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

**紫金礦業集團股份有限公司**

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

**(Stock code: 2899)**

## **ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2020**

For the year ended 31 December 2020, the Group realised operating income of RMB171.501 billion, representing an increase of 26.01% compared with the same period last year (2019: RMB 136.098 billion).

For the year ended 31 December 2020, the Group realised profit before tax of RMB10.846 billion, representing an increase of 55.51% compared with the same period last year (2019: RMB6.974 billion).

For the year ended 31 December 2020, the Group realised net profit attributable to owners of the listed company of RMB6.509 billion, representing an increase of 51.93% compared with the same period last year (2019: RMB4.284 billion).

As at 31 December 2020, the Group's total assets was RMB182.313 billion, representing an increase of 47.23% compared with the beginning of the year (beginning of the year: RMB123.831 billion).

As at 31 December 2020, the Group's net assets attributable to owners of the listed company was RMB56.539 billion, representing an increase of 10.46% compared with the beginning of the year (beginning of the year: RMB51.186 billion).

The Board of Directors proposed the profit distribution plan for the year ended 31 December 2020: a final cash dividend of RMB1.2 per 10 shares (tax included). The profit distribution proposal for the year ended 31 December 2020 is subject to the approval at the shareholders' general meeting.

The Board of Directors of Zijin Mining Group Co., Ltd.\* is pleased to announce the audited consolidated annual results of the Company and its subsidiaries (collectively referred to the “Group”) for the year ended 31 December 2020. (China Accounting Standards for Business Enterprises (“CAS”) and the related laws and regulations were adopted for the preparation of the financial statements)

Zijin Mining Group Co., Ltd.\*  
Consolidated Statement of Financial Position  
As at 31 December 2020  
RMB

<b><u>ASSETS</u></b>	<b><u>Note</u></b>	<b><u>31 December 2020</u></b>	<b><u>31 December 2019</u></b>
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		11,955,339,296	6,225,144,800
Held for trading financial assets		1,930,142,166	687,951,525
Trade receivables	14	1,141,449,611	944,115,730
Receivables financing		1,584,054,139	1,318,505,074
Prepayments		1,410,054,078	1,323,248,170
Other receivables		1,195,047,565	899,847,411
Inventories		18,064,160,420	14,886,554,158
Current portion of non-current assets		40,255,087	956,692,852
Other current assets		1,941,901,571	1,352,336,396
Total current assets		39,262,403,933	28,594,396,116
<b>NON-CURRENT ASSETS</b>			
Debt investments		255,811,321	-
Long-term equity investments		7,099,654,913	6,924,416,093
Other equity instrument investments		6,482,326,358	4,410,441,677
Other non-current financial assets		37,500,000	951,779,422
Investment properties		124,070,873	130,373,389
Fixed assets		48,545,670,954	38,624,766,390
Construction in progress		15,236,029,582	5,876,829,425
Right-of-use assets		238,255,309	354,772,381
Intangible assets		46,760,243,982	24,162,508,461
Goodwill		314,149,588	314,149,588
Long-term deferred assets		1,301,906,634	1,205,837,946
Deferred tax assets		1,182,983,944	836,666,816
Other non-current assets		15,472,243,012	11,444,009,515
Total non-current assets		143,050,846,470	95,236,551,103
<b>TOTAL ASSETS</b>		<b>182,313,250,403</b>	<b>123,830,947,219</b>

Zijin Mining Group Co., Ltd.\*  
Consolidated Statement of Financial Position (continued)  
As at 31 December 2020  
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<b><u>LIABILITIES AND OWNERS' EQUITY</u></b>	<b><u>Note</u></b>	<b><u>31 December 2020</u></b>	<b><u>31 December 2019</u></b>
<b>CURRENT LIABILITIES</b>			
Short-term borrowings		20,719,121,154	14,440,917,886
Held for trading financial liabilities		647,508,441	326,139,054
Bills payable		955,561,056	420,860,145
Trade payables	15	5,542,998,831	4,382,104,169
Contract liabilities		452,695,891	359,453,565
Employee benefits payable		1,317,467,162	852,297,934
Taxes payable		1,880,291,712	985,193,397
Other payables		7,371,403,664	5,326,849,819
Current portion of non-current liabilities		7,975,748,215	5,768,840,060
Other current liabilities		172,904,917	500,000,000
Total current liabilities		47,035,701,043	33,362,656,029
<b>NON-CURRENT LIABILITIES</b>			
Long-term borrowings		29,082,887,198	13,826,221,524
Bonds payable		16,109,678,619	11,966,468,687
Lease liabilities		172,704,600	282,347,122
Long-term payables		1,946,237,992	1,201,391,669
Provision		4,136,622,582	2,927,712,283
Deferred income		456,711,967	496,720,164
Deferred tax liabilities		6,543,876,371	2,687,831,677
Other non-current liabilities		2,232,388,555	-
Total non-current liabilities		60,681,107,884	33,388,693,126
<b>TOTAL LIABILITIES</b>		<b>107,716,808,927</b>	<b>66,751,349,155</b>

Zijin Mining Group Co., Ltd.\*  
Consolidated Statement of Financial Position (continued)  
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<b><u>LIABILITIES AND OWNERS' EQUITY</u></b> <b><u>(continued)</u></b>	<b><u>Note</u></b>	<b><u>31 December 2020</u></b>	<b><u>31 December 2019</u></b>
EQUITY			
Share capital		2,537,725,995	2,537,725,995
Other equity instruments		5,355,681,209	4,985,500,000
<i>Including: Renewable corporate bonds</i>		<i>4,486,950,000</i>	<i>4,985,500,000</i>
Capital reserve		18,610,084,074	18,690,342,400
Other comprehensive income	12	812,570,699	(473,929,209)
Special reserve		154,686,505	120,952,216
Surplus reserve		1,319,401,104	1,319,401,104
Retained earnings	16	27,748,404,618	24,005,972,520
Equity attributable to owners of the parent		56,538,554,204	51,185,965,026
Non-controlling interests		18,057,887,272	5,893,633,038
TOTAL EQUITY		74,596,441,476	57,079,598,064
TOTAL LIABILITIES AND OWNERS' EQUITY		182,313,250,403	123,830,947,219

Zijin Mining Group Co., Ltd.\*  
Consolidated Statement of Profit or Loss  
For the year ended 31 December 2020  
RMB

	<u>Note</u>	<u>2020</u>	<u>2019</u>
OPERATING INCOME	2	171,501,338,490	136,097,978,018
Less: Operating costs	2	151,070,863,441	120,582,627,749
Taxes and surcharges	3	2,499,195,383	1,874,141,394
Selling expenses		427,684,618	574,433,782
Administrative expenses		3,845,610,597	3,689,326,869
Research and development expenses		582,514,953	476,341,941
Financial expenses	4	1,784,243,603	1,466,849,459
Including: Interest expenses		2,056,543,584	1,927,817,536
Interest income		620,767,659	499,675,899
Add: Other income		342,312,056	290,839,484
Investment (losses)/income	5	(522,067,721)	34,406,224
Including: Share of profits of associates and joint ventures		209,744,927	96,011,495
Gains/(Losses) on changes in fair value	6	342,356,736	(59,752,112)
Credit impairment losses	7	130,622,540	(65,619,609)
Impairment losses on assets	8	(357,114,009)	(368,381,596)
Gains/(Losses) on disposal of non-current assets		12,407,033	(23,675,053)
OPERATING PROFIT		11,239,742,530	7,242,074,162
Add: Non-operating income	9	138,757,205	50,080,938
Less: Non-operating expenses	10	532,472,561	317,876,334
PROFIT BEFORE TAX		10,846,027,174	6,974,278,766
Less: Income tax expenses		2,387,988,221	1,913,374,082
NET PROFIT		8,458,038,953	5,060,904,684
Classification according to the continuity of operations			
Net profit from continuing operations		8,458,038,953	5,060,904,684
Attributable to:			
Owners of the parent		6,508,553,913	4,283,957,365
Non-controlling interests		1,949,485,040	776,947,319

Zijin Mining Group Co., Ltd.\*  
Consolidated Statement of Profit or Loss (continued)  
For the year ended 31 December 2020  
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	<u>Note</u>	<u>2020</u>	<u>2019</u>
NET OTHER COMPREHENSIVE INCOME AFTER TAX			
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods			
Changes in fair value of other equity instrument investments		2,183,173,385	1,146,766,336
Other comprehensive income that may be reclassified to profit or loss in subsequent periods			
Hedging costs - forward elements		5,617,436	(65,505,914)
Exchange differences arising from translation of financial statements denominated in foreign currencies		(872,186,733)	123,196,019
Other comprehensive income attributable to owners of the parent		1,316,604,088	1,204,456,441
Other comprehensive income attributable to non-controlling interests		(541,960,459)	85,157,856
Subtotal of net other comprehensive income after tax		<u>774,643,629</u>	<u>1,289,614,297</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>9,232,682,582</u>	<u>6,350,518,981</u>
Attributable to:			
<i>Owners of the parent</i>		7,825,158,001	5,488,413,806
<i>Non-controlling shareholders</i>		1,407,524,581	862,105,175
Earnings per share	11		
Basic earnings per share		<u>0.25</u>	<u>0.18</u>
Diluted earnings per share		<u>0.25</u>	<u>0.18</u>

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Notes to Financial Statements  
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1. Taxes

1. Major taxes and tax rates

Value-added tax (“VAT”)	<p>For the Company and the Company’s subsidiaries incorporated and operating in the PRC: Sales of final gold products and carrying-gold minerals are exempted from VAT. The output VAT rate for mining and processing of ferrous metals such as iron concentrates and non-ferrous metals such as copper concentrates, zinc concentrates, and the sales and processing of copper cathodes, zinc bullion, silver bullion and materials is 13%. The taxpayer is required to remit the VAT it collects to the tax authority, but may deduct the VAT it has paid on eligible purchases. The output VAT rate for transportation service income is 9%, and that for trademark royalty income and technical service income is 6%. The taxpayer is required to remit the VAT it collects to the tax authority, but may deduct the VAT it has paid on eligible purchases.</p> <p>For the Company’s subsidiaries incorporated and operating abroad: The output VAT rate of 10%-20% is applicable to subsidiaries in different countries and regions according to local VAT or goods services tax (“GST”) law.</p>
City construction and maintenance tax	<p>Levied on actual payment of turnover tax at rates ranging from 1% to 7%.</p>
Resource tax	<p>For the Company and the Company’s subsidiaries incorporated and operating in the PRC: Taxes on mineral resources are calculated with the price-based method. The basis for taxation is the sales amount of original ore concentrates (or processed products from original ore), primary products or gold bullion. Since 1 July 2016, the tax rates were 1% to 4% for gold resources; 2% to 7% for copper resources; 1% to 6% for iron resources; and 2% to 6% for zinc-lead resources. After the applicable Resource Tax Law of the People’s Republic of China (the “Resource Tax Law”) was formally implemented on 1 September 2020, the tax rates were 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.</p> <p>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.</p>

Zijin Mining Group Co., Ltd.\*  
Notes to Financial Statements (continued)  
For the year ended 31 December 2020  
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1. Taxes (continued)

1. Major taxes and tax rates (continued)

Corporate income tax	Countries or regions where the subsidiaries and joint operation are situated	Tax rate
	Mainland China	25%
	Hong Kong	16.5%
	Australia, the DR Congo and Papua New Guinea	30%
	The Republic of Serbia	15%
	The Republic of Tajikistan	13%
	Russian Federation	20%
	Eritrea	38%
	Colombia	32%
	Guyana	25%
	The Kyrgyz Republic (Note 1)	

Note 1: For the Company's subsidiaries incorporated in the Kyrgyz Republic, according to the local tax laws, a zero corporate income tax rate is adopted for taxpayer specialising in mining activities and selling gold ore, gold concentrates, alloy gold and refined gold. Meanwhile, income tax is imposed on the revenue ranging at the rate from 1% to 20% depending on the range of gold price.

Some subsidiaries of the Company enjoy preferential tax treatment. Please refer to Note 1.2 for details of major subsidiaries of the Company which enjoy preferential tax treatment.

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 on Continuing the Corporate Income Tax Policies under the Western Development issued by the Ministry of Finance, the State Taxation Administration and the National Development and Reform Commission (Ministry of Finance Announcement 2020 No. 23) on 23 April 2020, from 1 January 2011 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.



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Notes to Financial Statements (continued)  
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1. Taxes (continued)

2. Tax incentives (continued)

In 2020, the following subsidiaries of the Group met the conditions for enjoying tax concessions and were entitled to a reduced CIT rate of 15%:

- (1) Xinjiang Ashele Copper Co., Ltd. (“Ashele Copper”) met the conditions of preferential taxation policies for the Western Development and was entitled to a tax concession at a reduced CIT rate of 15% in 2020.
- (2) Xinjiang Zijin Zinc Co., Ltd. (“Xinjiang Zijin Zinc”) met 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 2020.
- (3) Xinjiang Jinbao Mining Co., Ltd. (“Xinjiang Jinbao”) met the conditions of preferential taxation policies for the Western Development and was entitled to a tax concession at a reduced CIT rate of 15% in 2020.
- (4) Hunchun Zijin Mining Co., Ltd. (“Hunchun Zijin”) met the conditions of preferential taxation policies for the Western Development and was entitled to a tax concession at a reduced CIT rate of 15% in 2020.
- (5) Urad Rear Banner Zijin Mining Co., Ltd. (“Urad Rear Banner Zijin”) met the conditions of preferential taxation policies for the Western Development and was entitled to a tax concession at a reduced CIT rate of 15% in 2020.

Pursuant to the regulations of “Measures for Implementation of Corporate Income Tax Policies in Tibet Autonomous Region” (Zang Zheng Fa [2014] No. 51), all enterprises in Tibet Autonomous Region are entitled to a CIT rate of 15% under the Western Development Strategy. Pursuant to the regulations of “Certain Regulations on Preferential Policies of Tibet Autonomous Region for Attracting Investment (Tentative)” (Zang Zheng Fa [2018] No. 25), the enterprises which were allowed to be established before 1 January 2018 and subject to the relevant tax concession policies following the relevant laws, regulations and relevant regulations of the People’s Government of Tibet Autonomous Region that time can continue to enjoy tax concession after the regulation was implemented until 31 December 2020. Tibet Julong Copper Co., Ltd. (“Julong Copper”), a subsidiary of the Group, met the conditions of preferential regulations and was entitled to a tax concession at a reduced CIT rate of 15%.

Zijin Mining Group Co., Ltd.\*  
Notes to Financial Statements (continued)  
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1. Taxes (continued)

2. Tax incentives (continued)

Pursuant to the Notice Concerning Revision and Issuance of Administration Policy for Determination of High and New Technology Enterprise issued by the Ministry of Science and Technology, the Ministry of Finance and the State Taxation Administration (Guo Ke Fa Huo [2016] No. 32) and the Notice Concerning Revision and Issuance of Administration Guideline on Determination of High and New Technology Enterprise issued by the Ministry of Science and Technology, the Ministry of Finance and the State Taxation Administration (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, Finance Department of Fujian Province, State Tax Bureau of Fujian Province, Local Tax Bureau of Fujian Province, etc. on 23 October 2017 (reference number: GR201735000251). The validity period of the certificate was from 23 October 2017 to 23 October 2020. After the abovementioned certificate expired, on 1 December 2020, the Company obtained the certificate of High and New Technology Enterprise jointly issued by authorities including the Science and Technology Department of Fujian Province, Finance Department of Fujian Province, the State Taxation Administration Fujian Province Bureau, etc. on 1 December 2020 (reference number: GR202035000605). The validity period of the certificate is from 1 December 2020 to 30 November 2023. The Company was entitled to enjoy the preferential CIT policies for high and new technology enterprises and entitled to a tax concession of the CIT rate of 15% in 2020.

