) on disposal of financial assets and financial liabilities at fair value through profit or loss (Note 1)	192,202,435	(19,831,938)
Dividend income from other equity instrument investments during the holding period	13,616,500	16,200,000
	2,268,906,744	1,165,676,840

Note 1: The investment income from disposal of held for trading financial assets included the investment income from derivative instruments amounting to RMB178,816,362 (2020: losses of RMB35,010,200), and other investment income amounting to RMB13,386,073 (2020: losses of RMB15,178,262).

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:

	2021	2020
Net profit	3,350,881,756	1,642,226,245
Add: Provisions for asset impairment	24,722,603	2,666,152
Depreciation of fixed assets	402,985,606	488,310,904
Depreciation of right-of-use assets	4,052,312	1,350,771
Amortisation of intangible assets	11,276,817	11,673,697
Amortisation of long-term deferred assets	93,121,124	87,285,609
Gains on disposal of fixed assets, intangible assets and other long-term assets	(510,646)	(608,601)
Losses on write-off of fixed assets	733,756	2,546,208
Losses/(Gains) on changes in fair value	119,946,651	(165,584,277)
Finance expenses	651,516,119	523,856,395
Investment income	(2,266,776,107)	(1,164,206,421)
Increase in deferred tax assets	(62,337,881)	(2,288,802)
Increase in deferred tax liabilities	(11,580,225)	–
Decrease in inventories	30,014,784	16,546,440
(Increase)/Decrease in receivables from operating activities	(193,272,897)	144,796,074
Increase/(Decrease) in payables from operating activities	427,287,445	(82,733,384)
Others	184,514,697	(14,658,076)
Net cash flows from operating activities	2,766,575,914	1,491,178,934

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.)

XV. NOTES TO FINANCIAL STATEMENTS OF THE COMPANY *(continued)*

16. Supplementary information to the statement of cash flows *(continued)*

(1) Supplementary information to the statement of cash flows *(continued)*

Net changes in cash and cash equivalents:

	2021	2020
Closing balance of cash	2,480,178,655	4,639,641,199
Less: Opening balance of cash	4,639,641,199	1,445,704,014
Add: Closing balance of cash equivalents	190,627,714	67,586,111
Less: Opening balance of cash equivalents	67,586,111	111,083,410
(Decrease)/Increase in cash and cash equivalents	(2,036,420,941)	3,150,439,886

(2) Cash and cash equivalents

	2021	2020
Cash	2,480,178,655	4,639,641,199
<i>Including: Cash on hand</i>	25,292	27,530
<i>Cash at banks that can be readily drawn on demand</i>	2,480,153,363	4,639,613,669
Cash equivalents	190,627,714	67,586,111
Closing balance of cash and cash equivalents at the end of the year	2,670,806,369	4,707,227,310

17. Commitments

	2021	2020
Capital commitments (Note 1)	10,898,529	14,301,007

Note 1: As at 31 December 2021, the amount of capital commitments relating to acquisition and construction of property, plant, machinery and equipment and mining assets was RMB10,898,529 (31 December 2020: RMB14,301,007).

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.)***XVI. SUPPLEMENTARY INFORMATION****1. SUMMARY OF NON-RECURRING PROFIT OR LOSS**

Item	2021
Net profit attributable to owners of the parent	15,672,870,591
Add/(Less): Net losses on disposal of non-current assets	119,558,603
Government grants recognised in the statement of profit or loss	(354,291,492)
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)	59,836,500
Capital utilisation fee received from non-financial enterprises which is included in profit or loss for the current period	(687,511,134)
Investment income from disposal of long-term equity investments	3,558,514
Other non-operating income and expenses other than the aforesaid items	180,951,896
Other profit or loss items that meet the definition of non-recurring profit or loss (Note 2)	(588,878,419)
	14,406,095,059
Impact on income tax	23,933,491
	14,430,028,550
Impact on the non-controlling interests (after tax)	250,505,633
	14,680,534,183

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.

Note 1: Including the losses on changes in fair value of trading stocks, funds and currency swaps amounting to RMB45,311,380 and losses on disposal of stocks, funds, currency swaps and wealth management products amounting to RMB14,525,120.

Note 2: Including the reversal of credit impairment loss for financial guarantee contracts individually subject to impairment test of RMB588,878,419.

Notes to Financial Statements *(continued)*

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RMB

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

XVI. SUPPLEMENTARY INFORMATION *(continued)*

2. RETURN ON NET ASSETS AND EARNINGS PER SHARE

2021		Return on net assets (%)		Earnings per share		
		Fully diluted	Weighted average	Basic	Diluted	
	Net profit attributable to ordinary shareholders of the parent	15,672,870,591	22.06	23.97	0.60	0.60
	Net profit after non-recurring profit or loss attributable to ordinary shareholders of the parent	14,680,534,183	20.67	22.45	0.57	0.57

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

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 of 25 June 2021, the conversion of the Company's convertible corporate bonds into shares was completed, the total number of shares converted was 854,361,694.

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.



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