According to the Departmental Interpretation and Practice Notes No. 52 issued by the Inland Revenue Department of the Hong Kong Special Administrative Region, Zijin International Capital Company Limited meets the conditions for being identified as a qualified corporate treasury center, and the profits tax was reduced by 50%, i.e., profits tax is levied at 8.25% in 2020.

The Company's subsidiaries incorporated in the Russian Federation meet the prescribed requirements of the local tax concession regulations, and the applicable income tax rate for 2019 and from 2020 to 2024 is 0% and 10% respectively.

	2020	2019
Current income tax expenses	2,462,295,011	1,851,659,710
Deferred tax expenses	<u>(74,306,790)</u>	<u>61,714,372</u>
	<u>2,387,988,221</u>	<u>1,913,374,082</u>

Zijin Mining Group Co., Ltd.\*  
Notes to Financial Statements (continued)  
For the year ended 31 December 2020  
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1. Taxes (continued)

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

	2020	2019
Profit before tax	10,846,027,174	6,974,278,766
Tax at the statutory tax rate (Note 1)	2,711,506,794	1,743,569,692
Effect of different tax rates applicable to certain subsidiaries (Note 1)	(345,745,474)	69,634,030
Adjustments in respect of current tax of previous periods	(19,586,289)	(22,968,893)
Income not subject to tax (Note 2)	(56,888,316)	(33,292,467)
Expenses not deductible for tax	35,450,575	47,188,912
Tax losses utilised from previous periods	(163,927,682)	(214,529,747)
Effect of unrecognised deductible temporary differences and deductible tax losses	<u>227,178,613</u>	<u>323,772,555</u>
Tax charge at the Group's effective tax rate	<u>2,387,988,221</u>	<u>1,913,374,082</u>

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 applicable tax rate based on assessable profits generated in Hong Kong for the current period. Taxes on profits assessable elsewhere have been calculated at the tax rates prevailing and in accordance with current laws, interpretations and customs in the countries/jurisdictions in which the Group operates.

Note 2: In 2020, income not subject to tax mainly included investment income from long-term equity investments under the equity method of RMB209,744,927 (2019: investment income of RMB96,011,495) and sales revenue from certain products of the Group that met the national industrial policy and enjoyed tax exemption totalled RMB12,455,269 (2019: RMB24,216,353).

2. OPERATING INCOME AND OPERATING COSTS

	2020		2019	
	Operating income	Operating costs	Operating income	Operating costs
Principal operations	169,596,341,917	149,442,326,493	135,150,418,869	119,863,254,551
Other operations	<u>1,904,996,573</u>	<u>1,628,536,948</u>	<u>947,559,149</u>	<u>719,373,198</u>
	<u>171,501,338,490</u>	<u>151,070,863,441</u>	<u>136,097,978,018</u>	<u>120,582,627,749</u>

Zijin Mining Group Co., Ltd.\*  
Notes to Financial Statements (continued)  
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3. TAXES AND SURCHARGES

	2020	2019
Resource tax	1,704,574,753	1,388,335,234
Income tax for mine-produced gold (Note 1)	185,701,604	46,849,462
Property tax	86,270,397	65,935,554
Road tax (Note 2)	82,749,149	63,373,995
Customs tax (Note 2)	78,171,706	58,291,082
Stamp duty	74,626,274	50,869,140
Educational surcharges	72,081,060	31,840,463
City construction and maintenance tax	54,364,005	29,638,037
Mineral concentrates tax (Note 2)	37,258,363	23,881,786
Local development fund	33,721,272	20,191,923
Land use tax	23,404,174	16,511,206
Environmental protection tax	9,848,234	10,385,777
Vehicle and vessel use tax	1,499,086	1,387,683
Value-added tax on land	-	(44,338,650)
Others	54,925,306	110,988,702
	<u>2,499,195,383</u>	<u>1,874,141,394</u>

Note 1: Income tax for mine-produced gold was the tax payable for mining and sales of mine-produced gold products of Altynken Limited Liability Company (“Altynken”), an overseas subsidiary of the Group, the tax basis of which were sales income from mine-produced gold products, tax rate and gold price. The tax rate was 1%-20%.

Note 2: Road tax, customs tax and mineral concentrates tax were the taxes payable by the Group’s overseas subsidiary, COMMUS, for the purchase or sale of mineral products.

4. FINANCIAL EXPENSES

	2020	2019
Interest expenses:	2,308,639,492	2,048,343,925
Including: Bank loans	1,720,092,057	1,502,675,435
Bonds payable	537,668,050	541,303,212
Ultra short-term financing bonds	50,879,385	4,365,278
Less: Interest income	613,771,145	499,675,899
Less: Capitalised interest expenses	387,886,106	120,526,389
Exchange losses/(gains)	235,105,796	(129,976,244)
Bank charges	113,361,882	86,372,706
Amortisation of unrecognised finance expenses (Note 1)	135,790,198	89,826,651
Unrealised finance income (Note 2)	(6,996,514)	(7,515,291)
	<u>1,784,243,603</u>	<u>1,466,849,459</u>

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Notes to Financial Statements (continued)  
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4. FINANCIAL EXPENSES (continued)

Note 1: The amount consisted of: amortisation of unrecognised finance expenses of provision of RMB90,907,658, amortisation of interest expenses of lease liabilities of RMB32,458,050 and amortisation of unrecognised finance expenses of other non-current liabilities of RMB12,424,490.

Note 2: Unrealised finance income was the amortisation of unrecognised finance income from long-term receivables.

Capitalised interest expenses of 2020 were included in construction in progress. In 2020 and 2019, there was no interest income arising from impaired financial assets.

5. INVESTMENT (LOSSES)/INCOME

	2020	2019
Income from long-term equity investments under the equity method	209,744,927	96,011,495
Income/(Losses) from disposal of long-term equity investments	1,093,075	(4,964,011)
Dividend income from other equity instrument investments during holding period	17,331,900	25,779,867
Losses from disposal of financial assets and liabilities at fair value through profit or loss (Note 1)	(759,112,419)	(87,114,517)
Others	8,874,796	4,693,390
	<u>(522,067,721)</u>	<u>34,406,224</u>

Note 1: Losses from disposal of financial assets and liabilities at fair value through profit or loss are as follows:

	2020	2019
1. Held for trading equity instrument investments -		
Income/(Losses) arising from stock investments	36,164,138	(38,191,494)
2. Losses arising from gold leasing investments at fair value	(18,866,014)	(51,019,363)
3. Losses arising from derivative instruments without designated hedging relationship	(832,345,240)	(46,524,639)
(3-1) Foreign currency forward contracts	11,679,600	13,316
(3-2) Commodity hedging contracts	(844,024,840)	(46,537,955)
4. Investment (losses)/income from derivative instruments with designated hedging relationship	(9,466,655)	5,615,561
5. Others	65,401,352	43,005,418
	<u>(759,112,419)</u>	<u>(87,114,517)</u>

6. GAINS/(LOSSES) ON CHANGES IN FAIR VALUE

	2020	2019
Financial assets at fair value through profit or loss	50,054,085	32,259,831
Financial liabilities at fair value through profit or loss	292,302,651	(92,011,943)
	<u>342,356,736</u>	<u>(59,752,112)</u>

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Notes to Financial Statements (continued)  
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6. GAINS/(LOSSES) ON CHANGES IN FAIR VALUE (continued)

Gains/(Losses) on changes in fair value are as follows:

	2020	2019
1. Held for trading equity instrument investments - Gains arising from changes in fair value of stock investments	92,549,811	60,348,192
2. Losses arising from changes in fair value of gold leasing at fair value	(20,665,227)	(2,577,625)
3. Hedging instruments - Gains/(Losses) arising from changes in fair value of ineffectively hedged derivative instruments	8,392,933	(943,939)
4. Gains/(Losses) arising from changes in fair value of derivative instruments without designated hedging relationship	304,349,345	(139,976,147)
(4-1) Foreign currency forward contracts	290,477,392	(26,724,322)
(4-2) Commodity hedging contracts	13,871,953	(113,251,825)
5. Others	(42,270,126)	23,397,407
	<u>342,356,736</u>	<u>(59,752,112)</u>

7. CREDIT IMPAIRMENT LOSSES

	2020	2019
Bad debt provision for trade receivables	(229,275)	(8,423,202)
Bad debt provision for other receivables	(4,679,153)	(53,636,521)
Bad debt provision for receivables financing	(2,090,794)	(1,088,851)
Reversal of credit impairment losses of financial guarantee contracts	138,440,817	-
Bad debt provision for prepayments	-	(2,471,035)
Bad debt provision for other non-current assets	(819,055)	-
	<u>130,622,540</u>	<u>(65,619,609)</u>

8. IMPAIRMENT LOSSES ON ASSETS

	2020	2019
Impairment provision for fixed assets	(268,734,744)	(7,162,090)
Provision for decline in value of inventories	(70,166,124)	(45,064,360)
Impairment provision for intangible assets	(10,316,081)	(224,773,189)
Impairment provision for construction in progress	-	(44,343,254)
Impairment provision for long-term equity investments	(5,224,244)	(47,038,703)
Impairment provision for prepayments	(1,143,020)	-
Impairment provision for other non-current assets	(1,529,796)	-
	<u>(357,114,009)</u>	<u>(368,381,596)</u>

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9. NON-OPERATING INCOME

	2020	2019	Non-recurring profits or losses in 2020
Penalty income	15,480,764	13,928,403	15,480,764
Compensation and default penalty	10,480,959	4,095,872	10,480,959
Waiver of debts	34,992,852	8,959,036	34,992,852
Others	77,802,630	23,097,627	77,802,630
	<u>138,757,205</u>	<u>50,080,938</u>	<u>138,757,205</u>

10. NON-OPERATING EXPENSES

	2020	2019	Non-recurring profits or losses in 2020
Losses on disposal of non-current assets	207,485,152	92,506,857	207,485,152
Donations	166,275,845	178,033,075	166,275,845
Penalties, compensations and overdue charges	101,708,817	11,651,161	101,708,817
Losses on stocktaking	114,868	13,057,260	114,868
Others	56,887,879	22,627,981	56,887,879
	<u>532,472,561</u>	<u>317,876,334</u>	<u>532,472,561</u>

11. EARNINGS PER SHARE

	2020 RMB/Share	2019 RMB/Share
Basic earnings per share		
Continuing operations	<u>0.25</u>	<u>0.18</u>
Diluted earnings per share		
Continuing operations	<u>0.25</u>	<u>0.18</u>

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 Approval for the Public Issuance of A Share Convertible Corporate Bonds of Zijin Mining Group Co., Ltd.\*” (Zhengjian Xuke [2020] No. 2613) issued by the CSRC, on 3 November 2020, the Company issued 60,000,000 A Share convertible corporate bonds with a nominal value of RMB100 each. The Company recalculated the earnings per share of the same period last year based on the adjusted number of shares.

As at 31 December 2020, the total nominal value of the unconverted A Share convertible corporate bonds of the Company was RMB6,000,000,000. When calculating diluted earnings per share, it is assumed that all of the A Share convertible corporate bonds were converted at the price of RMB7.01 per A Share, hence there were 855,920,114 diluted shares.

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11. EARNINGS PER SHARE (continued)

There were no potential dilutive ordinary shares for the Company in 2019.

Basic earnings per share is calculated as follows:

	2020	2019
Earnings		
Consolidated net profit attributable to ordinary shareholders of the Company		
Continuing operations	<u>6,508,553,913</u>	<u>4,283,957,365</u>
Consolidated net profit attributable to ordinary shareholders of the Company after adjustment	<u>6,250,053,913</u>	<u>4,283,957,365</u>
Consolidated net profit attributable to ordinary shareholders of the Company		
Continuing operations	<u>6,250,053,913</u>	<u>4,283,957,365</u>

Diluted earnings per share is calculated as follows:

	2020	2019
Earnings		
Consolidated net profit attributable to ordinary shareholders of the Company		
Continuing operations	<u>6,508,553,913</u>	<u>4,283,957,365</u>
Consolidated net profit attributable to ordinary shareholders of the Company after adjustment	<u>6,285,934,057</u>	<u>4,283,957,365</u>
Consolidated net profit attributable to ordinary shareholders of the Company		
Continuing operations	<u>6,285,934,057</u>	<u>4,283,957,365</u>
Shares		
Weighted average number of ordinary shares outstanding	25,377,259,946	23,288,319,281
Dilutive effect - Weighted average number of ordinary shares		
Convertible corporate bonds	<u>71,326,676</u>	-
Weighted average number of ordinary shares outstanding after adjustment	<u>25,448,586,622</u>	<u>23,288,319,281</u>



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12. OTHER COMPREHENSIVE INCOME

The accumulated balance of other comprehensive income attributable to owners of the parent in the consolidated statement of financial position is as follows:

2020

	Opening balance	Movements			Closing balance
		Amount before tax	Income tax	Amount after tax	
Changes in fair value of other equity instrument investments and others (Note 1)	95,489,647	2,277,410,080	(124,340,875)	2,153,069,205	2,248,558,852
Hedging costs - forward elements	(3,839,794)	5,617,436	-	5,617,436	1,777,642
Exchange differences arising from translation of financial statements denominated in foreign currencies	(565,579,062)	(872,186,733)	-	(872,186,733)	(1,437,765,795)
	<u>(473,929,209)</u>	<u>1,410,840,783</u>	<u>(124,340,875)</u>	<u>1,286,499,908</u>	<u>812,570,699</u>

2019

	Opening balance	Movements			Closing balance
		Amount before tax	Income tax	Amount after tax	
Changes in fair value of other equity instrument investments and others (Note 1)	(948,864,104)	1,045,753,536	(1,399,785)	1,044,353,751	95,489,647
Hedging costs - forward elements	61,666,120	(65,505,914)	-	(65,505,914)	(3,839,794)
Exchange differences arising from translation of financial statements denominated in foreign currencies	(688,775,081)	123,196,019	-	123,196,019	(565,579,062)
	<u>(1,575,973,065)</u>	<u>1,103,443,641</u>	<u>(1,399,785)</u>	<u>1,102,043,856</u>	<u>(473,929,209)</u>

Note 1: Changes in fair value were mainly changes in fair value of the stocks of Ivanhoe.

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12. OTHER COMPREHENSIVE INCOME (continued)

Total amount of other comprehensive income recognised in the statement of profit or loss during the year:

2020

	Amount before tax	Less: Amount of other comprehensive income recognised in previous periods transferred to profit or loss during the current period	Less: Amount of other comprehensive income recognised in previous periods transferred to retained earnings during the current period	Less: income tax	Attributable to the parent	Attributable to non-controlling interests
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods						
Changes in fair value of other equity instrument investments and others	2,368,208,025	-	30,104,180	73,503,539	2,183,173,385	81,426,921
Other comprehensive income that may be reclassified to profit or loss in subsequent periods						
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)
	<u>888,249,547</u>	<u>9,998,199</u>	<u>30,104,180</u>	<u>73,503,539</u>	<u>1,316,604,088</u>	<u>(541,960,459)</u>

2019

	Amount before tax	Less: Amount of other comprehensive income recognised in previous periods transferred to profit or loss during the current period	Less: Amount of other comprehensive income recognised in previous periods transferred to retained earnings during the current period	Less: income tax	Attributable to the parent	Attributable to non-controlling interests
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods						
Changes in fair value of other equity instrument investments and others	1,253,318,391	-	102,412,585	721,412	1,146,766,336	3,418,058
Other comprehensive income that may be reclassified to profit or loss in subsequent periods						
Hedging costs - forward elements	(66,897,988)	5,678,619	-	-	(65,505,914)	(7,070,693)
Exchange differences arising from translation of financial statements denominated in foreign currencies	212,006,510	-	-	-	123,196,019	88,810,491
	<u>1,398,426,913</u>	<u>5,678,619</u>	<u>102,412,585</u>	<u>721,412</u>	<u>1,204,456,441</u>	<u>85,157,856</u>

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13. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on its products and services and has nine reportable operating segments as follows:

- (1) the gold bullion segment engages in the production of gold bullion through the Group's integrated processes, i.e., mining, processing and refining;
- (2) the processed, refined and trading gold segment engages in the production of gold bullion by processing gold concentrates produced by the Group or purchased from external suppliers and gold bullion in the business of physical gold trading;
- (3) the gold concentrates segment engages in the production of gold concentrates that are up to smelting standard by processing gold ore produced by the Group;
- (4) the copper cathodes segment engages in the production of copper cathodes through the Group's integrated processes, i.e., mining, processing and refining;
- (5) the refined copper segment engages in the production of copper cathodes by processing copper concentrates produced by the Group or purchased from external suppliers;
- (6) the copper concentrates segment engages in the production of copper concentrates that are up to smelting standard by processing copper ore produced by the Group;
- (7) other concentrates segment comprises, principally, the production of zinc concentrates, tungsten concentrates, lead concentrates and iron ore;
- (8) the zinc bullion segment engages in the production of zinc bullion; and
- (9) the segment of others comprises, principally, income from sales of sulphuric acid, copperplate, silver, iron, etc. and copper cathodes trading income.

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, fair value gains or losses from the Group's financial instruments as well as head office and corporate expenses are excluded from this measurement.

Segment assets exclude cash and cash equivalents, deferred tax assets, equity investments at fair value through profit or loss, derivative financial instruments and other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude financial liabilities at fair value through profit or loss, derivative financial instruments, bank and other borrowings, deferred tax liabilities, taxes payable, bonds payable and other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties.

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13. OPERATING SEGMENT INFORMATION (continued)

2020

Item	Gold bullion	Processed, refined and trading gold	Gold concentrates	Copper cathodes	Refined copper	Copper concentrates	Other concentrates	Zinc bullion	Others	Eliminations	Total
Segment revenue:											
Sales to external customers	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	24,482,440,239	-	171,501,338,490
Intersegment sales	3,308,400,118	13,244,052,434	2,955,324,001	2,053,751,119	3,229,787,503	7,582,973,665	1,502,879,861	103,633,963	19,160,370,957	(53,141,173,621)	-
Total	11,838,092,102	108,512,039,892	4,317,361,376	6,717,715,835	27,713,223,498	11,626,695,521	6,720,157,992	3,554,414,699	43,642,811,196	(53,141,173,621)	171,501,338,490
Segment profit <sup>#</sup>	4,538,092,251	9,698,522	404,902,912	4,736,982,563	407,934,429	1,550,417,198	1,646,082,158	344,799,595	(28,884,779)	-	13,610,024,849
Gains on disposal of non-current assets	(1,782,660)	-	(2,167,910)	9,392,259	88,220	6,685,107	183,442	142,539	(133,964)	-	12,407,033
Interest and dividend income											631,103,045
Unallocated income											(1,237,602,287)
Finance costs											(2,169,905,466)
Profit before tax											10,846,027,174
Assets and liabilities											
Segment assets	53,222,367,428	13,820,789,620	13,871,829,705	9,371,396,165	14,239,738,658	30,617,189,470	14,013,758,461	3,658,375,512	188,985,571,193	(181,584,877,530)	160,216,138,682
Unallocated assets											22,097,111,721
Total assets											182,313,250,403
Segment liabilities	27,873,890,430	10,072,418,735	8,339,587,124	4,943,866,977	9,521,629,876	19,663,613,534	9,828,496,860	2,485,226,306	98,152,065,163	(111,936,347,233)	78,944,447,772
Unallocated liabilities											28,772,361,155
Total liabilities											107,716,808,927

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13. OPERATING SEGMENT INFORMATION (continued)

2020 (continued)

Item	Gold bullion	Processed, refined and trading gold	Gold concentrates	Copper cathodes	Refined copper	Copper concentrates	Other concentrates	Zinc bullion	Others	Eliminations	Total
Other disclosures											
Share of profits or losses of:											
Associates	-	-	-	83,100,841	-	1,150,112	179,475,129	-	136,710,660	-	400,436,742
Joint ventures	-	12,334,414	-	-	-	(184,978,875)	-	-	(34,318,876)	-	(206,963,337)
Impairment losses recognised in the statement of profit or loss	28,644,124	3,358,595	136,800,327	-	6,796,801	7,825,411	-	11,700,623	185,738,409	-	380,864,290
Impairment losses reversed in the statement of profit or loss	-	-	-	-	-	(138,440,817)	-	-	(15,932,004)	-	(154,372,821)
Unallocated non-cash income											342,312,056
Depreciation and amortisation	166,217,937	3,918,943,953	80,081,520	104,870,939	884,305,853	230,529,731	135,424,551	118,583,518	1,866,576,240	-	7,505,534,242
Investments in associates	-	-	-	760,722,275	-	29,533,750	1,168,713,012	-	2,098,648,289	-	4,057,617,326
Investments in joint ventures	-	189,693,648	-	-	-	1,292,391,641	-	-	1,559,952,298	-	3,042,037,587
Capital expenditure	16,808,056,869	289,251,902	5,299,721,610	1,357,495,037	937,897,452	20,588,390,493	4,419,234,332	1,156,216,135	7,197,330,892	-	58,053,594,722
Unallocated capital expenditure											39,486,592

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13. OPERATING SEGMENT INFORMATION (continued)

2019

Item	Gold bullion	Processed, refined and trading gold	Gold concentrates	Copper cathodes	Refined copper	Copper concentrates	Other concentrates	Zinc bullion	Others	Eliminations	Total
Segment revenue:											
Sales to external customers	5,039,491,746	72,371,096,168	1,503,655,377	2,736,066,390	19,199,429,220	4,217,437,128	5,933,061,455	4,024,630,424	21,073,110,110	-	136,097,978,018
Intersegment sales	3,413,359,677	8,452,535,817	1,677,964,932	1,038,781,277	1,699,033,141	5,151,014,174	1,111,907,066	14,080,786	16,800,933,172	(39,359,610,042)	-
Total	8,452,851,423	80,823,631,985	3,181,620,309	3,774,847,667	20,898,462,361	9,368,451,302	7,044,968,521	4,038,711,210	37,874,043,282	(39,359,610,042)	136,097,978,018
Segment profit <sup>#</sup>	1,301,400,545	13,956,436	257,035,570	3,892,312,658	372,805,566	1,191,892,772	1,879,886,940	327,363,983	(290,553,482)	-	8,946,100,988
Losses on disposal of non-current assets	(12,261,875)	(1,219,463)	(13,362,686)	931,436	599,968	1,612,155	146,481	(103,454)	(17,615)	-	(23,675,053)
Interest and dividend income											525,455,766
Unallocated income											(369,586,042)
Finance costs											(2,104,016,893)
Profit before tax											6,974,278,766
Assets and liabilities											
Segment assets	56,671,333,091	12,998,617,517	11,861,412,177	8,692,805,826	13,147,227,726	21,094,110,188	11,516,503,998	2,639,556,183	116,806,778,847	(146,248,359,987)	109,179,985,566
Unallocated assets											14,650,961,653
Total assets											123,830,947,219
Segment liabilities	29,698,200,649	8,513,321,574	6,874,826,088	4,878,924,342	7,987,698,360	12,377,629,046	7,968,040,568	1,352,253,236	61,048,275,547	(89,675,946,202)	51,023,223,208
Unallocated liabilities											15,728,125,947
Total liabilities											66,751,349,155

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13. OPERATING SEGMENT INFORMATION (continued)

2019 (continued)

Item	Gold bullion	Processed, refined and trading gold	Gold concentrates	Copper cathodes	Refined copper	Copper concentrates	Other concentrates	Zinc bullion	Others	Eliminations	Total
Other disclosures											
Share of profits or losses of:											
Associates	-	-	-	81,469,020	-	-	104,938,154	-	88,359,977	-	274,767,151
Joint ventures	-	9,068,060	-	-	76,784	(171,121,007)	-	-	(16,779,493)	-	(178,755,656)
Impairment losses recognised in the statement of profit or loss	16,443,593	183,473	88,825,621	19,283,677	28,623,973	3,657,827	-	14,786,003	324,497,488	-	496,301,655
Impairment losses reversed in the statement of profit or loss	(15,125,514)	-	(1,598,394)	-	(27,970,028)	(239,390)	-	-	(17,367,124)	-	(62,300,450)
Unallocated non-cash income											(59,752,112)
Depreciation and amortisation	180,448,893	2,972,133,614	69,868,252	96,051,434	747,881,383	188,659,584	138,233,750	135,703,416	1,324,031,728	-	5,853,012,054
Investments in associates	-	-	-	677,621,434	-	-	1,020,112,884	-	1,764,476,818	-	3,462,211,136
Investments in joint ventures	-	186,373,934	-	-	-	1,568,865,864	-	-	1,706,965,159	-	3,462,204,957
Capital expenditure	1,240,853,237	469,654,510	757,062,346	919,574,805	1,035,350,154	2,436,899,782	1,462,838,742	275,008,965	5,344,848,528	-	13,942,091,069
Unallocated capital expenditure											75,085,914

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13. OPERATING SEGMENT INFORMATION (continued)

#Segment profit/loss, which excluded intersegment transaction revenue/cost, is the operating profit/loss from external customers.

Geographical information

In 2020, over 84% (2019: 85%) of the Group's operating income was derived from customers based in Mainland China, and over 56% (2019: 51%) of the Group's assets were located in Mainland China.

Information about a major customer

In the year 2020, the Group's income from the Shanghai Gold Exchange was RMB91,397,165,531 (2019: RMB70,320,301,855), which was mainly derived from the gold bullion segment, and the processed, refined and trading gold segment.

14. TRADE RECEIVABLES

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

An ageing analysis of the trade receivables is as follows:

	2020	2019
Within 1 year	1,120,955,317	920,113,326
Over 1 year but within 2 years	17,600,061	9,114,974
Over 2 years but within 3 years	6,098,932	20,743,565
Over 3 years	15,596,350	13,018,550
	<u>1,160,250,660</u>	<u>962,990,415</u>
Less: Bad debt provision for trade receivables	<u>18,801,049</u>	<u>18,874,685</u>
	<u><u>1,141,449,611</u></u>	<u><u>944,115,730</u></u>

The ageing of trade receivables is calculated based on the issuing date of the sales invoice.



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14. TRADE RECEIVABLES (continued)

Details of the Group's trade receivables for which bad debt provision has been made are as follows:

	2020				
	Carrying amount		Bad debt provision		Net book value
	Amount	Proportion (%)	Amount	Proportion (%)	
For which bad debt provision has been made individually	12,378,436	1.07	12,378,436	100.00	-
Provision for bad debts based on credit risk characteristics	<u>1,147,872,224</u>	<u>98.93</u>	<u>6,422,613</u>	<u>0.56</u>	<u>1,141,449,611</u>
	<u>1,160,250,660</u>	<u>100.00</u>	<u>18,801,049</u>	<u>1.62</u>	<u>1,141,449,611</u>
	2019				
	Carrying amount		Bad debt provision		Net book value
	Amount	Proportion (%)	Amount	Proportion (%)	
For which bad debt provision has been made individually	11,234,457	1.17	11,234,457	100.00	-
Provision for bad debts based on credit risk characteristics	<u>951,755,958</u>	<u>98.83</u>	<u>7,640,228</u>	<u>0.80</u>	<u>944,115,730</u>
	962,990,415	100.00	18,874,685	1.96	944,115,730

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

	2020			2019		
	Carrying amount with estimated default	Expected credit losses rate (%)	Entire lifetime expected credit losses	Carrying amount with estimated default	Expected credit losses rate (%)	Entire lifetime expected credit losses
Within 1 year	1,120,954,467	0.30	3,362,863	920,012,775	0.30	2,760,038
Over 1 year but within 2 years	17,500,061	6.00	1,050,004	9,114,974	6.00	546,899
Over 2 years but within 3 years	5,437,087	15.00	815,563	16,367,816	15.00	2,455,173
Over 3 years	3,980,609	30.00	1,194,183	6,260,393	30.00	1,878,118
	<u>1,147,872,224</u>		<u>6,422,613</u>	<u>951,755,958</u>		<u>7,640,228</u>

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

	Opening balance	Additions	Recovery or reversal	Write-off	Closing balance
2020	18,874,685	8,990,504	(8,761,229)	(302,911)	18,801,049
2019	11,986,497	8,813,200	(389,998)	(1,535,014)	18,874,685

In 2020, provision for bad debt was RMB8,990,504 (2019: RMB8,813,200), and provision for bad debt of RMB8,761,229 was recovered or reversed (2019: RMB389,998).

In 2020, trade receivables written off amounted to RMB302,911 (2019: RMB1,535,014).

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15. TRADE PAYABLES

	2020	2019
Trade payables	<u>5,542,998,831</u>	<u>4,382,104,169</u>

As at 31 December 2020, an ageing analysis of the trade payables, based on the invoice dates, is as follows:

	2020	2019
Within 1 year	4,951,011,177	3,754,308,693
Over 1 year but within 2 years	302,794,376	358,375,254
Over 2 years but within 3 years	149,500,189	125,860,772
Over 3 years	<u>139,693,089</u>	<u>143,559,450</u>
	<u>5,542,998,831</u>	<u>4,382,104,169</u>

16. RETAINED EARNINGS

	2020	2019
At 1 January	24,005,972,520	22,181,224,459
Net profit attributable to owners of the parent	6,508,553,913	4,283,957,365
Other comprehensive income transferred to retained earnings	30,104,180	102,412,585
Less: Interest payable on renewable corporate bonds	258,500,000	258,500,000
Dividends payable in cash for ordinary shareholders	<u>2,537,725,995</u>	<u>2,303,121,889</u>
At 31 December	<u>27,748,404,618</u>	<u>24,005,972,520</u>

Pursuant to the resolution of the shareholders' general meeting on 12 June 2020, the Company distributed a cash dividend of RMB0.10 per share (2019: RMB0.10 per share) to all shareholders, calculated on the basis of 25,377,259,946 issued shares (2019: 23,031,218,891 shares), with an aggregate amount of RMB2,537,725,995 (2019: RMB2,303,121,889).

Zijin Mining Group Co., Ltd.\*  
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17. NET CURRENT LIABILITIES

	2020	2019
Current assets	39,262,403,933	28,594,396,116
Less: Current liabilities	<u>47,035,701,043</u>	<u>33,362,656,029</u>
Net current liabilities	<u>(7,773,297,110)</u>	<u>(4,768,259,913)</u>

18. TOTAL ASSETS LESS CURRENT LIABILITIES

	2020	2019
Total assets	182,313,250,403	123,830,947,219
Less: Current liabilities	<u>47,035,701,043</u>	<u>33,362,656,029</u>
Total assets less current liabilities	<u>135,277,549,360</u>	<u>90,468,291,190</u>

19. PROVISION FOR DEPRECIATION

	2020	2019
Depreciation of fixed assets	5,490,946,254	4,537,433,554
Depreciation and amortisation of investment properties	<u>6,471,837</u>	<u>15,513,671</u>

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20. CHANGES IN ACCOUNTING POLICIES

*COVID-19-related rent concessions*

In accordance with the “Accounting Treatment of COVID-19-related Rent Concessions” (the “Accounting Treatment”), a simplified method can be adopted for COVID-19-related rent concessions pursuant to the provisions of the Accounting Treatment. As a lessee, the Group adopted the aforesaid simplified method for those rent concessions arising before 30 June 2021 and which were directly caused by the COVID-19 and agreed upon between the lessors or lessees and the Company, in the preparation of the Group’s and the Company’s financial statements for the year 2020. The announcement of the Accounting Treatment does not have material impact on the Group’s and the Company’s financial statements.

*Scope of related party disclosure*

In accordance with the requirements of “Accounting Standards for Business Enterprises Interpretation No. 13”, from 1 January 2020, the following parties which were not identified as related party before shall be identified as related party: subsidiaries of the Group’s joint ventures. Such changes in accounting policy affect the identification of related parties and the disclosure of related party transactions. The comparative figures were not retrospectively adjusted pursuant to the transitional arrangement.

*Determination of a business*

In accordance with the requirements of “Accounting Standards for Business Enterprises Interpretation No. 13”, from 1 January 2020, “a set must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs” shall be used to determine if a set constitutes a business. “Involving two essential elements of inputs and processes” is no longer a determination condition. Such changes in accounting policy affect the determination of whether a transaction constitutes a business combination. The comparative figures were not retrospectively adjusted pursuant to the transitional arrangement.

## CHAIRMAN’S STATEMENT

To every investors and friends who care about and have been following on Zijin Mining:

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

In 2020, undeterred by the impact of the pandemic together with global economic recession, the new management team of Zijin Mining managed to thoroughly implement the general work directive of “deepening reform, achieving leaping growth and sustainable development”, leading the staff to fight against adversities amid considerable pressures. In view of the outbreak of the coronavirus pandemic, core management personnel gave up on their Chinese New Year holiday, heading straight to the frontline to strategise and prepare for the fight against the virus as well as monitoring the production, operation and project development; in the critical times when infections were continuously reported in overseas countries, the warriors of Zijin, boarding the multiple chartered flights arranged by the Company, fought their ways to the project sites; not to mention many of our employees who have stood firm at their posts at the frontline to keep production and construction running for more than a year. Under an extremely difficult circumstance, the Company has committed to the motto of “participating in the first battle, everyone’s performance matters in the first battle, sure-win in the first battle, winning the first battle beyond expectation”, as a result it rapidly boosted its global industrial competitiveness, achieved a faster-than-expected growth in terms of major economic indicators and attained fruitful results in project development and acquisition of crucial projects. The Company’s exceptional performance in these extraordinary times also earned substantial recognition from the capital market and investors. The total market capitalisation of the Company doubled from RMB114.8 billion as at the end of 2019 to RMB224.9 billion as at the end of 2020. And just as the new year of 2021 begins, both the Company’s value and share price have further increased, allowing most investors of the Company to harvest lucrative returns.

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

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

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

In contrast to the acceleration of the Company’s internationalisation progress, to date a largely domestic model is still being applied to operation and management. In response, the Company has established a Reform Office, which is responsible for implementing deep reforms on a continuing basis and making important decisions for building a globalised operation and management system more extensively. The

Reform Office has formulated plans regarding the work focuses in the first stage of reform in line with the general requirements of “streamlining, compliance and efficiency” and a “three-stage” approach. The Company has also sought to converge with international standards and established a top-down environmental, social and governance (ESG) mechanism and structure, with a view of making major improvements in the development of ESG system within the next two years. Owing to the active steps taken by the Company in fulfillment of its social responsibilities, the Company’s co-development belief has earned wide recognition. It was once again awarded the title of “National Civilised Enterprise” in the sixth of the contest.

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

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

**--Continue to infuse reform deeply into the organisation, achieve substantial results in the first stage of the plan for establishing preliminary globalised operation and management system.** The Company shall follow the standards for establishing a first-class international mining company and the “three-step” schedule for deepening reform to fully attain the reform goals in the first phase. Reform will be carried out with all-out efforts and courage, pushing through traditional boundaries to fully unleash the potential of the enterprise.

**--Accelerate conversion of resource advantage to maintain leaping growth of the enterprise.** The Company shall seize on the opportunities brought by economic recovery and favourable market expectation for gold and base metal prices in the post-pandemic era to effectively and resolutely implement a series of steps, including to ensure major constructions commence and reach the designated capacity and targets in time or ahead of schedule, and to raise the output of key mineral products to the maximum in a way that contribute to the leaping growth targets in operating results for both current and the next year.

**--Further boost the volume of key mineral resources owned by the Company to ensure demand for resources can be met in the pursuit of general strategic goals.** The Company shall take a global view in resource allocation and seek opportunities for important investment and acquisition, the targets of which include undervalued projects which are affected by pre-existing problems but have a high potential and mid-to large-size projects with existing production; in addition, more efforts shall be dedicated to surveying to strive for breakthroughs in geological prospecting, in order to raise the Company’s possession of mineral resources.

**--Leverage on the capital market in support of the Company’s development.** On the basis of raising the quality of the listed company, the Company shall continue to connect with the capital markets both at home and abroad and build up a diversified capital platform, in order to integrate the Company’s business segments

organically with the capital market; expansion of onshore and offshore financing channels shall be explored and the enterprise's market value shall be restored and enhanced. Furthermore, the Company shall enhance capital operation and management, give high regard to risk control and prevention, and further optimise its financial management and financing capital management.

**--Insist on technology- and innovation-driven development and build a technological research, information and digital platform which is befitting to the enterprise.** The Company shall fully leverage on the comparative advantages it has developed from years of practice in self-initiated exploration and exploitation of low-grade refractory mineral resources, concentrate on overcoming the difficulties in underground mining (primarily, the use of caving method) and engineering techniques for large-scale and low-cost development of a number of sizeable porphyry deposits, and address the key technical and applicational issues which have become barriers to the further development of both enterprises and the industry. The Company shall step up investments in technology and foster a global competitiveness driven by technology. It should also promote informatisation in system development, revolutionise mining techniques and equipment as well as development models, expedite the integration of production, operation and management system with informatisation and digitalisation, and promote quality and efficiency reforms in the enterprise's development.

**--Emphasise training and introduction of talents and address the bottleneck of a lack of global talents.** The training and introduction of global talents shall be enhanced and conducted with a global mindset in order to largely address the key issue of shortage in global talents in the coming 3-5 years. Market standards shall be adhered to in the modification of talent appraisal system to create a highly competitive mechanism that screen out non-performers. The organisation and general staff shall be energised, and a globalised human resources safeguarding system focusing on value creators shall be developed. Moreover, the building of technician teams shall be emphasised, employees' personal goals and wishes for a good life shall be taken care of, in order to allow value creators to have greater sense of ownership, belonging and satisfaction.

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

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

Chairman  
Zijin Mining Group Co., Ltd.\*

## OVERVIEW OF THE COMPANY'S OPERATION

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

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

#### **1. Business model**

##### **Mine development**

##### **Mine operation and management**

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

##### **Autonomous design and construction of mines**

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

##### **Self-initiated prospecting, exploration and acquisition of resources**

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

##### **Extension of industry chain**

##### **Optimal extension into refining business**

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

##### **Mining-related finance, capital and trading**

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



at the localities where its key operations are based.

## **2. Position in the industry**

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

### **-One of the largest mine-produced gold producers in China**

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

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

### **-The largest mine-produced copper producer in China**

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

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

### **-The largest mine-produced zinc producer in China**

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

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

#### **-A leading mine-produced silver producer in China**

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

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

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

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

## **III. Analysis on the core competitiveness during the reporting period**

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

### **1. Advantage in good corporate system and governance**

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

### **2. Advantage in vast resources base**

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

### **3. Advantage in persistent increase in production capacity**

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

#### **4. Strong advantage in technological innovation**

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

#### **5. Leading advantage in low-cost operation**

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

#### **6. Advantages in teams and corporate culture**

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

## DISCUSSION AND ANALYSIS ON OPERATING PERFORMANCE

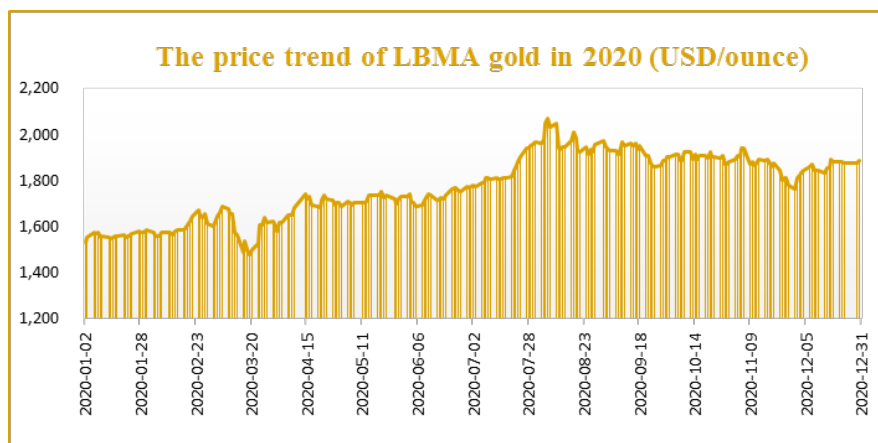
### I. Discussion and analysis on operating performance

#### (1) Condition of the industry

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

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

#### 1. Gold

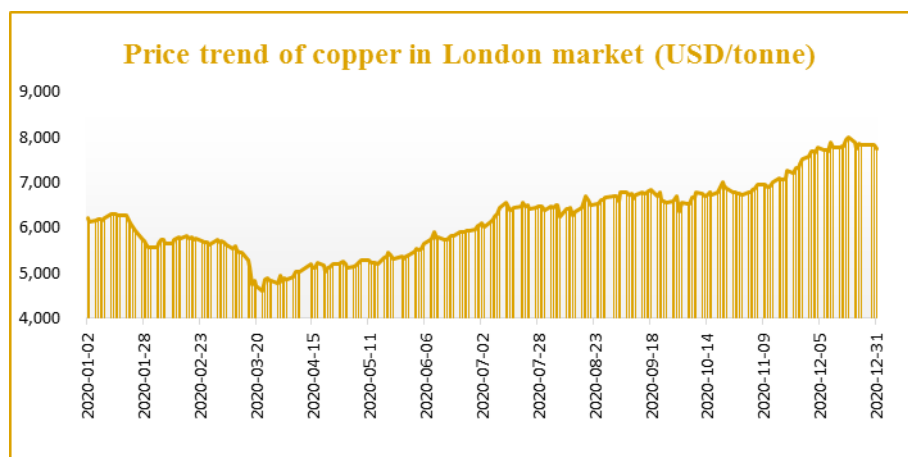


During the reporting period, the highest international gold price touched USD2,075.14/ounce, setting a new record in history, while the lowest price hit USD1,451.13/ounce, and it closed at USD1,887.60/ounce at the end of the year. The average price in the year was USD1,769.64/ounce, representing an increase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

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

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

## 2. Copper

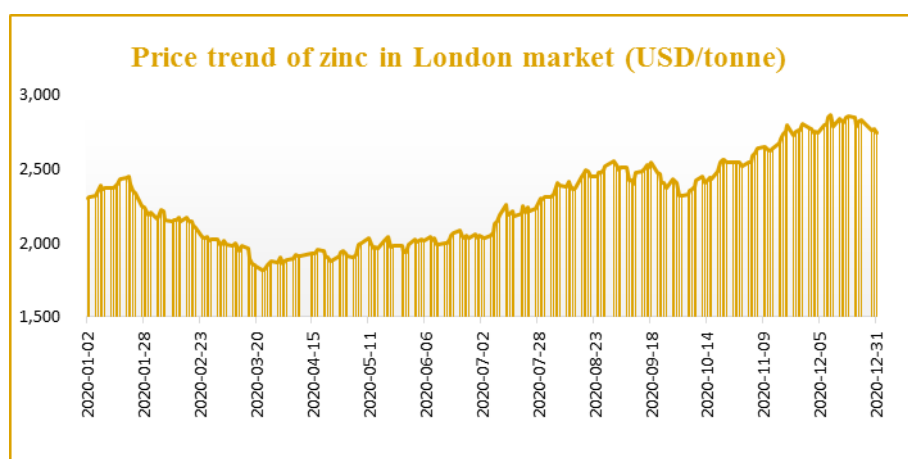


During the reporting period, the highest copper price in the London market reached USD8,028/tonne, while the lowest price hit USD4,371/tonne, and it closed at USD7,753.5/tonne at the end of the year. The average price in the year was USD6,199/tonne, representing an increase of 3.23% compared with the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

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

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

## 3. Zinc



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

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

million tonnes, representing an increase of 3.02% compared with the same period last year.

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

## **(2) Business overview**

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

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

## **Gold mine business**

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

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

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

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

### Copper mine business

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

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

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

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

### **Zinc (lead) mine business**

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

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

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

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

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

### **Silver, iron mine and other businesses**

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

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

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

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

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



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

### **Rapidly converted resource advantage into economic and social benefits**

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

### **Resource strategy consolidating the base for sustainable development**

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

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

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

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

<b>Mineral</b>	<b>Unit</b>	<b>Resources reserve (inferred resource volume or above)</b>		
		<b>At the end of 2020</b>	<b>At the end of 2019</b>	<b>Growth rate (%)</b>
Gold	t (metal)	1,958.70	1,510.28	29.69
Gold associated with other metals	t (metal)	374.93	376.59	-0.44
Subtotal of gold	t (metal)	2,333.64	1,886.87	23.68
Copper	Mt (metal)	62.0558	57.2542	8.39
Silver	t (metal)	2,923.55	1,860.64	57.13
Molybdenum	Mt (metal)	0.6490	0.6771	-4.15
Zinc	Mt (metal)	10.3270	8.5583	20.67
Lead	Mt (metal)	1.5353	1.1789	30.23

Tungsten	WO <sub>3</sub> thousand tonnes	67.7	70.2	-3.61
Tin	Mt (metal)	0.1397	0.1397	0.00
Iron	Billion tonnes (ore)	0.180	0.199	-9.87
Coal	Mt	69	69	0.00
Platinum	t (metal)	527.84	527.84	0.00
Palladium	t (metal)	378.14	378.14	0.00

Note: Certain items contain low-grade resources.

### **Further speeding up internationalised development**

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

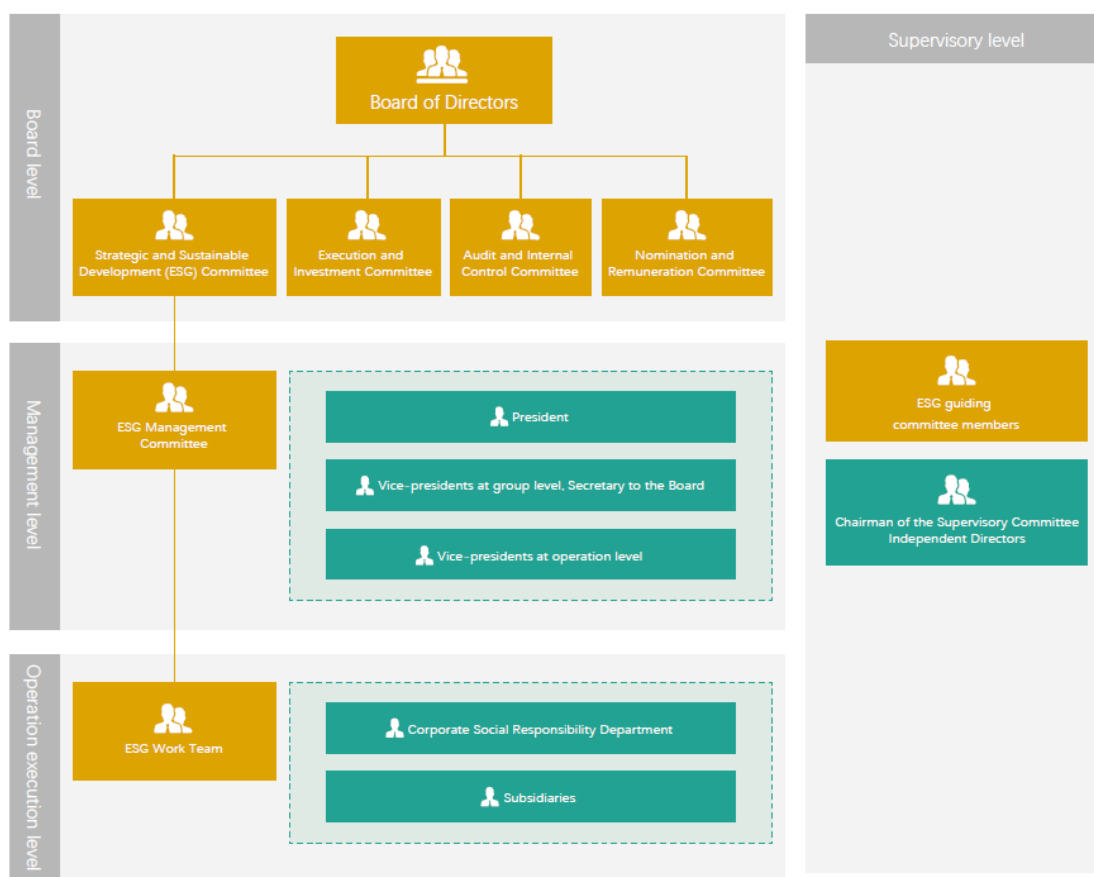
### **Comparative advantage in self-initiated innovation enhancing continuously**

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

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

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

## Organisational chart of the Company's ESG system



### Comprehensive development of globalised operation system

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

## II. Status of main businesses during the reporting period

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

### (I) Analysis of main businesses

#### 1. Operating results

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

Item	2020 (January - December)					2019 (January – December)					Increase/ Decrease in unit price
Product name	Unit price (tax excluded)		Sales volume		Amount (RMB million)	Unit price (tax excluded)		Sales volume		Amount (RMB million)	
Mine-produced gold (Note 1)	364.98	RMB/g	38,213	kg	13,661.41	296.8	RMB/g	39,199	kg	11,634.47	22.97%
Including: Gold bullion	379.23	RMB/g	25,421	kg	9,344.05	308.72	RMB/g	27,380	kg	8,452.85	22.84%
Gold concentrate	337.51	RMB/g	12,792	kg	4,317.36	269.19	RMB/g	11,819	kg	3,181.62	25.38%
Mine-produced copper	37,316	RMB/t	449,943	t	16,790.26	35,420	RMB/t	371,074	t	13,143.30	5.35%
Including: Copper concentrate	35,691	RMB/t	325,758	t	11,626.70	33,665	RMB/t	278,288	t	9,368.45	6.02%
Electrodeposited copper	40,984	RMB/t	77,248	t	3,165.93	39,925	RMB/t	48,955	t	1,954.51	2.65%

Electrolytic copper	42,560	RMB/t	46,937	t	1,997.63	41,531	RMB/t	43,831	t	1,820.34	2.48%
Mine-produced zinc	9,621	RMB/t	347,604	t	3,344.24	10,447	RMB/t	372,233	t	3,888.80	-7.91%
Mine-produced silver (Note 1)	3.17	RMB/g	286,943	kg	905.19	2.48	RMB/g	265,196	kg	658.47	27.82%
Iron ore (excluding non-subsidiaries of the Company)	624	RMB/t	3.048	Mt	1,901.76	619	RMB/t	2.9963	Mt	1,855.77	0.81%
Refined and processed gold	387.37	RMB/g	274,317	kg	106,263.45	310.33	RMB/g	260,446	kg	80,823.63	24.83%
Refined copper	42,984	RMB/t	576,367	t	24,774.42	41,700	RMB/t	501,167	t	20,898.46	3.08%
Refined zinc	16,295	RMB/t	218,133	t	3,554.41	17,665	RMB/t	228,622	t	4,038.71	-7.76%
Trading income					26,246.85	20,588.01					
Others (Note 2)					27,200.52	17,927.97					
Less: Internal elimination					-53,141.17	-39,359.61					
Total					171,501.34	136,097.98					

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

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

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

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

## 2. Analysis on costs and gross profit margin

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

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

Item	Unit cost of sales				Gross profit margin (%)	
Product name	2020	2019	Unit	Compared with the same period last year (%)	2020	2019
Mine-produced gold	177.38	172.69	RMB/g	2.72	51.40	41.82
Including: Gold bullion	181.86	178.23	RMB/g	2.04	52.05	42.27
Gold concentrate	168.77	159.86	RMB/g	5.57	50.00	40.61
Mine-produced copper	20,095	20,749	RMB/t	-3.15	46.15	41.42
Including: Copper concentrate	19,077	18,333	RMB/t	4.06	46.55	45.54

Electrodeposited copper	19,194	25,293	RMB/t	-24.11	53.17	36.65
Electrolytic copper	28,642	31,014	RMB/t	-7.65	32.70	25.32
Mine-produced zinc	6,570	6,478	RMB/t	1.41	31.71	37.99
Mine-produced silver	1.45	1.42	RMB/g	1.96	54.19	42.71
Iron ore (excluding non-subsidiaries of the Company)	174.91	192	RMB/t	-8.92	71.97	68.99
Refined and processed gold	385.05	308.61	RMB/g	24.77	0.60	0.55
Refined copper	41,360	40,356	RMB/t	2.49	3.78	3.22
Refined zinc	14,655	16,052	RMB/t	-8.70	10.06	9.13
Overall gross profit margin (Note 2)					11.91	11.40
Overall gross profit margin (excluding refining and processing enterprises)					47.71	42.63

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

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

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

Unit: RMB

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

Net cash flows from/(used in) financing activities	20,928,195,130	-325,810,301	Not applicable
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- (1) Operating income/Operating costs: Please refer to the previous analysis;
- (2) Taxes and surcharges: Mainly due to the increase in resource tax;
- (3) Selling expenses: Please refer to the analysis in “Expenses”;
- (4) Administrative expenses: Please refer to the analysis in “Expenses”;
- (5) Research and development expenses: Please refer to the analysis in “Expenses”;
- (6) Financial expenses: Please refer to the analysis in “Expenses”;
- (7) Investment (losses)/income: Please refer to the analysis in “Expenses”;
- (8) Share of profits of associates and joint ventures: Mainly due to increase in profitability of certain associates and joint ventures;
- (9) Gains/(Losses) on changes in fair value: Please refer to the analysis in “Expenses”;
- (10) Impairment losses on assets: Please refer to the analysis in “Expenses”;
- (11) Credit impairment losses: Please refer to the analysis in “Expenses”;
- (12) Gains/(Losses) on disposal of non-current assets: Mainly due to the gains on disposal of fixed assets during the reporting period, while there were losses on disposal of fixed assets during the same period last year;
- (13) Non-operating income: Mainly due to increase in income from waiver of debts;
- (14) Non-operating expenses: Mainly due to increase in obsolescence losses on fixed assets;
- (15) Net profit attributable to non-controlling interests: Mainly due to increase in profitability of non-wholly owned subsidiaries compared with the same period last year;
- (16) Changes in fair value of other equity instrument investments: Mainly due to unrealised gains on the stocks at fair value through other comprehensive income during the reporting period;
- (17) Hedging costs - forward elements: Due to the implementation of fair value hedge accounting, forward elements were initially identified and recognised in other comprehensive income, and was subsequently transferred from other comprehensive income to profit or loss for the period which hedging relationship affects the profit or loss;
- (18) Exchange differences arising from translation of financial statements denominated in foreign currencies: Due to the fluctuation of exchange rate of Renminbi to foreign currencies;
- (19) Net cash flows from operating activities: Please refer to the analysis in “Cash Flows”;
- (20) Net cash flows used in investing activities: Please refer to the analysis in “Cash Flows”;
- (21) Net cash flows from/(used in) financing activities: Please refer to the analysis in “Cash Flows”.

#### 4. Analysis on sales and costs

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

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

Unit: RMB million

Status of main businesses by product						
By product	Operating income	Operating costs	Gross profit margin (%)	Changes in operating income compared with last year (%)	Changes in operating costs compared with last year (%)	Changes in gross profit margin compared with last year (percentage point)
Mine-produced gold	13,661.41	6,639.66	51.4	17.42	-1.92	Increased by 9.58 percentage points
Mine-produced copper concentrate	11,626.70	6,214.54	46.55	24.10	21.81	Increased by 1.01 percentage points
Mine-produced electrodeposited copper	3,165.93	1,482.73	53.17	61.98	19.75	Increased by 16.52 percentage points
Mine-produced electrolytic copper	1,997.63	1,344.35	32.7	9.74	-1.10	Increased by 7.38 percentage points
Mine-produced zinc	3,344.24	2,283.67	31.71	-14.00	-5.30	Decreased by 6.28 percentage points

Mine-produced silver	905.19	414.69	54.19	37.47	9.94	Increased by 11.47 percentage points
Iron ore	1,901.76	533.13	71.97	2.48	-7.35	Increased by 2.97 percentage points
Refined, processed and trading gold	106,263.45	105,626.02	0.60	31.48	31.41	Increased by 0.05 percentage point
Refined copper	24,774.42	23,838.82	3.78	18.55	17.87	Increased by 0.55 percentage point
Refined zinc	3,554.41	3,196.73	10.06	-11.99	-12.89	Increased by 0.93 percentage point
Others	53,447.37	50,803.93	4.95	38.77	40.42	Decreased by 1.12 percentage points
Less: Internal elimination	-53,141.17	-51,307.41				
Total	171,501.34	151,070.86	11.91	26.01	25.28	Increased by 0.51 percentage point
<b>Status of main businesses by region</b>						
<b>By region</b>	<b>Operating income</b>	<b>Operating costs</b>	<b>Gross profit margin (%)</b>	<b>Changes in operating income compared with last year (%)</b>	<b>Changes in operating costs compared with last year (%)</b>	<b>Changes in gross profit margin compared with last year (percentage point)</b>
Mainland China	190,352.67	176,563.87	7.24	31.73	3.14	Increased by 0.24 percentage point
Outside Mainland China	34,289.84	25,814.40	24.72	10.77	8.00	Increased by 1.93 percentage points
Less: Internal elimination	-53,141.17	-51,307.41				
Total	171,501.34	151,070.86	11.91	26.01	25.28	Increased by 0.51 percentage point

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

Approximately 84% of the Company's operating income was generated from customers in Mainland China, among which 53.29% was from the Shanghai Gold Exchange. Therefore, the Company was unable to sort customers in Mainland China by region.

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

Major product	Unit	Production volume	Sales volume	Inventory volume	Changes in production volume compared with last year (%)	Changes in sales volume compared with last year (%)	Changes in inventory volume compared with last year (%)
Mine-produced gold	kg	40,509	38,213	6,274	-0.79	-2.52	57.72
Mine-produced copper concentrate	t	329,251	325,758	9,966	18.72	17.06	53.96
Mine-produced electrodeposited copper	t	77,259	77,248	39	57.73	57.80	39.29
Mine-produced electrolytic copper	t	46,937	46,937	0	7.78	7.09	/
Mine-produced zinc	t	342,131	347,604	7,600	-8.54	-6.62	-41.86
Mine-produced silver	kg	298,715	286,943	24,628	13.50	8.20	91.57
Iron ore (excluding	Mt	3.058	3.048	0.0125	10.10	1.73	420.83

non-subsidiaries of the Company)							
Refined, processed and trading gold	kg	274,576	274,317	301.71	5.42	5.33	598.25
Refined copper	t	575,643	576,367	851	14.81	15.01	-45.97
Refined zinc	t	218,834	218,133	1,135	-4.23	-4.59	161.52

**Explanations on production and sales volume:**

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

**(3) Table of cost analysis**

Unit: RMB million

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



	Depreciation	375.71	1.58	303.00	1.50	24.00
	Energy consumption	384.73	1.61	299.61	1.48	28.41
	Others	239.66	1.00	195.78	0.97	22.41
Refined zinc	Raw materials	2,537.92	79.39	3,055.30	83.25	-16.93
	Salary	155.71	4.87	131.43	3.58	18.47
	Depreciation	110.31	3.45	104.35	2.84	5.71
	Energy consumption	344.12	10.76	347.46	9.47	-0.96
	Others	48.68	1.53	31.32	0.86	55.43

**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 the energy consumption mainly included coal, electricity and petroleum.
2. The Group's mining enterprises mostly adopted outsourcing of works. Such outsourcing cost was included in raw materials.

**(4) Information of major customers and suppliers**

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

The procurement from the top five suppliers amounted to RMB37.799 billion, representing 25.02% 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.

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

**5. Expenses**

**Selling expenses**

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

**Administrative expenses (research and development expenses included)**

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

**Financial expenses**

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

**Impairment losses on assets/Credit impairment losses**

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

## Investment income

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

## Gains/(Losses) on changes in fair value

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

## 6. Research and development expenditure

### Table of research and development expenditure

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

## 7. Cash flows

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

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

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

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

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

The Group's daily capital requirements and capital expenditures for maintenance can be financed from its

internal cash flows. The Group also has loan facilities with no use restriction of approximately RMB169.862 billion provided by banks.

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

### Gearing Ratio

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

### Key quarterly financial data for the year 2020

Unit: RMB

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

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

Unit: RMB

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

profit or loss		
Impact on the non-controlling interests	-26,925,027	56,608,714
Impact on income tax	185,199,782	-17,307,368
<b>Total</b>	<b>186,587,485</b>	<b>287,200,128</b>

#### Items measured at fair value

Unit: RMB

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

#### (III) Analysis of assets and liabilities

##### Status of assets and liabilities

Unit: RMB

Item	Amount at the end of 2020	Proportion to total assets at the end of 2020 (%)	Amount at the end of 2019	Proportion to total assets as at the end of 2019 (%)	Percentage change in the amount at the end of 2020 compared with the amount at the end of 2019 (%)	Reasons for the change
Cash and cash equivalents	11,955,339,296	6.56	6,225,144,800	5.03	92.05	Mainly due to the increase in issuance of convertible corporate bonds during the reporting period
Held for trading financial assets	1,930,142,166	1.06	687,951,525	0.56	180.56	Mainly due to reclassification of other non-current financial assets due within one year
Other receivables	1,195,047,565	0.66	899,847,411	0.73	32.81	Mainly due to the increase in VAT refund receivables
Current portion of non-current assets	40,255,087	0.02	956,692,852	0.77	-95.79	Mainly due to reclassification of part of receivables to long-term receivables after renewal
Other current assets	1,941,901,571	1.07	1,352,336,396	1.09	43.60	Mainly due to the increase in input VAT
Other equity instrument investments	6,482,326,358	3.56	4,410,441,677	3.56	46.98	Mainly due to unrealised gains on the stocks at fair value through other comprehensive income held by the Group during the reporting period
Other non-current financial assets	37,500,000	0.02	951,779,422	0.77	-96.06	Mainly due to reclassification of current portion of other non-current financial

						assets
Construction in progress	15,236,029,582	8.36	5,876,829,425	4.75	159.26	Mainly due to inclusion of newly acquired enterprises in the scope of consolidation and the increase in investment in infrastructure and technological upgrade projects of certain subsidiaries
Right-of-use assets	238,255,309	0.13	354,772,381	0.29	-32.84	Mainly due to the increase in depreciation
Intangible assets	46,760,243,982	25.65	24,162,508,461	19.51	93.52	Mainly due to inclusion of newly acquired enterprises in the scope of consolidation
Deferred tax assets	1,182,983,944	0.65	836,666,816	0.68	41.39	Mainly due to inclusion of newly acquired enterprises in the scope of consolidation
Other non-current assets	15,472,243,012	8.49	11,444,009,515	9.24	35.20	Mainly due to inclusion of newly acquired enterprises in the scope of consolidation and increase in loans to joint ventures
Short-term borrowings	20,719,121,154	11.36	14,440,917,886	11.66	43.48	Mainly due to the increase in financing scale
Held for trading financial liabilities	647,508,441	0.36	326,139,054	0.26	98.54	Mainly due to the changes in fair value of hedging instruments
Bills payable	955,561,056	0.52	420,860,145	0.34	127.05	Mainly due to the increase in procurements of goods to be settled by bills
Employee benefits payable	1,317,467,162	0.72	852,297,934	0.69	54.58	Mainly due to increase in the provision of year-end bonus
Taxes payable	1,880,291,712	1.03	985,193,397	0.8	90.86	Mainly due to an increase in profit of certain subsidiaries which resulted in more corporate income tax
Other payables	7,371,403,664	4.04	5,326,849,819	4.30	38.38	Mainly due to inclusion of newly acquired enterprises in the scope of consolidation
Current portion of non-current liabilities	7,975,748,215	4.37	5,768,840,060	4.66	38.26	Mainly due to reclassification of current portion of bonds payable
Other current liabilities	172,904,917	0.09	500,000,000	0.4	-65.42	Mainly due to repayment of ultra short-term financing bonds
Long-term borrowings	29,082,887,198	15.95	13,826,221,524	11.17	110.35	Mainly due to inclusion of newly acquired enterprises in the scope of consolidation and increase in financing scale
Bonds payable	16,109,678,619	8.84	11,966,468,687	9.66	34.62	Mainly due to the issuance of convertible corporate bonds during the reporting period
Lease liabilities	172,704,600	0.09	282,347,122	0.23	-38.83	Mainly due to increase in lease payments

Long-term payables	1,946,237,992	1.07	1,201,391,669	0.97	62	Mainly due to inclusion of newly acquired enterprises in the scope of consolidation
Provision	4,136,622,582	2.27	2,927,712,283	2.36	41.29	Mainly due to inclusion of newly acquired enterprises in the scope of consolidation
Deferred tax liabilities	6,543,876,371	3.59	2,687,831,677	2.17	143.46	Mainly due to inclusion of newly acquired enterprises in the scope of consolidation
Other non-current liabilities	2,232,388,555	1.22	-	-	Not applicable	Mainly due to inclusion of newly acquired enterprises in the scope of consolidation
Other comprehensive income	812,570,699	0.45	-473,929,209	-0.38	Not applicable	Mainly due to unrealised gains on the stocks at fair value through other comprehensive income held by the Group during the reporting period

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

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

#### **(IV) Analysis on the operating information of the industry**

##### **1. Material changes in industrial policies during the reporting period**

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

On 1 May 2020, the national standard of “Classification for mineral resources and mineral reserves”

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

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

## **2. Material changes in tax policies during the reporting period**

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

## **3. Resource tax and environmental protection tax**

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

## **4. Resource tax rate and tax incentives**

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

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

The Company, Malipo Tungsten Group, Wuping Zijin, Zijin Mining & Metallurgy Technology, Zijin Jiabo, Zijin Testing and Chemicals Co. were entitled to a tax concession of High and New Technology Enterprises

at a reduced corporate income tax rate of 15% in 2020.

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

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



## Analysis on operating information of non-ferrous metal industry

### Basic information of self-owned mines

Name of mine (company)	Major type	Total retained resources volume (including reserves volume)		Reserve volume		Remaining number of year of mine life for the resources	Effective period of permit/mining right	Standard for calculation of resources reserve volume	Risk warning
		Metal volume	Grade	Metal volume	Grade				
Porgera Gold Mine	Gold	330,625	4.02	154,072	4.77	Open-pit mining: 9 Underground mining: 11	Mining right (17 August 2019)	For cutoff grade, the reserve volume is based on gold price of USD1,200/ounce, resource volume is based on gold price of USD1,500/ounce, calculated by software	Mining permit expired and is currently under negotiation
Paddington Operations	Gold	343,218	1.16	32,475	1.30	5	168 mining rights and 10 exploration permits (all within effective period)	Cutoff grade of open-pit mine: 0.5-0.8g/t, cutoff grade of underground mine: 1.5-3.0g/t, calculated by software	Proportion of reserve volume is comparatively low
Taldybulak Levoberezhny Gold Mine	Gold	62,687	5.53	30,675	4.62	13	Mining right (5 January 2026)	Cutoff grade of 0.5g/t, industrial grade of 2g/t, calculated by software	
Jilau, Taror Gold mines	Gold	96,133	2.10	62,526	2.51	4 (Jilau), 18 (Taror)	2 mining rights (27 January 2021), 2 mining rights (25 February 2023)	Cutoff grade and industrial grade of Jilau: 0.5g/t and 0.8g/t respectively; cutoff grade and industrial grade of Taror: 1.2g/t and 2.51g/t respectively, calculated by software	Including low-grade gold of 12.1 tonnes; 2 mining rights expired and are in the renewal process but major production

									activities are not affected
Buriticá Gold Mine	Gold	295,800	8.53	118,000	6.98	15	Mining right (19 March 2043)	Cutoff grade of 3g/t, calculated by Datamine software	
Aurora Gold Mine	Gold	177,819	2.80	69,703	2.70	Open-pit mining: 8 Underground mining: 18	Mining right (18 November 2031)	Cutoff grade based on gold price of USD1,500/ounce, calculated by Leapfrog and Datamine softwares	
Shuguang Gold and Copper mine	Gold	24,118	0.44	16,764	0.47	5	Mining right (August 2025) Mining right (May 2023)	Cutoff grade of gold equivalent of 0.45g/t, industrial grade of gold equivalent of 0.6g/t, calculated by software	
	Copper	98,318	0.18	68,474	0.19				
Zijinshan Gold and Copper Mine	Gold	7,853	0.33	651	0.30	21	Mining right (13 June 2043)	Cutoff grade and industrial grade of gold of 0.2g/t and 0.5 g/t respectively, cutoff grade of copper at open-pit mine of 0.15%, cutoff grade and industrial grade of copper at underground mine of 0.2% and 0.5% respectively, calculated by software	Reserve volume of gold ore is comparatively low
	Copper	1,721,100	0.42	673,935	0.38				
Ashele Copper Mine	Copper	563,627	2.82	464,624	2.97	8	Mining right (2 February 2031)	Cutoff grade of 0.3%, industrial grade of 0.5%, calculated by horizontal parallel cross-section method	
Duobaoshan Copper Mine	Copper	2,435,691	0.40	743,739	0.53	20	Mining right (10 April 2026)	Cutoff grade of 0.2%, industrial grade of 0.4%, calculated by vertical parallel cross-section method	Including low-grade copper of 592 thousand tonnes
Qulong Copper Mine	Copper	10,715,356	0.40	4,209,933	0.39	Qulong: 47 Zhibula: open-pit mining: 9 Underground	Mining right (29 September 2037) Exploration right (29 September 2037)	Qulong: cutoff grade and industrial grade of 0.2% and 0.4% respectively, calculated by 3DMine software; Zhibula: cutoff grade and	Including low-grade copper of 5.599 million tonnes

						mining: 16	Mining right (6 January 2041)	industrial grade of 0.3% and 0.5% respectively, calculated by parallel cross-section method	
Kolwezi Copper Mine	Copper	1,077,522	4.17	274,567	4.30	10	2 mining rights (4 March 2024)	Cutoff grade of 0.5%, industrial grade of 1.0%, calculated by software	
Serbia Zijin Copper	Copper	10,119,002	0.40	4,567,664	0.38	Southern pit of MS: 19 Northern pit of MS: 21 VK: 19 NC: 21 JM: 19	3 mining rights (effective indefinitely with no fixed period)	Cutoff grade of 0.15%, calculated by Gemcom software	
Kamoa Copper Mine	Copper	43,690,000	2.53	11,340,000	4.63	37	Mining right (19 August 2042)	Cutoff grade of 1%, calculated by software	
Upper Zone of the Čukaru Peki Copper and Gold Mine	Copper	1,280,000	3.00	890,000	3.28	11	Exploration right (19 April 2022)	Cutoff grade by NSR, resources volume: USD35/tonne based on ore volume; and reserves volume: USD35/tonne based on ore volume	
	Gold	81,491	1.91	55,986	2.07				
Lower Zone of the Čukaru Peki Copper and Gold Mine	Copper	14,300,000	0.86	0	-		Exploration right (19 April 2022)	Cutoff grade by NSR, resources volume of USD25/tonne based on ore volume	All are inferred resources volume
	Gold	298,593	0.18	0	-				
Bisha Copper and Zinc Mine	Zinc	3,035,295	4.81	693,019	5.30	7	Mining right (25 May 2028) Mining right (4 July 2022) Exploration right (24 July 2021) Exploration right (24 July 2026)	NSR is value of ore per tonne after deduction of refining costs, mining areas with different resources volume based on USD98.4/tonne, USD60.8/tonne, USD39.7/tonne, USD43.45/tonne, USD105/tonne, USD38.5/tonne, mining areas with different	

								reserves volume based on USD105.9/tonne, USD70.13/tonne	
	Copper	638,216	1.01	118,803	0.91				
Tuva Zinc and Polymetallic Mine	Zinc	830,000	9.97	648,928	10.26	12	Mining right (1 January 2025)	Industrial grade of DZn>5% (DZN=Zn+Pb+0.6Cu), calculated by traditional cross section method	
Miaogou-Sanguikou Lead and Zinc Mine	Zinc	2,069,264	2.34	1,205,992	2.30	Sanguikou: 21 Miaogou: 42	Mining right (6 June 2042) Exploration right (10 October 2033) Exploration right (7 December 2021)	Cutoff grade of 0.5%, industrial grade of 1.6%, calculated by geological ore block method and vertical cross-section method	
Wulagen Lead and Zinc Mine	Zinc	5,531,852	1.73	2,365,700	1.86	23	Mining right (3 July 2022) Mining right (27 February 2023) Exploration right (20 March 2021) Exploration right (26 November 2021) Exploration right (3 December 2020) Exploration right (8 October 2020)	Cutoff grade of open-pit mining: Zn+Pb>=0.6%, underground sulphide ore: cutoff grade of 1%, industrial grade of 2%, calculated by software	Certain exploration rights expired and application for renewal is underway; application for mining permit for the whole area is underway; including 1.347 million tonnes of low-grade zinc

**Explanations:**

1. Unit of gold metal volume: kg; unit of copper and zinc metal volume: tonne; unit of grade of gold: g/t; unit of grade of copper and zinc: %.

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

## **(V) Analysis on investment status**

### **Overall analysis on external equity investment**

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

### **Key equity investments**

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

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

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

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

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

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

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

### Key non-equity investments

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

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



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

#### 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)
<b>IVN</b>	Ivanhoe Mines	2,178,116,952	165,412,636	5,805,880,357	2,050,069,530
<b>GAU</b>	Galiano Gold (Formerly known as Asanko Gold)	84,459,862	15,300,000	111,910,517	11,377,537

#### Analysis of major subsidiaries and associates

Unit: RMB million

Gold segment						
Company name	Mine	Interest held by the Group	Total assets	Net assets	Operating income	Net profit
Joint Venture Zeravshan Limited Liability Company	Jilau, Taror Gold Mines	70%	2,472.70	-157.40	1,621.37	370.49
Norton Gold Fields Pty Limited	Paddington Operations	100%	3,036.03	1,874.24	2,075.27	532.08
Altynken Limited Liability Company	Taldybulak Levoberezhny Gold Mine	60%	1,928.83	889.26	1,691.99	614.62
Hunchun Zijin Mining Co., Ltd.	Shuguang Gold Mine	100%	1,525.50	1,167.70	1,453.75	544.41
Barrick (Niugini) Limited (Note 1)	Porgera Gold Mine	50%	2,658.18	1,495.11	980.06	-102.10
Copper segment						
Company name	Mine	Interest held by the Group	Total assets	Net assets	Operating income	Net profit
La Compagnie Minière de Musonoie Global Société Par Actions Simplifiée	Kolwezi Copper Mine	72%	4,279.51	1,816.28	4,615.92	1,038.25
Heilongjiang Duobaoshan Copper Industry Inc.	Duobaoshan Copper Mine	100%	8,025.10	4,314.12	4,527.23	1,062.54
Zijin Mining Group Company Limited* (Note 2)	Zijinshan Copper Mine	100%	-	-	-	-
Serbia Zijin Copper Doo Bor	MS/VK/NC/JM	63%	8,517.58	4,084.85	4,773.72	604.24
Xinjiang Ashele Copper Co., Ltd.	Ashele Copper Mine	51%	2,915.55	1,964.81	1,995.16	792.66
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%	3,780.43	3,154.53	2,423.15	352.51

Xinjiang Zijin Zinc Co., Ltd.	Wulagen Lead and Zinc Mine	100%	3,925.22	2,078.83	1,307.49	426.63
Urad Rear Banner Zijin Mining Co., Ltd.	Miaogou-Sanguikou Lead and Zinc Mine	95%	2,053.30	1,388.98	575.66	-51.10
Longxing Limited Liability Company in Russia	Tuva Zinc and Polymetallic mine	70%	3,203.21	1,263.89	767.85	-136.03
<b>Refining segment</b>						
<b>Company name</b>	<b>Mine</b>	<b>Interest held by the Group</b>	<b>Total assets</b>	<b>Net assets</b>	<b>Operating income</b>	<b>Net profit</b>
Zijin Copper Co., Ltd.	Refined copper	100%	9,627.20	3,349.40	18,686.21	217.78
Bayannur Zijin Non-ferrous Metals Co., Ltd.	Zinc bullion	87.20%	2,774.55	1,346.99	3,750.44	253.32
Jilin Zijin Copper Co., Ltd.	Refined copper	100%	3,720.31	1,000.56	8,315.70	-84.96
Heilongjiang Zijin Copper Co., Ltd.	Refined copper	100%	4,334.26	1,091.78	6,883.17	66.65
<b>Other segments</b>						
<b>Company name</b>	<b>Mine</b>	<b>Interest held by the Group</b>	<b>Total assets</b>	<b>Net assets</b>	<b>Operating income</b>	<b>Net profit</b>
Xinjiang Jinbao Mining Co., Ltd.	Iron ore	56%	2,249.57	1,348.81	1,898.12	935.22
Fujian Makeng Mining Co., Ltd.	Iron ore	41.50%	4,669.72	1,460.24	1,603.12	287.73

Notes:

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

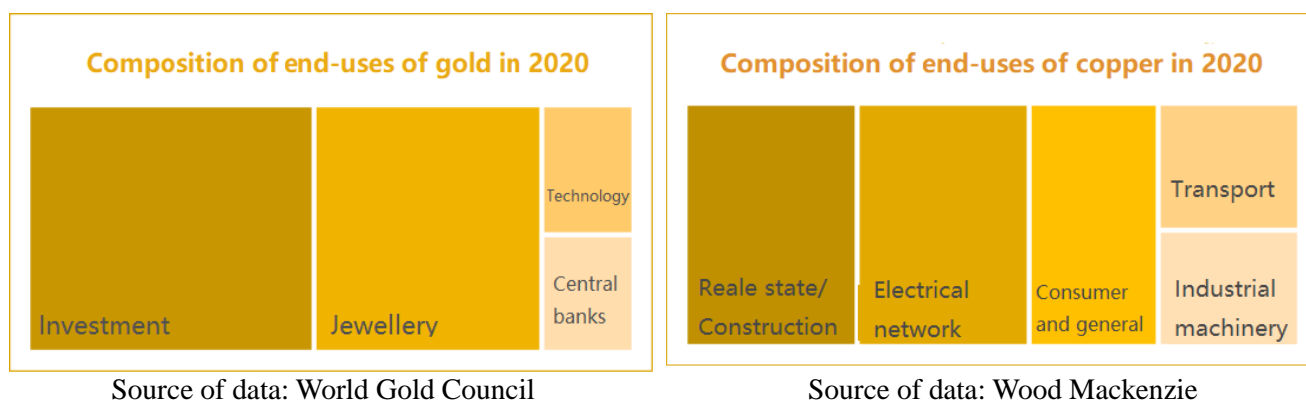
### III. Discussion and analysis on the Company's future development

#### (I) Landscape and development trend in the industry

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

#### Major markets as a favourable driver

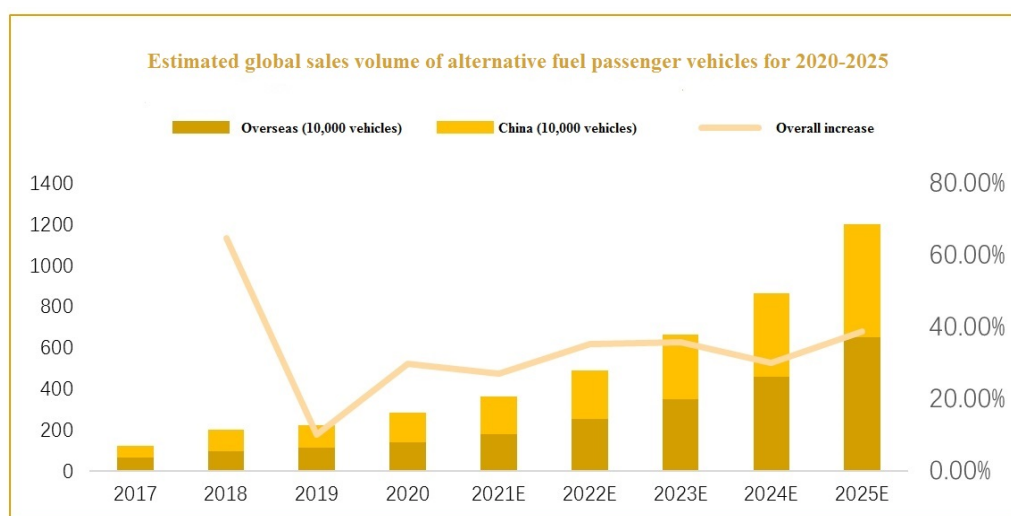
The Company's main products include gold, copper, zinc and so on, among which, gold products are mainly consumed in international reserve, finance and trade, jewellery and ornaments, and in a wide range of industrial and scientific uses including electronic technology, communication technology, aerospace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



### Emerging industries as a favourable driver

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

Copper is indispensable for energy revolution, electrification and intellectualisation.



### Projections for the trends of key metal products:

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

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

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

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

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

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

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

**2. Key measures:** establish a compliant and efficient organisation and structure and fully enhance corporate governance; deepen reform and fully develop a streamlined, compliant and efficient global operation and management system; prioritise resources and push ahead vigorously for merger, acquisition and consolidation of strategic assets as well as geological prospecting; achieve leaping growth and push forward the conversion of resource advantage to economic and social benefits; step up self-development capacity and attain a leading position globally in mining technology and engineering; reinforce self-development capabilities and build a global digital supporting platform, strengthen integration between industry and finance and complete the building of an advanced capital value system; converge with international standards

to develop a comprehensive environmental, social and governance (ESG) system; focus on value creators and build a talent team with global exposure and high calibre; extensively promote the excellent culture of Zijin and fully enhance the Company's soft power in terms of global competition.

### 3. Details of planned indicators

**Planned production volume indicators of major mineral products**

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

Notes:

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

### (III) Business plan

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

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

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

#### 2. Key business strategies for 2021

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

#### Deepen reform

##### --Build a globalised operation and management system from a global perspective

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

##### --Attach importance to research and development capacity upgrade and develop a globalised

### **information and digital platform**

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

### **--Enhance governance structure and foster the culture and soft power vital for global competition**

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

### **Leaping growth**

#### **--Complete the construction of major projects, secure leaping growth by ensuring projects commence and reach designated capacity as planned**

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

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

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

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

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

### **Sustainable development**

#### **--Insist on giving priority to resources and increase the resources reserve volume of strategic minerals**

The Company shall take a global view in its mineral resource allocation strategy, boost its efforts in

geological prospecting, draw plans for and strive to realise prospecting breakthroughs in crucial metallogenic belts of the host countries at which the Company's key projects are based, and raise the volume of minerals which the Company owns.

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

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

### **--Adhere to value creation principle and enhance the global human resources system**

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

## **(IV) Possible risks**

### **1. Risk management system of the Company**

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

<b>Key areas of risk management and control</b>	
<b>Risk identification category</b>	<b>Risk assessment focus</b>
Strategy	Macro environment, geopolitics, strategy formulation, strategy execution
Resources	Geological exploration, merger and acquisition of resources, deterioration of resources, licences and permits
Production and operation	Production capacity and production volume, major project construction, cost control, operating performance
Financial management	Liquidity, asset quality, profitability, tax burden
Supply chain	Prices of major metal products, sales and supplier management, procurement costs, contractual terms
Employees	Talent introduction and training, localisation, diversity, non-discrimination, labour relations, performance management
Health & safety	Production safety, occupational health, physical and mental health, emergency plan
Environment, climate	Human rights, community development, climate change, greenhouse gas emission and

change and community	energy, land use, use of water resources, biodiversity
Technological innovation	Core technology, independent engineering capabilities, information automation, technology and information security
Policy and culture	Organisational structure, management efficiency, system establishment, cross-cultural management
Stakeholder management	Stakeholder relations, business ethics, compliance, risk management and insurance, competition, law and regulation
Emerging risks	Others

## 2. Possible risks in 2021

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

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



Cross-cultural management and stakeholders	The Company has a wide range of overseas investment projects, and the level of political, economic, social and cultural development varies greatly from country to country. Some underdeveloped countries or regions may have certain geopolitical risks, policy adjustment risks, and community risks.	Adhere to the concept of “mutual development”, establish closely connected multicultural groups, and build a business ecosystem of co-dependence, coexistence 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 early warning and precaution against security risks, establish a sound legal risk prevention and resolution mechanism, and form a set of emergency response strategies and management systems for politics, public security, environmental protection, community, public opinion, etc.
Financial market	The Company carries out investment and operation activities globally and holds a certain amount of marketable securities and assets denominated in foreign currencies. If relevant interest rates, exchange rates, stock prices, etc. fluctuate significantly, the Company’s production and operation may be under certain pressure.	Improve and perfect the financial management system, set up a steering team for financial business to carry out follow-up management, continue to take full advantage of domestic and foreign financial investment platforms, strengthen relevant identification, prediction and response capabilities, and improve the pertinence, foresightedness and depth of management and control.  Optimise asset and liability structure, proper use of functional currency-denominated settlement mechanism, and use relevant capital and financial instruments appropriately and in a timely manner to hedge against relevant risks.
International rules and standards application	The Company actively participates in the global mining market competition, and carries out production and operation in accordance with international rules and international standards. If there are major changes in the relevant rules and standards, the Company’s production and operations may be under certain pressure.	Make use of global thinking and global vision to fully implement the overall plan for deepening reform, build a highly adaptive global operation and management system, and conduct in-depth research on international laws and regulations, ethics and compliance obligations, and political environment.  Actively carry out research on important technical standards, and realise the effective convergence of core indicators such as resources reserve volume with the NI 43-101 standard or JORC standard and other widely-accepted international standards.

## (V) Others

The special mining licence of the Porgera Gold Mine, which is a joint operation between the Company and Barrick Gold Corporation (“Barrick”) in Papua New Guinea, expired in August 2019. On 24 April 2020, the Papua New Guinean Government announced that it decided not to approve the extension application of the special mining licence of the Porgera Gold Mine. Production of the Porgera Gold Mine suspended in April 2020. At present, the two parties are carrying out negotiation over the extension of the special mining licence. The suspension of production of the Porgera Gold Mine affects the Company’s gold production volume to a certain extent. The Company will fulfill its information disclosure obligation in time according to the subsequent development of the negotiation. For details, please refer to the Company’s announcements disclosed on HKEXnews website (<http://www.hkexnews.hk>) dated 26 April 2020 and 10 July 2020.

2. During the reporting period, international credit rating companies including S&P Global Ratings, Fitch Ratings Inc. and Moody’s Investors Service issued updated credit rating reports on the Company respectively. The credit ratings on the Company and its guaranteed senior unsecured notes were lowered as a result of the

Company's acquisitions, which increases its debts and cash payments due to capital expenditure for construction, and thereby elevated its leverage and reduced its liquidity. The Company considers that the elevated leverage relating to the adjustment on the credit ratings is temporary, and will not cause any substantial impact on the Company's production and operation. The Company will push forward constructions of key projects such as the Kamo-Kakula Copper Mine, the Čukaru Peki Copper Mine and the Qulong Copper Mine proactively, accelerate the conversion of advantage in resources to advantage in efficiency. As the production capacities of gold and copper are being released continuously, the strong operating cash flows and repayment capacity will substantially lower the Company's leverage. For details, please refer to the announcements disclosed on HKEXnews website (<http://www.hkexnews.hk>) dated 14 July 2020, 20 July 2020 and 13 August 2020 respectively.

## **SIGNIFICANT MATTERS**

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

#### **Formulation, execution or adjustment of cash dividend distribution policy**

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

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

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

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

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

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

Unit: RMB

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

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

#### **Performance of undertakings**

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

Background of the undertaking	Type of the undertaking	Undertaking parties	Contents of the undertaking	Time of undertaking and its validity period	Whether there is validity period	Whether the undertaking has been strictly complied with
Undertaking related to the initial public offering	Avoidance of competition within the same industry	Minxi Xinghang State-owned Assets Investment Co., Ltd.	During the period of being the substantial shareholder of the Company, Minxi Xinghang and its wholly-owned or controlling enterprises will not engage in any business that is in competition with or constitutes a competitive threat to the Company's main businesses or main products within or outside the PRC, including investing, acquiring, merging or entrusting to operate and manage locally or globally a company, business or other economic association which has a main business or product same as or similar to that of the Company. If the Company develops any new business segment in the future, the Company will have the priority	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

			to enter into that business industry while Minxi Xinghang and its other wholly-owned or controlling enterprises will not develop in the same business segment.			
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**Details of share incentive scheme, employee stock ownership scheme or other employee incentive measures and their impacts**

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

<b>Summary of the event</b>	<b>Index for details</b>
<p>The Company started to implement the restricted A Share incentive scheme from November 2020. The source of the shares is the Company's A Shares issued specifically by the Company to the participants. It was proposed that a maximum of 100,000,000 A Shares may be issued to the participants, accounting for approximately 0.39% of the Company's total share capital as at the announcement date of the Restricted A Share Incentive Scheme (Draft). The participants included the Directors, senior and middle-level management, senior technical personnel, outstanding youth talents, highly educated talents and other employees whom the Company considers to have a direct impact on the Company's operating results and future development. The grant price was RMB4.95 per A Share.</p> <p>After completion of all required approvals and authorisation procedures, the Company issued the restricted A Shares to the participants under the first grant on 13 January 2021. The Company completed the registration of shares under the first grant at China Securities Depository and Clearing Company Limited Shanghai Branch on 28 January 2021. The total number of A Shares granted under the first grant was 95,980,600 and the number of participants who were granted the restricted A Shares under the first grant was 686.</p>	<p>For details, please refer to the Company's announcements disclosed on HKEXnews website (<a href="http://www.hkexnews.hk">http://www.hkexnews.hk</a>) dated 17 November 2020, 20 November 2020, 11 December 2020, 22 December 2020, 29 December 2020, 11 January 2021, 13 January 2021 and 1 February 2021.</p>
<p>The lock-up period of the A Shares held by phase 1 of the employee stock ownership scheme of Zijin Mining (the "Employee Stock Ownership Scheme") expired, and those A Shares were listed and became tradable on 8 June 2020 (the listing and trading date was extended by one day from 7 June 2020, which was not a trading day). Besides, for the purposes of meeting the requirements of shareholding reduction provisions on non-public issuance of shares and protecting the interests of holders of the Employee Stock Ownership Scheme, and given the confidence in the continuous growth of the Company's operating results in the future, at the second meeting of holders of the Employee Stock Ownership Scheme and the ninth extraordinary meeting in 2020 of the seventh term of the Board, it was considered and approved that the duration of the Employee Stock Ownership Scheme will be extended from 48 months to 72 months, i.e., to be extended to 6 June 2023.</p>	<p>For details, please refer to the Company's announcements disclosed on HKEXnews website (<a href="http://www.hkexnews.hk">http://www.hkexnews.hk</a>) dated 8 June 2020 and 28 May 2020.</p>

**Material connected transactions****Connected transactions related to daily business operation****Matters which have been published in provisional announcements and without further progress or changes in subsequent implementation**

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

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

**Details of convertible corporate bonds****Details of issuance of convertible bonds**

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

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

**Changes in ordinary share capital****Table on changes in ordinary share capital**

Unit: Share

	Before the changes		Changes (+ or -)					After the changes	
	Number of shares	Proportion (%)	Issuance of new shares	Bonus shares	Conversion of capital reserve into share capital	Others	Subtotal	Number of shares	Proportion (%)
I. Shares subject to trading moratorium	418,553,054	1.65	0	0	0	-418,553,054	-418,553,054	0	0
1. Shares held by state-owned legal persons	289,389,067	1.14	0	0	0	-289,389,067	-289,389,067	0	0
2. Shares held by other domestic shareholders	129,163,987	0.51	0	0	0	-129,163,987	-129,163,987	0	0
Including: Shares held by domestic non-state owned legal persons	129,163,987	0.51	0	0	0	-129,163,987	-129,163,987	0	0

Shares held by domestic natural persons	0	0	0	0	0	0	0	0	0
II. Shares not subject to trading moratorium	24,958,706,892	98.35	0	0	0	+418,553,054	+418,553,054	25,377,259,946	100
1. Renminbi-denominated ordinary shares	19,221,766,892	75.74	0	0	0	+418,553,054	+418,553,054	19,640,319,946	77.39
2. Overseas-listed foreign invested shares	5,736,940,000	22.61	0	0	0	0	0	5,736,940,000	22.61
III. Total number of ordinary shares	25,377,259,946	100	0	0	0	0	0	25,377,259,946	100

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

### Issuance and listing of securities during the reporting period

#### Issuance of securities during the reporting period

Unit: RMB

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

## Information of corporate bonds

### Basic information of corporate bonds

Unit: RMB billion

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

### Settlement of interests and principals of the corporate bonds

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

### Use of proceeds raised from corporate bonds

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

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

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

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

Unit: RMB

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

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

**Changes in the Company’s Directors, Supervisors and senior management**

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

For the composition of the Directors, Supervisors and senior management, please refer to the Company’s 2020 annual report.

**Details of the shareholders’ general meetings**

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



The second extraordinary general meeting and class meetings in 2020	20 July 2020	www.hkexnews.hk	20 July 2020
The third extraordinary general meeting and class meeting in 2020	29 December 2020	www.hkexnews.hk	29 December 2020

### **Purchase, sale or redemption of listed securities of the Company**

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

### **Corporate Governance**

As required by provision A.1.8 of Appendix 14 Corporate Governance Code and Corporate Governance Report to the Listing Rules (the "CG Code"), an issuer should arrange appropriate insurance cover in respect of potential legal action against its directors. The Board currently considers that the Company and the Board have adopted sufficient measures to prevent the Directors from committing errors and minimise the risk in claims against the Directors. Therefore, the Company has not made any relevant insurance arrangement at this stage. However, the Board will review the policy of insurance from time to time and may arrange insurance later. As required by provision F.1.3 of the CG Code, an issuer's company secretary should report to the board chairman and/or the chief executive. The Board considers that the company secretary in Hong Kong reporting to the secretary to the Board is more suitable to meet the management needs of the Group and it enables a unified management of all listing-related matters in Hong Kong and Mainland China.

Save as disclosed above, for the year ended 31 December 2020, the Board confirmed that the Group has adopted and complied with the provisions of the CG Code and has followed most of its recommended best practices with no deviation (for details, please refer to the Company's 2020 annual report).

### **Independent Non-executive Directors**

The Company 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 appointed six independent non-executive Directors and one of them possesses accounting and related financial management expertise. Brief biographies of the independent non-executive Directors have been provided in the Company's 2020 annual report.

### **Securities transactions by the Directors and Supervisors**

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

### **Shareholdings of the Directors and Supervisors in the Company**

As at 31 December 2020, Mr. Chen Jinghe, an executive Director and the chairman of the Board, held 62,000,000 A Shares and 20,000,000 H Shares; Mr. Lan Fusheng, an executive Director and vice-chairman, held 7,730,510 A Shares; Mr. Zou Laichang, an executive Director and president, held 1,623,050 A Shares; Mr. Lin Hongfu, an executive Director, held 978,938 A Shares; Ms. Lin Hongying, an executive Director, held 227,000 A Shares; Mr. Xie Xionghui, an executive Director, held 149,000 A Shares; Mr. Lin Shuiqing, a Supervisor, held 300,000 A Shares; Mr. Liu Wenhong, a Supervisor, held 26,450 A shares and 10,000 H Shares; and Mr. Cao Sanxing, a Supervisor, held 124,000 A Shares.

### **Audit and internal control committee**

The audit and internal control committee of the Board has reviewed the Group's financial report for the year ended 31 December 2020 and further discussed the auditing, internal control and financial reporting matters. The audit and internal control committee considers that the Group's financial report for the year ended 31 December 2020 is compliant with the applicable accounting standards and relevant laws and regulations and

has made sufficient disclosure.

## Appointment and dismissal of auditors

Unit: RMB million

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

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

## Important events after reporting period

- 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 authorisation to the Board of Directors to handle all the matters relating to the Restricted A Share Incentive Scheme for 2020 of the Company were considered and approved at the Company's third extraordinary general meeting in 2020 and third A Shareholders' Class Meeting in 2020. On 11 January 2021, the abovementioned proposals were considered and approved at the Company's third H Shareholders' Class Meeting in 2020.

Pursuant to the authorisation to the Board under the proposal in relation to authorisation to the Board of Directors to handle all the matters relating to the Restricted A Share Incentive Scheme for 2020 of the Company which was considered and approved at the Company's third extraordinary general meeting in 2020, third A Shareholders' Class Meeting in 2020 and third H Shareholders' Class Meeting in 2020, the proposal in relation to the grant of restricted A Shares to the participants under the first grant was considered and approved at the Company's first extraordinary meeting in 2021 of the Board of the seventh term and the first extraordinary meeting in 2021 of the Supervisory Committee of the seventh term on 13 January 2021. The grant date of the Company's restricted A Shares granted under the incentive scheme was determined to be 13 January 2021. It was proposed that 97,490,000 restricted A Shares shall be granted to 697 participants at a grant price of RMB4.95 per A Share.

On 28 January 2021, the Company completed the registration of shares at China Securities Depository and Clearing Company Limited Shanghai Branch. 95.9806 million restricted A Shares were granted to 686 participants, and the listing date of such shares was 29 January 2021.

- In March 2021, Julong Copper (as the borrower) entered into a syndicated loan agreement with a syndicate comprising the Bank of China Tibet Autonomous Region Branch (both as the lead manager and agent bank) and 6 other banks, pursuant to which the principal amount of the loan shall not be more than RMB10.3 billion and shall be used in the mining and processing project of the Qulong Copper and Polymetallic Mine. The term of the loan is 12 years from the first drawdown date of the loan and the interest rate is the quoted rate in the loan market for loans of 5 years or longer term minus 200 basis points. The abovementioned loan was secured by the following assets: not more than 50% of the assessed values of the mining rights of the Qulong Copper and Polymetallic Mine and the Zhibula Copper and Polymetallic Mine, 50% of the assessed value of the exploration right of Rongmucuola, as well as 30% of the assessed values of machinery and equipment. The Company also acted as a surety of joint and several liability for a surety amount that is above the loan balance.
- On 19 March 2021, pursuant to the profit distribution plan proposed by the Board, a final cash dividend of RMB1.2 per 10 shares (tax included) is proposed to be paid to the Company's shareholders on the record date (as the date specified in the profit distribution implementation announcement for the year ended 31 December 2020) who are qualified for participating in profit distribution. If, within the period from the date of this announcement to the record date for implementing distribution of entitlement, the Company's total share capital changes as a result of conversion of the convertible corporate bonds into shares or repurchase and cancellation of the A Shares granted under the restricted A Share incentive

scheme, it is proposed that the amount of cash dividend per share shall remain unchanged and that the total amount of distribution shall be adjusted accordingly. The Company will also make separate announcements regarding the details of adjustment. The aforesaid matters are subject to consideration and approval at the shareholders' general meeting.

Save as disclosed above, there was no important event affecting the Group which has occurred during the period after the reporting period and up to the date of this announcement.

**The future operation and financial figures (if any) in this announcement 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 announcement 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 the announcement 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 announcement, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.**

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

**Investors and shareholders are advised by the Board to exercise caution when dealing in the securities of the Company.**

#### **Definition**

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

A Share(s)	The domestic share(s) issued by the Company to domestic investors with a nominal value of RMB0.10 each, which are listed on the Shanghai Stock Exchange
Altynken	Altynken Limited Liability Company, a subsidiary of the Company
Aurora	AGM Inc., a wholly-owned subsidiary of the Company
Bayannur Zijin	Bayannur Zijin Non-ferrous Metals Co., Ltd., a subsidiary of the Company
Bisha	Bisha Mining Share Company, a subsidiary of the Company
Board, Board of Directors	The board of Directors of the Company
CAD	Canadian dollar, the lawful currency of Canada
Chemicals Co.	Fujian Zijin Mineral Processing Chemicals Co., Ltd., a subsidiary of the Company
COMMUS	La Compagnie Minière de Musonoie Global Société par Actions Simplifiée, a subsidiary of the Company
Company, Group, Zijin, Zijin Mining	Zijin Mining Group Co., Ltd.*
Continental Gold	Continental Gold Limited Sucursal Colombia, a subsidiary of the Company
CSRC	China Securities Regulatory Commission
Čukaru Peki Copper and Gold Mine	The Čukaru Peki Copper and Gold Mine held by Serbia Zijin Mining Doo (formerly known as the Timok project), divided into the Upper Zone and the Lower Zone
Director(s)	The director(s) of the Company
DR Congo	The Democratic Republic of the Congo
Ernst and Young	Ernst & Young Hua Ming LLP
Fujian Makeng	Fujian Makeng Mining Co., Ltd., an associate of the Company
Guizhou Zijin	Guizhou Zijin Mining Co., Ltd., a subsidiary of the Company
Guyana Goldfields	Guyana Goldfields Inc., a wholly-owned subsidiary of the Company

H Share(s)	The overseas-listed foreign invested share(s) in the Company's share capital, with a nominal value of RMB0.10 each, which are listed on the Hong Kong Stock Exchange
HKD	Hong Kong dollar, the lawful currency of Hong Kong
Hong Kong	the Hong Kong Special Administrative Region of the PRC
Hong Kong Stock Exchange	The Stock Exchange of Hong Kong Limited
Heilongjiang Duobaoshan	Heilongjiang Duobaoshan Copper Industry Inc., a wholly-owned subsidiary of the Company
Heilongjiang Zijin Copper	Heilongjiang Zijin Copper Co., Ltd., a wholly-owned subsidiary of the Company
Hunchun Zijin	Hunchun Zijin Mining Co., Ltd., a wholly-owned subsidiary of the Company
Ivanhoe	Ivanhoe Mines Ltd.
Julong Copper	Tibet Julong Copper Co., Ltd., a subsidiary of the Company
Kamoa	Kamoa Holding Limited
Listing Rules	The Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
Longnan Zijin	Longnan Zijin Mining Co., Ltd., a subsidiary of the Company
Longxing	Longxing Limited Liability Company, a subsidiary of the Company
Luoyang Kunyu	Luoyang Kunyu Mining Co., Ltd., a subsidiary of the Company
Malipo Tungsten Group	Wenshan Malipo Zijin Tungsten Group Co., Ltd., a subsidiary of the Company
Minxi Xinghang	Minxi Xinghang State-owned Assets Investment Company Limited, a substantial shareholder of the Company
Neimenggu Golden China	Neimenggu Golden China Minerals Inc., a wholly-owned subsidiary of the Company
Norton	Norton Gold Fields Pty Limited, a wholly-owned subsidiary of the Company
Porgera	Barrick (Niugini) Limited, a company under joint operation of the Company
PRC or China	The People's Republic of China but for the purpose of this announcement, excludes Hong Kong SAR, Macau SAR and Taiwan
Qinghai West	Qinghai West Copper Co., Ltd., a wholly-owned subsidiary of the Company
RMB	Renminbi, the lawful currency of the PRC
Serbia Zijin Copper	Serbia Zijin Copper Doo Bor, a subsidiary of the Company
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
Tibet Zijin	Tibet Zijin Industrial Co., Ltd., a wholly-owned subsidiary of the Company
Urad Rear Banner Zijin	Urad Rear Banner Zijin Mining Co., Ltd., a subsidiary of the Company
USD	United States dollar, the lawful currency of the United States of America
Wuping Zijin	Wuping Zijin Mining Co., Ltd., a subsidiary of the Company
Xinjiang Ashele, Ashele Copper	Xinjiang Habahe Ashele Copper Co., Ltd., a subsidiary of the Company
Xinjiang Jinbao	Xinjiang Jinbao Mining Co., Ltd., a subsidiary of the Company
Xinjiang Zijin Zinc, Zijin Zinc	Xinjiang Zijin Zinc Co., Ltd., a wholly-owned subsidiary of the Company
Xinjiang Zijin Non-ferrous	Xinjiang Zijin Non-ferrous Metals Co., Ltd., a wholly-owned subsidiary of the Company
Yuanyang Huaxi	Yuanyang Huaxi Gold Co., Ltd., a subsidiary of the Company
Zeravshan	Joint Venture Zeravshan Limited Liability Company, a subsidiary of

	the Company
Zijin Copper	Zijin Copper Co., Ltd., a wholly-owned subsidiary of the Company
Zijin Jiabo	Shanghang Zijin Jiabo Electronics New Material Technology Co., Ltd., a subsidiary of the Company
Zijin Mining & Metallurgy Technology	Xiamen Zijin Mining and Metallurgy Technology Co., Ltd., a wholly-owned subsidiary of the Company
Zijin Testing	Fujian Zijin Mining and Metallurgy Testing Technology Co., Ltd., a wholly-owned subsidiary of the Company

As at the date of this announcement, the Board of Directors of the Company comprises Messrs. Chen Jinghe (Chairman), Lan Fusheng, Zou Laichang, Lin Hongfu, Ms. Lin Hongying and Mister Xie Xionghui as executive directors, Mister Li Jian as non-executive director, and Messrs. Zhu Guang, Mao Jingwen, Li Changqing, He Fulong, Suen Man Tak and Bo Shao Chuan as independent non-executive directors.

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

19 March 2021, Fujian, the PRC

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